INTERIM REPORT 2025

Chinasoft International Limited
中軟國際有限公司*

Incorporated in the Cayman Islands with Limited Liability
Stock Code: 0354

* for identification purpose only

Results for the first half of 2025

Income statement highlights	For the six months ended 30 June 2025 (unaudited) RMB'000	2024 (unaudited) RMB'000	% Change
Revenue	**8,506,642**	7,926,183	7.3%
Service revenue	**8,248,232**	7,647,920	7.8%
Profit before taxation	**348,946**	295,834	18.0%
Profit for the period	**315,031**	285,353	10.4%
Profit attributable to Owners of the Company	**315,563**	285,720	10.4%
Basic EPS (RMB cents)	**12.64**	10.93	15.6%

- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025.
- No closure for the Register of Members of the Company.

Dear Investors,

AI technology is driving industrial paradigm innovation at an unprecedented pace. In this transformation, we firmly believe that only by mastering "root technologies" can we solve "root problems" and thus create lasting value. As the process of domestic substitution accelerates comprehensively, the full-stack restructuring of the industrial chain from chips to applications has brought us unprecedented opportunities for reshaping. The battlefield of software services has expanded from the "last mile" of traditional IT delivery to the "last 100 miles" of AI-native co-creation, opening up a vast incremental space.

I. STRATEGIC LAYOUT

We are unswervingly advancing the full-scenario AI strategy, focusing on the "1+3" core tracks: cloud intelligence foundation, intelligent agent and model workshop services, ERP consulting implementation and digital transformation services, and HarmonyOS AIoT and digital twins. So far, the company has invested over RMB2.5 billion in the above fields, including RMB1.5 billion in business investment and RMB1 billion in financial investment, basically completing the strategic layout and establishing a significant first-mover advantage. We continue to deepen our presence in key basic industries such as power energy, finance, and transportation, orienting ourselves to the real needs of "strategic core excellence" customers, increasing the density of talent and capital investment, and building a full-scenario, full-stack AI product, solution, and service system.

On this basis, we are actively exploring new paradigms under the AI-native architecture. For example, we abstract the Ontology layer, connect to the super object model of IoT sensors in the field of production and operation, and connect to ERP systems in the field of operation and management to obtain high-quality and credible business data, laying a data foundation for large models to understand business. On this basis, we complete semantic governance and knowledge weaving, reconstruct intelligent SOP, express "dynamic" management through the "dynamic" system of AI-native applications, and continuously create enterprise-level value.

II. STRATEGIC COOPERATION MILESTONES

This year marks the 8th anniversary of our "marching together in the same boat" strategic cooperation with Huawei Cloud. Over the past eight years, we have always aligned with Huawei's strategy, and the scale of cooperation has achieved a 100-fold growth. As Huawei's leading capability-based partner, our cooperation has covered all fields such as cloud, HarmonyOS, Ascend, enterprise core business systems, Gauss, and Euler, establishing organizational-level strategic synergy and in-depth mutual trust. Huawei Cloud will continue to provide us with strong support in strategic resource matching, technical capability development, and market collaborative expansion, to jointly achieve balanced development of scale growth and healthy profitability.

III. PROGRESS IN CORE BUSINESSES

During the reporting period, the company achieved operating income of RMB8.507 billion, with full-scenario AI revenue reaching RMB0.656 billion and net profit of RMB0.315 billion. Our cornerstone businesses have stabilized and rebounded, full-scenario AI has developed vigorously, and transformation and upgrading have advanced steadily.

1. CLOUD INTELLIGENCE FOUNDATION: BUILDING AN AI-NATIVE DIGITAL INTELLIGENCE BASE

The in-depth application and services of AI have increasingly become the main driver of cloud resource utilization. To this end, the company has integrated cloud and computing power into a coordinated development plan. During the reporting period, we maintained our leading position in the Huawei Cloud ecosystem, with cloud sales performance and ecosystem share remaining first. The Company has fully built a service system and capabilities covering "cloud sales, cloud services, and AI enablement," becoming the partner with the most certifications for Huawei Cloud's CTSP (Cloud Transformation Service Provider) capability labels. Our one-stop cloud migration solutions cover multi-cloud environments to ensure smooth business transitions, and the Company has achieved efficient full-cycle management of software development through CodeArts platform toolchain services. The Company has deepened engagement with large enterprise (NA) customers, built a system for continuous operation of cloud services, and deeply participated in end-to-end digital transformation and full-scenario AI applications for clients, achieving incremental sales. Leveraging infrastructure upgrades such as Huawei Cloud's CloudMatrix384 super nodes, the Company has actively participated in the construction of computing power centers, demonstrating the unique advantages of Ascend through underlying engineering services. Through in-depth cooperation with SiliconFlow, the Company has enhanced the adaptability of the Ascend chip base by integrating computing power acceleration with full-stack AI services. The Company has also built our own technology innovation center and computing power center (AILab), creating a full-stack AI-POC environment that provides low-threshold model training, rapid deployment of intelligent agents, and full-lifecycle services.

2. INTELLIGENT AGENTS AND MODEL WORKSHOP: BREAKTHROUGHS IN AI-R1 SERIES PRODUCTS

The company proudly launched the AI-R1 end-to-end full-stack product series, serving AI Native innovations such as edge intelligence, high-quality datasets, intelligent agent application development, and empowerment of digital intelligence transformation. These products provide enterprises with comprehensive intelligent solutions covering everything from perception to decision-making. The Company continue to enrich and accumulate full-scenario Agents in key industries. Through atomic-level tasks and molecular-level intelligent agents, the Company conducts developed industry-specific applications under the R1 product series, which are further integrated into industry intelligent solutions. Over 300 AI projects have been implemented in manufacturing, healthcare, finance, energy, transportation, and government scenarios. With intelligent software factories and model workshops as the main service carriers, and based on platforms such as industry technology innovation centers and joint laboratories, the Company conducts technological pre-research and scenario-based pilots, build key advanced capabilities such as data semantic governance, and break through critical links such as semanticization of multi-modal heterogeneous data. By connecting the semantic layer, operation layer, kinetic layer, and decision-making layer, the Company helps clients build collaborative Agent or Agent clusters to achieve iterative enhancement of models. The Company has also actively collaborated with Huawei to build product capabilities, becoming the first to win the bid for Huawei Cloud's AI Native Application Engine project, with multiple self-developed Seek Series products listed on the Huawei Cloud Marketplace.

3. HARMONYOS AIOT AND DIGITAL TWINS: RESTRUCTURING THE IOT ECOSYSTEM

Based on the KaihongOS Meta platform, the company has built an intelligent interconnection of everything OS with human-machine interaction and an innovative core, unifying the object model of intelligent terminals and transforming sensor clusters into a super object model. On this basis, the Company has developed a solution matrix for "national key infrastructure and urban emerging applications." In the field of national key infrastructure, we have participated in the formulation of standards such as Zhanhong (smart warfare) and Dianhong (smart electricity); in the field of urban emerging applications, the Company has actively engaged in the construction of "HarmonyOS Cities" in Xi'an, Jinhua, Shenzhen, etc., with breakthroughs achieved in Luhong (smart transportation), Xiaofanghong (smart fire protection), and Jianhong (smart construction). As an urban partner in Xi'an, the company has established the first HarmonyOS Nearlink technology adaptation and product development center in the city, leading the construction of Xi'an's "HarmonyOS City" and implementing the Luhong smart transportation solution to comprehensively enhance the intelligence level of urban governance. The country's first open-source HarmonyOS robot operating system, M-Robots OS, jointly developed by our company and Shenkaihong, has been officially open-sourced. It is gradually releasing key capabilities to promote the integration of the robotics ecosystem. In addition, the company is accelerating the development and migration of HarmonyOS single-framework native applications, deeply participating in Huawei's battle to achieve the goal of 100,000 applications in the HarmonyOS ecosystem, and injecting new vitality into it. Together with Shenkaihong, the company has contributed over 5.6 million lines of code to the main repository of the OpenHarmony community, maintaining its position as the top ecological vendor outside Huawei.

4. ERP CONSULTING AND IMPLEMENTATION: INNOVATION IN AI-NATIVE PARADIGMS

Based on standard products for enterprise core business systems, the company has developed the "Yangfan R/7 Enterprise Core Management System – Energy and Power Industry Distribution Solution" for the energy and power sector, which has been successfully listed on the Huawei Cloud Marketplace. As the first service provider (other than Huawei) to offer consulting and implementation services for enterprise core business systems to clients, the Company has accumulated consulting experts from top 6 firms, industry specialists, and ERP product architects in the field of enterprise digital transformation. Focusing on the energy and power industry, with pilot projects as the driver, the Company has expanding services such as pre-research on ERP domestic substitution and prototype verification. Aligning with Huawei, the Company has established five capability centers to conduct technical research for frontline operations and achieve end-to-end capability integration. For large-scale project delivery, combined with MetaERP development replacement and SaaS practices, the Company has formed a customer-oriented, unified R/7 capability framework and operation map, and accumulated the "CDM for Meta" methodology system. Based on the 4A architecture AI-native R1-EIMOS digital transformation support platform, through model and process orchestration, it supports outside expansion and peripheral system development. The product integration verification includes self-developed switching, integration, and migration toolchains. The Company has jointly built an enterprise core business system laboratory with Huawei to create an innovation testbed.

5. OVERSEAS LAYOUT: ECOSYSTEM CO-CONSTRUCTION

The company focuses on countries along the "Belt and Road Initiative," seizing opportunities to build a second-tier Eastern ecosystem amid geopolitical dynamics. With Hong Kong as a hub, the Company adopts dual-drive model of "technology going global + ecosystem localization" to build a global service system covering the Asia-Pacific and Middle East regions. The Company continues to serve clients in key global regions with capabilities in data platforms, cloud native, and AIGC, accelerating the overseas expansion of finance, power, government cloud, and HarmonyOS businesses. The smart venue integrated solution for Hong Kong Kai Tak Sports Park was unveiled alongside the park's opening and designated as a global demonstration center. The CDIP project for the Hong Kong Police Force has set a benchmark for government-controlled IT systems, and efforts are underway to promote its replication following the release of Hong Kong's critical infrastructure regulations. We completed the development of the LCSD e-tree management system for the Leisure and Cultural Services Department of Hong Kong. The company has refined the Hong Kong Electric distribution zone pilot project into an IDC power distribution network solution for overseas expansion. In Southeast Asia, we assisted Indonesia's Telkom in upgrading its cloud native architecture. In the Middle East, Joint Advanced Technologies continues to serve the digital infrastructure of NEOM, Saudi Arabia's new future city. The Company signed a memorandum with Huawei to deepen cooperation in the Middle East and Central Asia, joining the "China-ASEAN Alliance for the Middle East and Central Asia" and the "Digital-Intelligent Integration Ecosystem Alliance."

6. CORNERSTONE BUSINESSES: STRUCTURAL OPTIMIZATION FOR QUALITY AND EFFICIENCY

The company continues to optimize its customer structure, focusing on developing new clients among central state-owned enterprises, pan-terminal enterprises, and leading players in key industries. The Company is also refining our talent structure to meet emerging AI job demands: the Company deepens analysis of roles such as AI data engineers, AI technical engineers, AI algorithm engineers, and AI solution experts; refine job dictionaries; add skill tags to positions; improve the talent ranking system; dynamically monitor and evaluate the alignment of existing human resources with industrial transformation; and establish mechanisms for AI talent recruitment and internal talent cultivation. Through training programs and talent circulation policies, the Company promotes talent transformation and structural optimization to expand a talent pool adapted to new needs. The Company has developed and continuously upgraded AI interview robots and training robots, built an AI interviewer talent pool, expanded recruitment channels, and steadily enhanced our ability to attract high-end talent. By empowering our digital intelligence team with AI tools and methodologies, the Company is establishing core competitiveness for future delivery paradigms.

IV. LOOKING AHEAD

Over eight years of marching together, the Company and our partners have created miracles in the cloud. On this new journey, the Company will continue to drive value creation through technological innovation. In the new era where AI reshapes industries, Chinasoft is ready: guided by the full-scenario AI strategy, the Company will join hands with all partners to usher in a new era of digital intelligence. Today marks a new start. Chinasoft sets sail again, embarking on another great rebirth!

Chairman of the Board of Directors
Chen Yuhong
August 2025

I. Full-Scenario AI Products and Services

In 2024, the company officially launched full-stack AI products and services. During the reporting period, the company has continuously enriched AI edge products, AI basic platforms, and AI enabling products, and continued to leverage its accumulated AI capabilities and advantages in various industries. This has further deepened the integration of AI technology with industry application scenarios, achieving a comprehensive upgrade to full-scenario AI products and services. These cover full-scenario platforms, tools, products, solutions, and services from edge-cloud to AI industry applications, forming an organic ecological closed loop.

In the field of AI edge products, the company has built a leading intelligent IoT digital base by leveraging KaihongOS + KaihongOS Meta, forming a full-scenario AI physical perception platform. Through super object models and Agent-based applications, it decouples hardware and software platforms, creating a new application paradigm. It has developed brand-new AI + HarmonyOS solutions in fields such as urban transportation, water conservancy and water supply, emergency fire protection, electric power energy, and expressways.

In the field of AI basic platforms, the company provides a digital intelligence base for AI implementation by leveraging cloud + computing power. Having collaborated with Huawei Cloud in a mutually beneficial partnership for eight years, the company's cloud intelligent business scale has continued to lead the Huawei Cloud ecosystem. As a cloud transformation service provider (CTSP), it has achieved the first market share in Huawei Cloud, and its HarmonyOS and Ascend adaptation model services are also in leading positions. During the reporting period, the company joined forces with SiliconFlow to launch a heavyweight enterprise-level solution covering the entire life cycle of AI.

In the field of AI-enabled products, the company has launched the R1-AgentDIM Platform, an intelligent agent construction, integration and operation platform, and the R1-EIMOS, a supporting platform for enterprises' digital and intelligent transformation. Through the collaboration of technology, ecology, and services, it has improved the AI large model reasoning efficiency and scenario implementation for industry customers, and continuously promoted the intelligent transformation of industries such as energy, automobile, and medical care.

In the field of AI industry applications, the company has focused on industries such as electric power energy, finance, government affairs, and manufacturing to create a variety of industry intelligent agent solutions. It has deeply integrated AI capabilities with the actual business scenarios of enterprises, achieving full-scenario coverage of AI applications.

In the field of AI-native ERP, the company launched the Yangfan R/7 ERP enterprise core operation management system distribution version for the energy and power industry, which has been listed on the Huawei Cloud Store. It has also further promoted strategic cooperation with central and state-owned enterprise digital technology companies, gaining a leading advantage in the nuclear power field.

During the reporting period, the company's full-scenario AI strategic transformation has achieved remarkable results. The revenue from full-scenario AI products and services has increased by 130% year-on-year, becoming a new engine driving the company's business growth.

1. HarmonyOS AIoT

During the reporting period, the company continued to deepen its "(1+1)xN" strategy, building the Kaihong secure digital base around KaihongOS and the super device management platform KaihongOS Meta. Through the decoupling of software and hardware, it comprehensively consolidated the independent and controllable capabilities of end-edge-cloud-network-application integration (both software and hardware), and accelerated the creation of a new paradigm for AI + HarmonyOS solutions. The company further promoted the implementation of the "national key infrastructure and urban emerging applications "solutions, and with the new model of "Urban Partner", assisted local municipal/district governments in building smart cities, resilient cities, and HarmonyOS cities. It also supported the HarmonyOS-based and intelligent upgrading of core scenarios in urban transportation, water conservancy and water supply, emergency fire protection, building parks, and other key fields.

