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**中软国际**

**CHINASOFT INTERNATIONAL LIMITED**

**中軟國際有限公司\***

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

**(Stock Code: 354)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**HIGHLIGHTS**

**Results for the first half of 2025**

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

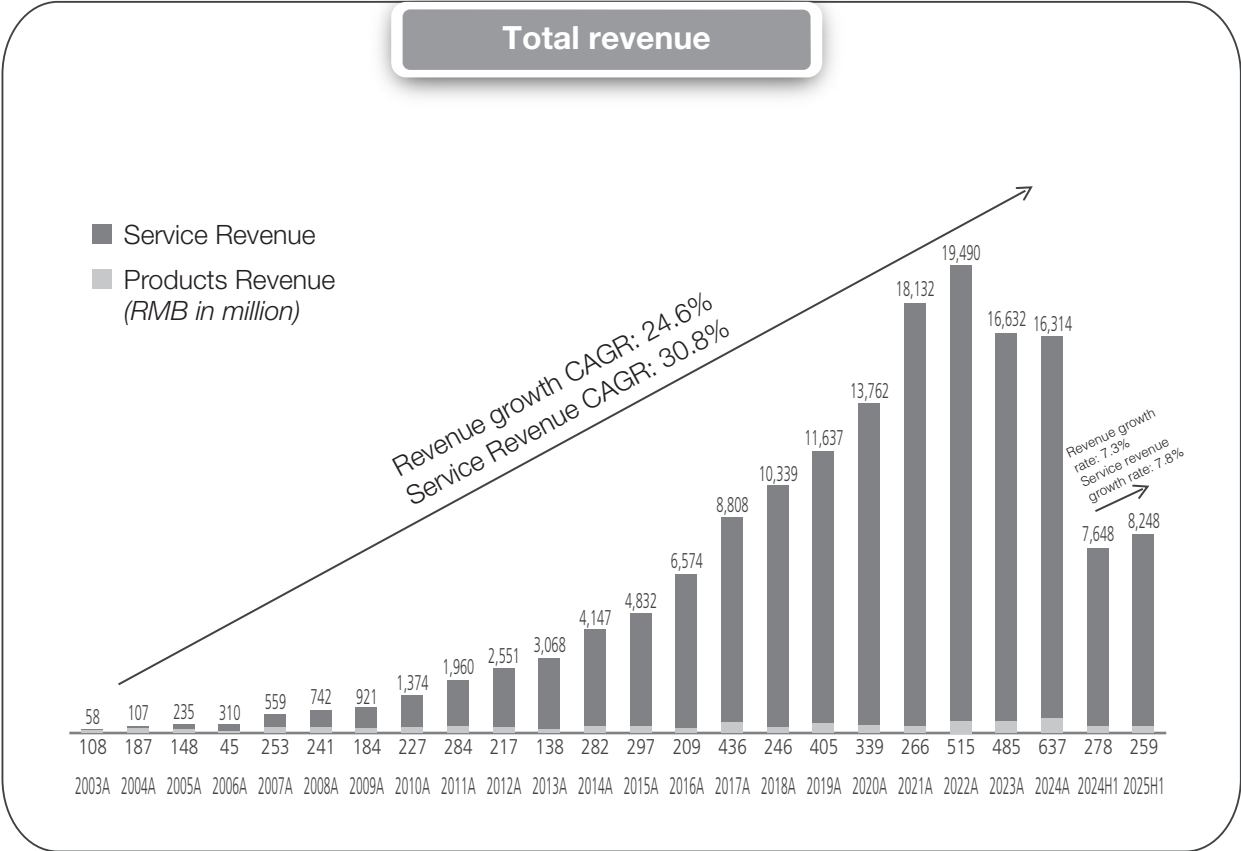
During the reporting period, the Company grandly launched the R1-AgentDIM Platform and R1-DMP Data Management Platform, aiming to address the fragmentation of enterprises’ underlying systems, data, logic, and operational processes. It has also continuously enriched and accumulated full-scenario Agents 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.

