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**ANNOUNCEMENT IN RELATION TO THE UNAUDITED CONSOLIDATED
FINANCIAL RESULTS OF DIGITAL CHINA INFORMATION SERVICE
COMPANY LTD.*
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

This announcement is made by Digital China Holdings Limited (神州數碼控股有限公司*) (the “Company”) pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors of the Company (the “Board”) is pleased to announce the unaudited consolidated financial results of 神州數碼信息服務股份有限公司 (Digital China Information Service Company Ltd.*) (“DCITS”) and its subsidiaries for the first quarter ended 31 March 2023 (the “Results”). The Results for DCITS and its subsidiaries for the first quarter ended 31 March 2023 has been released on 28 April 2023. DCITS is the Company’s 39.60% non-wholly-owned subsidiary, the shares of which are listed on The Shenzhen Stock Exchange.

The following is a summary of the Results together with the comparative figures of DCITS and its subsidiaries for the previous corresponding financial period:

Digital China Information Service Company Ltd.*

Summary of the unaudited consolidated financial results

For the first quarter ended 31 March 2023

Summary

During the reporting period, the company achieved operating revenues of RMB 1.962 billion and net profit attributable to equity shareholders of the company of RMB 11,421,400, which was mainly due to the external environment in the early stage, resulting in the negative impact on the short-term performance. The company's business structure continues to mature where software development and technical service business recorded operating revenues of RMB 1.033 billion, representing a period-on-period increase of 8.89%.

During the reporting period, the company also continued to focus on the fintech vertical and software services in the financial industry and achieved operating revenues of RMB 591 million, representing a period-on-period increase of 21.08%. The financial software services sector has signed contracts amounting to RMB 614 million, representing a period-on-period increase of 39.37%.

The distributed technology platform and core application systems continued to maintain its market leadership in terms of fintech products and solutions and the company continued to win new signed contracts for clients such as Industrial Bank, Jiangsu Rural Credit Union and Urumqi Bank. The financial data asset business continued to make breakthroughs, gaining new clients such as Bank of Chongqing and Beibu Gulf Bank. During the reporting period, the digital finance business signed new contracts with Bohai Bank, Industrial Bank and Ningbo Bank to facilitate their digital transformation initiatives. Regarding localization business, the company focuses on the localization and transformation of the core business systems and adaptation of the latest local business systems software and Huawei's Cloud Stack platform (Kunpeng). The company has signed a localization data warehouse project with a stock-owned bank and a localization cloud project with a city commercial bank. Meanwhile, relying on its innovative product capability and numerous customer cases, five solutions namely "Distributed Core Business System Solution", "Intelligent Self-service Trading Platform Full Stack Solution", "Intelligent Integrated Front-end Application System Solution", "Enterprise Micro-services Platform Solution" and "Enterprise Service Bus Solution", have been successfully selected by Financial Credit Innovation Ecology Lab as the "Second Phase of Excellent Solutions of Financial Credit Innovation". In terms of financial application scenarios, the digital RMB business collaborated with Ganzhou Bank and other financial institutions to promote the implementation of the digital currency wallet function. During the reporting period, the company's micro, small and medium-sized digital finance business won various new tenders including digital risk control projects with Bank of Ningbo, Guangdong Rural Credit Union and aiBank. Agricultural big data business further expanded with a focus on the new business lines of digital agriculture and won tenders for projects with clients such as the Agricultural Bank of China and the Zichuan Agricultural and Rural Bureau.

Unaudited consolidated financial results			
For the three months ended 31 March			
	2023	2022	Period-on- Period change
	(unaudited)	(unaudited)	
	RMB'000	RMB'000	
Revenue	1,962,259	1,924,626	1.96%
Net profit attributable to shareholders of the listed company	11,421	31,149	-63.33%
Basic earnings per share (RMB/share)	0.0118	0.0321	-63.24%
Diluted earnings per share (RMB/share)	0.0118	0.0321	-63.24%

Please refer to the full text of the Results attached to this announcement for details.

Shareholders and investors of the Company are reminded that the information above relates to the financial information of the Company's 39.60% non-wholly-owned subsidiary, DCITS, rather than that of the Company. The financial information in this announcement is based on preliminary financial data of DCITS, has not been audited nor reviewed by its auditors.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Digital China Holdings Limited
(神州數碼控股有限公司*)
GUO Wei
Chairman and Chief Executive Officer

Hong Kong, 28 April 2023

As at the date of this announcement, the Board comprises nine Directors, namely:-

Executive Directors: Mr. GUO Wei (Chairman and Chief Executive Officer) and Mr. LIN Yang (Vice Chairman)

Non-executive Directors: Mr. ZENG Shuigen and Ms. CONG Shan

Independent Non-executive Directors: Mr. WONG Man Chung, Francis, Miss NI Hong (Hope), Dr. LIU Yun, John, Mr. KING William and Mr. Timothy CHEN Yung-cheng

Website: www.dcholdings.com

**For identification purpose only*

Hereinbelow is a reproduction of the announcement made by DCITS pursuant to the relevant listing rules of The Shenzhen Stock Exchange. In case of any discrepancy, the Chinese version shall prevail.

