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Edianyun Limited
易點雲有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2416)

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

The board (the “**Board**”) of directors (the “**Directors**”) of Edianyun Limited (the “**Company**”) is pleased to announce the unaudited condensed interim consolidated results (the “**Interim Results**”) of the Company and its subsidiaries (the “**Group**”) for the six months ended June 30, 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024. The Interim Results were prepared in accordance with International Financial Reporting Standards (“**IFRSs**”). These Interim Results have been reviewed by the audit committee of the Company.

In this announcement, “we,” “us,” and “our” refer to the Company and where the context otherwise requires, the Group.

FINANCIAL PERFORMANCE HIGHLIGHTS

	For the six months ended		
	June 30,		
	2025	2024	Change (%)
	<i>(RMB in thousands, except for percentages)</i>		
	(unaudited)	(unaudited)	
Revenue	699,640	646,888	8.2
Cost of sales	(411,700)	(369,917)	11.3
Gross profit	287,940	276,971	4.0
Profit before tax	54,064	21,269	154.2
Profit and total comprehensive income for the period	45,745	16,481	177.6
Adjusted net profit*	51,179	30,714	66.6
Adjusted EBITDA*	384,989	320,628	20.1

* To supplement our condensed consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We define adjusted net profit for the period (non-IFRS measure) as net profit for the period adjusted by adding back share-based payment expense. We define EBITDA as the profit and total comprehensive income for the period after adding back (i) net finance costs; (ii) income tax expense; (iii) depreciation; and (iv) amortisation. We added back share-based payment expense to EBITDA to arrive at the adjusted EBITDA (non-IFRS measure). We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Six months ended	
	<i>NOTES</i>	June 30, 2025	June 30, 2024
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	4	699,640	646,888
Cost of sales		<u>(411,700)</u>	<u>(369,917)</u>
Gross profit		287,940	276,971
Selling and marketing expenses		(81,293)	(80,726)
Research and development expenses		(29,978)	(32,987)
General and administrative expenses		(42,622)	(70,830)
Other income	5	7,259	6,811
Other gains and losses, net	6	(8,670)	(6,372)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	7	(15,495)	(13,704)
Finance costs	8	<u>(63,077)</u>	<u>(57,894)</u>
Profit before tax		54,064	21,269
Income tax expense	9	<u>(8,319)</u>	<u>(4,788)</u>
Profit and total comprehensive income for the period		<u>45,745</u>	<u>16,481</u>
Earnings per share			
– Basic (RMB Yuan)	10	<u>0.09</u>	<u>0.03</u>
– Diluted (RMB Yuan)	10	<u>0.09</u>	<u>0.03</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		As at June 30, 2025	As at December 31, 2024
	<i>NOTES</i>	RMB'000	RMB'000
		(unaudited)	(audited)
ASSETS			
Non-current assets			
Rental computer devices		1,429,674	1,505,741
Right-of-use assets		741,295	620,038
Intangible assets		995	1,234
Trade and other receivables and prepayments	12	164,360	175,109
Pledged bank deposits		47,779	41,424
Deferred tax assets		<u>24,606</u>	<u>31,892</u>
		<u>2,408,709</u>	<u>2,375,438</u>
Current assets			
Inventories		9,703	2,720
Trade and other receivables and prepayments	12	410,381	339,695
Financial assets at fair value through profit or loss (“FVTPL”)		286,154	239,277
Cash and cash equivalents		<u>400,620</u>	<u>556,685</u>
		<u>1,106,858</u>	<u>1,138,377</u>
Total assets		<u><u>3,515,567</u></u>	<u><u>3,513,815</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	183	200
Reserves		4,061,790	4,080,931
Accumulated losses		<u>(2,799,636)</u>	<u>(2,845,381)</u>
Total equity		<u><u>1,262,337</u></u>	<u><u>1,235,750</u></u>

		As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Non-current liabilities			
Borrowings		595,674	679,892
Lease liabilities		301,141	214,388
Deferred tax liabilities		4,168	3,323
		<u>900,983</u>	<u>897,603</u>
Current liabilities			
Trade and other payables	<i>13</i>	126,016	105,441
Deposits received for rental computer devices		12,477	10,860
Advance lease payments		39,254	39,094
Contract liabilities		36,365	32,811
Income tax payables		3,838	3,838
Borrowings		892,892	936,867
Lease liabilities		241,405	251,551
		<u>1,352,247</u>	<u>1,380,462</u>
Total liabilities		<u>2,253,230</u>	<u>2,278,065</u>
Total equity and liabilities		<u>3,515,567</u>	<u>3,513,815</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

1. GENERAL INFORMATION

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”) which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at June 30, 2025, the Company and its subsidiaries (collectively referred to as the “**Group**”) had current assets less than current liabilities by RMB245,389,000. The Group assesses its liquidity by its ability to generate cash from operating activities and/or finance funding. Based on the Group’s historical performance and management’s operating and financing plans, the Group has performed a working capital forecast for the next twelve months. Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, operating cash flows and financing cash flows from banking facilities and borrowings from other financial institutions, the directors of the Company believe that the Group will have sufficient financial resources to satisfy its future working capital in the next twelve months from the end of the reporting period. The directors of the Company consider that it is appropriate that the condensed consolidated financial statements are prepared on a going concern basis.

3. ACCOUNTING POLICIES

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

Other than additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended December 31, 2024.

(a) **Disaggregation of revenue from contracts with customers**

Types of goods or service

	Six months ended	
	June 30, 2025 RMB'000 (unaudited)	June 30, 2024 RMB'000 (unaudited)
Pay-as-you-go office IT integrated solution revenue		
Office IT technical subscription services	<u>278,769</u>	<u>242,416</u>
Sales of devices		
Devices	<u>66,507</u>	<u>62,854</u>
Computer accessories	<u>1,408</u>	<u>1,223</u>
Total	<u><u>67,915</u></u>	<u><u>64,077</u></u>
SaaS and others		
SaaS	<u>3,286</u>	<u>3,112</u>
Other services	<u>2,546</u>	<u>2,824</u>
Total	<u><u>5,832</u></u>	<u><u>5,936</u></u>
Timing of revenue recognition		
A point in time	<u>67,915</u>	<u>64,077</u>
Over time	<u>284,601</u>	<u>248,352</u>
Total	<u><u>352,516</u></u>	<u><u>312,429</u></u>

(b) **Performance obligations for contracts with customers and revenue recognition policies**

Pay-as-you-go office IT integrated solution revenue – office IT technical subscription services

The Group provides office IT technical subscription services coupled with the device subscription services during the subscription period. Certain contracts are assessed to include both lease (as disclosed in Note 4(c) below) and non-lease components (office IT technical subscription services), the Group applies IFRS 15 to allocate the consideration to separate lease and non-lease components on a relative stand-alone selling price basis.

