CHINASOFT INTERNATIONAL LIMITED
中軟國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS

Results for the first half of 2026

Income statement highlights	For the six months ended 30 June 2026 (unaudited) *RMB'000*	2025 (unaudited) *RMB'000*	% Change
Revenue	**8,947,968**	8,506,642	5.2%
Service revenue	**8,586,976**	8,248,232	4.1%
Profit before taxation	**399,010**	348,946	14.3%
Profit for the period	**349,919**	315,031	11.1%
Profit attributable to Owners of the Company	**350,383**	315,563	11.0%
Basic EPS *(RMB cents)*	**13.87**	12.64	9.7%
Adjusted profit before taxation*	**547,605**	430,802	27.1%

- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026.
- No closure for the Register of Members of the Company.

* The adjusted profit before taxation is calculated as profit before taxation excluding severance compensation.

MANAGEMENT DISCUSSION AND ANALYSIS

KEY OPERATING DATA

In the first half of 2026, the Group's full-stack full-scenario AI business maintained its rapid development momentum and achieved explosive growth, with a year-on-year increase of up to 133.7%. The strong expansion of the AI business effectively empowered the Group's overall operating performance. During the Reporting Period, the Group's overall revenue increased by 5.2% YoY, while service revenue increased by 4.1% YoY. Profitability also improved steadily: profit for the period increased by 11.1% YoY, profit attributable to owners of the Company increased by 11.0% YoY, and basic earnings per share increased by 9.7% YoY. Excluding the impact of severance compensation, the adjusted profit before taxation increased by 27.1% YoY.

	Six Months Ended 30 June		
	2026	2025	% Change
	RMB'000	*RMB'000*	
Revenue	**8,947,968**	8,506,642	5.2%
Service revenue	**8,586,976**	8,248,232	4.1%
Profit for the period	**349,919**	315,031	11.1%
Profit for the period attributable to owners of the Company	**350,383**	315,563	11.0%
Basic earnings per share *(RMB cents)*	**13.87**	12.64	9.7%
Adjusted profit before taxation	**547,605**	430,802	27.1%

The Group's key operating data for the first half of 2026 (unaudited) is set out in the table below:

	Six Months Ended 30 June		
	2026	2025	% Change
	RMB'000	*RMB'000*	
Revenue	**8,947,968**	8,506,642	5.2%
Service revenue	**8,586,976**	8,248,232	4.1%
Cost of sales and services	**(7,012,331)**	(6,631,744)	5.7%
Gross profit	**1,935,637**	1,874,898	3.2%
Other income	**64,248**	97,907	(34.4%)
Other gains or losses	**(12,580)**	85,785	(114.7%)
Selling and distribution costs	**(443,136)**	(426,462)	3.9%
Other expenses	**(41,069)**	(52,363)	(21.6%)
Administrative expenses	**(1,088,703)**	(1,118,980)	(2.7%)
Finance costs	**(45,185)**	(61,329)	(26.3%)
Impairment losses (including reversals of impairment losses) on financial assets and contract assets	**(14,873)**	(19,017)	(21.8%)
Share of results of investments accounted for using the equity method	**45,120**	(29,964)	(250.6%)
Loss from derecognition of financial assets measured at amortised cost	**(449)**	(1,529)	(70.6%)
Profit before taxation	**399,010**	348,946	14.3%
Income tax expense	**(49,091)**	(33,915)	44.7%
Profit for the period	**349,919**	315,031	11.1%
Profit for the period attributable to owners of the Company	**350,383**	315,563	11.0%
Basic earnings per share *(cents)*	**13.87**	12.64	9.7%
Adjusted profit before taxation	**547,605**	430,802	27.1%

GENERAL OVERVIEW

In the first half of 2026, the Company continued to deepen its full-stack full-scenario AI strategy under the "One Body, Two Wings" framework: with its full-stack AI capabilities spanning computing power, Tokens and applications as the "body", and AI HarmonyOS (Physical AI) and AI ERP (Digital AI) as the "two wings", firmly anchoring its core positioning as an "architect and integrator of enterprise Agentic AI".