(Note: Unless otherwise specified, the following currencies are in RMB.)

Securities code: 000555

Securities abbreviation: DCITS

Announcement no: 2023-033

Digital China Information Service Company Ltd.

2023 First Quarterly Report

The Company and the Board of Directors of the Company guarantee that the contents of this quarterly report disclosed are true, accurate, and complete without any false representations, misleading statements or material omissions.

Important information contained:

1. The Board of Directors, the Supervisory Committee, the Directors, the supervisors and the senior management of the Company warrant that the contents of this quarterly report are true, accurate and complete without any false representations, misleading statements or material omissions, of which they bear individual and joint legal liabilities.
2. The person-in-charge of the Company, the person-in-charge of accounting operations and the head of the accounting department (head of accounting), declare that the financial statements in this quarterly report are true, accurate and complete.
3. Whether the first quarterly report is audited
 Yes No

I. MAIN FINANCIAL INFORMATION

I. Principal accounting figures and financial indicators

Whether the Company has made retrospective adjustment to or restatement of the accounting data of prior years

Yes No

	For the reporting period	For the corresponding period of last year	Increase/decrease in the reporting period compared with the corresponding period of last year
Operating revenue (RMB)	1,962,258,500.58	1,924,625,988.84	1.96%
Net profit attributable to shareholders of the listed company (RMB)	11,421,437.36	31,148,616.08	-63.33%
Net profit excluding extraordinary gain or loss items attributable to shareholders of the listed company (RMB)	3,887,094.45	17,190,977.72	-77.39%
Net cash flows from operating activities (RMB)	-1,235,801,561.10	-732,647,344.54	-68.68%
Basic earnings per share (RMB/share)	0.0118	0.0321	-63.24%
Diluted earnings per share (RMB/share)	0.0118	0.0321	-63.24%
Weighted average return on net assets	0.19%	0.52%	-0.33%
	As at the reporting period ended	As at the last year ended	Increase/decrease as at the reporting period ended compared with the last year

			ended
Total assets (RMB)	11,215,588,736.17	12,439,806,587.42	-9.84%
Total owners' equity attributable to shareholders of the listed company (RMB)	6,089,740,568.39	6,021,468,062.73	1.13%

II. Items and amounts of extraordinary gain or loss

√ Applicable N/A

Unit: RMB

Item	Amount for the reporting period	Notes
Gain/loss from the disposal of non-current assets (including written-off portions for which asset impairment provision has been made)	-94,299.52	
Government grants included in current period's profit and loss (other than government grants closely related to the business of the enterprise and received in fixed amounts or fixed instalments in accordance with national standards)	8,115,870.84	
Gain/loss from the fair-value change in trading financial assets and trading financial liabilities and investment income from the disposal of trading financial assets, trading financial liabilities and available for sales financial assets, other than effective hedging for value protection relating to the Company's normal operations	-1,234,647.60	
Reversal of provision for impairment of receivables that have been individually tested for impairment	1,483,239.79	
Non-operating income and expenses other than the above	-510,517.94	
Less: Effect of income tax	10,483.38	
Effect of minority interests (after tax)	214,819.28	
Total	7,534,342.91	--

Details of other profit and loss items that meet the definition of extraordinary gain or loss:

Applicable N/A

The Company has not classified any profit and loss items that meet the definition of extraordinary gain or loss.

An explanatory statement should be made in respect of extraordinary gain or loss items defined under the "Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Extraordinary Gain or Loss Items" classified as recurring profit or loss items by the Company

Applicable N/A

For the reporting period, the Company has not classified any extraordinary gain or loss items as defined under or set out in the "Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Extraordinary Gain or Loss Items" as recurring profit or loss items.

III. Changes in major accounting items and financial indicators during the reporting period and reasons therefor

√ Applicable N/A

(I) Reasons for change in the balance sheet items:

Item	Closing balance (RMB)	Opening balance (RMB)	Percentage change	Note
Cash and bank balances	546,352,847.26	1,654,519,881.06	-66.98%	1
Prepayments	114,291,233.47	285,232,152.94	-59.93%	2
Other current assets	94,613,282.47	32,588,869.29	190.32%	3
Other equity instrument investments	1,368,193.37	49,069,176.77	-97.21%	4
Bills payables	783,674,247.83	1,271,997,371.92	-38.39%	5
Taxes payable	80,510,606.65	215,676,750.07	-62.67%	6
Other payables	126,139,542.27	181,625,450.02	-30.55%	7