Revenue relating to office IT technical subscription services, which primarily include providing stand-ready services to solve problems and repairs and maintenance services in relation to the computer devices, is satisfied over time as services are rendered, which is measured based on output method.

Sales of devices

The Group sells devices and computer accessories directly to customers through internet sales.

Revenue is recognized when the customer obtains control of the goods, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer’s specific location. When the customer initially purchases the goods online, the transaction price received by the Group is recognized as contract liabilities until the goods have been delivered to the customer.

SaaS and others

The SaaS services arise from the Group’s self-developed “Ebandian” system which is designed to provide SaaS to enterprise customers in managing their assets and inventories.

Other services mainly include the maintenance support and assistance to customers of the Group.

The performance obligation is satisfied over time as services are rendered, which is measured based on output method. Short term advances are normally required before rendering the services. Services provided are for periods of one year or less, and are billed based on the time incurred.

(c) Pay-as-you-go office IT integrated solution revenue recognized as lease income under IFRS 16

Six months ended	
June 30, 2025	June 30, 2024
RMB’000	<i>RMB’000</i>
(unaudited)	(unaudited)

For operating leases:

Lease payments that are fixed	347,124	334,459
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The Group leases out self-owned or leased-in computer devices under the pay-as-you-go subscription method, which affords customers the freedom of subscribing for a flexible term, generally on a monthly basis, or up to three years, at a monthly fixed fee subject to termination penalties. Subscription deposits are waived as long as the enterprise customer met the required credit information and passed the Group’s internal risk assessment. Monthly payments are automatically withdrawn on the payment dates from the customers’ accounts. The Group normally grant a credit period up to 5 days after the issuance of billing to customers.

5. OTHER INCOME

	Six months ended	
	June 30, 2025	June 30, 2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income from banks	1,685	3,554
Interest income from trade receivable under instalment sales	362	598
Government grants <i>(Note i)</i>	4,046	1,293
Compensation income <i>(Note ii)</i>	<u>1,166</u>	<u>1,366</u>
 Total	 <u><u>7,259</u></u>	 <u><u>6,811</u></u>

Notes:

- i. Government grants mainly represent subsidies received from local governments in Beijing and Chengdu for supporting foreign-invested enterprises, rewarding high-tech enterprises and subsidizing the job stabilization of certain subsidiaries of the Group.
- ii. Compensation income represents devices damage compensations paid by the Group's customers.

6. OTHER GAINS AND LOSSES, NET

	Six months ended	
	June 30, 2025	June 30, 2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Gain on changes in fair value of financial assets at FVTPL	1,806	3,527
Subscription fee of financial assets at FVTPL <i>(Note i)</i>	(718)	-
Loss on written-off of rental computer devices <i>(Note ii)</i>	(8,580)	(11,218)
Others	<u>(1,178)</u>	<u>1,319</u>
 Total	 <u><u>(8,670)</u></u>	 <u><u>(6,372)</u></u>

Notes:

- i. The subscription fee is the initial fee paid to acquire cash management products.
- ii. For the customers with six months overdue billings, the Group ceases to recognize revenue and recognize loss on written-off of rental computer devices held by the customers, which the management of the Group believed are unable to be recovered.

7. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Six months ended	
	June 30, 2025	June 30, 2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Impairment losses, net of reversal, recognized on:		
Trade receivables	15,425	14,262
Other receivables	70	(558)
	<u>15,495</u>	<u>13,704</u>
Total	<u><u>15,495</u></u>	<u><u>13,704</u></u>

8. FINANCE COSTS

	Six months ended	
	June 30, 2025	June 30, 2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on borrowings	46,539	43,531
Interest on lease liabilities	16,538	14,363
	<u>63,077</u>	<u>57,894</u>
Total	<u><u>63,077</u></u>	<u><u>57,894</u></u>

9. INCOME TAX EXPENSE

	Six months ended	
	June 30, 2025	June 30, 2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current enterprise income tax	188	153
Deferred tax	8,131	4,635
	<u>8,319</u>	<u>4,788</u>
Total	<u><u>8,319</u></u>	<u><u>4,788</u></u>

10. EARNINGS PER SHARE

	Six months ended	
	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)
Earnings for the period attributable to the owners of the Company for the purpose of calculating basic and diluted earnings per share (RMB'000)	<u>45,745</u>	<u>16,481</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>529,106,424</u>	<u>577,795,367</u>
Effect of dilutive potential ordinary shares: Share options	<u>6,097,197</u>	<u>1,625,270</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u><u>535,203,621</u></u>	<u><u>579,420,637</u></u>

For the six months ended June 30, 2025, 12,939,000 (for the six months ended June 30, 2024: 1,182,000) ordinary shares repurchased by the Company are excluded from the computation of basic earnings per share since the date of repurchase.

The exercise price of the Company's certain share options was higher than the average market price for shares, which has not taken into consideration for computing the diluted earnings per share for the six months ended June 30, 2025.

11. DIVIDEND

No dividends were paid, declared or proposed during the current interim period (six months ended June 30, 2024: nil). The directors of the Company have determined that no dividend will be paid in respect of the interim period.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at June 30, 2025 <i>RMB'000</i> (unaudited)	As at December 31, 2024 <i>RMB'000</i> (audited)
Trade receivables		
Trade receivables – Pay-as-you-go office IT integrated solution	240,490	225,700
Trade receivables – contracts with customers	74,189	70,912
Less: allowance for credit losses	<u>(177,517)</u>	<u>(162,092)</u>
	137,162	134,520
Other receivables and prepayments	<u>437,579</u>	<u>380,284</u>
Total	<u><u>574,741</u></u>	<u><u>514,804</u></u>
Analysed as:		
Total current portion	<u>410,381</u>	<u>339,695</u>
Total non-current portion	<u><u>164,360</u></u>	<u><u>175,109</u></u>

The following is an aged analysis of trade receivables, net of impairment losses under ECL model, presented based on the date of billing issued to customers at the end of each relevant period.

	As at June 30, 2025 <i>RMB'000</i> (unaudited)	As at December 31, 2024 <i>RMB'000</i> (audited)
Within 30 days	113,797	110,005
31 to 60 days	10,763	13,468
61 to 90 days	3,485	3,606
91 to 180 days	6,129	5,139
181 to 270 days	2,399	1,692
271 to 360 days	457	323
Over 360 days	<u>132</u>	<u>287</u>
	<u><u>137,162</u></u>	<u><u>134,520</u></u>

The Group granted a credit period up to 5 days after the issuance of billing to customers.