Centered on this positioning, the Company has established a full-chain product and service system spanning from underlying intelligent computing infrastructure, Token sales and operations, large model FDE (Forward Deployed Engineer) services, and enterprise intelligent operating systems based on ontology architecture, to physical-world perception terminals powered by the Kaihong operating system, forming a value closed loop of "computing power – FDE embedding – Token applications in the digital and physical worlds". In the first half of the year, the Company's full-stack full-scenario AI products and services business maintained rapid growth, and the new business model using Token as the unit of measurement and operation began to prove viable, driving the Company's accelerated transformation from a traditional IT service provider into a high-professional-value Token operator and full-stack AI integrated service provider, and opening up new growth space for long-term high-quality development.

The Company has formally entered the high-end AI computing power market at scale, providing customers with computing power sales and leasing services both domestically and overseas. As the core "body" of the strategy, the computing power business was the first to achieve large-scale commercial breakthrough. In addition, leveraging nine years of deep collaboration, the Company continued to consolidate its position as a core partner of Huawei Cloud; its Ascend full-stack service system covers all layers from IaaS to industry SaaS, revenue from the AI intelligent computing business doubled YoY, and the Company leads the industry in the number of Huawei Cloud partner certification labels.

The Company signed a "Moon Landing Project" Token revenue-sharing strategic cooperation agreement with Moonshot AI (KIMI), launched the CSI MaaS standardized model distribution platform, and innovated the FDE on-site Bootcamp delivery model, continuously driving Token consumption through deployment in real industry scenarios and forming a sustainable business closed loop in which computing power supply, model services and scenario delivery mutually reinforce one another. The Company won the bid for Yalong River Hydropower's RMB44.155 million benchmark project of an intelligent operation large model for hydro-wind-solar-storage and provides FDE services to the customer; deepened joint innovation with China National Nuclear Corporation on the localisation of nuclear power AI; and delivered standardised agent solutions across multiple industries including energy, finance, manufacturing, medical insurance, auditing, pharmaceuticals and security, bridging the last mile of large model implementation in industrial scenarios in a one-stop manner.

During the Reporting Period, the AI HarmonyOS business continued to consolidate its leading position as the ecosystem owner of OpenHarmony in China, strengthening the underlying technology foundation and upgrading regional industrial innovation carriers. Relying on the "1+1"platform comprising KaihongOS and KaihongOS Meta, together with M-Robots OS — the world's first hard real-time industry distribution — the Company built a fully domestic Xinchuang software-hardware integrated solution of "domestic chips + OpenHarmony". On the southbound side, the Company worked with Loongson Technology to deliver full-chain adaptation under the "Loongson-HarmonyOS Integration" initiative; on the northbound side, it has cumulatively supported the HarmonyOS adaptation of over 1,600 applications and added more than 50 culture-and-tourism meta-services, with the Tangqi Ancient Town meta-service debuting at HDC2026 and fully validating the conversion value of scenario-based consumption. The ecosystem carriers achieved leapfrog upgrades: the Xi'an OpenHarmony Adaptation Centre completed its transformation to market-oriented operations, and the Xi'an OpenHarmony Industry Innovation Centre passed the joint review and approval of four government departments, forming a clustered industrial cultivation system of "one centre, four professional platforms". The Jinhua regional innovation centre was simultaneously established for incubation, forming a nationwide multi-point coordinated HarmonyOS industrial innovation network. Coupled with three national-level authoritative security certifications, the Company has built a competitive moat in high-security government and enterprise scenarios, with community code contributions and the number of officially certified compatible products ranking first among ecosystem vendors other than Huawei.