1. The closing balance of cash and bank balances decreased by 66.98% as compared to the opening balance, which was mainly attributable to payment of bills due for the purchase of goods and the cash payment for receiving labor services;
2. The closing balance of prepayments decreased by 59.93% as compared to opening balance, which was mainly attributable to the receipt of procurements for which prepayments were made at the beginning of the year;
3. The closing balance of other current assets increased by 190.32% as compared to opening balance, which was mainly attributable to the increase in the input VAT to be deducted during the period;
4. The closing balance of other equity instrument investments decreased by 97.21% as compared to the opening balance, which was mainly attributable to the recovery of investment funds during the period;
5. The closing balance of bills payable decreased by 38.39% as compared to the opening balance, which was mainly attributable to the maturity and settlement of bill payable during the period;
6. The closing balance of taxes payable decreased by 62.67% as compared to opening balance, which was mainly attributable to the tax payment made during the period;
7. The closing balance of other payables decreased by 30.55% as compared to opening balance, which was mainly attributable to the decrease in the amount of payments to be made during the period.

(II) Reasons for changes in income statement items:

Item	Amount for the current period (RMB)	Amount for the corresponding period of last year (RMB)	Percentage change	Note
Financial expenses	1,397,315.05	509,152.28	174.44%	8
Other income	18,525,879.58	13,362,792.77	38.64%	9
Investment income (loss indicated by "-")	5,009,971.94	12,694,083.75	-60.53%	10
Gains on changes in fair value (loss indicated by "-")	-1,808,477.42	-892,202.81	-102.70%	11
Credit impairment loss (loss indicated by "-")	-50,629,447.29	-93,073,354.89	-45.60%	12
Asset impairment loss (loss indicated by "-")	-27,072,093.77	-49,338,865.88	-45.13%	13
Non-operating income	215,139.56	2,495,351.63	-91.38%	14

Non-operating expenses	819,957.02	77,835.72	953.45%	15
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8. Financial expenses increased by 174.44% as compared to the corresponding period of last year, which was mainly attributable to the increase in the interest expenses during the period;

9. Other income increased by 38.64% as compared to the corresponding period of last year, which was mainly attributable to the increase in VAT refunds during the period;

10. Investment income decreased by 60.53% as compared to the corresponding period of last year, which was mainly attributable to the disposal of long-term equity investments during the previous period;

11. Gains on changes in fair value decreased by 102.70% as compared to the same period of last year, which was mainly attributable to the decrease in bank wealth management income during the period;

12. Credit impairment losses decreased by 45.60% as compared to the corresponding period of last year, which was mainly attributable to the decrease in the bad debt provision made during the period;

13. Asset impairment losses decreased by 45.13% as compared to the corresponding period of last year, which was mainly attributable to the decrease in the impairment provision made for the contract assets and inventories during the period;

14. Non-operating income decreased by 91.38% as compared to the corresponding period of last year, which was mainly attributable to the receipt of liquidated damages during the previous period;

15. Non-operating expenses increased by 953.45% as compared to the corresponding period of last year, which was mainly attributable to the payment of litigation compensation made during the period;

(III) Reasons for change in cash flow statement items:

Item	Amount for the current period (RMB)	Amount for the corresponding period of last year (RMB)	Percentage change	Note
Net cash flows from operating activities	-1,235,801,561.10	-732,647,344.54	-68.68%	16
Net cash flows from financing activities	-18,960,313.69	64,643,200.03	-129.33%	17
Effect on cash and cash equivalents due to change in foreign currency exchange rate	-31,864.80	-117,670.08	72.92%	18

16. Net cash flows from operating activities decreased by 68.68% as compared to the corresponding period of last year, which was mainly attributable to the payment due on the bills for purchase of goods;

17. Net cash flows from financing activities decreased by 129.33% as compared to corresponding period of last year, which was mainly attributable to the decrease in cash inflow from the acquisition of loans during the period;

18. Effect on cash and cash equivalents due to change in foreign currency exchange rate increased by 72.92% as compared to the corresponding period of last year, which was mainly attributable to the exchange rate fluctuations in the external financial market during the period.