13. TRADE AND OTHER PAYABLES

	As at June 30, 2025 <i>RMB'000</i> (unaudited)	As at December 31, 2024 <i>RMB'000</i> (audited)
Trade payables	63,508	34,907
Salary and welfare payables	31,194	40,733
Others	31,314	29,801
	<hr/>	<hr/>
Total	126,016	105,441
	<hr/> <hr/>	<hr/> <hr/>

The following is an aged analysis on trade payables of the Group presented based on the invoice date:

	As at June 30, 2025 <i>RMB'000</i> (unaudited)	As at December 31, 2024 <i>RMB'000</i> (audited)
Within 12 months	49,305	22,549
1 to 2 years	4,941	4,113
2 to 3 years	3,536	4,327
Over 3 years	5,726	3,918
	<hr/>	<hr/>
Total	63,508	34,907
	<hr/> <hr/>	<hr/> <hr/>

14. SHARE CAPITAL

	Number of Shares	Amount USD	Amount RMB'000
Authorised			
At January 1, 2025 (audited), June 30, 2025 (unaudited) of USD0.00005 each	<u>1,400,000,000</u>	<u>70,000</u>	<u>460</u>
Issued			
At January 1, 2025 (audited)	579,060,516	28,954	200
Exercise of share options	940,627	47	—*
Shares repurchased and cancelled	<u>(46,013,500)</u>	<u>(2,301)</u>	<u>(17)</u>
At June 30, 2025 (unaudited)	<u>533,987,643</u>	<u>26,700</u>	<u>183</u>

* *Less than RMB1,000*

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2025, we endeavor to make office IT easier and aim to become the go-to partner for enterprises for improving IT productivity and efficiency. We distinguish ourselves from our competitors by offering reliable and flexible office IT service packs with one-stop office IT solutions that deliver IT devices installed with systems and software as well as managed IT services. As at June 30, 2025, the Group had 52,357 active customers, representing a year-on-year increase of 5.3%; we also maintained a high customer retention rate, largely unchanged from the same period last year; and we had exceeded 1.48 million devices in service, an increase of 11.3% year-on-year. We enjoy a number of competitive advantages over traditional device rental service providers, primarily in that:

- (i) **Reliability:** As the largest office IT integrated solution provider in China, we assume responsibility for the functions, services and maintenance of office IT devices for our customers, provide 24/7 and uninterrupted IT support and assistance to our customers with the fastest and nationwide service capabilities in China, and enhance customer experience through strict internal and external quality control standards;
- (ii) **Flexibility:** we adopt a pay-as-you-go subscription approach where our customers can flexibly switch to devices according to their needs without having to purchase devices, so as to avoid not being able to recover the residual value of devices easily to facilitate their capital flow and business development; and
- (iii) **One-stop services:** we provide our customers with one-stop office IT solutions, which provide our customers with a wide range of technical support for their continuous operation and help them to avoid the trouble of their engagement with multiple office IT suppliers. Through this one-stop, stable and flexible services, we help our customers maximise office IT stably running time, save operating expenses, improve employee productivity and drive business growth.

We primarily provide one-stop office IT services on a subscription basis to enterprise customers consisting mainly of SMEs. In the first half of 2025, we have mainly generated revenue from pay-as-you-go office IT integrated solutions, sales of devices, and SaaS and other services.

- **Pay-as-you-go office IT integrated solutions:** We provide our office IT integrated solutions primarily via the pay-as-you-go subscription method. The pay-as-you-go subscription method is a flexible arrangement through which we provide hardware and handle device configuration, device/engineer deployment, operation and maintenance support, performance optimization, and device management services, such as order placement, subscription management, on-site inspection and bulk shipment of the devices, all under one service pack while customers can subscribe and unsubscribe to the office IT service flexibly based on their evolving needs.
- **Sales of devices:** In addition to our pay-as-you-go office IT integrated solutions, we offer customers the opportunity to purchase our devices, in response to certain customers' needs. Customers can purchase the devices in installments, and the ownership of the devices are transferred to the customers when the devices are delivered to customers. Existing subscribing customers can also initiate the requests to us to purchase our devices directly. In addition, we may sell pre-owned devices at commercially favorable prices through our online bidding platform, Epaiji, to optimize our device portfolio, and supplement our revenue streams.
- **SaaS and other services:** We developed our SaaS product to meet customers' multiple digitalization needs. Our SaaS product, Ebandian, is designed to help enterprise customers manage their assets and inventories from asset procurement and storage to usage and disposal for an annual subscription fee. Ebandian allows customers to visualize and streamline assets and inventories operations and enables customers to track and manage portfolios of assets and inventories with transparency.

Leveraging our nationwide service capability, self-developed system named "Nebula" and industry leading remanufacturing technology, we provide one-stop, stable and flexible services to help our customers maximize office IT uptime, improve efficiency, enhance employee productivity and drive business growth. Since 2024, we further expanded our influence in environmental, social and corporate governance ("ESG") practices.

Disclosure of Key Operating Data

The following tables set forth certain of our key operating metrics for the periods specified:

	As at June 30, 2024	As at December 31, 2024	As at June 30, 2025
Number of active customers ⁽¹⁾	49,737	51,024	52,357
– Number of subscribing customers	48,705	50,180	51,769
– Number of non-subscribing customers who purchased device(s) in installments ⁽²⁾	1,032	844	588
Number of core customers ⁽³⁾	26,436	27,529	27,709
Number of SaaS customers	2,118	2,164	2,043
Number of devices under service	1,329,721	1,374,200	1,480,599
– Number of devices under subscription	1,307,215	1,352,687	1,464,452
– Number of devices under installment purchase	22,506	21,513	16,147
		Six months ended June 30,	
		2024	2025
Average subscription fee per subscribing customer ⁽⁴⁾		1,974	2,015
Average number of devices under subscription per subscribing customer ⁽⁵⁾		26.8	28.3
Number of devices sold ⁽⁶⁾		48,293	59,941
– Number of additional devices sold under installments		11,633	6,307
– Number of devices sold under buyout of subscribing customer		11,358	7,677
– Number of pre-owned devices disposed of through auction		25,302	45,957
Net dollar retention rate ⁽⁷⁾		88.8%	96.8%
Net dollar retention rate for pay-as-you-go office IT integrated solutions ⁽⁷⁾		90.0%	96.4%

Notes:

- (1) The number of active customers as at the end of a month is calculated as the number of customers who have made payments during the month, substantially all of whom are customers of our pay-as-you-go office IT integrated solutions.