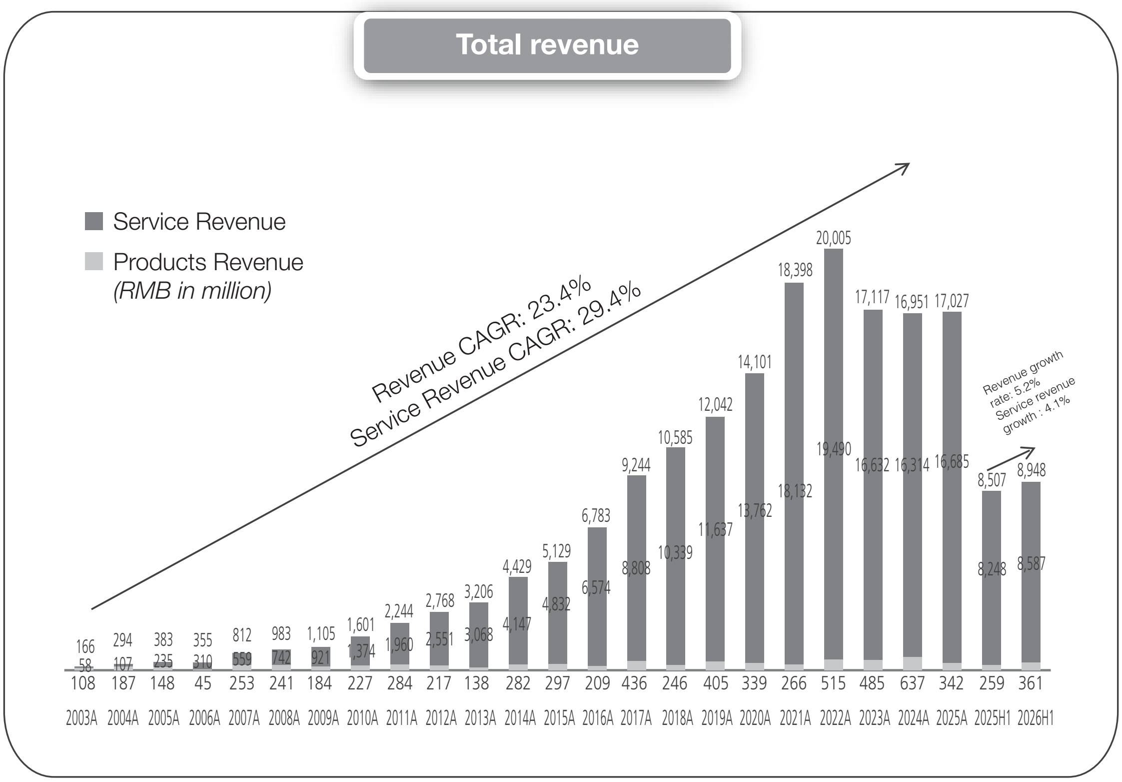
Leveraging its mature technology foundation and industrial carriers, the Company completed the R&D of multiple categories of HarmonyOS software-hardware integrated terminals and replicated benchmark scenarios across multiple cities and industries nationwide. The product matrix covers software-hardware integrated terminals such as intelligent perception cameras, HarmonyOS police vehicles, industrial PLCs, HarmonyOS PCs and multi-legged robots, while the Hongyun Virtual Machine 2.0 can stably support over a thousand Windows office applications. The Company innovated a commercial operation model based on the city partnership mechanism: through the Xi'an smart transportation project awarded via open competition, it created a national benchmark of a 7-second green wave for special vehicles, and simultaneously replicated the smart city implementation paradigm in Beijing, Shenzhen, Suzhou and Jinhua. For specific industries, the Company launched complete sets of industry distribution solutions including Lu Hong (Road Harmony), Jing Hong (Police Harmony), Jian Hong (Construction Harmony) and Cheng Hong (City Harmony). The main structure of the cloud-intelligent building at the Shenzhen headquarters is substantially complete, with over 93% of on-site intelligent devices adapted to OpenHarmony, making it China's first fully localised full-stack smart building autonomously operated and managed by AI agents. The Company also delivered China's first OpenHarmony-based elderly care facility, and deployed HarmonyOS perception and gate-control equipment across the entire area of the Yarlung Tsangpo River large-scale water conservancy project, forming a series of benchmark projects that can be replicated at scale and promoted nationwide.

During the Reporting Period, the AI ERP (Digital AI) business centred on the allmeta enterprise intelligent operating system, securing the core entry point for enterprise Agentic AI. The Company continued to deepen AI-native product iteration, building a complete three-layer technical architecture of ECore (data foundation), Ontology (semantic hub) and Agentic (intelligent execution), achieving a paradigm upgrade from traditional systems of record to autonomous, execution-oriented intelligent business operating systems. To meet the digital governance needs of central and state-owned enterprises, the Company built an AI-native penetrating supervision system, breaking down cross-system data barriers across finance, contracts, supply chain and assets, and realising automatic risk identification and closed-loop business auditing through ontology modelling and multi-agent collaboration. The Company implemented the new "Human+AI" collaborative delivery model, using the A-CDM platform to run through the entire process of consulting, implementation and operations, accumulating standardised industry knowledge assets and significantly improving the scaled delivery efficiency of large projects. The solutions continued to be replicated in high-value industries such as energy, finance and manufacturing, while the Company simultaneously expanded its overseas clean energy digitalisation business. Relying on allmeta's full-stack capabilities to build an enterprise digital employee product matrix, the Company continued to broaden the boundaries of full-scenario B-end commercialisation.