II. SHAREHOLDERS INFORMATION

I. Total number of ordinary shareholders, number of preferential shareholders with restored voting rights and particulars of shareholdings of the top 10 shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the reporting period	62,507	Total number of preferential shareholders with restored voting rights as at the end of the reporting period (if any)	0			
Particulars of shareholding of the top 10 shareholders						
Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held	Number of shares held subject to trading moratorium	Pledged or frozen	
					Status of shares	Number
Digital China Software Limited (神州數碼軟件有限公司) (“DCSL”)	Domestic non-state-owned legal person	39.60%	389,540,110	0.00	Pledged	167,300,000
Kunshan Shenchang Technology Co., Ltd. (昆山市申昌科技有限公司) (“Shenchang Technology”)	State-owned legal person	5.05%	49,708,280	0.00		0
China-Singapore Suzhou Industrial Park Ventures Co., Ltd. (中新蘇州工業園區創業投資有限公司) (“CSSIP”)	State-owned legal person	4.00%	39,349,437	0.00		0
Hong Kong Securities Clearing Company Limited	Foreign legal person	2.89%	28,379,358	0.00		0
Linzhi Tencent Technology Co., Ltd. (林芝騰訊科技有限公司) (“Tencent Technology”)	Domestic non-state-owned legal person	1.99%	19,598,721	0.00		0
Infinity I-China Investments(Israel),L.P. (“Infinity I-China”)	Foreign legal person	1.33%	13,130,434	0.00	Pledged	13,130,434
Digital China Information Services Company Ltd. - 2022 Employee Stock Ownership Plan	Other	1.12%	11,047,477	0.00		0
Cheng Yanyun (程艷雲)	Domestic natural person	0.85%	8,365,822	0.00		0
Wu Donghua (吳冬華)	Domestic natural person	0.77%	7,535,638	0.00		0
Huang Weiqin (黃維欽)	Domestic natural person	0.37%	3,679,400	0.00		0
Particulars of shareholdings of the top 10 shareholders not subject to trading moratorium						
Name of shareholder	Number of shares held not subject to trading moratorium	Class of shares				
		Class of shares	Number			
DCSL	389,540,110	RMB ordinary shares	389,540,110			

Shenchang Technology	49,708,280	RMB ordinary shares	49,708,280
CSSIP	39,349,437	RMB ordinary shares	39,349,437
Hong Kong Securities Clearing Company Limited	28,379,358	RMB ordinary shares	28,379,358
Tencent Technology	19,598,721	RMB ordinary shares	19,598,721
Infinity I-China	13,130,434	RMB ordinary shares	13,130,434
Digital China Information Services Company Ltd. - 2022 Employee Stock Ownership Plan	11,047,477	RMB ordinary shares	11,047,477
Cheng Yanyun (程艷雲)	8,365,822	RMB ordinary shares	8,365,822
Wu Donghua (吳冬華)	7,535,638	RMB ordinary shares	7,535,638
Huang Weiqin (黃維欽)	3,679,400	RMB ordinary shares	3,679,400
Description of connected relationships or concerted party relationships among the aforesaid shareholders	DCSL has no connected relationship with the rest of the top ten shareholders. Wu Donghua and Cheng Yanyun are in a spousal relationship. The Company's securities repurchase account holds 17,159,667 ordinary shares at the end of the reporting period, with shareholding percentage of 1.74%, ranking the 6th. The Company's securities repurchase account has been excluded from the top ten shareholders in the above table.		
Description of participation in margin trading by any of the top 10 shareholders (if any)	Cheng Yanyun holds 5,144,422 shares of the Company through the ordinary securities accounts, and 3,221,400 shares of the Company through credit securities accounts. Huang Weiqin holds 3,679,400 shares of the Company through credit securities accounts. The 11,047,477 shares under the Digital China Information Services Company Ltd. - 2022 Employee Stock Ownership Plan are all held in credit securities accounts.		

II. Total number of preferential shareholders and particulars of shareholding of the top 10 preferential shareholders

Applicable N/A

III. OTHER SIGNIFICANT EVENTS

Applicable N/A

(I) Company operations during the reporting period

During the reporting period, the Company achieved operating revenues of RMB 1.962 billion and net profit attributable to equity shareholders of the Company of RMB 11,421,400. The Company's business structure continues to mature where software development and technical service business recorded operating revenues of RMB 1.033 billion, representing a period-on-period increase of 8.89%. During the reporting period, the Company also continued to focus on the fintech vertical and software services in the financial industry achieved operating revenues of RMB 591 million, representing a period-on-period increase of 21.08%. The financial software services sector has signed contracts amounting to RMB 614 million, representing a period-on-period increase of 39.37%.

The distributed technology platform and core application systems continued to maintain its market leadership in terms of fintech products and solutions and the Company continued to win new signed contracts for clients such as Industrial Bank, Jiangsu Rural Credit Union and Urumqi Bank. The financial data asset business continued to make breakthroughs, gaining new clients such as Bank of Chongqing and Beibu Gulf Bank. During the reporting period, the digital finance business signed new contracts with Bohai Bank, Industrial Bank and Ningbo Bank to facilitate their digital transformation initiatives. In terms of localization business, the Company focuses on the localization and transformation of the core business systems and adaptation of the latest local business systems software and also Huawei's Cloud Stack platform (Kunpeng). The Company has signed a localization data warehouse project with a stock-

owned bank and a localization cloud project with a city commercial bank. Meanwhile, relying on its innovative product capability and numerous customer cases, five solutions of the Company, namely "Distributed Core Business System Solution", "Intelligent Self-service Trading Platform Full Stack Solution", "Intelligent Integrated Front-end Application System Solution", "Enterprise Micro-services Platform Solution" and "Enterprise Service Bus Solution", have been successfully selected by Financial Credit Innovation Ecology Lab as the "Second Phase of Excellent Solutions of Financial Credit Innovation". In terms of financial application scenarios, the digital RMB business collaborated with Ganzhou Bank and other financial institutions to promote the implementation of the digital currency wallet function. The Company's micro, small and medium-sized digital finance business won various new tenders including digital risk control projects with Bank of Ningbo, Guangdong Rural Credit Union and aiBank during the reporting period. Agricultural big data business further expanded with a focus on the new business lines of digital agriculture and won tenders for projects with clients such as the Agricultural Bank of China and the Zichuan Agricultural and Rural Bureau.