- (2) The number of non-subscribing customers who purchased devices in installments represents non-subscribing customers who had purchased our devices in installments and had not completed full payments as at June 30, 2024, December 31, 2024 and June 30, 2025.
- (3) Core customers represent high-quality clients who have a workforce of approximately 50 or more employees. This strategy of defining and focusing on core customers has been implemented since the second half of 2022.
- (4) The average monthly subscription fee per subscribing customer is calculated by dividing our revenue from pay-as-you-go office IT integrated solutions in the respective period by the number of subscribing customers in the respective period and then by the number of months.
- (5) Average number of devices under subscription per subscribing customer is calculated by dividing the number of devices under subscription at the end of the period by the number of subscribing customers at the end of the period.
- (6) In addition to our pay-as-you-go office IT integrated solutions, we offer customers the opportunity to purchase our devices, in response to certain customers' needs. We sell devices in three ways: (i) new devices for customers purchasing in installments, (ii) used devices for customers under the subscription pack who are willing to buy out the devices, and (iii) pre-owned devices that we dispose of through auction. During the Reporting Period, most of devices we sold were used devices.
- (7) Net dollar retention rate is a metric used to measure a company's customer retention. It compares the amount of revenue that a company brings in a designated period from the previous period's existing clients. We calculate net dollar retention rate in a designated 12-month period by dividing the revenue in a designated 12-month period generated from customers retained from the previous 12-month period with revenue in the previous 12-month period generated from customers in the previous 12-month period.

We have the ability to optimize our device portfolio by disposing of devices at commercially favorable prices, which in turn lowers the volume of idle devices and increases our device utilization and operational efficiency. In the first half of 2025, we have continued comprehensive inventory management measures and have maintained a high utilization rate of our devices at 88.9%. We closely monitor the changes in inventory levels to ensure smooth operations with low inventories. In addition, we dynamically adjust our inventory of different types of devices and components, and determine local inventory levels based on the actual needs of our customers in that region.

Increase in the number of customers and improvement in the quality of new customers

In the first half of 2025, the number of our active customers increased to 52,357, representing an increase of 5.3% as compared to 49,737 in the same period in 2024. Such growth was driven by (among others): (i) our adoption of a more effective sales strategy, which has further improved our sales efficiency and helped us to acquire better quality customers; (ii) our new product research and development and flexible product strategies to better adapt to the current office IT needs of small and medium-sized enterprises and the transformation of PC needs in the AI era; (iii) the improvement of our technology and scale advantages that continued to optimize supply chain, equipment scheduling, remanufacturing and other aspects, and reliance on the full-stack self-developed “Nebula” (星雲) system to continue to enhance operational capabilities and generate business value; and (iv) the optimization of our service capabilities: As the number of customers increases and improves, we continue to optimize the service efficiency, speed and quality of engineers, and go deep into customers’ office IT scenarios to provide customers with one-stop solutions to their office IT pain points.

We leveraged our well-established reputation and extensive sales network to further expand our customer base. We continue to deepen our sales network to better acquire customers across the country to increase market penetration and improve the quality of potential customers. In the first half of 2025, the number of our core customers grew to 27,709, representing an increase of 4.8% from 26,436 in the same period in 2024, while the percentage of our core customers’ devices under service increased from 86.2% in the first half of 2024 to 86.5% in the first half of 2025.

With the increase in customer volume and quality, as at June 30, 2025, the number of devices under service exceeded 1.48 million. As customer density rose, our engineers continued to optimise their service efficiency, leading to improvements in both service rate and service quality. As a result, we have been able to better serve our customers and establish stronger customer relationships, with the customer retention rate increasing steadily.

Macroeconomic impacts and new product development

In the first half of 2025, as the overall macro-economy showed a weak recovery trend, the ongoing pressure on small and medium-sized enterprises had eased. They were constantly seeking ways and means to reduce costs and increase efficiency, and tended to prefer more cost-effective devices in the selection of office IT devices. This puts pressure on our average monthly subscription fee per subscriber.

In response to this trend, we developed in advance and launched in the first half of 2025 an own-brand IT device that is more suitable for small and medium-sized enterprises to work in the office. This series of own-brand product has a simple appearance and leading performance. It is fully self-developed by the Group and meets the office IT needs of ordinary positions in small and medium-sized enterprises at a significantly reduced monthly subscription fee.

Under the combined effect of new product launches and more effective sales strategies, the average number of devices under subscription per customer for our repeat customers increased from 29 units/customer to 31 units/customer in the first half of 2025.

Implementation and active exploration of AI business

In the first half of 2025, the surge in demand for AI hardware products driven by the emergence of deepseek large models led to a growing market demand for AI PC hardware. In response, the Group launched its self-developed brand, Edianyun AP series workstation, which supports the localized deployment of large models such as deepseek. The product immediately sparked a surge in subscription demand, with supply failing to meet demand. This product significantly helps small and medium-sized enterprises achieve localized deployment of large models at the lowest cost, providing a major boost to office IT efficiency in the AI era and enabling small and medium-sized enterprises to embrace the AI wave.

In the future, we will continue to explore in the field of AI. Leveraging on small and medium-sized enterprise customers base deeply connected to our main business of office IT subscription, we will help small and medium-sized enterprises build up their own AI capabilities and serve a broader enterprise service market.

Outlook

Office IT equipment is a rigid demand for most enterprises and has a relatively stable replacement cycle. As a leading office IT integrated solution provider in China, the Group will continue to dedicate itself to its mission and vision of making office IT easier. Focusing on the improvement of product strength, we plan to launch several key products in the second half of 2025 to better meet the needs of small and medium-sized enterprise customers, while actively responding to the feedback of corresponding customers to continuously optimise and improve our matrix to ensure that we are always in the leading position in the industry.

Meanwhile, we will further strengthen the operation of the sales team, recruit and train excellent sales talents, and continuously step up efforts in the professional quality of the sales team to ensure that we can better meet customer needs and improve customer satisfaction. We will also adopt intelligent sales efficiency strategies and apply AI-based business analysis to further optimise sales processes and strategies and improve sales efficiency and effectiveness.

Remanufacturing capability is one of the Group's core competencies. We have been exploring and have recently made breakthroughs in the fields of technology and automation, among which an independently developed keyboard inspection robot has been put into operation, which will significantly optimize the inspection efficiency and improve the yield rate of keyboards. In the future, we will continue to increase investment and enhance research and development to further boost our remanufacturing digitalization capabilities and reduce average unit costs of remanufacturing, in order to provide our customers with a higher quality equipment experience.

Our core business inherently possesses ESG features. For example, our remanufacturing technology extends the service lives of devices and promotes reuse, not only reducing waste and carbon emissions, but also saving on material and energy costs. With the continuous improvement of our main business, we will continue to have a lasting and positive ESG impact on our customers, partners and the wider community.

Although the recovery of small and medium-sized enterprises still faces certain challenges in 2025, the substantial growth in the number of our active customers and the number of devices under service shows that we have gotten rid of the adverse factors and returned to the growth track. The uncertainties in the new era also prompted business owners to adopt an asset-light and highly flexible business philosophy and change the concept of one-off procurement expenditure. We believe the penetration rate of the office IT integrated solutions market will continue to increase, supporting the continuous improvement of our business performance.