At the same time, the Company advanced the comprehensive AI transformation of its traditional software technology services, deploying AI Coding and intelligent development tools to reengineer the Digital OpenClaw Factory, optimising the workforce structure to transform existing engineers into AI-versatile talent, improving the cost structure through technology-driven efficiency gains, raising efficiency and reducing headcount, thereby freeing up resources to continuously feed back into the high-value "One Body, Two Wings" businesses of computing power, HarmonyOS and allmeta. The customer ecosystem matrix continued to expand: the Company deeply collaborated with Huawei's all-device and smart-selection automotive ecosystems, steadily served pan-device vendors such as Honor, Xiaomi and OPPO, and expanded into leading banks, insurers, energy central state-owned enterprises and pharmaceutical leaders. Overseas, with Hong Kong as the bridgehead for outward expansion, the Company landed a digitalisation strategic cooperation with an Indonesian operator, steadily developing the Southeast Asian, Hong Kong and Macao markets.

Looking ahead to the second half of the year and the medium-to-long term, the Company will continue to deepen cooperation with leading large model vendors, appropriately deploy intelligent computing centres domestically and overseas, and ultimately achieve scaled volume growth and high-value development in Token operations. It will continue to iterate the allmeta enterprise intelligent operating system and expand digital employee deployment scenarios into industries such as finance and power; scale up the replication of OpenHarmony cities, deepen joint development of domestic chips and industry distributions, and actively develop software-hardware integrated HarmonyOS products; and continuously strengthen ecosystem co-creation with Huawei and leading large model vendors while steadily expanding its overseas AI and digitalisation service footprint. Relying on continuous technological innovation, industrial ecosystem aggregation and AI talent system upgrading, the Company will steadily advance toward its strategic goal of becoming a globally leading AI products and services provider.

Since the Company's listing on the Growth Enterprise Market in 2003, the compound annual growth rate (CAGR) of revenue reached 23.4%, while the CAGR of service revenue reached 29.4%. Please refer to the following graph for details:



Customers

The Group's customers span globally. In addition to Greater China, it has achieved remarkable results in the Asia-Pacific and Middle East regions and extends its influence to customers globally. The Group has long maintained partnerships with renowned domestic and international enterprises and high-growth potential customers, including Huawei, HSBC, Honor, Tencent, Alibaba, Baidu, Ping An, China Mobile, Bank of Communications, PetroChina, CNOOC and State Grid. In the first half of 2026, service revenue from the top five customers accounted for 54.5% of the Group's total service revenue, while service revenue from the top ten customers accounted for 62.2% of the Group's total service revenue.

As at 30 June 2026, the Group had 201 large clients with service revenue exceeding RMB6 million in the past twelve months.