1.1 HarmonyOS AI Native Operating System

As a leading distribution product based on OpenHarmony – the first full-scenario open-source operating system – KaihongOS is specifically designed for the era of the intelligent interconnection of everything. It adopts distributed soft bus technology to enable intelligent transformation and interconnection of devices. Its single-chip multi-core hybrid deployment technology ensures that both interrupt response and task switching delays are ≤1 microsecond, meeting microsecond-level hard real-time requirements in human-machine interaction, industrial control, aerospace, emergency response, and other fields. It is the first operating system in the OpenHarmony ecosystem to achieve hard real-time capabilities. During the reporting period, KaihongOS passed the hard real-time operating system test certification by China Telecommunication Technology Labs (CTTL) and China Academy of Information and Communications Technology (CAICT). It obtained the Level 4 certification in security testing by the Ministry of Public Security, and its LiteOS-M kernel achieved the nation's first CCRC EAL5+ security certification, thus establishing an industry-leading position in terms of security, stability, and real-time performance.

During the reporting period, Shenkaihong released M-Robots OS, the world's first distributed heterogeneous multi-machine collaborative robot operating system based on OpenHarmony. With a unified distributed architecture, it enables collaboration among multi-form robots, addresses the issue of fragmented industrial ecology, and facilitates the popularization of robots. The project "Software and Hardware System for Natural Human-Machine Interaction Oriented to Hybrid Intelligence" participated in by Shenkaihong was approved by the Ministry of Industry and Information Technology as a national key research and development program. It has made breakthroughs in interactive interface, perception computing management, and hybrid intelligent computing platform technologies, providing software and hardware support for the intelligent terminal industry. The "Guangdong OpenHarmony Intelligent Internet of Things Innovation Center" jointly built by the Company and Shenkaihong was selected into the preparation list of provincial-level manufacturing innovation centers. With KaihongOS as the core, it researches and develops common technologies and standardized solutions to lead the intelligent transformation of the manufacturing industry.

In terms of talent cultivation and community contributions, the Company and Shenkaihong have built Kaihong Intelligent Learning Classrooms through "KaihongOS + AI", realizing personalized teaching and refined management by combining AI large models. During the reporting period, the first batch of 38 "OpenHarmony Engineers" obtained the "KCA – Application Development Engineer" certification, marking a breakthrough in the school-enterprise cooperation education model. The Kaihong talent certification system covers application, driver, and system development directions, providing talents for the industry. In the OpenHarmony community, Chinasoft and Shenkaihong have contributed over 5.6 million lines of code to the main repository, ranking first in contribution rate among non-Huawei entities. They have been awarded the titles of Platinum Donor of the OpenAtom Foundation, Class A Donor of the OpenHarmony Project Group, and 100-Person Code Contribution Unit.

1.2 KaihongOS Meta Super Device Management Platform

The KaihongOS Meta Super Device Management Platform is an important component for OpenHarmony to exert its effectiveness. Combining the characteristics of flexible deployment and rapid access of KaihongOS, through KaihongOS device self-registration and super device dynamic networking, it realizes the dynamic deployment of IoT device protocol plug-ins and supports the rapid access of third-party and existing devices. KaihongOS + super thing model unifies data standards; the super thing model integrates software and hardware capability pools to unify capability calls; Meta edge-cloud unified super thing model API calls realize software and hardware decoupling and cross-project reuse of applications; the super rule engine enables one-time service orchestration and multi-end hierarchical deployment; and the access of large model + Agent services releases the innovative potential of intelligent applications.

1.3 HarmonyOS Southbound Ecosystem and Software-Hardware Integrated Products

During the reporting period, the Company actively built a strategic cooperation and collaborative alliance for in-depth integration between domestic operating systems and domestic chips, focusing on the two core chip architectures of RISC-V and ARM. It focused on adapting control, computing, connection, and perception chip products, and has completed in-depth cooperation with major domestic chip manufacturers such as HiSilicon, Rockchip, Phytium, Unisoc, Espressif Systems, and Bestechnic, achieving in-depth adaptation of the underlying architecture. In terms of cooperation with RISC-V manufacturers, the focus is on the in-depth integration of OpenHarmony and RISC-V technologies, building a collaborative ecosystem of domestic operating systems and domestic intelligent computing chips, and constructing an integrated AI intelligent terminal comprehensive solution covering end-edge-cloud-application. Centering on edge computing scenarios, it has comprehensively upgraded the general computing and intelligent computing capabilities of released products, expanding the application boundaries of AI computing power in multiple scenarios. It has also jointly designed and launched educational large-screen intelligent terminal products with leading educational equipment manufacturers, connecting the key links of software-hardware integration in teaching auxiliary scenarios, and further improving the intelligence and interactive experience of products in the education industry. In terms of cooperation with ARM manufacturers, Shenkaihong and Arm have jointly established the OpenHarmony Arm SIG Group, which has passed the review of the Project Management Committee (PMC) and become a co-leader. The aim is to conduct in-depth cooperation with chip companies based on the ARM architecture, achieving in-depth optimization from the kernel layer, system service layer to the framework layer, and improving performance and user experience. Currently, 6 chip and board companies have joined the Arm SIG Group.

During the reporting period, the Company, together with Shenkaihong, launched the Kaihong Bot series. This series of products realizes "out-of-the-box use and zero-threshold start". With a built-in real OpenHarmony operating environment, it supports developers to directly preview and run results locally on the device, achieving a what-you-see-is-what-you-get development experience. The Kaihong Bot series integrates the self-developed ArkTS Project Manager plug-in, providing a full-stack tool for OpenHarmony application development to achieve seamless connection in the development experience. Based on KaihongBUS technology, it supports one-click deployment of applications across multiple devices, significantly improving development efficiency. It integrates a complete southbound device development and compilation toolchain, supporting the development of systems, hardware drivers, and system services, and is compatible with local and cross-device burning. It also provides KaihongOS desktop version image packages and secondary development packages, supporting repeated loading, unloading, and in-depth personalized system development. The above products have all passed the community compatibility evaluation of the OpenAtom Open Source Foundation, ensuring high adaptability of the products in the OpenHarmony ecosystem. By deeply integrating high-computing-power chips and industry AI algorithms, the Kaihong Bot series and related intelligent terminal products have achieved innovative breakthroughs in fields such as education and development tools. Currently, they have been applied in multiple regions across the country, providing strong support for the promotion and popularization of the OpenHarmony ecosystem.

1.4 HarmonyOS Northbound Ecosystem Market Development

The Company continues to promote the large-scale implementation of HarmonyOS native applications and meta-services, having supported the migration of over 800 applications to HarmonyOS and launched more than 7,500 meta-services, further enhancing the coverage depth and service capabilities of full-scenario intelligent experiences. During the reporting period, the "HarmonyOS Software Factory" was officially launched. Relying on a standardized development platform, large-scale delivery capabilities, and integrating AI large-model-assisted programming capabilities, it has built an integrated "AI + HarmonyOS" R&D system, significantly improving delivery efficiency and quality. In the field of cultural and tourism meta-services, it has covered 3 provincial cultural and tourism bureaus, over 400 scenic spots, and multiple hotels, jointly creating 6 industry-leading meta-services. Among them, projects such as "Happy Tour Weihai", "Tour Zhejiang", and "Jinggangshan" have integrated HarmonyOS capabilities with AI technologies to achieve an intelligent full-domain tourism experience of "services finding people". These projects were showcased at the 2025 HDC and awarded the "2025 HDC Outstanding HarmonyOS Ecosystem Solution Award", further consolidating the Company's leading position in the HarmonyOS-based intelligent transformation of the cultural and tourism industry. On the HarmonyOS PC ecosystem front, addressing the challenges of application adaptation for the HarmonyOS computer ecosystem, the Company independently developed the "Hongyun Virtual Machine" solution, achieving compatibility with the Windows ecosystem and verification in 12 types of development scenarios. It was invited to participate in the "HarmonyOS Commercial Solutions Sub-forum" at the 2025 HDC and was honored as one of the "Top 10 Partners", helping domestic operating systems move from pilot projects to large-scale applications.

1.5 Urban HarmonyOS-Oriented Transformation Helps Build Resilient Cities and HarmonyOS Cities

1.5.1 Creating a New Paradigm for HarmonyOS Smart City Construction

During the reporting period, the Company participated in urban HarmonyOS-oriented transformation, resilient city and smart city construction in multiple cities and districts. Through KaihongOS and KaihongOS Meta architecture, a brand-new urban IoT perception network has been built, which features full localization, high security and strong resilience. By decoupling software and hardware, it has significantly reduced the operating costs of urban IoT. Through super thing models and AI Agents, it simplifies the construction of urban application systems, optimizes the construction of urban industry subnets, and breaks down the barriers of industry subnets. It provides a new paradigm for urban intelligent transportation, emergency command and urban governance. At the same time, the Company actively participates in the formulation of urban HarmonyOS-oriented standards and the adaptation of terminal products to HarmonyOS. Through the adaptation of industry intelligent terminal products to HarmonyOS, it promotes the industrialization of HarmonyOS and the HarmonyOS-oriented development of industries, and continuously enriches the HarmonyOS ecosystem.

1.5.2 Urban Transportation

The Company focuses on modernizing urban road traffic dispatching and command, and has developed a complete set of road traffic management and control equipment based on OpenHarmony, which integrates the entire process of "data collection, processing and distribution", including data acquisition and detection, information analysis and processing, as well as traffic control and guidance. During the reporting period, it launched HarmonyOS radar-vision microwave detector equipment, HarmonyOS intersection edge smart station computing equipment, and HarmonyOS Road traffic controller equipment, creating a NearLink interconnected signal control intersection model. It shares screens with HarmonyOS mobile phones, tablets and other mobile devices, enabling zero-configuration for devices in the same local area network, cross-device data intercommunication and visual interface interaction to achieve rapid interconnection. The Company has developed the HarmonyOS traffic integration and optimization system software platform. Through the distributed perception network with a unified software bus architecture, it connects devices such as signal machines, radar-vision integrated machines, edge computing units, and police checkpoint systems at urban road intersections, realizing unified operating system and cross-device data intercommunication and calling. This supports the business closed-loop of "perception-prediction-decision-service", thereby enhancing four core capabilities of urban traffic management: the ability to grasp travel fundamentals (such as the number of vehicles in transit, daily traveling vehicles, etc.); the ability to conduct integrated analysis of traffic situation (traffic flow, queue length, traffic status, emergencies, etc.); the ability for short-term traffic demand forecasting and digital twin simulation (dynamic deduction of traffic flow changes); and the ability for adaptive signal control (dynamically generating optimal timing schemes and issuing them to signal machines with one click). These provide an efficient, economical and intelligent solution for urban traffic congestion management. For application scenarios of vehicle-road-cloud collaboration, the Company researches hierarchical and layered intelligent road network situation perception and command dispatch application technologies, providing a basis for two-way collaborative decision-making for intelligent connected vehicles and traffic control. This lays the foundation for real-time traffic accident early warning, individual intelligent object decision-making and macro operation control, and also provides an auxiliary decision-making test environment for intelligent vehicle testing.

1.5.3 Water Conservancy and Water Utilities

During the reporting period, the Company continued to advance the AI + KaihongOS innovative solutions for water conservancy and water utilities. It collaborated with Huawei to develop a large-model solution for smart water conservancy, which effectively improved the accuracy of flood forecasting and enhanced data utilization. By integrating a large amount of water conservancy data with NLP large models, it launched AI applications such as water conservancy knowledge query and intelligent Q&A. The Company provided solutions for sensing, intelligent control, and gate station management oriented to water conservancy scenarios such as farmland irrigation, water resource scheduling, flood prevention and control, and water ecology to units including the Operation and Management Center of Leshan Irrigation District of Qingyi River in Sichuan Province and the Management Bureau of Pishihang Irrigation District in Anhui Province. With KaihongOS, a fully domestic and independently credible, safe and reliable operating system, as the core technology, this solution combines edge-side AI technology to build an integrated "measurement, control, calculation and scheduling" automatic control system based on the HarmonyOS system.

1.5.4 Emergency Response and Firefighting

During the reporting period, the Company continued to deepen AI + HarmonyOS industry applications in emergency response, firefighting and other fields. Relying on the technical advantages of OpenHarmony at the edge and terminal sides, it achieved intelligent breakthroughs in multiple scenarios. In the emergency response field, it automatically identifies fire risk trends and realizes integrated linkage between security and firefighting through the security network. In the firefighting field, the Company, together with the Dongguan Fire Rescue Detachment of Guangdong Province and Huawei, jointly established the "Huawei Digital Firefighting Global Innovation Experiment Base – OpenHarmony Innovation Laboratory", forming a model base for the implementation and expansion of firefighting applications based on HarmonyOS.

1.5.5 Campus and Buildings

During the reporting period, the nation's first smart building pilot project based on OpenHarmony, jointly built by Shenkaihong and Fuzhou Urban and Rural Construction General Group, was officially launched at Fuzhou Construction General Building. Based on KaihongOS and KaihongOS Meta platform, Fuzhou Construction General Smart Building realizes cross-device interconnection of heterogeneous devices in the building, unified data scheduling and efficient service collaboration, and is capable of autonomously perceiving the environment, as well as making automatic decisions and adjustments based on the full amount of data collected by devices. After intelligent transformation, the Construction General Building has realized real-time monitoring and linkage of management modules, and implemented multiple innovative scenarios such as energy consumption management, smart conference rooms, visitor and security management, and asset and vehicle management, with the service life of building equipment extended by 10% to 15%.

1.6 Applications in Critical Information Infrastructure Sectors

1.6.1 Power and Energy

The Company and Shenkaihong continue to promote HarmonyOS-oriented transformation in the power and energy sector. During the reporting period, Shenkaihong participated in the research and development of the national key scientific research project "Key Technologies for Power-Specific Internet of Things Operating System", gaining a leading position in the power and energy field. In the reporting period, the Company collaborated with Shenzhen Qianhai Power Supply Bureau to complete the HarmonyOS-oriented upgrade of OpenHarmony smart distribution rooms and charging stations. In smart charging stations, cameras, charging piles, and ground locks can autonomously identify and interact, flexibly and dynamically regulate charging resources, and solve problems such as long-term occupation of charging parking spaces. In smart distribution rooms, through KaihongOS distributed software bus, end-side devices such as cameras, lighting lamps, fans, and various sensors are interconnected, enabling multi-dimensional and multi-angle risk identification, judgment and alarm. Problems are handled locally with remote monitoring, realizing low-man and unmanned operations. At the same time, lights turn on when people arrive, achieving energy conservation and emission reduction.

1.6.2 Expressways

During the reporting period, the Company, Shenkaihong and Hebei Expressway jointly created the first benchmark case incorporating full OpenHarmony elements in the expressway industry. A complete set of "1+2+N" architecture centered on the "Jihong" Highway Operating System was designed, which refers to 1 set of "Jihong" digital base, combined with 2 ecological alliances (the "Jihong" highway ecology and Shenkaihong's general ecology), to facilitate the digital transformation of N scenarios in the expressway industry, pursuing "zero casualties", "zero congestion" and "zero emissions". By enabling full access to underlying devices, this architecture builds a unified operating system, data standards and architecture system, promotes the collaborative development of software and hardware ecosystems, significantly reduces the operation and maintenance costs of the industrial chain, and improves data security and availability. The core technology focuses on constructing the technical foundation of the intelligent interconnected highway electromechanical system: the "Jihong" digital base, which is mainly characterized by the use of domestic operating systems, domestic chips, IoT communication and other technologies to upgrade the underlying architecture of electromechanical equipment. Application software does not directly control electromechanical equipment, achieving software-hardware decoupling. This greatly enhances application flexibility while significantly reducing operation and maintenance costs.