Material Events after the Reporting Period

During the period from June 6, 2025 to July 9, 2025, the Company subscribed for a total of USD26,534,700 in wealth management products from Shenwan Hongyuan Securities (H.K.) Limited (“**Shenwan Hongyuan Securities (H.K.)**”). The subscription was funded by the Group’s surplus cash reserves. Please refer to the section headed “Significant Investments Held” in this announcement, as well as the Company’s announcements dated July 14, 2025 and July 28, 2025 for details.

Save as the above and those disclosed in this announcement, there have been no other events subsequent to the Reporting Period and up to the date of this announcement which may have a material impact on the Company and the subsidiaries of the Company.

Financial Analysis

Revenue

For the six months ended June 30, 2025, our revenue was derived from three business areas, namely (i) pay-as-you-go office IT integrated solutions; (ii) sales of devices; and (iii) SaaS and other services.

For the six months ended June 30, 2025, our revenue was RMB699.6 million, representing an increase of 8.2% as compared with RMB646.9 million for the six months ended June 30, 2024, which was primarily due to increased revenue from pay-as-you-go office IT integrated solutions.

The following table sets forth a breakdown of our revenue by segment for the periods indicated:

	For the six months ended June 30,			
	2025		2024	
	(unaudited)		(unaudited)	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Pay-as-you-go office IT integrated solutions	625,893	89.5%	576,875	89.2%
Sales of devices	67,915	9.7%	64,077	9.9%
SaaS and other services	5,832	0.8%	5,936	0.9%
	<u>699,640</u>	<u>100.0%</u>	<u>646,888</u>	<u>100.0%</u>

Pay-as-you-go office IT integrated solutions

For the six months ended June 30, 2025, our revenue from pay-as-you-go office IT integrated solutions was RMB625.9 million, representing an increase of 8.5% as compared with that of RMB576.9 million for the six months ended June 30, 2024, which was primarily due to the significant increase in sales efficiency resulting from effective sales strategies and deep sales operation system, the number of customers and the number of single-household subscription grew rapidly, driving sustainable growth in revenue.

Sales of devices

For the six months ended June 30, 2025, revenue from our sales of devices was RMB67.9 million, representing an increase of 6.0% as compared with that of RMB64.1 million for the six months ended June 30, 2024, which was primarily due to the increase in the number of equipment units sold over the same period.

SaaS and other services

For the six months ended June 30, 2025, revenue from our SaaS and other services was RMB5.8 million, representing a decrease of 1.8% as compared with that of RMB5.9 million for the six months ended June 30, 2024, which was primarily due to the decrease in income from system development and external maintenance services.

Cost of sales

Our cost of sales represents costs incurred directly in the pay-as-you-go office IT integrated solutions, sales of devices and SaaS and other services. The cost of pay-as-you-go office IT integrated solutions consists primarily of depreciation costs of devices, staff and other costs related to maintenance, risk control and operation. The cost of sales for our sales of devices mainly represents the residual value of the devices. The cost of sales for our SaaS and other services is primarily staff costs for maintenance and operation.

For the six months ended June 30, 2025, our cost of sales was RMB411.7 million, representing an increase of 11.3% as compared with that of RMB369.9 million for the six months ended June 30, 2024, which was primarily due to the increase in depreciation costs of equipment.

The following table sets forth a breakdown of our cost of sales by segment for the periods indicated:

	For the six months ended June 30,			
	2025		2024	
	(unaudited)		(unaudited)	
	RMB'000	%	RMB'000	%
Pay-as-you-go office IT integrated solutions	338,890	82.3%	301,701	81.6%
Sales of devices	70,613	17.2%	66,963	18.1%
SaaS and other services	2,197	0.5%	1,253	0.3%
	<u>411,700</u>	<u>100.0%</u>	<u>369,917</u>	<u>100.0%</u>

Pay-as-you-go office IT integrated solutions

For the six months ended June 30, 2025, cost of sales of our pay-as-you-go office IT integrated solutions amounted to RMB338.9 million, representing an increase of 12.3% as compared with that of RMB301.7 million for the six months ended June 30, 2024, which was primarily due to an increase in depreciation costs as a result of growth in the quantity of subscribed equipment.

Sales of devices

For the six months ended June 30, 2025, cost of our sales of devices was RMB70.6 million, representing an increase of 5.5% as compared with that of RMB67.0 million for the six months ended June 30, 2024, which was primarily due to the increase in the number of equipment units sold over the same period.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 4.0% from RMB277.0 million for the six months ended June 30, 2024 to RMB287.9 million for the six months ended June 30, 2025. Gross profit margin is calculated based on gross profit divided by revenue. For the six months ended June 30, 2025 and June 30, 2024, the Group's gross profit margin was 41.2% and 42.8%, respectively.

The following table sets out a breakdown of our gross profit (loss) and gross profit (loss) margin by segment for the periods indicated:

	For the six months ended June 30,			
	2025		2024	
	(unaudited)		(unaudited)	
	Gross profit (loss) RMB'000	Gross profit (loss) margin %	Gross profit (loss) RMB'000	Gross profit (loss) margin %
Pay-as-you-go office IT integrated solutions	287,003	45.9%	275,174	47.7%
Sales of devices	(2,698)	(4.0%)	(2,886)	(4.5%)
SaaS and other services	3,635	62.3%	4,683	78.9%
Total gross profit/Overall gross profit margin	<u>287,940</u>	<u>41.2%</u>	<u>276,971</u>	<u>42.8%</u>

Pay-as-you-go office IT integrated solutions

For the six months ended June 30, 2025, the gross profit of our pay-as-you-go office IT integrated solutions was RMB287.0 million, representing an increase of 4.3% as compared with that of RMB275.2 million for the six months ended June 30, 2024, and the gross profit margin decreased to 45.9% for the six months ended June 30, 2025 from 47.7% for the six months ended June 30, 2024, primarily due to the higher depreciation costs due to the increase in the number of equipment.

Sales of devices

The Group's gross profit on sales of devices decreased by 6.5% from a loss of RMB2.9 million for the six months ended June 30, 2024 to RMB2.7 million for the six months ended June 30, 2025, and the loss margin decreased from 4.5% for the six months ended June 30, 2024 to 4.0% for the six months ended June 30, 2025, primarily due to the Company arranged sales strategies and category adjustments in accordance with market conditions, resulting in a decrease in the loss margin.

Research and Development Expenses

The Group's research and development expenses mainly comprise employee salary and benefit expenses, cloud server expenses and other research and development office expenses. For the six months ended June 30, 2025, the Group's research and development expenses amounted to RMB30.0 million, representing a decrease of 9.1% as compared to RMB33.0 million for the six months ended June 30, 2024, which was mainly attributable to the improvement of bargaining power resulting from the decrease of cloud server cost.