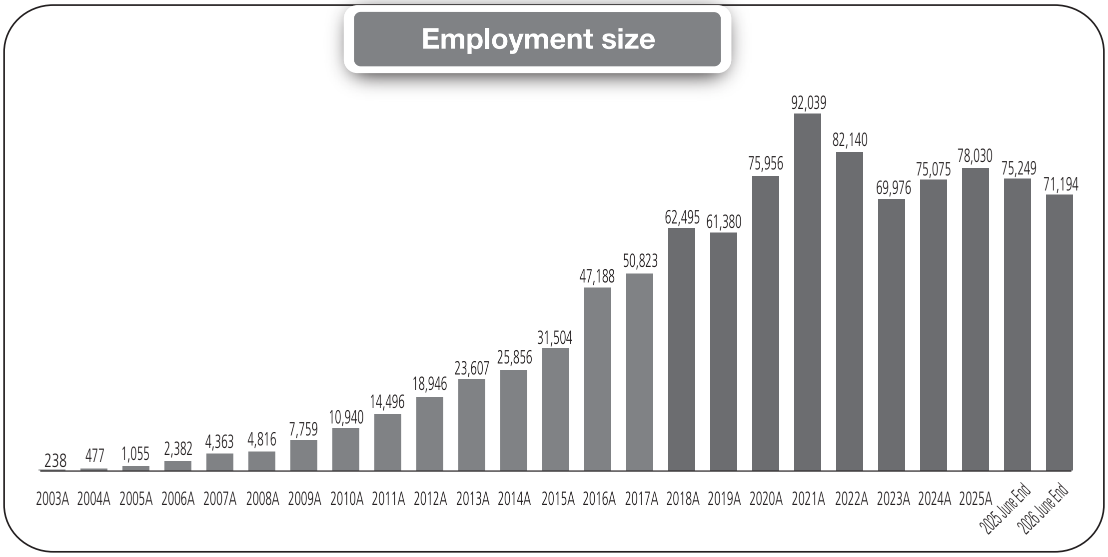
Market

During the Reporting Period, focusing on the "One Body, Two Wings" full-stack full-scenario AI strategy, the Group concentrated on industries such as energy and power, finance, government affairs, transportation, public security, human resources and medical insurance, pharmaceuticals and manufacturing, developing and rolling out full-stack industry solutions integrating OpenHarmony, allmeta enterprise agents, AI computing power and FDE delivery. In the domestic market, the Group focused its deployment on the Greater Bay Area, the Yangtze River Delta, the Beijing-Tianjin-Hebei region and the central and western cities hosting the eight national computing hubs, deeply cultivating core cities including Beijing, Shenzhen, Xi'an, Suzhou, Chengdu and Chongqing, and relying on the "Vanguard + Corps + Stronghold" organisational model to implement "AI + HarmonyOS" benchmark projects at scale. In the overseas market, with Hong Kong as the Asia-Pacific hub, the Group adopted the dual-wheel drive of "computing power going global + joint delivery with the Huawei ecosystem", deeply cultivating the Hong Kong, Macao and Southeast Asian markets and advancing AI digitalisation cooperation with an Indonesian operator.

Human Resources

As at 30 June 2026, the Group had a total of 71,194 employees (as at 30 June 2025: 75,249), representing a decrease of 5.4% from the same period last year. The moderate reduction in headcount was mainly attributable to the Group's comprehensive advancement of the AI Coding-first strategy: by systematically digitalising and intelligentising the software delivery process, repetitive and low-value-added work in traditional delivery was taken over by AI tools, while the workforce structure was optimised and the proportion of high-value positions increased. In the first half of the year, the Group achieved revenue growth alongside a moderate contraction in headcount, with per-capita efficiency (revenue per capita) continuing to improve — the transformation of "enhancing efficiency with AI and trading structure for growth" has begun to deliver initial results.

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



Employee Compensation Policy

The remuneration policies of the Group are in line with prevailing industry practices. Bonuses are paid on a discretionary basis taking into account factors such as performance of individual employees and the Group's performance as a whole. The Group provides comprehensive employee benefits, including medical insurance and training programmes, and employees may also elect to participate in provident fund or Mandatory Provident Fund schemes. Pursuant to the applicable laws and regulations, the Group has made contributions to relevant retirement schemes administrated by the local responsible government authorities for its employees in the Mainland China, Hong Kong and overseas.

The share award scheme (the "2018 Share Award Scheme") was adopted by the Company on 10 December 2018, while another share award scheme (the "2026 Share Award Scheme") was adopted by the Company on 20 May 2026 (collectively the "Share Award Schemes"). The Share Award Schemes is valid for 10 years. The purposes of the 2026 Share Award Schemes are to recognise the contributions by certain employees (including Directors) and to provide them with incentives in order to retain them for continual operation, transformation and development of the Group, and to attract suitable personnel for further development of the Group.

Operating Results

The following is the Group's consolidated comprehensive income statement for the first half of 2026 and the first half of 2025 (unaudited):