2. AI Platform and Model Factory Services

The Company has launched the R1-AgentDIM Platform, an intelligent agent construction, integration and operation platform, which enables full-process empowerment for the construction and operation of intelligent agents, comprehensively helping customers reshape the intelligent agent-driven business value chain. The Company has also introduced the R1-EIMOS enterprise digital and intelligent transformation support platform, which builds a three-dimensional and efficient operation command system covering "all aspects, all elements and the entire process". This platform realizes closed-loop collaboration between business insight and precise execution, effectively assisting enterprises in achieving digital transformation. Model Factory 2.0, with Ascend and DeepSeek technologies at its core, has formed full-scenario service capabilities covering everything from operator development to intelligent agent development. It has collaborated with Huawei to implement over 50 projects, including the first industrial CV application of the Pangu large model in the iron and steel manufacturing field, and the construction of a full-process AI solution for pharmaceuticals in the medical field.

2.1 AgentDIM Platform: Intelligent Agent Construction, Integration and Operation Platform

During the reporting period, the Company's JointPilot Platform was fully upgraded to R1-AgentDIM Platform, an intelligent agent construction, integration and operation platform. Positioned as an enabling tool platform to accelerate the "last mile" of large model implementation in customer scenarios, it encompasses the following components: R1-ADP (Intelligent Agent Construction and Operation Platform) features a self-developed NL2SQL large model whose capabilities in multi-table automatic positioning and complex querying have reached industry SOTA (State-of-the-Art) level. Combined with self-developed multi-agent collaboration framework technology, it has successfully supported the implementation in highly complex industry scenarios such as energy and auditing, while expanding into high-barrier industries. Through visual orchestration and plug-in component systems, it has significantly improved the speed and accuracy of intelligent agent construction for customers. Additionally, it has connected to 50+ MCP services to enhance the platform's large-scale delivery and service expansion capabilities. It also enables reflective verification of task execution through knowledge graph reasoning to reduce model hallucination and ensure usability in low-fault-tolerance scenarios. Its AgenticOps (Agent Intelligent Operations), which adapts to dynamic updates of customer businesses without the need for re-upgrades, has achieved high satisfaction among deployed customers, driving continuous cooperation with numerous clients. R1-AKP (Knowledge Efficiency Engine) realizes efficient semantic governance and resource organization through an "Agent + human" approach, providing high-quality business semantics and knowledge bases for vertical intelligent agents. It helps large models better understand and apply professional domain knowledge and close complex task loops. It has provided stable and controllable semantic support for AI application construction in real business scenarios across manufacturing, government affairs, medical care and other industries, significantly enhancing large models' business understanding capabilities and execution efficiency, and endowing intelligent agents with stronger knowledge accuracy, system robustness and task migration capabilities. R1-AIP (Intelligent Agent Integration Hub) provides unified model management, offering collaborative governance and unified access for multi-vendor, multi-role, multi-scenario construction modes and multi-application. It also integrates Huawei Cloud security and compliance facilities to build an end-to-end security and compliance system, meeting the complex application construction and management environments of central state-owned enterprises and their high-intensity privacy protection needs.

2.2 R1-EIMOS Enterprise Digital and Intelligent Transformation Support Platform

During the reporting period, the Company launched the R1-EIMOS Enterprise Digital and Intelligent Transformation Support Platform to empower enterprises to accelerate their digital transformation process and improve their operational efficiency. As a key enabling hub of the Company's full-scenario AI product series, this platform is built on the R1-ADP intelligent agent construction, integration and operation platform, which is developed based on Huawei's intelligent computing infrastructure and underlying platforms. Leveraging its capabilities in data activation, knowledge reconstruction, intelligent agent orchestration, and integration empowerment, it pioneered a "business model + data model" dual-driven architecture. This architecture provides enterprises with integrated modeling for large-scale and complex business scenarios, connecting the entire chain from enterprise strategic design to implementation and execution. The R1-EIMOS Enterprise Digital and Intelligent Transformation Support Platform is widely applied in discrete manufacturing, new energy, power grids, central and state-owned enterprises, bioengineering, and various segmented industries, and has been successfully implemented in multiple industry clients.

2.3 Model Factory 2.0 Services

During the reporting period, relying on the 2.0 service architecture of "model services + Agent products" and supported by Ascend and DeepSeek technology systems, Model Factory has built full-scenario AI professional service capabilities covering Ascend operator development, model migration, training and fine-tuning, domain dataset governance, and intelligent agent development. On this basis, it has gradually developed an industry AI enabling product system including intelligent agent development and operation platforms, knowledge construction and service platforms, and intelligent agent integration platforms, establishing a core foundation for the implementation of the Company's AI professional services and helping enterprises reshape the paradigm of large model application development. In terms of technical ecology and industry integration, Model Factory has carried out in-depth collaboration with Huawei based on Ascend's root technologies. Through Ascend AI's full-scenario adaptation capabilities, it has achieved in-depth integration of the Ascend ecosystem with industry scenarios. It has completed the optimization of Ascend AI chips and CANN computing architecture for more than 50 key customers in Beijing, Shanghai, Jiangsu and other regions, promoted scenario-based implementation in fields such as finance and healthcare, and helped customers improve AI inference efficiency by 15%.

The Company has jointly built baseline solutions with Huawei Cloud, completed Ascend migration, optimized professional services, and launched medical AI industry solutions. Relying on Huawei's CTSP framework, the Company has gained a leading share in the AI industry market, forming an AI solution matrix covering automotive, medical, government affairs, industrial quality inspection and other fields, and has passed the certification for Huawei Cloud AI service capabilities and Ascend cloud service capabilities. In terms of key cooperation and industry implementation, Model Factory has carried out over 50 cooperation projects with Huawei in the field of large models, covering energy, transportation, government affairs, medical care, industrial manufacturing and other industries. The Company has deployed dedicated industry expert teams in key fields to achieve precise alignment between technology and scenarios: 1) Iron and steel manufacturing: The Company completed the first application of the Pangu large model in CV and prediction scenarios within the industrial manufacturing sector. Based on the delivery results of 4 initial scenarios, the Company has expanded to over 50 scenario opportunities, with 7 scenarios currently in the delivery phase. As a model project for the implementation of the Pangu large model, its experience has been replicated in the energy sector, and the Company is collaborating with Huawei to tap into the value of existing large model customers. 2) Intelligent automotive sector: In collaboration with Huawei's business units, the Company has implemented 6 intelligent agent applications in intelligent connected technology scenarios, covering core links such as cockpit data mining, intelligent cockpit APP development and product operation, promoting the intelligent upgrading of intelligent automotive scenarios. 3) Medical sector: Adopting the construction concept of "Pangu – governance – training – compilation – application – operation", the Company has deeply integrated AI technology into the entire pharmaceutical manufacturing process. Leveraging technologies such as computer vision, natural language processing and predictive analysis, the Company covers five core scenarios: pharmaceutical R&D, production, marketing, quality management and medical services, creating an AI application solution for pharmaceutical manufacturing. Currently, this solution has been successfully implemented in multiple projects based on Ascend + DeepSeek, helping to build a new ecosystem for intelligent, digital and compliant pharmaceutical industry. Through the accumulation of technical capabilities and in-depth cultivation of industry scenarios, Model Factory continues to strengthen the collaborative advantages of "technology + ecology + services", with the Company providing enterprise customers with full-cycle AI services from technology adaptation to scenario implementation, and promoting the intelligent transformation process of various industries.

2.4 Euler and Gauss Ecosystem Business

During the reporting period, the Company continued to deepen its presence in the operating system field, launching industry-customized commercial distributions of server operating systems with a key focus on the embedded direction. It overcame critical technical bottlenecks such as high real-time performance, fast startup, and low resource occupancy, completed adaptation with mainstream embedded chips, and officially released the CSIOS embedded version to further meet industry scenario-specific needs. The Company actively carried out R&D and technical services for domestic database products. As an initiator and advocate, it joined hands with industry partners to establish the GaussDB Ecosystem Professional Committee. It obtained database service capability certification, becoming the first and only CTSP partner to pass this certification. Up to now, it has completed POC testing and project delivery for over 30 sites, covering the needs of multiple business scenarios such as finance, government and enterprises, energy, and securities, strongly supporting the diversified service model for domestic information technology innovation migration and transformation.

During the reporting period, the Company continued to optimize its self-developed database migration and synchronization platform DSM. It added 10+ migration links with domestic databases as both sources and targets, enabling bidirectional synchronization of various heterogeneous databases. The platform integrates functions such as automatic collection, structure migration, data migration and synchronization, and data verification, featuring visualization, processization, and automation. It can assist users in smoothly, securely, and completely migrating data to domestic relational databases, achieving free data flow. The Company empowers database operation and maintenance services through AI and large model technologies, improving database stability, optimizing performance, reducing usage thresholds and operation and maintenance costs, and continuously enhancing the intelligence level of comprehensive database services to better meet customer needs.

3. AI Application Product and Agent

The Company has developed a variety of intelligent agent solutions for industries such as power and energy, finance, manufacturing, government affairs, auditing, human resources and social security/ecological environment, and healthcare. Leveraging domestic computing power and the R1-AgentDIM platform, these solutions form a complete closed-loop of solutions from basic platforms to industry-specific intelligent agents. This further expands the support for large enterprises' AI strategic transformation and digital-intelligent construction, enabling intelligent agents to achieve high-value returns in complex business operations.

3.1 Smart Power and Energy

The Company seized the opportunity of the new energy market-oriented reform and continued to deepen cooperation with Huawei's Power Digitalization Business Unit in the fields of AI, IoT, and operation services within the power and energy sector. During the reporting period, the Company, together with partners, built an ecosystem for smart new energy application solutions. Combining domestic computing power and large models, it carried out verification work in new energy generation power prediction, load forecasting, and auxiliary decision-making for electricity market spot trading. In the field of smart distribution networks, the Company continued to deepen cooperation with Huawei, developing intelligent solutions of "edge computing devices + edge business APPs", cultivating edge business software for equipment monitoring and smart microgrid control, and conducting pilot verification in overseas test sites.

The Company's overseas smart distribution network business advanced steadily. The first phase of the smart transformer district project for Hongkong Electric was successfully launched, and the test sites received high praise from customers, laying a solid foundation for subsequent cooperation. The digital and intelligent top-level design for the distribution network of City Power in South Africa was successfully delivered. With edge APPs as the entry point, the smart microgrid test site for South African customers was launched, accumulating technical reserves and market experience simultaneously.

3.2 Smart Finance

The Company continues to deepen cooperation with leading clients such as state-owned banks, joint-stock banks, and large insurance institutions, focusing on innovative development in key areas of the financial industry including HarmonyOS application transformation, big data platforms and intelligent applications, AIGC financial applications and business innovation, application cloud migration and operation support, as well as software and hardware system integration. Relying on professional technologies and high-quality services, it is advancing steadily in the digital and intelligent transformation of finance. During the reporting period, the Company increased investment in AIGC technology R&D in the financial field, fully promoting financial AI business innovation, and built a core capability matrix and service system of "underlying computing power + computing power optimization + training and inference platform". It provides customers with full-process AI engineering services from data services to model selection and fine-tuning training. In collaboration with ecosystem vendors, the Company launched financial AI all-in-one machines, as well as products and solutions such as financial large-model dialogue platforms, intelligent training platforms, intelligent knowledge management platforms, and bill risk control platforms. These have been applied in multiple financial scenarios including intelligent operation and maintenance, loan assistance, wealth management, and intelligent bills, and have been implemented in many financial institutions. The Company successfully secured projects such as a large-model Ascend computing power integration project for a national joint-stock bank, a large-model system construction training and inference product project for a national joint-stock bank, and a large-model computing power expansion project for a national joint-stock bank, gaining advantages in financial information technology innovation and AI transformation.

3.3 Smart Government Affairs

During the reporting period, the Company continued to expand the application scenarios of the "Government Affairs AI Think Tank" integrated solution, promoting the implementation of "AI + Government Affairs" application practices. Focusing on core government affairs needs, the Company, relying on the modular and highly scalable R1-AgentDIM platform as the base, achieved rapid iteration and upgrading of the "Seek Series" government affairs intelligent agents. These intelligent agents have successfully expanded into new scenarios such as policy interpretation, industrial and economic data inquiry, and public sentiment analysis, with the process of production-level implementation further accelerated. They have also gradually entered business fields with high complexity and high value density, such as compliance review. In terms of technical deployment, the Company, in collaboration with Huawei Cloud Ascend AI infrastructure, has built a full-stack independently controllable deployment system, achieving seamless integration with customers' systems. This fully meets the multi-dimensional requirements of government affairs scenarios in terms of security compliance, intelligent scheduling, local operation, and elastic expansion, and possesses strong capabilities for rapid market replication. By the end of the reporting period, the Company's smart government affairs products and solutions have successfully served multiple provinces and cities including Guangdong, Jiangsu, and Hunan, with implementation in over 20 cities. It has completed joint innovation and consulting delivery projects for more than 50 customers, providing strong support for the modernization of government governance with AI new productive forces.

3.4 Smart Audit

During the reporting period, the Company focused on building penetrative audit and early warning monitoring capabilities, upgraded its digital and intelligent audit platform, and continued to provide high-quality digital and intelligent audit solutions and services to enterprises such as CNOOC, PetroChina, China Huaneng, Huaxia Bank, Bank of Nanjing, AIA China, Beijing Electronics Holding, and BOE. The Company has made significant progress in the R&D and application of audit large models, successfully winning bids for audit large model projects of the Shanghai Municipal Audit Bureau, Shandong Provincial Audit Office, and other institutions. Leveraging over 20 years of experience in audit informatization, the Company provides a complete audit corpus governance solution and has achieved breakthroughs in key application scenarios such as intelligent review of audit documents, intelligent generation of audit instruments, data analysis, and clue mining. The Company completed the intelligent upgrade of the integrated audit rectification platform, helping government and enterprise customers effectively handle the "follow-up work" of audits. It successfully won bids for projects in multiple provinces including Guangdong, Zhejiang, Hunan, Ningxia, Qinghai, and Heilongjiang, demonstrating the market competitiveness and recognition of the Company's audit rectification products.

3.5 Smart Human Resources and Social Security/Ecological Environment

In the field of public employment services, the Company achieved a breakthrough in business expansion with zero-based growth, deeply participating in the construction of demonstration projects for improving public employment service capabilities. By building a full-stack digital and intelligent solution covering data infrastructure, AI engine, smart handling, and services, it effectively drove a significant improvement in the efficiency of public employment services, facilitated comprehensive digital and intelligent transformation in the field, and fully demonstrated the Company's technical penetration and ecological construction capabilities in the field of people's livelihood services. In the field of social security fund management, the Company successfully won bids for social security fund supervision service projects in Shanghai, Anhui Province, Sichuan Province, Tibet Autonomous Region, Xinjiang Production and Construction Corps, and other regions. Currently, it supports the daily social security fund supervision work of more than 20 provincial human resources and social security departments across the country and has completed localized upgrading and transformation in 7 provinces. Leveraging its profound experience accumulation in the industry, the Company was entrusted by the Ministry of Human Resources and Social Security to compile the "*Research Report on the Design and Implementation Path of Smart Supervision Model for Social Security Funds*". It deeply participated in the top-level design of national social security fund intelligent supervision, laying a solid foundation for building a nationwide technical system for smart supervision of social security funds and highlighting its strength as an industry benchmark.

During the reporting period, the Company achieved fruitful results in the field of digital governance of ecological environment. It successfully won bids for projects such as the Data Application and Analysis Research Project of the National Comprehensive Administrative Law Enforcement Team Management System of the Ministry of Ecology and Environment, as well as multiple provincial key projects including the Radiation Environment Monitoring, Emergency and Early Warning Platform, Mobile Law Enforcement for Environmental Supervision, and EIA (Environmental Impact Assessment) and Pollution Discharge Permit Management Platform of the Yunnan Provincial Department of Ecology and Environment. Leveraging years of industry accumulation and technological breakthroughs, combined with the achievements of business exchanges with core customers such as the Ministry of Ecology and Environment and provincial departments of ecology and environment, the Company has deeply integrated artificial intelligence technology with traditional environmental law enforcement businesses, and made every effort to promote the improvement and implementation of Version 1.0 of the Intelligent Case Review Platform, helping the traditional businesses in the ecological environment field to gradually upgrade towards intelligence.