(II) Matters for consideration at the first meeting of the Ninth Board of Directors and the 2021 Annual General Meeting

On March 29, 2023, the Company held the fifth meeting of the Ninth Board of Directors to review and approve the "Proposal on the Full Text of the 2022 Annual Report" and the "Summary of the 2022 Annual Report", "Proposal on Profit Distribution for 2022", "Proposal of Renewal of Appointment of Accounting firm". On April 24, 2023, the Company held the Annual General Meeting of Shareholders for 2022 to review and approve the above matters.

(III) Matters concerning the repurchase of the Company's shares through centralized bidding transactions

On April 15, 2022, the Third Extraordinary Meeting of the Ninth Board of Directors of the Company in 2022 reviewed and approved the "Proposal on the Repurchase of the Company's Shares through Centralized Bidding Transactions". The Company plans to use its own funds to repurchase the Company's A shares through centralized bidding transactions for the implementation of the Company's employee stock ownership plan or equity incentive. The total repurchase capital shall be in the range between RMB100 million and RMB 200 million inclusively. The repurchase period is 12 months from the date of the Board of Directors' review and approval of the repurchase program. For more details, please refer to the "Announcement on the Company's Share Repurchase Program by Centralized Bidding Transactions" disclosed by the Company on April 19, 2022 in Securities Times and 巨潮資訊網 (www.cninfo.com.cn). As of the disclosure date of this report, the above repurchase plan is under implementation.

As of April 3, 2023, the Company repurchased 9,280,391 shares of the Company by centralized competitive bidding transactions through the special securities account for repurchase, accounting for 0.9435% of the total share capital of the Company as of April 3, 2023. The highest transaction price of the purchased shares was RMB11.11 per share and the lowest transaction price was RMB10.30 per share. The total amount actually paid was RMB100,000,273.74 (excluding commission, transfer fees and other transaction costs). The Company's share repurchase program has been implemented. For more details, please refer to the relevant announcements disclosed by the Company in Securities Times and 巨潮資訊網 (www.cninfo.com.cn)

(IV) Matters concerning the 2022 Employee Stock Ownership Plan

The Third Meeting of the Ninth Board of Directors and the Fourth Extraordinary General Meeting of shareholders in 2022 of the Company reviewed and approved the "Proposal on the 2022 Employee Stock Ownership Plan of Digital China Information Service Company Limited (Draft)" and related proposals. As of the disclosure date of this report, the 2022 Employee Stock Ownership Plan holds a total of 11,047,477 shares of the Company, accounting for 1.12% of the total share capital of the Company. The details are as follows:

1. During the period from September 29, 2022 to February 20, 2023, the Company purchased a total of 6,062,277 shares of the Company through centralized bidding in the secondary market, accounting for 0.62% of the total share capital of the Company. The total transaction amount was RMB63,994,327.82 (excluding transaction costs), with an average transaction price of RMB10.56 per share.

2. On January 9, 2023, 4,985,200 shares held in the Company's repurchase special securities account were transferred to the 2022 Employee Stock Ownership Plan account as a non-traded transfer at a price of RMB6.77 per share.

As of February 20, 2023, the Company has completed the purchase of the subject shares of the current employee stock ownership plan. The shares purchased under this plan will be locked according to the regulations and the lock-up period will be 12 months from the date of completion of the last transfer of the subject shares purchase as announced by the Company, i.e. from February 20, 2023 to February 19, 2024. For more details, please refer to the relevant announcements disclosed by the Company in Securities Times and 巨潮資訊網(www.cninfo.com.cn).

(V) Other important matters

Index of the Company's announcements during the reporting period:

Announcement reference	Matters	Name and layout of press published	Publication date	Publication website and relevant link
2023-001	Indicative announcement on convening the First Extraordinary General Meeting of shareholders in 2023	Securities Times B077	2023/1/4	巨潮資訊網 (www.cninfo.com.cn)
2023-002	Announcement on the progress of the share repurchase	Securities Times B077	2023/1/4	
2023-003	Announcement on the share reduction by shareholders by more than 50% and the progress of the reduction	Securities Times B051	2023/1/7	
2023-004	Announcement of resolutions of the First Extraordinary General Meeting of shareholders in 2023	Securities Times B051	2023/1/7	
2023-005	Voluntary announcement on the receipt of government grants for 2022	Securities Times B072	2023/1/10	
2023-006	Announcement on the implementation progress of Employee Stock Ownership Plan and completion of non-trading transfer	Securities Times B057	2023/1/11	
2023-007	Announcement on the implementation progress of the 2022 Employee Stock Ownership Plan	Securities Times B064	2023/1/14	
2023-008	Announcement on the progress of the share repurchase	Securities Times B039	2023/2/3	
2023-009	Announcement on the progress of providing guarantees for holding subsidiaries	Securities Times B039	2023/2/3	
2023-010	Announcement on the implementation progress of the 2022 Employee Stock Ownership Plan	Securities Times B040	2023/2/15	
2023-011	Announcement on the progress of providing guarantees for wholly-owned subsidiaries	Securities Times B066	2023/2/21	
2023-012	Announcement on the progress of implementation of Employee Stock Ownership Plan and completion of stock purchase	Securities Times B066	2023/2/21	
2023-013	Announcement on the early repurchase of the company's controlling shareholder's stock pledged repurchase transaction	Securities Times B063	2023/3/3	

2023-014	Announcement on the progress of providing guarantees for holding subsidiaries	Securities Times B042	2023/3/4
2023-015	Announcement on the progress of the share repurchase	Securities Times B026	2023/3/13
2023-016	Announcement on the progress of providing guarantees for wholly-owned subsidiaries	Securities Times B022	2023/3/15
2023-017	Announcement on the early repurchase of the company's controlling shareholder's stock pledged repurchase transaction	Securities Times B071	2023/3/18
2023-018	Announcement on holding the 2022 annual result briefing meeting	Securities Times B044	2023/3/24
2023-019	Announcement of Resolutions of the Fifth Meeting of the Ninth Board of Directors	Securities Times B180	2023/3/31
2023-020	Summary of the 2022 annual report	Securities Times B180	2023/3/31
2023-021	Announcement on the Proposal on Profit Distribution for 2022	Securities Times B180	2023/3/31
2023-022	Announcement on the proposed appointment of accounting firm	Securities Times B180	2023/3/31
2023-023	Notice on convening the Annual General Meeting of Shareholders for 2022	Securities Times B180	2023/3/31
2023-024	Announcement on the provision for asset impairment for 2022	Securities Times B179	2023/3/31
2023-025	Announcement of Resolutions of the Fifth Meeting of the Ninth Board of Supervisors	Securities Times B180	2023/3/31

IV. FINANCIAL STATEMENTS

I. Financial Statements

1. Consolidated balance sheet

Prepared by: Digital China Information Service Company Ltd.

31 March 2023

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	546,352,847.26	1,654,519,881.06
Balances with other financial institution		
Loan to banks		
Trading financial assets	539,806,295.92	632,485,773.34
Derivative financial assets		
Bills receivable	36,837,542.02	42,847,994.40
Trade receivables	2,621,846,938.81	2,720,335,964.13
Receivables financing		
Prepayments	114,291,233.47	285,232,152.94
Premium receivable		
Receivables from reinsurers		
Reinsurance contract reserves receivable		
Other receivables	141,392,425.80	149,958,049.87
Of which: Interest receivable		
Dividend receivable		
Purchase of repo financial assets		
Inventories	2,534,107,896.00	2,364,005,873.60
Contract assets	1,924,319,985.54	1,855,109,815.62
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	94,613,282.47	32,588,869.29
Total current assets	8,553,568,447.29	9,737,084,374.25
Non-current assets:		
Disbursement of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables	122,855,385.12	121,074,021.69
Long-term equity investments	135,746,021.70	135,507,462.36

Other investments in equity instruments	1,368,193.37	49,069,176.77
Other non-current financial assets		
Investment properties	12,794,412.96	12,887,275.63
Fixed assets	390,469,643.78	395,022,142.28
Construction in progress		
Productive biological assets		
Oil & gas assets		
Right of use assets	64,177,416.29	66,429,786.60
Intangible assets	145,136,766.72	154,771,038.86
Development expenses	63,086,765.44	51,452,679.31
Goodwill	1,505,197,394.63	1,505,197,394.63
Long-term prepaid expenses	8,660,306.34	9,456,538.16
Deferred tax assets	212,527,982.53	201,854,696.88
Other non-current assets		
Total non-current assets	2,662,020,288.88	2,702,722,213.17
Total assets	11,215,588,736.17	12,439,806,587.42
Current liabilities:		
Short-term borrowings	169,722,104.74	176,786,613.30
Borrowings from central bank		
Placements from banks and other financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Bills payables	783,674,247.83	1,271,997,371.92
Trade payables	1,866,466,253.96	2,248,583,208.29
Receipt in advance		
Contract liabilities	1,345,127,811.26	1,459,832,380.41
Funds from selling and repurchasing financial assets		
Customer bank deposits and amounts due to banks and other financial institutions		
Funds from securities agency		