	2026			2025		
	For the first half *RMB'000*	**% of Revenue**	**% of Service Revenue**	For the first half *RMB'000*	% of Revenue	% of Service Revenue
Revenue	**8,947,968**	**N/A**	**N/A**	8,506,642	N/A	N/A
Service revenue	**8,586,976**	**N/A**	**N/A**	8,248,232	N/A	N/A
Cost of sales and services	**(7,012,331)**	**(78.4%)**	**(81.7%)**	(6,631,744)	(78.0%)	(80.4%)
Gross profit	**1,935,637**	**21.6%**	**22.5%**	1,874,898	22.0%	22.7%
Other income	**64,248**	**0.7%**	**0.7%**	97,907	1.2%	1.2%
Other gains or losses	**(12,580)**	**(0.1%)**	**(0.1%)**	85,785	1.0%	1.0%
Selling and distribution costs	**(443,136)**	**(5.0%)**	**(5.2%)**	(426,462)	(5.0%)	(5.2%)
Other expenses	**(41,069)**	**(0.5%)**	**(0.5%)**	(52,363)	(0.6%)	(0.6%)
Administrative expenses	**(1,088,703)**	**(12.2%)**	**(12.7%)**	(1,118,980)	(13.2%)	(13.6%)
Finance costs	**(45,185)**	**(0.5%)**	**(0.5%)**	(61,329)	(0.7%)	(0.7%)
Impairment losses (including reversals of impairment losses) on financial assets and contract assets	**(14,873)**	**(0.2%)**	**(0.2%)**	(19,017)	(0.2%)	(0.2%)
Share of results of investments accounted for using the equity method	**45,120**	**0.5%**	**0.5%**	(29,964)	(0.4%)	(0.4%)
Loss from derecognition of financial assets measured at amortised cost	**(449)**	**(0.0%)**	**(0.0%)**	(1,529)	(0.0%)	(0.0%)
Profit before taxation	**399,010**	**4.5%**	**4.6%**	348,946	4.1%	4.2%
Income tax expense	**(49,091)**	**(0.5%)**	**(0.6%)**	(33,915)	(0.4%)	(0.4%)
Profit for the period	**349,919**	**3.9%**	**4.1%**	315,031	3.7%	3.8%
Profit for the period attributable to owners of the Company	**350,383**	**3.9%**	**4.1%**	315,563	3.7%	3.8%
Adjusted profit before taxation	**547,605**	**6.1%**	**6.4%**	430,802	5.1%	5.2%

Revenue

In the first half of 2026, the Group recorded revenue of RMB8,947.968 million (first half of 2025: RMB8,506.642 million), representing a YoY increase of 5.2%. Service revenue for the first half of 2026 amounted to RMB8,586.976 million (first half of 2025: RMB8,248.232 million), representing a YoY increase of 4.1%. The Group's steady revenue growth was primarily driven by the continued volume growth of the full-stack full-scenario AI products and services business, whose sales amount reached RMB1.532 billion, representing a substantial YoY increase of 133.7%, continuing to serve as the Group's core growth engine and demonstrating strong development momentum.

Gross Profit

In the first half of 2026, the Group achieved a gross profit of RMB1,935.637 million (first half of 2025: RMB1,874.898 million), representing a YoY increase of 3.2%. The Group's overall gross profit margin for the first half of 2026 was 21.6% (first half of 2025: 22.0%), marking a 0.4% decrease YoY; gross profit as a percentage of service revenue was 22.5% (first half of 2025: 22.7%), marking a 0.2% decrease YoY. The slight YoY fluctuation in gross profit margin was mainly attributable to the one-off expenses incurred from the Group's workforce structure optimisation in advancing its AI transformation. In addition, the gross profit margin for the full year of 2025 was 20.4%; as traditional businesses improve efficiency and upgrade through AI transformation and high-value businesses such as full-stack full-scenario AI grow rapidly, the overall gross profit margin is expected to continue improving.

Operating Expenses

In the first half of 2026, the Group's selling and distribution costs amounted to RMB443.136 million (first half of 2025: RMB426.462 million), representing a YoY increase of 3.9%. These costs accounted for 5.0% of revenue in the first half of 2026, consistent with the same period last year.

In the first half of 2026, the Group's administrative expenses totalled RMB1,088.703 million (first half of 2025: RMB1,118.980 million), representing a YoY decrease of 2.7%. Administrative expenses accounted for 12.2% of revenue in the first half of 2026 (first half of 2025: 13.2%), representing a YoY decrease of 1.0%. During the Reporting Period, the Group implemented multi-dimensional refined management and control: deploying self-developed recruitment, operations and finance AI agents at scale, replacing repetitive tasks with automation, and significantly improving the efficiency of human resources, administration and back-office operations. Coupled with the reduction in fixed labour costs from the earlier workforce structure optimisation, administrative expenses continued to decline. Looking ahead, the Company will continue to iterate its full range of self-developed AI agents, penetrate the entire business chain of sales, R&D and functional departments, continuously optimise various operating expenses, and further raise the Group's operating profit margin.

Other Income

In the first half of 2026, the Group's other income amounted to RMB64.248 million (first half of 2025: RMB97.907 million), representing a YoY decrease of 34.4%. The decrease was mainly due to a significant YoY reduction in government grants during the Reporting Period.