3.6 Smart Manufacturing

During the reporting period, the Company deeply explored the "AI + manufacturing" field, promoting the full implementation of intelligent agent products from scenario pilots to production-level deployment, and effectively empowering manufacturing businesses to improve quality and efficiency. Leveraging the technical advantages of the R1-AgentDIM platform in semantic governance, knowledge engineering, and multi-agent collaboration, the Company has launched "Material Assistant" for supply chain scenarios and "Master Xiao" for after-sales scenarios. In production scenarios that traditionally rely heavily on manual experience and require repeated cross-system operations– such as material selection, maintenance resource allocation, and equipment fault diagnosis– these solutions enable Agent-based intelligent retrieval and recommendation, automatic BOM generation, and minute-level work order dispatching. This has significantly improved efficiency, greatly reduced manual burden, and enhanced service quality. The Company has comprehensively deepened cooperation with Huawei, promoting the accelerated implementation of "Seek Series" intelligent agent products around Huawei's Versatile platform. It has delivered over 60 intelligent agent solutions, covering more than 100 industry customers.

3.7 Smart Healthcare

During the reporting period, the Company continued to deepen its efforts in real application scenarios within the "AI + healthcare" field, driving the iteration and upgrading of solutions through technological innovation. Relying on the independently developed R1-AgentDIM platform, the Company provides full-link digital and intelligent transformation support for healthcare industry customers, accelerating the upgrade of medical service models towards intelligence and precision. In terms of core products, the Company innovatively launched the "AI Medical Insurance Compliance Officer" solution. Based on intelligently constructed high-quality medical insurance datasets and knowledge bases, it has built an intelligent Agent system covering functions such as medical insurance risk review, risk control management assistant, and medical insurance compliance data inquiry. This solution has been successfully implemented in a leading Grade III Class A hospital in Beijing. By establishing a full-process compliance intelligent system, it has transformed from the traditional post-event-focused management to a closed-loop management model combining pre-event interception, in-event intervention, and post-event traceability. It has significantly reduced the hospital's medical insurance claim rejection rate and unqualified rate in unannounced inspections, fully verifying its implementation value with clear replicability. In terms of technical integration, the Company integrates platform-level "new AI integration" capabilities such as intelligent agent frameworks, knowledge weaving, and multi-model access, effectively solving the problem of integrating customers' existing IT systems with large models and providing seamless support for the upgrading of medical information systems. At present, relevant solutions have formed benchmark cases in key cities such as Beijing, Guangzhou, Suzhou, Chengdu, and Qingdao, demonstrating strong national radiation capacity and laying a solid foundation for the large-scale application in the "AI + healthcare" field.

3.8 Smart Mining

During the reporting period, the Company and Huawei carried out joint development and expansion of the mine comprehensive management joint solution in Shanxi Province, promoting its bulk implementation in medium and large mines within the province. Leveraging the good reputation gained from the cooperation with Huawei on the mine comprehensive management joint solution, the Company further advanced the joint innovation cooperation with Huawei in the mining field, and built a mine transparent geology solution based on Huawei's Yuantu Workshop digital and intelligent base. In the aluminum industry, the intelligent mine anti-theft mining solution and cases developed by the Company based on Huawei Cloud and Ascend computing power have been recognized by Huawei's Oil, Gas and Mining Corps, and have been launched as the key promotion solution for open-pit metal mine scenarios nationwide.

4. AI-Native ERP Consulting, Implementation and Digital Transformation Services

The Company proactively seizes the opportunity of digital transformation driven by AI large models in central state-owned enterprises, and has developed a domestic industry distribution version of the core enterprise management system for the energy and power industry. Through the Agentic CDM intelligent delivery system, it integrates implementation experience and establishes four capability centers covering consulting, implementation, operation and maintenance, and project management. The Company deeply participates in the pre-research on digital transformation of outstanding central state-owned enterprise clients, providing industry customers with full-life-cycle services from strategic planning to system implementation, and helping clients efficiently advance domestic substitution.

4.1 Industry Distribution Version of Enterprise Core Operation System

During the reporting period, the Company continued to invest in the R&D of the enterprise core operation system distribution version, and tailor-made the Yangfan R/7 ERP Enterprise Core Operation and Management System with the characteristics of "localization, intelligence, and industrialization" for the energy and power industry. It deeply integrates the successful experience of enterprise digital transformation and independent and controllable ERP system implementation with the characteristics of energy and power industry enterprises, building a digital and intelligent operation system covering the entire process and end-to-end of "human resources, finance, materials, and projects", and promoting the transformation of enterprise management models from "experience-driven" to "data-driven". The Yangfan R/7 industry distribution version of enterprise core operation system for the power industry has built an "one body with two wings" architecture. The "one body" part is a standardized core based on the enterprise's core business system, supporting general modules such as human resources, financial accounting, and material procurement; the "two wings" are the power industry distribution version and the "AI + ERP" toolchain. The former is embedded with industry-specific plug-ins such as power generation cost accounting and fuel management, adapting to the production and operation characteristics of energy and power enterprises; the latter realizes process automation through AI Agent, and assists in intelligent decision-making combined with large model technology. The Company continues to deepen cooperation with Huawei's Power Digitalization Business Unit in fields such as AI, IoT, and operation services, jointly launching domestic ERP solutions and industry suites for the energy and power industry, and expanding the field of ERP localization information technology innovation. The Yangfan R/7 solution for the power industry enterprise core operation system has been successfully launched on the Huawei Cloud Marketplace.

4.2 ERP Consulting, Implementation Services and Pilot Projects

During the reporting period, the Company further advanced project cooperation in the field of ERP independent research and integration with digital technology companies of central state-owned enterprises. It won the bid for Kunlun Digital Intelligence's 2025 digital intelligence service framework project, mainly assisting in the construction projects such as PetroChina's ERP centralization project, domestic ERP independent research project, Yunmengze e-commerce management platform project, and the third phase of the fuel card management platform, to accelerate the digital transformation process. The Company successfully won all bid packages of COFCO Information Technology's digital intelligence transformation service framework project, promoting information construction in fields such as artificial intelligence application development, ERP system implementation, data governance, cloud management center and network security, so as to fully support COFCO Group's digital intelligence transformation. During the reporting period, the Company helped Kunlun Logistics' centralized ERP project go online smoothly, signed an exclusive agreement with CNOOC Information Technology Co., Ltd. for technical support services in production management scheduling operation digitalization and intelligent model development, signed a contract for the aviation engine maintenance management information system project of Ruihang (Chongqing) Aircraft Engine Maintenance Co., Ltd, and signed an ERP implementation project with HORIBA Beijing Branch.

The company has further advanced pilot projects based on domestically independent and controllable ERP systems. For central state-owned enterprises in key infrastructure industries such as electric power, energy, and military industry, prior to launching major projects involving domestic substitution of ERP systems or new construction, the company conducts systematic research and verification based on domestically independent and controllable ERP systems, starting from the "15th Five-Year" digital transformation plan. The methodology of pilot projects integrates 4A architecture methodology, product R&D methodology, and consulting implementation methodology, establishing a systematic and standardized guidance framework. It mainly includes four stages of services: pre-research planning consulting services, scenario verification and development services, environment leasing services, and training services. Pilot projects can effectively reduce the risks for central state-owned enterprises in implementing digital transformation, optimize and improve investment returns. Through in-depth research, verification, and testing, they evaluate the feasibility, applicability, and risks of solutions, providing scientific basis and optimized paths for the digital transformation of central state-owned enterprises.

4.3 Agentic CDM Delivery Methodology System

During the reporting period, the Company continued to upgrade and improve the intelligent delivery methodology system – Agentic CDM. Focusing on pain points such as data governance, requirement communication and training, document management/knowledge management/template generation, it covers the entire project lifecycle and provides important support for large enterprises to achieve digital and intelligent transformation in the era of AI large models. The Company fully transforms its practical experience, systems, tools and resources accumulated in ERP R&D, replacement, implementation, go-live and operation & maintenance, continuously advancing system servitization and version upgrading. This safeguards the "acceleration, quality improvement and efficiency enhancement" of successful go-live and delivery of core enterprise operation systems for large enterprises, including core functions such as project and engineering management processes, delivery document templates and samples, development and implementation tools, as well as special solutions for complex issues – such as business process solution testing, environment configuration and management, migration and go-live switching, and a series of tool solutions.

4.4 Capability Centers and Joint Laboratories

During the reporting period, the Company continued to build end-to-end professional service capabilities for enterprise core operation system businesses, forming an integrated capability center encompassing professional consulting, implementation, technical operation and maintenance, and project management. The Consulting Center has gathered and cultivated a talent echelon of professional consultants and experts, establishing leading capabilities in domestic ERP consulting, planning, and professional design. The Implementation Center has integrated the experience of ERP localization implementation in central state-owned enterprises. By developing the CDM system to improve methodologies, tools, and resource allocation and training systems, it has realized continuous training and combat, ensuring the continuous improvement of delivery quality and efficiency. Based on the delivery experience and resources accumulated in R&D, the Technical Operation and Maintenance Center has built a fully replicable capability system to achieve the multiplication of high-quality resources, ensuring technologically leading and efficient operation and maintenance for project success. The Project Management Center has established project management and quality risk management capabilities for complex large-scale projects, and set up aligned and integrated mechanisms for information security and intellectual property confidentiality.

The Company continuously invest in the Yangfan R/7 Enterprise Operation System Joint Laboratory, jointly launch domestic ERP solutions and power industry suites for the power industry with Huawei's Power Digitalization Business Unit, expand customers in the power generation industry market, and carry out pre-research on ERP information innovation in a large power generation group. Combining resources such as the AI Laboratory and the Intelligent Distribution Solution (IDS) Laboratory, the Company jointly carries out application innovation of "AI + ERP" in the energy and power industry and promotes it to large domestic and foreign energy and power enterprises, making it the core engine for digital and intelligent operation and management of energy and power enterprises.

5. Cloud + Computing Power

This year marks the 8th anniversary of the Company's signing of the "Sailing Together" strategic cooperation agreement with Huawei Cloud. The Company maintains strong competitiveness in the Huawei Cloud business sector, with its business scale continuing to lead the overall performance of the Huawei Cloud ecosystem. As a cloud transformation service provider (CTSP), it has retained the top market share in Huawei Cloud, and maintains a leading position in public cloud performance as well as HarmonyOS and Ascend adaptation model services. In multiple key regions, the Company and Huawei Cloud have practiced the ecological cooperation goal of "capacity co-creation and business win-win", jointly exploring in-depth industry application scenarios of customers and landing benchmark clients such as Yundingkeji, Chengdu Public Transport Group, and ECOVACS Group.

5.1 CTSP Cloud Services and Ascend Cloud AI Empowerment

During the reporting period, the Company continued to strengthen the long-term capability building of CTSP cloud services, having obtained 13 first-level labels and 23 second-level labels for CTSP professional services. As a leading cloud service provider and a core CTSP partner of Huawei Cloud, the Company has provided over 500 customers with services such as Ascend and HarmonyOS adaptation, cloud migration planning and implementation, data management and analysis, excellent operation, big data, and application integration. The Company expanded the organizational network of Cloud Center of Excellence (CCOE) capability centers in key cities to further enhance localized service delivery and response capabilities. Through CCOE, it continuously deepened the "sales-service integration" capability, providing enterprise customers with full-lifecycle AI cloud transformation services from consulting and planning to implementation and continuous operation. It successfully delivered over 300 CTSP projects in multiple key industries including energy, steel, pharmaceuticals, automotive, manufacturing, retail, and government. In the Huawei Cloud CTSP cooperation ecosystem, the Company maintained and consolidated its leading partner position, and jointly achieved project breakthroughs with Huawei Cloud in industries such as automotive, manufacturing, software development, and retail, providing services for core customers such as ECOVACS, Nanjing Big Data Group Co., Ltd., XCMG, Changshu Liquor Industry, Meiyijia, Tianjin Port, and Beijing Subway, helping customers accelerate business innovation.

As one of the first and core partners of Huawei Cloud's integration business, the Company deeply integrates Huawei's public cloud, private cloud (Huawei Cloud Stack), Ascend AI cloud services and various "sharp-edge" products (such as GaussDB, ModelArts, etc.). It drives the integration of solutions, promoting in-depth integration and large-scale delivery of the joint baseline solutions, multi-industry solution products and services between the Company and Huawei Cloud. During the reporting period, the Company continued to advance the core software research project in Guangdong Province, and deepen the work of national digital transformation pilots for small and medium-sized enterprises in regions such as Shaanxi, Jiangsu and Tianjin, helping key regional enterprises such as a certain technology company and a certain manufacturing enterprise achieve high-quality digital transformation; it won the "Huawei Cloud Excellent SI Partner Award" at the 2025 Huawei Cloud Ecosystem Conference.

5.2 Computing Power Operation

During the reporting period, the Company continued to make efforts in areas such as the construction of the computing power operation industry ecosystem and the incubation of application scenarios, forming a sound computing power operation and management system, and providing customers with one-stop AI service operations including computing power resource leasing, model training, data engineering, and scenario application development. Focusing on the DeepSeek large model, it provides customers with full-process in-depth adaptation and customized deployment services to help them achieve precise scheduling and efficiency optimization of computing resources. The Company continued to serve the Xi'an Yanta Artificial Intelligence Innovation and Development Center, assisting in expanding the computing center's scale to 508P computing power. It supported the Xi'an base in successfully completing the deployment and launch of new models in the DeepSeek series, improved the supporting testing system, and promoted the further upgrading of the "most powerful brain" in western China. It jointly built a 300P computing power for the High-Tech Turing Artificial Intelligence Computing Center with the Xianyang High-Tech Zone, and is fully responsible for the operation and management of the intelligent computing center. The Company participated in the joint operation of the Phase II 125P computing power of the Intelligent Computing Center at the Wuhan Dongxihu Network Security Base, helping Wuhan build an artificial intelligence industry ecosystem and create the industry's first content review large model.

5.3 AI-enabled Operation of Cloud Bases

During the reporting period, the Company upgraded the business models of regional industrial internet, information innovation, Kunpeng and other businesses with one-stop AI services. In Xiamen, it expanded the layout of AI + industrial industry development, focusing on the development and application of four aspects in manufacturing: AI + quality inspection, AI + diagnosis, AI + Q&A, and AI + design, helping customers improve production efficiency and market competitiveness. At the Nanjing Base, the Company focused on DeepSeek + Ascend cloud services, assisting customers in building intelligent bases and providing them with scenario services such as pure DS inference computing power, MaaS + industry templates, distillation/fine-tuning services based on DS model application scenarios, DSV3 SFT supervised fine-tuning, and reinforcement learning services. At the Lishui Base, the Company focused on traditional manufacturing, and emphatically promoted the implementation of AI Agent platforms and products. It joined hands with the IT departments of customers to promote the implementation of AI applications in business departments and build enterprises' own AI applications. In Wuqing District, Tianjin, targeting three segmented industries including intelligent equipment manufacturing, advanced transportation equipment and key components, and fashion and health consumer goods manufacturing, the Company provided enterprise customers with a variety of AI Agent scenario applications, as well as digital intelligence diagnosis + full-process services covering "research, production, supply, marketing and service", helping enterprises with digital transformation.

5.4 Innovation and Technology Center

During the reporting period, the Company continued to advance the construction of the Digital Power Innovation and Technology Center, consolidated the foundation of computing power resources, focused on the needs of core customers, and provided AI project PoC verification services to offer technical feasibility for customers to efficiently verify innovative solutions. In the field of large model technology application, the Innovation and Technology Center kept up with the cutting-edge development trends of the industry, successfully deployed and put into use DeepSeek-V3-0324, DeepSeek-R1-0528 versions and the Qwen3-235B model, with the response speed and processing capability of model services significantly improved. It completed the model deployment of the silicon-based flow inference framework and Huawei's large-scale expert parallel solution, further releasing model performance through technical optimization, and providing customers with efficient and stable full-process support for AI innovation. During the reporting period, the Innovation and Technology Center received nearly 100 customer visits. Through the display of innovative achievements, customized technical empowerment and other methods, it deeply participated in the digital and intelligent transformation process of customers, injecting new AI-driven momentum into regional industrial upgrading.