General and Administrative Expenses

The general and administrative expenses of the Group mainly comprise employee salary and benefit expenses and office and miscellaneous expenses. For the six months ended June 30, 2025, the Group's general and administrative expenses amounted to RMB42.6 million, representing a decrease of 39.8% as compared with RMB70.8 million for the six months ended June 30, 2024, which was primarily due to a decrease in share-based payment expense and the improvement in overall office efficiency through the use of AI tools.

Other Income

Our other income primarily consists of: (i) interest income from banks and trade receivable; (ii) government grants which mainly represent subsidies received from local governments in Beijing and Chengdu, for supporting foreign-invested enterprises and rewarding high-tech enterprises; and (iii) compensation income representing device damage compensation paid by our customers.

For the six months ended June 30, 2025, our other income amounted to RMB7.3 million, representing an increase of 6.6% as compared to RMB6.8 million for the six months ended June 30, 2024, which was mainly due to the subsidies received from the Beijing and Chengdu local governments to support foreign-invested enterprises during this period.

Other Gains and Losses

Our other gains and losses primarily consist of: (i) gain on changes in fair value of financial assets at FVTPL in connection with structured deposits and other financial products we purchased; and (ii) loss on written-off of rental computer devices.

For the six months ended June 30, 2025, the Group's net loss amounted to RMB8.7 million, representing an increase of 36.1% from RMB6.4 million for the six months ended June 30, 2024. It was mainly attributable to the increase in loss on written-off of rental computer devices.

Impairment Losses under ECL, Net of Reversal

For the six months ended June 30, 2025, the Group's impairment losses under ECL, net of reversal amounted to RMB15.5 million, representing an increase of RMB1.8 million from RMB13.7 million for the six months ended June 30, 2024, primarily due to the increase in trade receivable as a result of the Company's revenue growth.

Finance Costs

Our finance costs primarily consist of: (i) interest on interest-bearing loans from banks and other borrowings; and (ii) interest on lease liabilities for the leased-in computer devices, buildings and warehouses we leased.

For the six months ended June 30, 2025, the Group's finance costs amounted to RMB63.1 million, representing an increase of RMB5.2 million from RMB57.9 million for the six months ended June 30, 2024, primarily due to the increase in the Group's financing scale as a result of increased equipment purchases volume accompanying the expansion of the Company's market scale, while financing interest rates continued to decline.

Income Tax Expense

For the six months ended June 30, 2025, the Group's income tax expense amounted to RMB8.3 million, while the income tax expense for the six months ended June 30, 2024 amounted to RMB4.8 million. The tax expense recorded during the Reporting Period was mainly due to the deferred tax recognized by the Group.

Profit and Total Comprehensive Income for the Period

As a result of the above, for the six months ended June 30, 2025, the Group's profit for the period amounted to RMB45.7 million, representing an increase in profit of RMB29.3 million from the profit of RMB16.5 million for the six months ended June 30, 2024.

Adjusted Profits (non-IFRS measure)

The following table sets forth the reconciliation of adjusted net profits (non-IFRS measure) to the most directly comparable financial measure (profit for the period) calculated and presented in accordance with IFRS for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Profit and total comprehensive income for the period	45,745	16,481
<i>Add:</i>		
Share-based payment expenses	<u>5,434</u>	<u>14,233</u>
Adjusted net profit for the period (non-IFRS measure)	<u>51,179</u>	<u>30,714</u>

EBITDA and Adjusted EBITDA (non-IFRS measure)

We define EBITDA (non-IFRS measure) as profit and total comprehensive income for the period by adding back (i) net finance costs; (ii) income tax expense; (iii) depreciation; and (iv) amortization. We add back share-based payment expenses to EBITDA to derive adjusted EBITDA (non-IFRS measure). The following table sets out EBITDA and adjusted EBITDA (non-IFRS measures) and a reconciliation from profit for the periods to EBITDA and adjusted EBITDA (non-IFRS measures) for the periods indicated:

	For the six months ended June 30,	
	2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
Profit and total comprehensive income for the period	45,745	16,481
<i>Add:</i>		
Net finance costs	61,392	54,340
Income tax expense	8,319	4,788
Depreciation	263,860	230,581
Amortization	239	205
EBITDA (non-IFRS measure)	<u>379,555</u>	<u>306,395</u>
<i>Add:</i>		
Share-based payment expenses	<u>5,434</u>	<u>14,233</u>
Adjusted EBITDA (non-IFRS measure)	<u><u>384,989</u></u>	<u><u>320,628</u></u>

Capital Management, Funding and Financial Policies

The Group's main objectives when managing capital are to maintain the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance Shareholders' value in the long term. The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers and adjusts the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the Group may issue new shares, issue bonds and raise bank and other borrowings.

The Group adopts prudent funding and financial policies and strives to maintain sufficient cash flow to support business expansion, capital expenditure and general working capital requirements. The Group may raise bank and other borrowings according to its operating conditions and procurement plans. In addition, there are no major seasonal borrowing requirements.

Cash Position

As at June 30, 2025, the Group's cash and cash equivalents decreased to RMB400.6 million from RMB556.7 million as at December 31, 2024. The Group's cash and cash equivalents are mainly denominated in RMB, Hong Kong dollar (“**HKD**”) and USD.

Borrowings

The Group's borrowings refer to borrowings and other loans. As at June 30, 2025, the balance of the Group's borrowings amounted to RMB1,488.6 million, of which approximately RMB892.9 million was due within one year, approximately RMB427.6 million was due between one and two years and approximately RMB168.1 million was due between two and five years.

For the six months ended June 30, 2025, the Group's average current and non-current borrowing balances (the average of the opening and closing borrowing balances) amounted to RMB1,552.7 million, representing an increase of 7.7% as compared with RMB1,441.4 million for the six months ended June 30, 2024.

For the six months ended June 30, 2025, the Group's borrowing rates ranged from 2.15% to 12% (the borrowing rates from banks ranged from 2.15% to 9% and those from other financial institutions ranged from 3.55% to 12%) (all denominated in RMB). For the six months ended June 30, 2024, the Group's borrowing rates ranged from 3.15% to 12% (the borrowing rates from banks ranged from 3.15% to 9% and those from other financial institutions ranged from 4.64% to 12%).

Gearing Ratio

As at June 30, 2025, the Group's gearing ratio (calculated by dividing the total amount of borrowings and lease liabilities by total equity) was 160.9%. As at December 31, 2024, the Group's gearing ratio was 168.5%.

Foreign Exchange and Exchange Rate Risk

The Group mainly operates its business in the PRC and most of its revenue and expenses are denominated in RMB. Certain of our bank balances, other financial assets, other payables and other financial liabilities are denominated in foreign currencies and are therefore exposed to foreign exchange risk. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange risk and will consider suitable hedging measures in the future if necessary.