Funds from securities underwriters		
Staff remuneration payable	465,188,156.22	562,134,430.54
Taxes payable	80,510,606.65	215,676,750.07
Other payables	126,139,542.27	181,625,450.02
Of which: Interest payable		
Dividend payable		
Fees and commission payable		
Due to reinsurers		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	38,668,518.92	38,515,576.02
Other current liabilities		
Total current liabilities	4,875,497,241.85	6,155,151,780.57
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	66,600,000.00	66,600,000.00
Bonds payables		
Of which: preferential shares		
perpetual notes		
Lease liabilities	39,810,909.70	41,856,024.20
Long-term payables		
Long-term staff remuneration payable		
Estimated liabilities		
Deferred income	25,741,214.12	26,826,287.64
Deferred tax liabilities	12,731,746.81	15,373,763.42
Other non-current liabilities		
Total non-current liabilities	144,883,870.63	150,656,075.26
Total liabilities	5,020,381,112.48	6,305,807,855.83
Owners' equity:		
Share capital	983,653,713.00	983,653,713.00
Other equity instruments		

Of which: preferential shares		
perpetual notes		
Capital reserve	2,478,603,057.54	2,510,045,134.59
Less: Treasury stock	232,575,573.24	300,075,573.24
Other comprehensive income	63,343,025.49	78,876,772.11
Special reserve		
Surplus reserve	43,095,208.25	43,095,208.25
General risk provisions		
Retained profits	2,753,621,137.35	2,705,872,808.02
Total owners' equity attributable to parent company	6,089,740,568.39	6,021,468,062.73
Minority shareholder's interest	105,467,055.30	112,530,668.86
Total owners' equity	6,195,207,623.69	6,133,998,731.59
Total liabilities and owners' equity	11,215,588,736.17	12,439,806,587.42

Legal representative: Guo Wei

Person-in-charge of accounting
operations: Liu WeigangHead of accounting department:
Zhang Xiuhui

2. Consolidated income statement

Unit: RMB

Item	Amount for the current period	Amount for the previous period
1. Total operating revenue	1,962,258,500.58	1,924,625,988.84
Of which: Operating revenue	1,962,258,500.58	1,924,625,988.84
Interest income		
Earned premium		
Fees and commission income		
2. Total operating cost	1,909,776,511.33	1,792,057,099.94
Of which: Operating cost	1,660,274,523.61	1,550,773,550.18
Interest expenses		
Fees and commission expenses		
Surrenders		

Net amount of compensation payout		
Net amount of reserves for insurance liabilities		
Policyholder dividends expenses		
Expenses for reinsurance accepted		
Taxes and surcharges	5,309,430.99	5,448,824.65
Selling expenses	75,170,654.79	73,680,707.20
Administrative expenses	42,569,282.04	41,745,193.81
Research and development expenses	125,055,304.85	119,899,671.82
Financial expenses	1,397,315.05	509,152.28
Of which: Interest expenses	4,890,311.60	3,674,936.29
Interest income	2,688,588.52	1,782,935.73
Add: Other income	18,525,879.58	13,362,792.77
Investment income (loss indicated by “-”)	5,009,971.94	12,694,083.75
Of which: Investment income from associates and joint ventures	238,559.18	471,716.76
Gains on derecognition of financial assets measured at amortized cost		
Exchange gains (loss indicated by “-”)		
Gains on net exposure hedging (loss indicated by “-”)		
Gains from change in fair value (loss indicated by “-”)	-1,808,477.42	-892,202.81
Credit impairment loss (loss indicated by “-”)	-50,629,447.29	-93,073,354.89
Asset impairment loss (loss indicated by “-”)	-27,072,093.77	-49,338,865.88
Gains from the disposal of assets (loss indicated by “-”)		
3. Operating profit (loss indicated by “-”)	-3,492,177.71	15,321,341.84
Add: Non-operating income	215,139.56	2,495,351.63
Less: Non-operating expenses	819,957.02	77,835.72
4. Total profit (total loss indicated by “-”)	-4,096,995.17	17,738,857.75
Less: Income tax expenses	-8,313,762.47	-11,025,226.33
5. Net profit (net loss indicated by “-”)	4,216,767.30	28,764,084.08
(I) Analysed by continuity		
1. Net profit from continuing operations (loss indicated by “-”)	4,216,767.30	28,764,084.08