6. Overseas Services

With Hong Kong as its hub, the Company has been deeply exploring the Asia-Pacific and Middle East markets, systematically exporting its business development and delivery capabilities. During the reporting period, the Company delivered a full-scenario cloud infrastructure including command centers, physical security, and passenger flow management for the Kai Tak Sports Park in Hong Kong, which was unveiled on March 1st alongside the park's opening and was announced as a global demonstration center. It joined hands with Huawei to become a member of the IDA Digital Intelligence Alliance in Hong Kong and Macao, and won the "2024 Excellent Contribution Partner Award", "Excellent Partner Award for Network Products and Solutions", and "Excellent Partner Award for Storage Products and Solutions". In the Middle East market, centered on the Saudi joint venture JAT (Joint Advanced Technologies), the Company showcased cloud platforms, digital twins, and smart venue solutions at LEAP 2025, providing upgrade paths for newly built venues. As a core overseas partner of Huawei Cloud, the Company jointly released smart park and smart city solutions at the Huawei Developer Conference 2025, with the smart park solution winning the Overseas Scenario-Based Product Portfolio Award. The Company has made new breakthroughs in clients such as the Leisure and Cultural Services Department of Hong Kong and Indonesia. It continues to serve global customers with its capabilities in data platforms, cloud native, and AIGC, consolidating its position as a benchmark in financial transformation in Hong Kong and Southeast Asia, and contributing to global digitalization.

II. Software and Technical Services

During the reporting period, the Company continuously improved the efficiency of existing businesses by virtue of its AI capabilities, kept expanding new customers, signed multiple new benchmark projects, and continuously drove the growth of revenue and profits.

1. Huawei

During the reporting period, the Company continued to deepen strategic collaboration with Huawei in such fields as operating systems, intelligent vehicles, AI infrastructure, and database ecosystems, building integrated software and hardware service capabilities. In terms of human resources digitalization, the Company launched applications such as "Talent Mobility Assistant" and "Recruitment Digital Human", comprehensively promoting the AI transformation of HR supply chains to improve organizational efficiency and resource allocation efficiency. In the direction of operating systems, the Company deeply participated in the release and evolution of HarmonyOS and HarmonyOS NEXT versions. In the intelligent vehicle sector, it assisted Huawei in building an "human-vehicle-home" full-scenario intelligent interconnection solution, providing all-round technical support for vehicle models such as AITO, ZHIJIE, and XIANGJIE. In the field of basic software and hardware ecosystems, the Company actively participated in the construction of core technologies such as Kunpeng, Ascend, Euler, and GaussDB, completed the adaptation of Ascend AI chips and the landing service of Kunpeng Cloud, and promoted the accelerated application of the "Kunpeng + Ascend" ecosystem. It continued to delve into the openEuler community, released customized server and embedded operating systems, launched the CSIOS embedded version, and jointly initiated "Euler Going Global" seminars with the community to expand markets in the Middle East and Asia-Pacific regions. In the database direction, the Company co-established the GaussDB Ecosystem Professional Committee with Huawei Cloud, becoming the first CTSP partner to obtain service capability certification. Relying on its self-developed platform DSM and AI-based operation and maintenance technologies, it continued to empower core industries such as finance, government and enterprises, supporting the development of domestic and information innovation ecosystems.

2. Financial Sector

During the reporting period, the Company achieved remarkable results in the financial information innovation sector, successfully securing several key projects such as the information innovation transformation project for the enterprise-level data lake system of a national joint-stock bank, the information innovation integration project of a state-owned bank, and the information innovation project for IC cards of a city commercial bank. The Company not only made a breakthrough in the information innovation data platform of national joint-stock banks but also successfully realized the first implementation of financial information innovation projects in the four major state-owned banks. It made outstanding contributions to the settlement project of a foreign-funded bank, becoming the only Chinese-funded supplier to be awarded the title of "Excellent Supplier" by the bank. This project has become a successful model for global projects within the customer's organization, confirming the Company's technical strength and profound accumulation in the field of cross-border payment.

3. Energy and Power Sector

During the reporting period, the Company continued to expand business cooperation with central and state-owned enterprise groups in the energy and power sector as well as their subsidiaries. Newly acquired customers of the Company include NARI Information & Communication Co., Ltd. (a subsidiary of State Grid Corporation of China), Digital Grid Group (a subsidiary of China Southern Power Grid), and Luxi Chemical (a subsidiary of Sinochem Group). The Company continued to provide State Grid Corporation of China with information technology support such as digital platform development and implementation, information management, R&D and implementation of data service products, intelligent customer service, and training of large models for distribution network dispatching. It successfully renewed the contract with PetroChina Kunlun Digital Intelligence, continuously improving its capabilities and customer satisfaction. Additionally, the Company undertook the construction of the information system for China National Pipe Network Group.

4. Terminal Manufacturing Sector

During the reporting period, the Company joined hands with leading domestic technology enterprises to achieve new breakthroughs, realizing diversified growth in the fields of smart wearables and smart home. It assisted Honor in iterating MagicOS, upgrading the on-device AI large model, and ensuring the global launch of Magic7, which drove a 12% increase in market share in Europe, jointly building an all-scenario smart ecosystem. It deepened business cooperation with leading ODM manufacturers such as Huaqin and Zhongnuo, led the debugging of smart terminal motherboards and complete machines, and overcame the barriers in 5G module integration. Becoming one of Xiaomi's first strategic suppliers, the Company optimized the design simulation of mobile phone imaging modules, improved the low-power sensing and battery life of wearables, and fully integrated into the "human-vehicle-home" interconnection. It co-established the underlying compatibility testing system for OPPO's Find series, significantly improving the BUG detection rate, and independently developed imaging algorithms to achieve industry-leading video anti-shake performance, with a 100% project delivery pass rate in the first half of the year. Meanwhile, in collaboration with home appliance leaders such as Hisense and A.O. Smith, the Company strengthened quality control and logistics through intelligent technologies, increased investment in digital IT, and customized solutions to connect the full-process data chain, driving intelligent upgrading and digital transformation in the industry.

5. Automotive Sector

During the reporting period, the Company established new cooperative relationships with manufacturers such as Jianghuai Automobile and Chery Automobile, providing technical support in areas including intelligent cockpits and intelligent driving. In the field of intelligent connected vehicles, the Company deepened its cooperation with Changan Automobile and partnered with its subsidiaries such as AVATR, Changxian Intelligent, and TINNOVE, continuously enhancing consumer experience in aspects like intelligent driving, intelligent cockpits, intelligent vehicle connectivity, and vehicle testing.

6. Telecommunications Sector

During the reporting period, the Company continued to deepen its presence in China Mobile, China Telecom, China Unicom, and the communication equipment market. It successively signed major projects with China Mobile IOT Company Limited, Migu Culture Technology Co., Ltd., China Mobile Financial Technology, China Unicom Design Institute, and China Unicom Industrial Internet, and added new industrial internet clients of China Unicom (Heilongjiang, Shandong), achieving full coverage of core segments of operators. The Company remained in the first-tier supplier ranks of major equipment manufacturers such as Datang, Xingtang, and TD TECH, with its technical strength and service quality highly recognized by clients. It successfully made breakthroughs in Star Network Application and Hisense Intech, continuously consolidating its leading advantages in major equipment manufacturers and home appliance sectors.

KEY OPERATING DATA

In the first half of 2025, the Group's business returned to the growth track, with revenue increasing by 7.3% YoY, service revenue growing by 7.8% YoY, profit for the period rising by 10.4% YoY, profit attributable to owners of the Company increasing by 10.4% YoY, and basic earnings per share growing by 15.6% YoY.

	Six Months Ended 30 June		
	2025	2024	
	RMB'000	RMB'000	% Change
Revenue	**8,506,642**	7,926,183	7.3%
Service revenue	**8,248,232**	7,647,920	7.8%
Profit for the period	**315,031**	285,353	10.4%
Profit attributable to owners of the Company	**315,563**	285,720	10.4%
Basic earnings per share (cents)	**12.64**	10.93	15.6%

The key operating figures (unaudited) for the six months ended 30 June 2025 are as follows:

	Six Months Ended 30 June		
	2025	2024	
	RMB'000	RMB'000	% Change
Revenue	**8,506,642**	7,926,183	7.3%
Service revenue	**8,248,232**	7,647,920	7.8%
Cost of sales and services	**(6,631,744)**	(6,094,783)	8.8%
Gross profit	**1,874,898**	1,831,400	2.4%
Other income	**97,907**	94,577	3.5%
Other gains or losses	**85,785**	104,890	(18.2%)
Selling and distribution costs	**(426,462)**	(425,950)	0.1%
Other expenses	**(52,363)**	(44,638)	17.3%
Administrative expenses	**(1,118,980)**	(1,113,278)	0.5%
Finance costs	**(61,329)**	(99,837)	(38.6%)
Impairment losses under expected credit loss model, net of reversal	**(19,017)**	(15,455)	23.0%
Share of results of investments accounted for using the equity method	**(29,964)**	(34,684)	(13.6%)
Loss from derecognition of financial assets measured at amortised cost	**(1,529)**	(1,191)	28.4%
Profit before taxation	**348,946**	295,834	18.0%
Income tax expense	**(33,915)**	(10,481)	223.6%
Profit for the period	**315,031**	285,353	10.4%
Profit attributable to owners of the Company	**315,563**	285,720	10.4%
Basic earnings per share (cents)	**12.64**	10.93	15.6%
Adjusted profit	**277,093**	247,534	11.9%

GENERAL OVERVIEW

In the first half of 2025, the Company unswervingly advanced the full-scenario AI strategy, continuing to focus on the "1+3" core tracks. With cloud intelligence and computing power as the base, it synergized the three business segments of HarmonyOS AIoT and digital twins, intelligent agent and model workshop services, and ERP consulting implementation and digital transformation services, comprehensively upgrading the full-scenario AI-R1 product matrix. During the reporting period, the company's full-scenario AI business developed vigorously, achieving a revenue of RMB656 million, a year-on-year surge of 130%, and becoming the core engine driving the company's performance growth. The company's cornerstone businesses also maintained a steady and positive momentum, laying a solid foundation for the recovery of the company's overall performance.

The Company has built an independently controllable digital base with the AI-native KaihongOS operating system, empowering reforms and innovations in multiple industries such as smart water conservancy, smart transportation, smart cities, smart energy, and smart fire protection, and contributing to the safety and sustainable development of national economy and people's livelihood. During the reporting period, KaihongOS, as the world's first OpenHarmony system meeting microsecond-level hard real-time requirements, was adapted to core scenarios such as high-precision industry and aerospace; KaihongOS obtained the Level 4 certification in security testing by the Ministry of Public Security, establishing an industry-leading position characterized by security and stability; the Company, together with Shenkaihong, released and open-sourced M-Robots OS, the world's first distributed heterogeneous multi-machine collaborative robot operating system, which solved the problem of industrial ecological fragmentation and facilitated the popularization of robots; the Company deepened cooperation with ARM and RISC-V manufacturers, launched the Kaihong Bot series products, providing "out-of-the-box" intelligent devices for engineers engaged in HarmonyOS application development, equipment development, and secondary system development. In addition, the Company has a deep understanding of the future development pattern of the HarmonyOS industry and attaches importance to the opportunity of software application restructuring in the HarmonyOS era. During the reporting period, the company launched the "HarmonyOS Software Factory", which improves development efficiency and quality through AI large models, continuing to maintain a leading position in HarmonyOS application development and adaptation; it also launched the self-developed "Hongyun Virtual Machine" to achieve compatibility with the Windows ecosystem, accelerating the prosperity of the ecosystem.

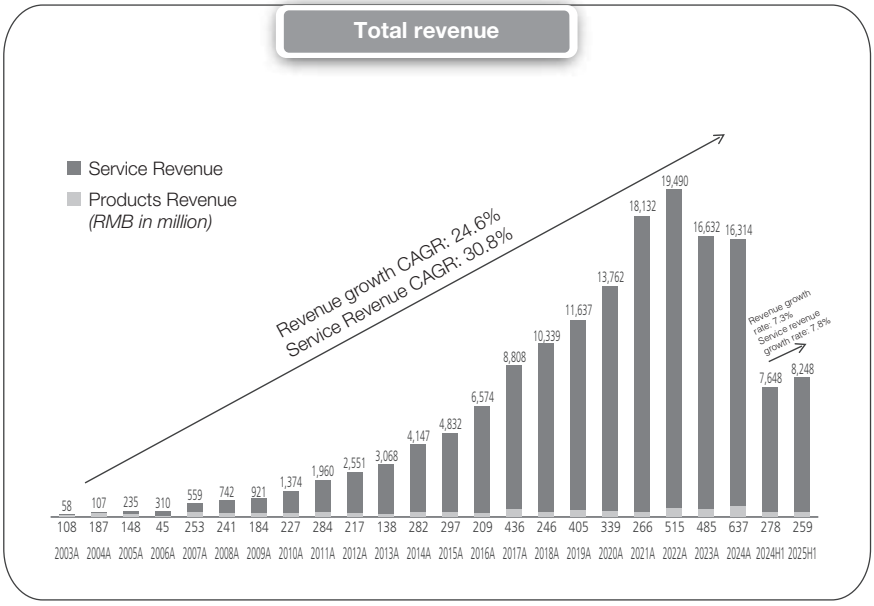
During the reporting period, the Company grandly launched the R1-AgentDIM Platform and R1-DMP Data Management Platform, aiming to address the fragmentation of enterprises' underlying systems, data, logic, and operational processes. It has also continuously enriched and accumulated full-scenario Agents in key industries. By the end of the reporting period, over 300 AI assistant projects have been implemented in industries such as manufacturing, healthcare, finance, and energy, and more than 50 cooperation projects with Huawei in the field of large models have been carried out, promoting large-scale implementation of AI. Meanwhile, the Company has actively collaborated with Huawei to build product capabilities, becoming the first to win the bid for Huawei Cloud's AI Native Application Engine project, with multiple self-developed Seek Series products listed on the Huawei Cloud Marketplace.

During the reporting period, the Company proactively seized the opportunity of digital transformation among central state-owned enterprises and state-owned enterprises, and launched the "Yangfan R/7 Enterprise Core Operation and Management System" for the energy and power industry. Adopting the architecture of "standard core + industry plug-ins + AI toolchain", the system was successfully listed on the Huawei Cloud Marketplace. The Company continues to build end-to-end professional service capabilities for enterprise core business system operations, forming a professional capability center integrating consulting, implementation, technical operation and maintenance, and project management. Aligning with Huawei, it has established five capability centers to strengthen product and service capabilities in the field of domestic ERP. Based on the 4A architecture AI-native R1-EIMOS digital transformation support platform, through model and process orchestration, it supports outside expansion and peripheral system development.

The in-depth application of AI will drive exponential consumption of computing power and cloud resources. To this end, the Company has coordinated the planning and development of cloud and computing power. During the reporting period, the company continued to lead the Huawei Cloud ecosystem, ranking first in both business scale and ecosystem share for consecutive terms. The company has built a complete service system and capabilities covering "cloud sales – cloud services – AI enablement" and is the partner with the most certifications for Huawei Cloud's CTSP (Cloud Transformation Service Provider) capability labels. It has expanded computing power operations to two new cities; leveraging infrastructure upgrades such as Huawei Cloud's CloudMatrix384 super nodes, it has actively participated in the construction of computing power centers. Through optimizations of Ascend AI chips and CANN computing architecture, it has helped customers improve AI inference efficiency by 15%, demonstrating the unique advantages of Ascend through underlying engineering services. Through in-depth cooperation with SiliconFlow, the company has enhanced the adaptability of the Ascend chip base by integrating computing power acceleration with full-stack AI services. It has built its own technology innovation center and computing power center (AILab), creating a full-stack AI-POC environment that provides low-threshold model training, rapid deployment of intelligent agents, and full-lifecycle services, thus consolidating the AI-native digital intelligence base.