Contingent Liabilities

As at June 30, 2025, the Company did not have any material contingent liabilities.

Assets Charge of the Group

As at June 30, 2025, the net book value of our owned devices was RMB1,429.7 million and the net book value of our rented rental computer devices was RMB725.8 million. As at June 30, 2025, the Group's rental computer devices and right-of-use assets with a net book value of approximately RMB1,562.6 million were pledged as security for the bank borrowings and other borrowings from financial institutions.

Capital Expenditure

As at the first half of 2025 and 2024, our capital expenditure amounted to RMB386.4 million and RMB426.0 million, respectively, consisted of (i) additions to rental computer devices of RMB177.7 million and RMB184.5 million, respectively; and (ii) additions to right-of-use assets of RMB208.7 million and RMB241.5 million, respectively. We finance capital expenditure mainly through cash flow from customers' subscription fees and bank and other borrowings.

Significant Investments Held

The appropriate subscription of medium to low risk wealth management products is beneficial to the Group in enhancing capital utilisation and increasing the income from idle funds, and the diversified and readily redeemable cash management type of product investment is also beneficial to enhancing the security and flexibility of cash management.

From June 6, 2025 to July 9, 2025, the Group entered into an agreement with Shenwan Hongyuan Securities (H.K.) and Shenwan Hongyuan Financial Products Limited, and subscribed for cash management wealth management products in the amount of USD26,534,700 in aggregate from Shenwan Hongyuan Securities (H.K.). The Group utilised its internal surplus cash reserves for the payment of the subscription amount. The expected annualised rate of return of the products was 2%-4.5%. The term of investment was no more than one year, redeemable at any time. The investment scope of this wealth management product was cash management underlying assets (including structured deposits, cash management funds, or money market funds). These wealth management products carried lower risk and typically included assets with high liquidity and market credit ratings (such as gold, sovereign bonds, interbank deposits, bond funds, and other money market instruments denominated in RMB/USD/HKD or other major foreign currencies). As at June 30, 2025, the fair value of this wealth management product was RMB143,287,000, accounting for approximately 4.1% of the Group's total assets.

As at June 30, 2025, we did not have any significant investments in investees with a value of 5% or more of total assets of the Company.

Material Acquisitions and Disposals

The Company had no material acquisitions or disposals of subsidiaries, associates or joint ventures for the six months ended June 30, 2025.

Future Plans for Material Investments or Capital Assets

As at June 30, 2025, we did not have detailed future plans for material investments or capital assets.

Employees and Remuneration

As at June 30, 2025, the Group had 1,238 full-time employees (as at December 31, 2024: 1,430 full-time employees). We recognize the importance of talent in business development and maintenance of our competitive edge. As part of our human resources strategy, we offer competitive salaries, performance bonuses and other incentives to our employees. In the first half of 2025, the Group's employee remuneration (excluding Directors' remuneration) amounted to approximately RMB136 million (for the half year ended June 30, 2024: approximately RMB144 million).

We offer regular in-house trainings to employees at all levels in accordance with their functions, positions and responsibilities, covering both soft skills and technical skills. For example, for engineers with different levels of expertise, we provide diverse training courses lasting four to six months targeting junior, mid-level, and senior engineers to ensure that they are equipped with the necessary skills and knowledge to perform their duties. The subjects of training courses cover different aspects of IT operations, including device installation, troubleshooting, network connection, operating system and server management, hardware repair and replacement, and printer maintenance. We also provide induction training to all new employees to ensure that they understand the Company's business, vision and values, and are equipped with basic IT knowledge and operational skills. We believe our training program helps us recruit and retain qualified employees and build a cohesive organization by promoting and agreeing on our vision and values.

In order to incentivize the Directors, senior management and other employees for their contribution to our Group and to attract and retain suitable personnel to our Group, the Group adopted the Pre-IPO Option Plan. The Plan was approved by Shareholders on February 25, 2022. Please refer to "Appendix IV – Statutory and General Information – D. Pre-IPO Option Plan" in the prospectus of the Company dated May 15, 2023 (the "**Prospectus**") for details.

On January 26, 2024, the 2023 share scheme (the “**2023 Share Scheme**”) was adopted at the extraordinary general meeting of the Company for the purpose of providing the Company with a flexible means of attracting, motivating and retaining its eligible participants and encouraging eligible participants to contribute to the Company’s long-term growth and benefits and to enhance the value of the Company and its Shares. The total number of shares that can be issued under the 2023 Share Scheme will be capped at 57,798,986 shares, equivalent to 10% of the issued share capital of the Company on the date of adoption of the 2023 Share Scheme.

On April 22, 2025, the Board has conditionally granted a total of 14,400,000 awards to Dr. Ji Pengcheng (“**Dr. Ji**”) (including 11,520,000 share options and 2,880,000 share awards) and a total of 9,600,000 awards to Mr. Zhang Bin (“**Mr. Zhang**”) (including 7,680,000 share options and 1,920,000 share awards) under the 2023 Share Scheme (the “**Conditional Grant**”). The share options and share awards under Conditional Grant are exercisable subject to the achievement of business and financial milestones including the number of subscribed devices, revenue, and gross profit, and will be exercisable/ vested in five equal tranches upon satisfaction of each of such milestone, with 20% per tranche. Details of the relevant business and financial milestones are set out below:

Business milestones – number of subscribed devices <i>(in 10,000 units)</i>	Financial milestones – monthly revenue <i>(RMB100 million)</i>	Financial milestones – gross profit <i>(RMB100 million)</i>	Number of share options/ share awards to be exercised/vested
147	1.15	0.59	20%
180	1.41	0.72	20%
220	1.72	0.88	20%
270	2.11	1.08	20%
330	2.58	1.32	20%

In view of the limited number of Shares remaining under the existing scheme mandate limit of the 2023 Share Scheme available for future grants, among the Conditional Grant, (i) an aggregate of 14,400,000 Awards conditionally granted to Dr. Ji and 7,680,000 share options granted to Mr. Zhang are granted in accordance with the existing scheme mandate limit of the 2023 Share Scheme, subject to acceptance of the share options and share awards by the grantees and Shareholders' approval of such grants at the general meeting of the Company; and (ii) 1,920,000 share awards granted to Mr. Zhang are granted in accordance with the proposed refreshed scheme mandate limit, subject to and conditional upon the acceptance of the share options and share awards by Mr. Zhang, the refreshed scheme mandate limit taking effect, the Shareholders approving such grant at the general meeting of the Company and the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued upon the vesting of the share awards and the exercise of the share options to be granted pursuant to the share scheme under the proposed refreshment of the scheme mandate limit.