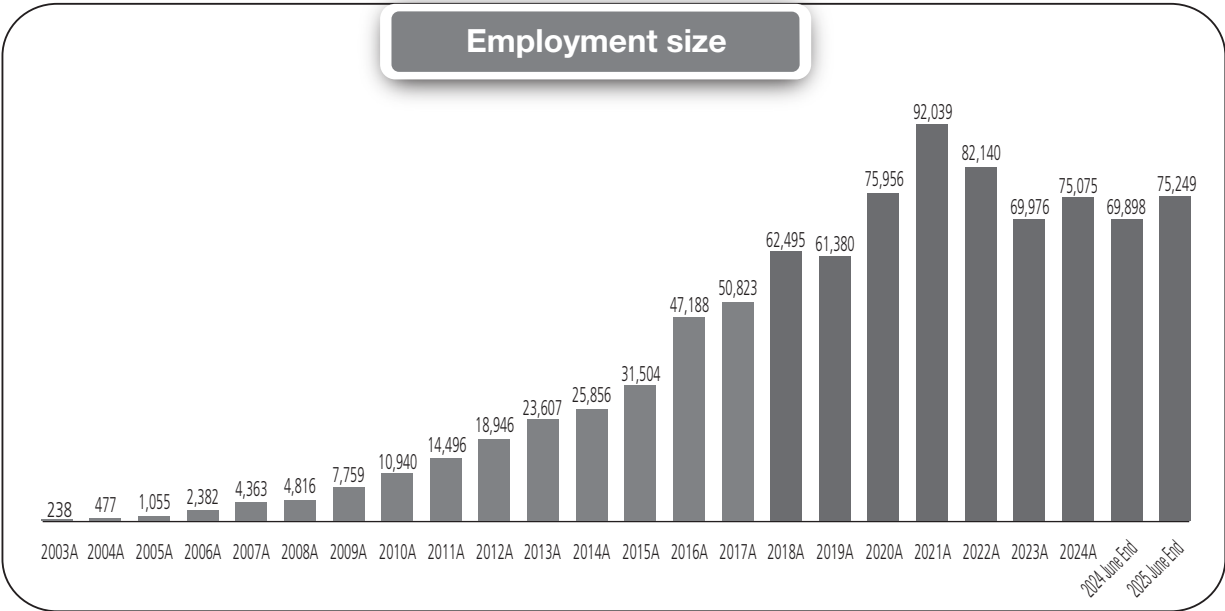
## **Market**

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 advantages 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
<b>Revenue</b>	<b>8,506,642</b>	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%)
<b>Gross profit</b>	<b>1,874,898</b>	<b>22.0%</b>	<b>22.7%</b>	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%)
<b>Profit before taxation</b>	<b>348,946</b>	<b>4.1%</b>	<b>4.2%</b>	295,834	3.7%	3.9%
Income tax expense	(33,915)	(0.4%)	(0.4%)	(10,481)	(0.1%)	(0.1%)
<b>Profit for the period</b>	<b>315,031</b>	<b>3.7%</b>	<b>3.8%</b>	285,353	3.6%	3.7%
<b>Profit attributable to owners of the Company</b>	<b>315,563</b>	<b>3.7%</b>	<b>3.8%</b>	285,720	3.6%	3.7%
<b>Adjusted profit</b>	<b>277,093</b>	<b>3.3%</b>	<b>3.4%</b>	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:

	<b>Six Months Ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Gross profit</b>	<b>1,874,898</b>	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)
<b>Adjusted profit</b>	<b>277,093</b>	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)
<b>Profit before taxation</b>	<b>348,946</b>	295,834
Income tax expense	(33,915)	(10,481)
<b>Profit for the period</b>	<b>315,031</b>	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 places 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	<b>8,506,642</b>	7,926,183
Cost of sales and services		<b>(6,631,744)</b>	(6,094,783)
Gross profit		<b>1,874,898</b>	1,831,400
Other income		<b>97,907</b>	94,577
Other gains or losses		<b>85,785</b>	104,890
Selling and distribution costs		<b>(426,462)</b>	(425,950)
Other expenses		<b>(52,363)</b>	(44,638)
Administrative expenses		<b>(1,118,980)</b>	(1,113,278)
Finance costs	5	<b>(61,329)</b>	(99,837)
Impairment losses under expected credit loss model, net of reversal		<b>(19,017)</b>	(15,455)
Share of results of investments accounted for using the equity method		<b>(29,964)</b>	(34,684)
Loss from derecognition of financial assets measured at amortised cost		<b>(1,529)</b>	(1,191)
Profit before taxation		<b>348,946</b>	295,834
Income tax expense	6	<b>(33,915)</b>	(10,481)
Profit for the period		<b>315,031</b>	285,353
Other comprehensive expense			
Exchange differences arising on transaction of foreign operations		<b>9,056</b>	(2,420)
Total comprehensive income for the period		<b>324,087</b>	282,933
Profit for the period attributable to:			
Owners of the Company		<b>315,563</b>	285,720
Non-controlling interests		<b>(532)</b>	(367)
		<b>315,031</b>	285,353

		<b>For the six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Total comprehensive income attributable to:			
Owners of the Company		<b>324,619</b>	283,300
Non-controlling interests		<b>(532)</b>	(367)
		<u><b>324,087</b></u>	<u>282,933</u>
<b>Earnings per share</b>			
– Basic (cents)	8	<u><b>12.64</b></u>	<u>10.93</u>
– Diluted (cents)		<u><b>12.05</b></u>	<u>10.56</u>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

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

		(Unaudited) 30 June 2025 <i>RMB'000</i>	(Audited) 31 December 2024 <i>RMB'000</i>
	<i>Notes</i>		
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
		<u>938,033</u>	<u>890,659</u>
		<u>11,733,041</u>	<u>11,438,494</u>
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
		<u>11,711,054</u>	<u>11,415,975</u>
Equity attributable to owners of the Company		11,711,054	11,415,975
Non-controlling interests		<u>21,987</u>	<u>22,519</u>
		<u>11,733,041</u>	<u>11,438,494</u>
Total equity		<u>11,733,041</u>	<u>11,438,494</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	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)	268,500	15,793	26,749	355,695	6,743,079	11,742,461	24,299	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	-	(190,683)	-	-	-	-	-	-	-	-	-	(190,683)	-	(190,683)
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	23,932	11,403,656
At 1 January 2025	123,434	4,435,962	(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

**CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

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

## NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

### 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
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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
	<i>RMB'000</i>	<i>RMB'000</i>
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
	<u>8,248,232</u>	<u>7,647,920</u>
Sales of software and hardware products	258,410	278,263
	<u>8,506,642</u>	<u>7,926,183</u>
	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Timing of revenue recognition		
Over time	8,248,232	7,647,920
At a point in time	258,410	278,263
	<u>8,506,642</u>	<u>7,926,183</u>

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
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on borrowings	58,420	96,377
Interest of lease liabilities	2,910	3,460
	<u>61,329</u>	<u>99,837</u>

## 6. TAXATION

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

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	<u>315,563</u>	<u>285,720</u>
	<b>Number of shares</b>	
	2025	2024
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>2,497,482,058</u>	<u>2,614,104,739</u>
Effect of dilutive potential ordinary shares: Share award scheme	<u>120,893,564</u>	<u>92,010,310</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>2,618,375,622</u>	<u>2,706,115,049</u>

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	<u>352,343</u>	<u>260,494</u>
	<u>7,971,228</u>	<u>6,464,501</u>
Analysed for reporting purposes as:		
Non-current assets	2,410	5,584
Current assets	<u>7,968,818</u>	<u>6,458,917</u>
	<u>7,971,228</u>	<u>6,464,501</u>

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 <i>RMB'000</i>	(Audited) 31 December 2024 <i>RMB'000</i>
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
	<u>7,130,716</u>	<u>5,998,723</u>

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 <i>RMB'000</i>	(Audited) 31 December 2024 <i>RMB'000</i>
Trade payables	802,186	930,191
Other payables	1,043,081	1,045,822
	<u>1,845,267</u>	<u>1,976,013</u>

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 <i>RMB'000</i>	(Audited) 31 December 2024 <i>RMB'000</i>
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
	<u>802,186</u>	<u>930,191</u>

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 ( <i>Note (i) and (ii)</i> )	3,924,616	3,979,365
Secured bank loans ( <i>Note (iii) and (iv)</i> )	512,013	436,732
	<u>4,436,629</u>	<u>4,416,097</u>
	(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
	<u>4,436,629</u>	<u>4,416,097</u>
Less: Amounts due within one year shown under current liabilities	<u>(3,599,918)</u>	<u>(3,640,752)</u>
Amounts shown under non-current liabilities	<u>836,711</u>	<u>775,345</u>
	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Total borrowings		
At floating interest rates – under an instalment loan facility ( <i>Note (i) and (ii)</i> )	1,228,200	1,243,786
At floating interest rates – secured bank loans ( <i>Note (iii) and (v)</i> )	439,711	377,345
At floating interest rates – others ( <i>Note (i) and (v)</i> )	–	50,000
At fixed interest rates – others ( <i>Note (i) and (vi)</i> )	2,696,415	2,685,579
At fixed interest rates – secured bank loans ( <i>Note (iv) and (vi)</i> )	72,302	59,387
	<u>4,436,628</u>	<u>4,416,097</u>

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\$
<b>Authorised</b>		
At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	<u>4,000,000,000</u>	<u>200,000,000</u>

	Number of shares	Nominal amount <i>HK\$</i>	Amount shown in the financial statements <i>RMB'000</i>
<b>Issued and fully paid</b>			
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	<u>2,809,753,358</u>	<u>140,487,669</u>	<u>126,972</u>
At 31 December 2024, 1 January 2025 and 30 June 2025	<u>2,732,079,358</u>	<u>136,603,969</u>	<u>123,434</u>

### 13. CAPITAL COMMITMENTS

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

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
	<i>RMB'000</i>	<i>RMB'000</i>
Provision of IT outsourcing services by the Group	<u>19,589</u>	<u>4,604</u>
Provision of IT solution services by the Group	<u>2,712</u>	<u>2,388</u>
Provision of other services by the Group	<u>424</u>	<u>1,801</u>

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) Pursant 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) Pursant 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) Pursant 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) Pursant 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	HK5.7871	-	-	-
Tang Zhenming (Executive Director)	1/6/2020	2,880,000	1/6/2020-31/5/2027	-	(576,000)	Nil	HK5.7812	-	-	2,304,000
Five highest paid employees (excluding director)	1/6/2020	400,000	1/6/2020-31/5/2025	-	(400,000)*	Nil	HK5.5785	-	-	-
Other Employees	1/6/2020	52,010,000	1/6/2020-31/5/2027	-	(27,306,000)**	Nil	HK5.5785	-	-	24,704,000
<b>Total</b>		<b>56,940,000</b>		<b>-</b>	<b>(29,932,000)</b>			<b>-</b>	<b>-</b>	<b>27,008,000</b>
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
<b>Total</b>		<b>142,380,000</b>		<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>142,380,000</b>

\* 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 ( <i>Note 1</i> )	Trustee	251,368,914	9.20%
UBS Group AG ( <i>Note 2</i> )	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

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

\* *For identification purposes only*