Looking ahead, the company will continue to deepen its full-scenario AI strategy, serving AI Native innovations such as edge intelligence, high-quality datasets, intelligent agent application development, and empowerment of digital intelligence transformation. It will provide enterprises with comprehensive intelligent solutions covering everything from perception to decision-making, and unswervingly move toward the goal of becoming "the world's most outstanding full-scenario AI product and service provider."

Since the Group's listing on the Growth Enterprise Market in 2003, the compound annual growth rate (CAGR) of revenue reached 24.6%, while the CAGR of service revenue reached 30.8%. In the first half of 2025, revenue increased by 7.3% compared to the same period last year, and service revenue increased by 7.8% compared to the same period last year. Please refer to the following graph for details:



Customers

The Group's customers span globally, in addition to the Greater China, it has achieved remarkable results in the Asia-Pacific and Middle East and extends its influence to customers globally. The Group has established long-term partnerships with leading domestic and international enterprises and high-growth potential clients such as Huawei, HSBC, Honor, Tencent, Alibaba, Ping An, China Mobile, China Telecom, Bank of Communications, PetroChina, CNOOC, and State Grid. In the first half of 2025, service revenue from the top five customers accounted for 57.3% of the Group's total service revenue, while the top ten customers contributed 65.0% of the total service revenue.

As of June 30, 2025, the Group had 191 major clients with service revenue exceeding RMB6 million in the past twelve months.

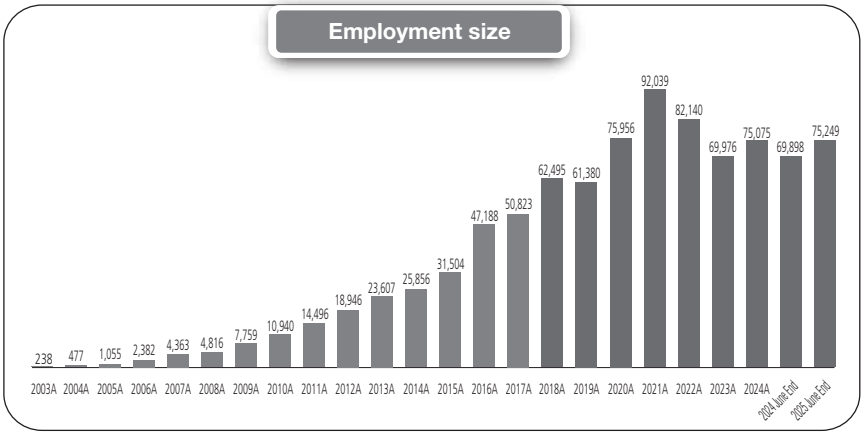
Market

During the reporting period, the Group focused on industries such as power, finance, government affairs, transportation, public utilities, and enterprise manufacturing, developing and promoting industry-specific scenario-based solutions built on the HarmonyOS ecosystem and AI technologies. In the domestic market, the Company prioritized layout in economically developed regions such as the Guangdong-Hong Kong-Macau Greater Bay Area, the Yangtze River Delta, and the Beijing-Tianjin-Hebei region, as well as key hubs in central and western China. The Company deepened our presence in major cities including Beijing, Shenzhen, Xi'an, Guangzhou, Nanjing, Shanghai, and Chengdu, giving full play to the ad-vantages of our "spearhead + corps + headquarters" organizational structure to comprehensively advance the in-depth application and supply of "AI+" solutions across various industries. In overseas markets, with Hong Kong as a strategic hub, the Company adopted a dual-drive model of "technology going global + ecosystem localization" to build a global service system covering the Asia-Pacific and Middle East regions. In Hong Kong, the Company provided Kai Tak Sports Park with an integrated smart venue solution including a smart center, physical security, passenger flow statistics, and venue booking management; the Company undertook the CDIP project for the Hong Kong Police Force and participated in the Hongkong Electric distribution zone pilot project. In Saudi Arabia, the Company established a joint venture company JAT with 3F Technologies to serve the digital infrastructure construction of NEOM, Saudi Arabia's new future city. The Company continues to serve global customers leveraging its capabilities in data platforms, cloud native, and AIGC, consolidating its position as a benchmark in financial digital transformation in Hong Kong and Southeast Asia, while accelerating the overseas expansion of finance, power, government cloud, and the HarmonyOS ecosystem.

Human Resources

As of June 30, 2025, the total number of employees in the Group reached 75,249, compared to 69,898 as of June 30, 2024, representing an increase of 7.7% YoY. During the reporting period, on the one hand, the company's cornerstone businesses have steadily recovered, leading to an increased demand for human resource support. It is necessary to expand the team to undertake additional projects and ensure efficient service delivery; on the other hand, the rapid expansion of full-scenario AI businesses has resulted in a surge in demand for professional talents, making it urgent to recruit core personnel to support business development.

Since its listing on the Growth Enterprise Market in 2003, the Group's total personnel has changed as follows:



Operating Results

The following is the Group's consolidated comprehensive income statement for the first half of 2024 and 2025 (unaudited):

	2025			2024		
	For the first half RMB'000	% of Revenue	% of Service Revenue	For the first half RMB'000	% of Revenue	% of Service Revenue
Revenue	**8,506,642**	**N/A**	**N/A**	7,926,183	N/A	N/A
Service revenue	**8,248,232**	**N/A**	**N/A**	7,647,920	N/A	N/A
Cost of sales and services	**(6,631,744)**	**(78.0%)**	**(80.4%)**	(6,094,783)	(76.9%)	(79.7%)
Gross profit	**1,874,898**	**22.0%**	**22.7%**	1,831,400	23.1%	23.9%
Other income	**97,907**	**1.2%**	**1.2%**	94,577	1.2%	1.2%
Other gains or losses	**85,785**	**1.0%**	**1.0%**	104,890	1.3%	1.4%
Selling and distribution costs	**(426,462)**	**(5.0%)**	**(5.2%)**	(425,950)	(5.4%)	(5.6%)
Other expenses	**(52,363)**	**(0.6%)**	**(0.6%)**	(44,638)	(0.6%)	(0.6%)
Administrative expenses	**(1,118,980)**	**(13.2%)**	**(13.6%)**	(1,113,278)	(14.0%)	(14.6%)
Finance costs	**(61,329)**	**(0.7%)**	**(0.7%)**	(99,837)	(1.3%)	(1.3%)
Impairment losses under expected credit loss model, net of reversal	**(19,017)**	**(0.2%)**	**(0.2%)**	(15,455)	(0.2%)	(0.2%)
Share of results of investments accounted for using the equity method	**(29,964)**	**(0.4%)**	**(0.4%)**	(34,684)	(0.4%)	(0.5%)
Loss from derecognition of financial assets measured at amortised cost	**(1,529)**	**(0.0%)**	**(0.0%)**	(1,191)	(0.0%)	(0.0%)
Profit before taxation	**348,946**	**4.1%**	**4.2%**	295,834	3.7%	3.9%
Income tax expense	**(33,915)**	**(0.4%)**	**(0.4%)**	(10,481)	(0.1%)	(0.1%)
Profit for the period	**315,031**	**3.7%**	**3.8%**	285,353	3.6%	3.7%
Profit attributable to owners of the Company	**315,563**	**3.7%**	**3.8%**	285,720	3.6%	3.7%
Adjusted profit	**277,093**	**3.3%**	**3.4%**	247,534	3.1%	3.2%

Revenue

In the first half of 2025, the Group achieved revenue of RMB8,506.642 million (first half of 2024: RMB7,926.183 million), representing an increase of 7.3% compared to the same period last year. In the first half of 2025, service revenue was RMB8,248.232 million (first half of 2024: RMB7,647.920 million), representing an increase of 7.8% compared to the same period last year. During the reporting period, the company's business showed a diversified positive trend: the cornerstone business stabilized and rebounded, with steady revenue growth from core major customers; meanwhile, the full-scenario AI business became a new growth engine, achieving revenue of approximately RMB656 million, a significant year-on-year increase of 130%.

Gross profit

In the first half of 2025, the Group achieved a gross profit of RMB1,874.898 million (first half of 2024: RMB1,831.400 million), representing an increase of 2.4% compared to the same period last year. During the reporting period, the growth in gross profit was mainly driven by the significant contribution from the full-scenario AI business. The Group's overall gross profit margin in the first half of 2025 was 22.0% (first half of 2024: 23.1%), representing a decrease of 1.1% compared to the same period last year. In the first half of 2025, the Group's gross profit as a percentage of service revenue was 22.7% (first half of 2024: 23.9%), representing a decrease of 1.2% compared to the same period last year. The decline in gross profit margin was mainly affected by price reductions from some of the Group's major customers. However, the Company has effectively driven a sequential rebound in gross profit margin by increasing the proportion of full-scenario AI business and applying AI programming tools in projects. Compared with the gross profit margin of 21.2% in the second half of 2024, the gross profit margin in the reporting period rose by 0.8% sequentially. In the future, the Group will continue to improve the overall gross profit margin through the following measures:

1. Continuously increase the proportion of full-scenario AI products and services: Leveraging the core competitiveness of root technologies and AI platform products, provide safer, independent, controllable, and intelligent hardware and software products and solutions for various industries. By continuously deepening engagement and rapidly promoting these offerings in industries, the overall gross profit margin will be improved;

2. Enhance delivery efficiency: Promote the use of AI tools in the delivery process and optimize the efficiency of resource input to boost the gross profit margin.

Operating Expenses

In the first half of 2025, selling and distribution costs were RMB426.462 million (first half of 2024: RMB425.950 million), representing an increase of 0.1% compared to the same period last year. In the first half of 2025, selling and distribution costs accounted for 5.0% of revenue (first half of 2024: 5.4%), representing a decrease of 0.4% compared to the same period last year. During the reporting period, the Company focused on its core markets, deepened regional operations, and explored incremental markets through continuous intensive cultivation. Meanwhile, it emphasized improving team capabilities, gave full play to ecological synergy, and optimized resource allocation. In addition, the company developed an AI sales assistant through the R1-AgentDIM platform, which enhanced the work efficiency of the Group's sales personnel. Under the premise of revenue growth, it effectively controlled the demand for additional sales staff.

In the first half of 2025, administrative expenses were RMB1,118.980 million (first half of 2024: RMB1,113.278 million), representing an increase of 0.5% compared to the same period last year. In the first half of 2025, administrative expenses accounted for 13.2% of revenue (first half of 2024: 14.0%), representing a decrease of 0.8% compared to the same period last year. During the reporting period, the Company significantly improved the management efficiency of the recruitment and operation departments by strengthening budget management and applying self-developed AI tools such as recruitment and operation Agents, thereby reducing the administrative expense ratio.

Looking ahead, the Company will continue to rely on self-developed Agent products to optimize the operational efficiency of the overall sales, R&D, and functional systems, and further improve the operating profit margin.

Other Income

In the first half of 2025, other income was RMB97.907 million (first half of 2024: RMB94.577 million), representing an increase of 3.5% compared to the same period last year. The growth was mainly driven by a year-on-year increase in government subsidies during the reporting period, which was partially offset by a decrease in interest income. Under the combined effect, other income achieved a slight growth.

Other Gains or Losses

In the first half of 2025, other gains were RMB85.785 million (first half of 2024: RMB104.890 million), representing a decrease of 18.2% compared to the same period last year. The decrease in other gains was mainly due to the fact that investment income from the disposal of equity in some associate companies was recognized in 2024, while no similar transactions occurred in the current reporting period.

Finance Costs and Income Tax

In the first half of 2025, finance costs were RMB61.329 million (first half of 2024: RMB99.837 million), representing a decrease of 38.6% compared to the same period last year. Finance costs accounted for 0.7% of revenue (first half of 2024:1.3%), a decrease of 0.6% compared to the same period last year. The decrease in financial expenses was mainly affected by the following factors: first, the interest expenses on syndicated loans decreased during the reporting period; second, a one-time expense was incurred in the first half of 2024 due to the early repayment of syndicated loans.

In the first half of 2025, income tax expense was RMB33.915 million (first half of 2024: RMB10.481 million), representing an increase of 223.6% compared to the same period last year. The effective tax rate during the reporting period was 9.7%, which was 6.2% higher than 3.5% in the same period of the previous year. The increase in income tax was mainly due to the impact of the final settlement of income tax for the previous year, as well as the recognition of deferred tax expenses arising from the gains on fair value changes of financial assets measured at fair value.

Other Non-Cash Expenses

In the first half of 2025, other expenses were RMB52.363 million (first half of 2024: RMB44.638 million), representing an increase of 17.3% compared to the same period last year. Other expenses accounted for 0.6% of revenue, remaining the same as in the same period last year.

In the first half of 2025, impairment losses under the expected credit loss model, net of reversal, were RMB19.017 million (first half of 2024: RMB15.455 million), representing an increase of 23.0% compared to the same period last year. Impairment losses under the expected credit loss model, net of reversal, accounted for 0.2% of revenue, remaining the same as in the same period last year.

Working Capital, Financial and Capital Resource

In the first half of 2025, the Group had a total available cash balance (the sum of bank balances and cash, term deposits, and pledged bank deposits) of RMB2,936.842 million (End of 2024: RMB4,747.142 million).

In the first half of 2025, the Group's net current assets were RMB7,470.686 million (End of 2024: RMB6,687.092 million). The current ratio (the ratio of current assets to current liabilities) in the first half of 2025 was 2.3, compared to 2.1 in 2024, representing an increase of 0.2.

In the first half of 2025, the Group's borrowings were RMB4,436.629 million (End of 2024: RMB4,416.097 million). The net gearing ratio is calculated based on the borrowings (borrowings and convertible bonds less available cash (the sum of bank balances and cash, term deposits, and pledged bank deposits)) divided by total equity. In the first half of 2025, the Group's net gearing ratio was 12.8% (as of the end of 2024: the net gearing ratio was negative).

Profit for the Period and Earnings Per Share (EPS)

In the first half of 2025, the Group achieved a profit for the period of RMB315.031 million (first half of 2024: RMB285.353 million), representing an increase of 10.4% compared to the same period last year. The growth in profit was mainly attributed to the initial success of the Group's AI transformation in improving quality and efficiency during the reporting period. The profit for the period in the first half of 2025 accounted for 3.7% of revenue (first half of 2024: 3.6%), representing an increase of 0.1% compared to the same period last year. The profit for the period in the first half of 2025 accounted for 3.8% of service revenue (first half of 2024: 3.7%), representing an increase of 0.1% compared to the same period last year.

In the first half of 2025, the profit attributable to owners of the Group was RMB315.563 million (first half of 2024: RMB285.720 million), representing an increase of 10.4% compared to the same period last year.

Based on the profit attributable to owners of the Group, the basic earnings per share in the first half of 2025 were calculated to be RMB12.64 cents (first half of 2024: RMB10.93 cents), representing an increase of 15.6% compared to the same period last year. The growth in basic earnings per share was attributed to the Company's emphasis on shareholder returns through share repurchases and cancellations.