The refreshed scheme mandate limit of the Company was approved and adopted by the Shareholders at the annual general meeting held on June 13, 2025. Pursuant to the refreshed share scheme limit, the total number of Shares which may be issued in relation to all share options and share awards to be newly granted pursuant to the 2023 Share Scheme and any other share schemes of the Company would be 52,366,507 Shares, representing approximately 10% of the issued Shares at the date of the annual general meeting (the “**Refreshed Scheme Mandate Limit**”). For details of the Refreshed Scheme Mandate Limit, please refer to the circular of the Company dated May 21, 2025 and the poll results announcement of the annual general meeting of the Company dated June 13, 2025.

On June 13, 2025, a total of 5,760,000 share options and 2,821,400 share awards were granted by the Company to 146 Eligible Participants pursuant to the 2023 Share Scheme and the Refreshed Scheme Mandate Limit to subscribe for ordinary Shares of USD0.00005 each in the share capital of the Company, subject to acceptance of the share options and share awards by the grantees and the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued upon the vesting of the share awards and the exercise of the share options to be granted pursuant to the share scheme under the proposed refreshment of the scheme mandate limit. Please refer to the Company's announcements dated June 13, 2025 and June 23, 2025 for details.

OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of any interim dividend for the six months ended June 30, 2025.

Compliance with the Corporate Governance Code

For the six months ended June 30, 2025 and up to the date of this announcement, we have complied with all applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), except as described below.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual, and companies listed on the Stock Exchange are expected to comply with this requirement but may choose to deviate from it. The roles of chairman of the Board and chief executive officer of the Company, which is similar to the role of the chief executive officer (as defined in the Listing Rules) who is responsible for the overall management of the Company, are currently performed by Dr. Ji. In view of Dr. Ji’s substantial contribution to our Group since our establishment and his extensive experience, we consider that having Dr. Ji acting as both our chairman of the Board and chief executive officer will provide strong and consistent leadership to our Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Dr. Ji acts as both our chairman of the Board and chief executive officer, and therefore currently do not propose to separate the functions of the chairman of the Board and the chief executive officer.

While this would constitute a deviation from Code Provision C.2.1 of Part 2 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of the Directors, and our Board comprises four independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Dr. Ji and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategy and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of the chairman of the Board and the chief executive officer is necessary.

The Company will continue to review and monitor its corporate governance practice on a regular basis to ensure compliance with the CG Code.

Compliance with the Model Code for Securities Transaction by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code for the six months ended June 30, 2025.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Wang Jingbo, Mr. Hong Weili and Ms. Li Dan, and Mr. Wang Jingbo serves as the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and to advise the Board.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2025 and the interim results announcement with the Board.

The Company’s independent auditor, Deloitte Touche Tohmatsu, has reviewed the condensed consolidated financial statements of the Group for the six months ended June 30, 2025 in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

Purchase, Sale or Redemption of the Company's Listed Securities

For the six months ended June 30, 2025, as the Board is of the view that the level of trading price of the shares of the Company does not adequately reflect the underlying value of the Company and that the share repurchases will enhance the net asset value per share and/or earnings per share and are in the interests of the Company and the Shareholders as a whole, the Company repurchased a total of 14,792,500 ordinary shares of the Company for an aggregate consideration of HKD26,371,999 (before deduction of expenses) on the Stock Exchange (the “**Repurchased Shares**”), details of the Repurchased Shares are set out below:

Repurchase Date	Number of shares repurchased	Price paid per share (HKD)		Total consideration (before deduction of expenses) (HKD)
		Highest (HKD)	Lowest (HKD)	
January, 2025	1,853,500	1.88	1.67	3,340,653
March, 2025	4,407,500	1.8	1.79	7,944,997
April, 2025	3,093,000	1.79	1.4	4,802,081
May, 2025	2,004,000	1.88	1.7	3,615,277
June, 2025	<u>3,434,500</u>	2.12	1.72	<u>6,668,991</u>
Total	<u>14,792,500</u>			<u>26,371,999</u>

As at June 30, 2025, the Company cancelled a total of 46,013,500 treasury shares (as defined in the Listing Rules) during the Reporting Period. As at the date of this announcement, the Company held 13,637,000 treasury shares.

Material Litigation

During the six months ended June 30, 2025 and up to the date of this announcement, the Company was not involved in any litigation or arbitration of material importance, and the Directors are also not aware of any material litigation or claim pending or threatened against the Company.

Use of proceeds from the Global Offering

The Company was listed on the Main Board of the Stock Exchange on May 25, 2023 and issued 58,575,000 Shares (comprising 17,572,500 new shares and 41,002,500 sale shares) and the net proceeds from the Global Offering (as defined in the Prospectus), after deduction of the underwriting fees and commissions in connection with the Global Offering and the estimated expenses payable by the Company in connection with the Global Offering, amounted to approximately HKD97.0 million. The proceeds from the Listing were and will continue to be utilized in accordance with the plan disclosed in the section headed “Net Proceeds from the Global Offering” in the Company’s announcement in relation to the offer price and allotment results dated May 24, 2023 (the “**Announcement**”), and there has not been any change in the intended use of the net proceeds as disclosed in the Announcement. The following table sets forth a summary of the intended use of the net proceeds and the utilisation of the net proceeds as at June 30, 2025:

Intended utilization	Percentage (%)	Available	Net proceeds (HKD million)		Expected timeline for the unutilized balance
			Utilized as at June 30, 2025	Unutilized as at June 30, 2025	
Investment in market promotion and sales and service networks improvement	40.0	38.8	29.8	9.0	By the end of 2025
Research and development investment and diversification of our service offerings	30.0	29.1	25.0	4.1	By the end of 2025
Enhance remanufacturing capabilities and operational efficiency	20.0	19.4	19.4	0.0	–
Working capital and general corporate purposes	10.0	9.7	9.7	0.0	–
Total	100.0	97.0	83.9	13.1	

Note:

(1) Certain figures and percentage figures included in the above table have been subject to rounding adjustments.

In the event that the net proceeds are not immediately utilized for the purposes mentioned above, we intend to deposit the net proceeds into an interest-bearing account with a licensed commercial bank or financial institution in the PRC or Hong Kong. We will comply with the PRC laws in relation to foreign exchange registration and remittance of proceeds.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://edianyun.com>). The interim report for the six months ended June 30, 2025 will be available on the above websites of the Stock Exchange and the Company.

By order of the Board
Edianyun Limited
Ji Pengcheng
Chairman and Chief Executive Officer

Beijing, the PRC, August 25, 2025

As at the date of this announcement, the Board comprises Dr. Ji Pengcheng, Mr. Zhang Bin, Mr. He Liang and Mr. Tong Jian as executive Directors; and Mr. Hong Weili, Mr. Song Shiji, Mr. Wang Jingbo and Ms. Li Dan as independent non-executive Directors.