2. Net profit from discontinued operations (loss indicated by “-”)		
(II) Analysed by ownership		
1. Net profit attributable to owners of the parent company	11,421,437.36	31,148,616.08
2. Minority interests	-7,204,670.06	-2,384,532.00
6. Net amount of other comprehensive income after taxation	20,793,144.87	-20,560,298.52
Net amount of other comprehensive income after taxation attributable to owners of the parent company	20,793,144.87	-20,560,298.52
(I) Other comprehensive income which cannot be reclassified as profit or loss	21,717,796.67	-18,963,324.22
1. Changes in the re-measurement of defined benefit plans		
2. Other comprehensive income under equity method which cannot be recorded in profit and loss		
3. Change in fair value of other investments in equity instruments	21,717,796.67	-18,963,324.22
4. Change in fair value of inherent credit risks		
5. Others		
(II) Other comprehensive income which will be reclassified as profit or loss	-924,651.80	-1,596,974.30
1. Other comprehensive income under equity method which will be recorded in profit and loss		
2. Change in fair value of other debt investments		
3. Reclassification of financial assets included in other comprehensive income		
4. Credit loss for other debt investments		
5. Cash flow hedging reserve		
6. Differences arising from foreign currency translation	-924,651.80	-1,596,974.30
7. Others		
Net amount of other comprehensive income after taxation attributable to minority shareholders		
7. Total comprehensive income	25,009,912.17	8,203,785.56
Total comprehensive income attributable to owners of the parent company	32,214,582.23	10,588,317.56
Total comprehensive income attributable to minority shareholders	-7,204,670.06	-2,384,532.00
8. Earnings per share:		
(I) Basic earnings per share	0.0118	0.0321
(II) Diluted earnings per share	0.0118	0.0321

In the event of a business combination under the same control during the period, the net income realized by the party being consolidated

prior to the combination was nil and the net income realized by the party being consolidated in the previous period was nil.

Legal representative: Guo Wei

Person-in-charge of accounting
operations: Liu Weigang

Head of accounting department:
Zhang Xiuhui

3. Consolidated cash flow statement

Unit: RMB

Item	Amount for the current period	Amount for the previous period
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	1,919,711,952.74	1,946,278,863.71
Net increase in customer bank deposits and amounts due to other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received in premiums under original insurance contracts		
Net cash received from reinsurance business		
Net increase of policyholder deposits and investment funds		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchase business capital		
Net cash received for customer brokerage deposits		
Tax rebates received	2,482,492.02	3,177,042.98
Other cash received in connection with operating activities	21,185,856.47	30,124,686.46
Sub-total of cash inflow from operating activities	1,943,380,301.23	1,979,580,593.15
Cash paid for purchase of goods and rendering of services	2,228,494,073.60	1,941,183,227.76
Net increase in customer loans and advances		
Net increase in deposits with central bank and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Interest, fees and commissions paid		
Cash paid for policyholder dividend		
Cash paid to and for employees	719,149,171.17	629,730,046.86
Taxes paid	149,084,720.95	85,684,855.82

Other cash paid in connection with operating activities	82,453,896.61	55,629,807.25
Sub-total of cash outflow from operating activities	3,179,181,862.33	2,712,227,937.69
Net cash flow from operating activities	-1,235,801,561.10	-732,647,344.54
2. Cash flow from investing activities:		
Cash received from disposal of investments	66,840,703.97	3,834,909.20
Cash received on obtaining investment income	4,771,412.76	5,752,966.64
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	57,764.69	40,745.08
Net cash received from disposal of subsidiaries and other business units		
Other cash received in connection with investing activities	2,655,521,000.00	3,477,783,200.00
Sub-total of cash inflow from investing activities	2,727,190,881.42	3,487,411,820.92
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	14,213,224.12	11,849,050.04
Cash paid for acquisition of investments		2,400,000.00
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid in connection with investing activities	2,564,650,000.00	3,357,400,000.00
Sub-total of cash outflow from investing activities	2,578,863,224.12	3,371,649,050.04
Net cash flow from investing activities	148,327,657.30	115,762,770.88
3. Cash flow from financing activities:		
Cash received from investments		49,369,028.41
Of which: Cash received from investments in a subsidiary by minority shareholders		
Cash received on drawdown of loans	4,500,000.00	88,377,203.00
Other cash received in connection with financing activities		
Sub-total of cash inflow from financing activities	4,500,000.00	137,746,231.41
Cash paid for repayment of borrowings	11,553,203.00	62,174,866.56
Cash paid for dividend or profit distribution or interest payment	4,800,234.55	3,856,000.17
Of which: Dividend and profit paid to minority shareholders by a subsidiary		
Other cash paid in connection with financing activities	7,106,876.14	7,072,164.65
Sub-total of cash outflow from financing activities	23,460,313.69	73,103,031.38
Net cash flows from financing activities	-18,960,313.69	64,643,200.03
4. Effect on cash and cash equivalents due to change in foreign currency exchange rate	-31,864.80	-117,670.08

5. Net increase in cash and cash equivalents	-1,106,466,082.29	-552,359,043.71
Add: Balance of cash and cash equivalents at the beginning of the period	1,627,076,634.47	1,484,449,940.78
6. Balance of cash and cash equivalents at the end of the period	520,610,552.18	932,090,897.07

II. Audit Report

Whether the first quarterly report is audited

Yes No

The first quarterly report of the Company is unaudited.

The Board of Digital China Information Service Company Ltd.

Chairman: Guo Wei

27 April 2023