Adjusted Profit

In order to provide shareholders with supplementary information reflecting the company's sustainable operational capacity and operating efficiency in its main business, on the basis of disclosing the profit for the period in accordance with HKFRSs, the company supplements the disclosure of the adjusted profit. The adjusted profit does not have a standardised meaning prescribed by HKFRSs and therefore may not be comparable to similar measures presented by other companies. The following table shows the calculation process of the adjusted profit and the reconciliation process from adjusted profit to profit for the period:

	Six Months Ended 30 June	
	2025	2024
	RMB'000	RMB'000
Gross profit	**1,874,898**	1,831,400
Selling and distribution costs	**(426,462)**	(425,950)
Administrative expenses (including research and development costs)	**(1,118,980)**	(1,113,278)
Amortisation of intangible assets (included in other expenses)	**(52,363)**	(44,638)
Adjusted profit	**277,093**	247,534
Other income	**97,907**	94,577
Other gains or losses	**85,785**	104,890
Finance costs	**(61,329)**	(99,837)
Impairment losses under expected credit loss model, net of reversal	**(19,017)**	(15,455)
Share of results of investments accounted for using the equity method	**(29,964)**	(34,684)
Loss from derecognition of financial assets measured at amortised cost Impairment losses under expected credit loss model, net of reversal	**(1,529)**	(1,191)
Profit before taxation	**348,946**	295,834
Income tax expense	**(33,915)**	(10,481)
Profit for the period	**315,031**	285,353

In the first half of 2025, the Group implemented strategic initiatives, precise execution, and proactive efficiency enhancement measures to achieve a significant enhancement in profitability. After reducing selling and distribution costs, administrative expenses, research and development costs, and amortization of intangible assets from gross profit, the Group achieved an adjusted profit of RMB277.093 million (first half of 2024: RMB247.534 million), representing an increase of 11.9% compared to the same period last year. The adjusted profit margin for the first half of 2025 was 3.3% (first half of 2024: 3.1%), representing an increase of 0.2% compared to the same period last year. Based on service revenue, the adjusted profit margin stood at 3.4% (first half of 2024: 3.2%), representing an increase of 0.2% compared to the same period last year.

FUND RAISING ACTIVITIES

During the current and last year, no fund raising activities had been conducted by the Group. The details of the fund raising activity which had been conducted by the Group with unused proceeds is summarised as below:

On 4 October 2021, the Company entered into the placing agreement with the placing agent, UBS AG Hong Kong Branch, to procure not less than six placees on a best efforts basis to purchase up to an aggregate of 162,000,000 placing shares at the placing price of HK$12.26 per placing share.

The placing shares were allotted on 12 October 2021 under the general mandate granted to the Directors at the annual general meeting of the Company held on 18 May 2021. The net proceeds from the placing is approximately HK$1,970 million (after deduction of commission and other expenses of the placing). The intended use and actual use of the proceeds are as follow:

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds	The amount of the remaining net proceeds as at 30 June 2025	Expected time of utilisation (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	–	–
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 unutilised proceeds 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 based on the future development of market conditions.

INTERIM RESULTS

The board of Directors (the "Board") of Chinasoft International Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2025 with corresponding figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		For the six months ended 30 June	
		2025	2024
	Notes	**RMB'000**	RMB'000
Revenue	*4*	**8,506,642**	7,926,183
Cost of sales and services		**(6,631,744)**	(6,094,783)
Gross profit		**1,874,898**	1,831,400
Other income		**97,907**	94,577
Other gains or losses		**85,785**	104,890
Selling and distribution costs		**(426,462)**	(425,950)
Other expenses		**(52,363)**	(44,638)
Administrative expenses		**(1,118,980)**	(1,113,278)
Finance costs	*5*	**(61,329)**	(99,837)
Impairment losses under expected credit loss model, net of reversal		**(19,017)**	(15,455)
Share of results of investments accounted for using the equity method		**(29,964)**	(34,684)
Loss from derecognition of financial assets measured at amortised cost		**(1,529)**	(1,191)
Profit before taxation		**348,946**	295,834
Income tax expense	*6*	**(33,915)**	(10,481)
Profit for the period		**315,031**	285,353
Other comprehensive expense			
Exchange differences arising on transaction of foreign operations		**9,056**	(2,420)
Total comprehensive income for the period		**324,087**	282,933
Profit for the period attributable to:			
Owners of the Company		**315,563**	285,720
Non-controlling interests		**(532)**	(367)
		315,031	285,353
Total comprehensive income attributable to:			
Owners of the Company		**324,619**	283,300
Non-controlling interests		**(532)**	(367)
		324,087	282,933
Earnings per share	*8*		
– Basic (cents)		**12.64**	10.93
– Diluted (cents)		**12.05**	10.56

	Notes	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		**1,409,375**	1,341,755
Right-of-use assets		**680,251**	722,936
Intangible assets		**382,518**	377,431
Goodwill		**843,654**	843,654
Investments accounted for using the equity method		**440,244**	445,327
Financial assets at fair value		**660,553**	503,553
Other receivables		**2,410**	5,584
Term deposits		**760,000**	1,384,000
Pledged bank deposits		**18,949**	15,655
Deferred tax assets		**2,434**	2,166
		5,200,388	5,642,061
Current assets			
Inventories		**238,579**	61,297
Trade and other receivables	*9*	**7,968,818**	6,458,917
Bills receivable		**87,239**	73,205
Contract assets		**2,174,950**	2,292,057
Financial assets at fair value		**544,153**	401,007
Derivative financial assets		**–**	5,441
Amount due from related companies		**168,120**	150,845
Term deposits		**829,000**	129,240
Pledged bank deposits		**38,037**	87,258
Bank balances and cash		**1,290,856**	3,130,989
		13,339,752	12,790,256
Current liabilities			
Trade and other payables	*10*	**1,845,267**	1,976,013
Bills payable		**23,546**	52,233
Lease liabilities		**91,650**	103,713
Contract liabilities		**134,909**	136,119
Amounts due to related companies		**30,323**	29,791
Taxation payable		**141,147**	164,543
Borrowings	*11*	**3,599,918**	3,640,752
Derivative financial liabilities		**2,306**	–
		5,869,066	6,103,164
Net current assets		**7,470,686**	6,687,092
Total assets less current liabilities		**12,671,074**	12,329,153

	Notes	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Non-current liabilities			
Deferred tax liabilities		**34,713**	25,482
Lease liabilities		**38,782**	62,005
Borrowings	*11*	**836,711**	775,345
Derivative financial liabilities		**27,827**	27,827
		938,033	890,659
		11,733,041	11,438,494
Capital and reserves			
Share capital	*12*	**123,434**	123,434
Share premium		**4,296,705**	4,435,962
Treasury shares		**(864,400)**	(991,060)
Reserves		**8,155,315**	7,847,639
Equity attributable to owners of the Company		**11,711,054**	11,415,975
Non-controlling interests		**21,987**	22,519
Total equity		**11,733,041**	11,438,494

	Attributable to the owners of the Company												
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Fair value through other comprehensive income reserve RMB'000	Translation reserve RMB'000	Equity-settled share-based payment reserve RMB'000	General reserve fund RMB'000	Statutory enterprise expansion fund RMB'000	Statutory surplus reserve fund RMB'000	Accumulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	133,029	5,474,719	(1,114,363)	(122,769)	(13,834)	(24,137)	269,500	15,793	26,749	355,695	6,743,079	11,742,461	24,998	11,766,760
Profit for the period	-	-	-	-	-	-	-	-	-	-	285,720	285,720	(367)	285,353
Other comprehensive (expenses) income for the period	-	-	-	-	-	(2,420)	-	-	-	-	-	(2,420)	-	(2,420)
Total comprehensive income (expenses) for the period	-	-	-	-	-	(2,420)	-	-	-	-	285,720	283,300	(367)	282,933
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	-	107,861	-	-	-	-	107,861	-	107,861
Repurchase and cancellation of shares	(6,057)	(557,158)	-	-	-	-	-	-	-	-	-	(563,215)	-	(563,215)
Vesting of share awards	-	(14,863)	110,270	-	-	-	(95,407)	-	-	-	-	-	-	-
Dividends paid to ordinary shareholders	-	(190,663)	-	-	-	-	-	-	-	-	-	(190,663)	-	(190,663)
At 30 June 2024	126,972	4,712,015	(1,004,093)	(122,769)	(13,834)	(26,557)	280,954	15,793	26,749	355,695	7,028,799	11,379,724	23,992	11,403,656
At 1 January 2025	123,434	4,456,962	(991,060)	(122,769)	(13,834)	(32,609)	303,439	15,793	26,749	397,121	7,273,749	11,415,975	22,519	11,438,494
Profit for the period	-	-	-	-	-	-	-	-	-	-	315,563	315,563	(532)	315,031
Other comprehensive (expenses) income for the period	-	-	-	-	-	9,056	-	-	-	-	-	9,056	-	9,056
Total comprehensive income (expenses) for the period	-	-	-	-	-	9,056	-	-	-	-	315,563	324,619	(532)	324,087
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	-	92,656	-	-	-	-	92,656	-	92,656
Vesting of share awards	-	(17,061)	126,660	-	-	-	(109,599)	-	-	-	-	-	-	-
Dividends paid to ordinary shareholders	-	(122,196)	-	-	-	-	-	-	-	-	-	(122,196)	-	(122,196)
At 30 June 2025	123,434	4,296,705	(864,400)	(122,769)	(13,834)	(23,553)	286,496	15,793	26,749	397,121	7,589,312	11,711,054	21,987	11,733,041

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Net cash used in operating activities	**(990,209)**	(686,433)
Net cash used in investing activities	**(653,449)**	(910,800)
Net cash generated from financial activities	**(191,291)**	(332,717)
Net decrease in cash and cash equivalents	**(1,834,949)**	(1,929,950)
Effect of foreign exchange rate changes	**(5,184)**	(16,589)
Cash and cash equivalents at the beginning of the period	**3,130,989**	3,788,110
Cash and cash equivalents at the end of the period	**1,290,856**	1,841,571

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 16 February 2000 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 20 June 2003. On 29 December 2008, the listing of the shares of the Company was transferred to the Main Board of the Stock Exchange.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the "Group") are development and provision of information technology ("IT") solutions services, IT outsourcing services and training services.

2. BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at their fair values.

The accounting policies used in these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards and interpretations effective as at 1 January 2025.

The Group has applied the following amendments to HKFRS issued by the HKICPA for the first time in the current interim period.

Amendments to HKAS 21	Lack of Exchangeability

The adoption of the new and revised HKFRS did not have any significant effect on the unaudited condensed consolidated financial statements of the Group.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Nature of goods and services		
Provision of services		
Project-based development services	**914,902**	1,125,174
Outsourcing services	**7,238,584**	6,418,172
Others	**94,746**	104,574
	8,248,232	7,647,920
Sales of software and hardware products	**258,410**	278,263
	8,506,642	7,926,183

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Timing of revenue recognition		
Over time	**8,248,232**	7,647,920
At a point in time	**258,410**	278,263
	8,506,642	7,926,183

Revenue represents the net amounts received and receivable for goods sold and services rendered during the period.

Segment information

In response to the paradigm shift driven by AI technology, the Group has unswervingly advanced the full-scenario AI strategy and restructured its organisational framework, breaking away from the previous operating segment (TPG and IIG) and integrating and resetting its resource allocation and performance evaluation systems. The chief operating decision maker (the "CODM") now evaluate the Group's business performance as a single integrated business. As a result, the Group now has only one operating segment and no segment information is presented.

5. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest on borrowings	**58,420**	96,377
Interest of lease liabilities	**2,910**	3,460
	61,329	99,837

6. TAXATION

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Tax charge comprises:		
PRC Enterprise Income Tax	**21,450**	8,281
Others	**3,495**	2,200
Deferred Tax	**8,970**	–
	33,915	10,481

PRC Enterprise Income Tax is calculated at the rates prevailing in relevant districts of the PRC.

Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

7. DIVIDEND

During the six months ended 30 June 2025, a final dividend of HK$0.0533 per ordinary share from share premium account of the Company in respect of the year ended 31 December 2024 (2023: HK$0.0811) was declared to the owners of the Company and paid on 23 June 2025. The aggregate amount of the final dividend declared during the six months ended 30 June 2025 amounted to HK$133,325,528 (2024: HK$209,703,225).

The directors of the Company have resolved not to declare an interim dividend for the six months ended 30 June 2025 (2024: Nil).

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Earnings for the purposes of calculating basic earnings per share and diluted earnings per share	**315,563**	285,720

	Number of shares	
	2025	2024
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**2,497,482,058**	2,614,104,739
Effect of dilutive potential ordinary shares: Share award scheme	**120,893,564**	92,010,310
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**2,618,375,622**	2,706,115,049

The number of shares adopted in the calculation of the basic earnings per share has been arrived at after eliminating the shares of the Company held under the Company's share award scheme.

9. TRADE AND OTHER RECEIVABLES

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Trade receivables, net of allowance	**7,130,716**	5,998,723
Advances to suppliers	**488,169**	205,284
Deposits, prepayments and other receivables, net of allowance	**352,343**	260,494
	7,971,228	6,464,501
Analysed for reporting purposes as:		
Non-current assets	**2,410**	5,584
Current assets	**7,968,818**	6,458,917
	7,971,228	6,464,501

Included in the non-current assets are other receivables representing the refundable lease deposit for the rental office.

The credit terms of the Group range from 30 to 180 days. An aged analysis of trade receivables (net of allowance), presented based on the dates of invoices for sales of goods and services for projected-based development contracts, and dates of rendering of other types of services at the end of the reporting period is as follows:

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Within 90 days	**4,726,848**	4,243,934
Between 91 – 180 days	**813,408**	711,423
Between 181 – 365 days	**1,026,989**	647,626
Between 1 – 2 years	**563,471**	395,740
	7,130,716	5,998,723

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by each customer. Limits attributed to customers are reviewed each time.

10. TRADE AND OTHER PAYABLES

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Trade payables	**802,186**	930,191
Other payables	**1,043,081**	1,045,822
	1,845,267	1,976,013

An aged analysis of trade payables, presented based on the invoice date at the end of the reporting period is as follows:

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Within 90 days	**174,710**	520,624
Between 91-180 days	**96,424**	111,743
Between 181-365 days	**315,028**	126,724
Between 1-2 years	**84,020**	77,046
Over 2 years	**132,004**	94,054
	802,186	930,191

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that sufficient working capital is maintained to meet its obligations when they fall due.

The fair value of the Group's trade and other payables at 30 June 2025 was approximately equal to the corresponding carrying amount.

11. BORROWINGS

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Unsecured bank loans (Note (i) and (ii))	**3,924,616**	3,979,365
Secured bank loans (Note (iii) and (iv))	**512,013**	436,732
	4,436,629	4,416,097

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Carrying amount repayable:		
Within one year	**3,599,918**	3,640,752
Within a period of more than one year but not more than two years	**–**	–
Within a period of more than two years but not more than five years	**397,000**	398,000
Within a period of more than five years	**439,711**	377,345
	4,436,629	4,416,097
Less: Amounts due within one year shown under current liabilities	**(3,599,918)**	(3,640,752)
Amounts shown under non-current liabilities	**836,711**	775,345

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Total borrowings		
At floating interest rates – under an instalment loan facility (Note (i) and (ii))	**1,228,200**	1,243,786
At floating interest rates – secured bank loans (Note (iii) and (v))	**439,711**	377,345
At floating interest rates – others (Note (i) and (v))	**–**	50,000
At fixed interest rates – others (Note (i) and (vi))	**2,696,415**	2,685,579
At fixed interest rates – secured bank loans (Note (iv) and (vi))	**72,302**	59,387
	4,436,628	4,416,097

11. BORROWINGS (CONTINUED)

Notes:

(i) Guaranteed by the Company and certain subsidiaries of the Company.

(ii) During 2022 and 2023, the Company raised loans of HK$3,000 million in two tranches from its loan facility with a group of financial institutions. The total loans represent 100% of commitments under the facility agreement and are repayable by instalments as to 5%, 10%, 15% and 70%, respectively, in June 2024, December 2024, June 2025, and December 2025. The contracted interest rate is the applicable Hong Kong Interbank Offered Rate ("HIBOR") plus 1.3% per annum. Under the terms of the facility agreement, the Company is required to comply with financial covenants to maintain a consolidated tangible net worth of no less than RMB3,800 million, and certain ratios of (1) consolidated EBITDA to consolidated financial expenses, (2) consolidated total net debt to consolidated EBITDA, and (3) cash dividend to distributable profits of the Company. The Group has complied with the relevant covenants during the reporting period. The first two instalments representing 15% of the loans, or HK$450 million has been repaid in 2024. The third instalment and partial of the residual one instalment representing 40% of the loans, or HK$1,200 million has been early repaid in 2024.

(iii) During 2024, a subsidiary of the Group entered into a loan facility agreement with a total amount of RMB660 million with a commercial bank and raised loans of RMB440 million in 2024 and 2025. The loans are repayable in October 2034 and were secured by a leasehold land amounting to approximately RMB131,492,000.

(iv) Bill receivables with a net carrying value of RMB72,302,000 (2024: RMB59,387,000) are pledged to secure certain bank loans granted to the Group.

(v) Interests on floating interest rates borrowings are charged at interest rates announced by the People's Bank of China. The average interest rate is 1.40% (2024: 1.89%) per annum as at 30 June 2025.

(vi) Interests on fixed interest rates borrowings are charged at interest rate from to 1.15%-2.60% (2024: 0.55%-2.60%) per annum as at 30 June 2025.

12. SHARE CAPITAL

Ordinary shares of HK$0.05 each:

	Number of shares	Nominal amount HK$
Authorised		
At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	4,000,000,000	200,000,000

	Number of shares	Nominal amount HK$	Amount shown in the financial statements RMB'000
Issued and fully paid			
At 1 January 2024	2,943,299,358	147,164,969	133,029
Cancellation of repurchased shares	(133,546,000)	(6,677,300)	(6,057)
At 30 June 2024	2,809,753,358	140,487,669	126,972
At 31 December 2024, 1 January 2025 and 30 June 2025	2,732,079,358	136,603,969	123,434

13. CAPITAL COMMITMENTS

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements		
– acquisition of property, plant and equipment	**5,237**	17,058
– construction of property, plant and equipment	**375,783**	438,150
	381,020	455,208

In addition, as at 30 June 2025, the Group is committed to contributions of further capital amounting to RMB248,008,000 (2024: RMB269,767,000) under the relevant agreements for its investments in entities accounted for using equity method and using fair value.

14. RELATED PARTY TRANSACTIONS

During the relevant periods in 2024 and 2025, the Group had the following transactions with the following related parties:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Provision of IT outsourcing services by the Group	**19,589**	4,604
Provision of IT solution services by the Group	**2,712**	2,388
Provision of other services by the Group	**424**	1,801

The Directors are of the opinion that the above transactions were conducted under normal commercial terms in the usual course of business of the Company.

15. EMPLOYEE AND OTHER INFORMATION

The total employee benefits expenses of the Group amounted to approximately RMB7,010,805,000 including the directors' emoluments of approximately RMB18,437,000 during the six months ended 30 June 2025 (2024: approximately RMB6,526,599,000, including the directors' emoluments of approximately RMB22,389,000).

The amortisation charge of intangible assets and depreciation during the six months ended 30 June 2025 of the Group amounted to approximately RMB52,363,000 (2024: RMB44,638,000) and approximately RMB101,796,000 (2024: RMB130,436,000), respectively.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained to safeguard the interests of shareholders, customers, service vendors, employees and other stakeholders. The code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules have served as guideposts for the Company to follow in its implementation of corporate governance measures.

In the opinion of the Board, the Group has complied with the CG Code from 1 January 2025 to 30 June 2025, except for the following deviations as explained:

Code Provision C.1.6

Under Code provision C.1.6, independent non-executive directors and other non-executive directors, as equal board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings to gain and develop a balanced understanding of the views of shareholders. Due to other business commitment, three independent non-executive Directors and two non-executive Directors were unable to attend the annual general meeting of the Company held on 20 May 2025 in Hong Kong (the "2024 AGM").

Code Provision C.2.1

Under Code provision C.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Dr. Chen Yuhong currently assumes the roles of both the Chairman and the Chief Executive Officer of the Company. The Board believes that by holding both roles, Dr. Chen will be able to provide the Group with strong and consistent leadership, and it allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group.

The Board will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest developments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules on terms no less exacting than the required standard set out in the Model Code as its code of conduct regarding securities transactions by Directors. In response to a specific enquiry by the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code regarding securities transactions by Directors throughout the period ended 30 June 2025.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2025, the following Directors had interests in the shares and underlying shares of the Company and shares in an associated corporation (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) of the Company as set out below and recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of listed issuers.

Long positions in shares of HK$0.05 each in the capital of the Company ("Shares")

Name	Capacity	Number of issued ordinary shares held	Approximate % of total issued ordinary share as at 30 June 2025
Chen Yuhong	Beneficial owner, through controlled corporation, founder of discretionary trust and beneficiary of trust	315,488,861 *(Note 1)*	11.55%
He Ning	Beneficial owner and beneficiary of trust	6,000,000 *(Note 2)*	0.22%
Tang Zhenming	Beneficial owner and beneficiary of trust	24,891,765 *(Note 3)*	0.91%
Zhang Yaqin	Beneficial owner	250,000	0.01%
Yeung Tak Bun	Beneficial owner and beneficiary of trust	1,000,000 *(Note 4)*	0.04%

Notes:

(1) Pursuant to the Share Award Scheme, on 1 June 2020, there were 16,600,000 awarded shares granted to Dr. Chen Yuhong and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited, of which 5,600,000 awarded shares were vested and transferred to Dr. Chen during May 2021, 5,500,000 awarded shares were vested during June 2022 and transferred to Dr. Chen during July 2022, 1,650,000 awarded shares were vested during June 2023 and transferred to Dr. Chen during August 2023, 2,200,000 awarded shares were vested during April 2024 and transferred to Dr. Chen during May 2024. During the reporting period, 1,650,000 awarded shares were vested and transferred to Dr. Chen during April 2025. In addition, on 30 August 2023, there were 9,996,000 awarded shares granted to Dr. Chen Yuhong and held by the same trustee, of which no awarded shares were vested and transferred to Dr. Chen during the reporting period. The remaining awarded shares will be vested by period based on future performance.

(2) Pursuant to the Share Award Scheme, on 30 August 2023, there are 5,000,000 awarded shares granted to Dr. He Ning and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited, of which 660,000 awarded shares were vested and transferred to Dr. He during October 2024 and no awarded shares were vested and transferred to Dr. He during the reporting period. The remaining awarded shares will be vested by period based on future performance.

(3) Pursuant to the Share Award Scheme, on 1 June 2020, there were 7,200,000 shares are the awarded shares granted to Dr. Tang Zhenming and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited, of which 1,440,000 awarded shares were vested and transferred to Dr. Tang during May 2021, 1,440,000 awarded shares were vested during June 2022 and transferred to Dr. Tang during July 2022, 432,000 awarded shares were vested during June 2023 and transferred to Dr. Tang during August 2023, 1,008,000 awarded shares were vested during April 2024 and transferred to Dr. Tang during May 2024. During the reporting period, 576,000 awarded shares were vested and transferred to Dr. Tang during April 2025. In addition, on 30 August 2023, there were 5,000,000 awarded shares granted to Dr. Tang Zhenming and held by the same trustee, of which no awarded shares were vested and transferred to Dr. Tang during the reporting period. The remaining awarded shares will be vested by period based on future performance.

(4) Pursuant to the Share Award Scheme, on 30 August 2023, there are 1,000,000 awarded shares granted to Mr. Yeung Tak Bun J.P. and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited, of which 200,000 awarded shares were vested and transferred to Mr. Yeung during October 2024 and no awarded shares were vested and transferred to Mr. Yeung during the reporting period. The remaining awarded shares will be vested by period based on future performance.

Save as disclosed above and so far as was known to the Directors, as at 30 June 2025, none of the Directors or chief executive of the Company had any interests or shorts in the shares, debentures or underlying shares of the Company or its associated corporations (as defined in Part XV of the 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 and short positions which he is taken or deemed to have under such provision 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 the required standard of dealings by directors of listed issuers as referred to the Model Code, to be Company and the Stock Exchange.

SHARE AWARD SCHEME

The share award scheme (the "Share Award Scheme") was adopted by the Company on 10 December 2018. The Share Award Scheme shall be valid and effective for a period of 10 years commencing on 10 December 2018. The purposes of the Share Award Scheme are to recognise the contributions by certain selected employees (including directors) and to provide them with incentives in order to retain them for continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The vesting of these share awards is subject to the fulfilment of certain performance targets by the employees. The performance targets are related to (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); and/or (iii) individual performance indicators relevant to the directors and employees' roles and responsibilities. There is no scheme mandate or service provider sublimit applicable to the Share Award Scheme. As the grant of Awarded Shares to Directors also forms part of their remuneration packages under their respective service contracts with the Company, it is therefore exempt from the reporting, announcement and independent Shareholders' approval requirements under Rule 14A.73(6) and Rule 14A.95 of the Listing Rules. Details of the Share Award Scheme are set out in the announcement of the Company dated 10 December 2018.

On 1 June 2020, the Company had granted a total of 152,000,000 awards to certain Directors and employees of the Company pursuant to the Share Award Scheme, of which 23,800,000 awards were granted to the Directors of the Company. The 152,000,000 awards represented the value of approximately HK$604,960,000 with the closing price of HK$3.98 per share on the date of grant. As at 30 June 2025, 27,008,000 awarded shares granted on 1 June 2020 were unvested, representing 0.99% of the issued share capital of the Company as at 30 June 2025.

On 30 August 2023, the Company had granted a total of 145,460,000 awards to certain Directors and employees of the Company pursuant to the Share Award Scheme, of which 20,996,000 awards were granted to the Directors of the Company. The 145,460,000 awards represented the value of approximately HK$740,391,400 with the closing price of HK$5.09 per share on the date of grant. As at 30 June 2025, 142,380,000 awarded shares granted on 30 August 2023 were unvested, representing 5.21% of the issued share capital of the Company as at 30 June 2025.

Details of share awards granted under the Share Award Scheme during the period ended 30 June 2025 are as follows:

Name or Category of Grantees	Date of Grant	Unvested Awards Outstanding as at 1 January 2025	Vesting Period	Awards Granted During the Period	Awards Vested During the Period	Purchase Price	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the Period)	Awards Cancelled During the Period	Awards Lapsed During the Period	Unvested Awards Outstanding as at 30 June 2025
Chen Yuhong *(Executive Director)*	1/6/2020	1,650,000	1/6/2020-31/5/2025	–	(1,650,000)	Nil	HK$5.7871	–	–	–
Tang Zhenming *(Executive Director)*	1/6/2020	2,880,000	1/6/2020-31/5/2027	–	(576,000)	Nil	HK$5.7812	–	–	2,304,000
Five highest paid employees *(excluding director)*	1/6/2020	400,000	1/6/2020-31/5/2025	–	(400,000)*	Nil	HK$5.5785	–	–	–
Other Employees	1/6/2020	52,010,000	1/6/2020-31/5/2027	–	(27,306,000)**	Nil	HK$5.5785	–	–	24,704,000
Total		56,940,000		–	(29,932,000)			–	–	27,008,000
Chen Yuhong *(Executive Director)*	30/8/2023	9,996,000	30/8/2023-29/8/2030	–	–	Nil	N/A	–	–	9,996,000
He Ning *(Executive Director)*	30/8/2023	4,340,000	30/8/2023-29/8/2030	–	–	Nil	N/A	–	–	4,340,000
Tang Zhenming *(Executive Director)*	30/8/2023	5,000,000	30/8/2023-29/8/2030	–	–	Nil	N/A	–	–	5,000,000
Yeung Tak Bun *(Independent Non-Executive Director)*	30/8/2023	800,000	30/8/2023-29/8/2030	–	–	Nil	N/A	–	–	800,000
Five highest paid employees *(excluding director)*	30/8/2023	–	30/8/2023-29/8/2030	–	–	Nil	N/A	–	–	–
Other Employees	30/8/2023	122,244,000	30/8/2023-29/8/2030	–	–	Nil	N/A	–	–	122,244,000
Total		142,380,000		–	–			–	–	142,380,000

* 400,000 awarded shares vested during the period were transferred to the selected employee after the period end.

** 25,306,000 awarded shares vested during the period were transferred to the selected employee after the period end.

Each of the awards represents a conditional right to receive one awarded share subject to certain terms and conditions of the grant of such awards. The awarded shares will be settled by way of existing issued shares of the Company held by the independent trustee of the Share Award Scheme of the Company. During the period ended 30 June 2025 and 30 June 2024, no shares of the Company were required from open market by the independent trustee of the Company. As at 30 June 2025, 230,662,326 shares (2024 same period: 241,432,414 shares) of the Company were held by the independent trustee of the Company, representing 8.44% (2024 same period: 8.60%) of the total issued ordinary share capital of the Company as at 30 June 2025.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, during the six months ended 30 June 2025 none of the Directors was granted options to subscribe for shares of the Company and as at 30 June 2025 none of the Directors had any rights to acquire shares in the Company.

REQUIRED STANDARD OF SECURITIES DEALINGS BY DIRECTORS

During the six months ended 30 June 2025, the Company had adopted a code of conduct for directors' securities transactions on terms no less exacting than the required standard of dealings set out in the Model Code. Having made specific enquiry with all the Directors, the Directors had complied with the required standard of dealings and the code of conduct for directors' securities transactions during the six months ended 30 June 2025.

SUBSTANTIAL SHAREHOLDERS

So far as was known to the Directors, as at 30 June 2025, the following persons (not being a Director or chief executive of the Company) had interests in the shares of the Company which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in Shares

Name	Nature of interest	Approximate number of Shares	Approximate % of total issued ordinary share of the Company
Bank of Communications Trustee Limited *(Note 1)*	Trustee	251,368,914	9.20%
UBS Group AG *(Note 2)*	Interest of controlled corporations	138,992,423	5.09%

Notes:

(1) On 10 December 2018, the Company entered into a trust deed to appoint Bank of Communications Trustee Limited as trustee of the trust and to manage the trust fund and administer the Share Award Scheme of the Company. Details of the Share Award Scheme are set out in the section headed "Other Information" of this report.

(2) UBS Group AG is deemed to be interested in the long positions of 138,992,423 shares in the Company held by its wholly owned subsidiaries. Please refer to Form 2 – Corporate Substantial Shareholder Notice dated 27 June 2025 for further details of the shareholding structure.

Save as disclosed above, as at 30 June 2025, no other interest or short position in the Shares or underlying shares of the Company were recorded in the register required to be kept under section 336 of the SFO.

COMPETING INTERESTS

As at 30 June 2025, none of the Directors or the management shareholders of the Company and their respective associates (as defined under the Listing Rules) had any interest in a business which competed or might compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 2 June 2003 and amended its written terms of reference on 28 March 2012, 31 December 2015 and 9 January 2019 to comply with the requirements in the CG Code. The terms of reference of the Audit Committee, a copy of which is posted on the website of the Company and the Stock Exchange, are in line with the provisions of the CG Code. The Audit Committee is mainly responsible for reviewing and supervising the Group's financial reporting and internal control system.

During the six months ended 30 June 2025, the Audit Committee comprised three independent non-executive Directors namely Professor Mo Lai Lan as the Chairman of the Audit Committee and Dr. Lai Guangrong and Mr. Yeung Tak Bun J.P. as the members of the Audit Committee.

The Audit Committee has reviewed the Group's interim result for the six months ended 30 June 2025 and has also discussed the internal control, the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that the interim result for the six months ended 30 June 2025 have been prepared in accordance with the applicable accounting standards and complied with the Listing Rules and the statutory requirements and that adequate disclosures have been made in the interim report.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, the Company has maintained sufficient public float for the six months ended 30 June 2025.

On behalf of the Board
Dr. Chen Yuhong
Chairman and Chief Executive Officer

25 August 2025, Hong Kong