Other Gains or Losses

In the first half of 2026, the Group recorded a loss of RMB12.580 million under other gains or losses (first half of 2025: a gain of RMB85.785 million), representing a YoY decrease of 114.7%. This was mainly because a substantial fair value appreciation of financial assets was recorded in the first half of 2025, while no such item existed in the current Reporting Period. Meanwhile, exchange losses arising from exchange rate fluctuations during the Reporting Period, as compared with positive exchange gains recorded in the same period last year, further contributed to the YoY decline.

Finance Costs and Income Tax

In the first half of 2026, the Group's finance costs amounted to RMB45.185 million (first half of 2025: RMB61.329 million), representing a YoY decrease of 26.3%. Finance costs as a percentage of revenue stood at 0.5%, down 0.2% from 0.7% in the same period last year. The decrease in finance costs was primarily due to the refinancing of high-interest syndicated loans with lower-interest financing during the Reporting Period, which lowered the overall financing cost and reduced interest expenses YoY.

In the first half of 2026, the Group's income tax expense amounted to RMB49.091 million (first half of 2025: RMB33.915 million), representing a YoY increase of 44.7%. The effective tax rate during the Reporting Period was 12.3%, in line with the Group's normal level, up 2.6% from 9.7% in the same period last year.

Other Non-Cash Expenses

In the first half of 2026, the Group's other expenses amounted to RMB41.069 million (first half of 2025: RMB52.363 million), representing a YoY decrease of 21.6%. Other expenses as a percentage of revenue stood at 0.5%, down 0.1% from 0.6% in the same period last year.

In the first half of 2026, the Group's impairment losses (including reversals of impairment losses) on financial assets and contract assets amounted to RMB14.873 million (first half of 2025: RMB19.017 million), representing a YoY decrease of 21.8%. Such impairment losses as a percentage of revenue was 0.2%, consistent with the same period last year.

Profit for the Period and Earnings Per Share (EPS)

In the first half of 2026, the Group recorded a profit for the period of RMB349.919 million (first half of 2025: RMB315.031 million), representing a YoY increase of 11.1%. The profit growth was mainly attributable to the Group's comprehensive implementation of the AI transformation strategy for quality and efficiency improvement during the Reporting Period. In the first half of 2026, profit for the period as a percentage of revenue was 3.9% (first half of 2025: 3.7%), up 0.2% YoY; profit for the period as a percentage of service revenue was 4.1% (first half of 2025: 3.8%), up 0.3% YoY, reflecting continuous improvement in profitability efficiency.

In the first half of 2026, the profit for the period attributable to owners of the Company amounted to RMB350.383 million (first half of 2025: RMB315.563 million), representing a YoY increase of 11.0%.

Based on the profit for the period attributable to owners of the Company, the basic earnings per share (EPS) for the first half of 2026 was RMB13.87 cents (first half of 2025: RMB12.64 cents), representing a YoY increase of 9.7%.

Adjusted Profit before Taxation

To provide shareholders with supplementary information reflecting the Company's ongoing operational capability and efficiency in its core business, the Company, while adhering to Hong Kong Financial Reporting Standards in disclosing profit before taxation, additionally discloses adjusted profit before taxation. Adjusted profit before taxation is a non-Hong Kong Financial Reporting Standards financial measure with no standardised definition, and may not be directly comparable to similar measures presented by other companies. The following table illustrates the reconciliation from profit before taxation to adjusted profit before taxation.

	2026 For the first half		2025 For the first half		
	RMB'000	**% of Revenue**	*RMB'000*	% of Revenue	% change
Profit before taxation	**399,010**	**4.5%**	348,946	4.1%	14.3%
Add back:					
Severance compensation	**148,595**	**1.7%**	81,856	1.0%	81.5%
Adjusted profit before taxation	**547,605**	**6.1%**	430,802	5.1%	27.1%

In the first half of 2026, the Group implemented workforce structure optimisation in connection with its business structure adjustment, resulting in an increase in severance compensation. Excluding the impact of severance compensation, the Group's adjusted profit before taxation amounted to RMB547.605 million (first half of 2025: RMB430.802 million), representing a YoY increase of 27.1%. The adjusted profit before taxation margin for the first half of 2026 was 6.1% (first half of 2025: 5.1%), up 1.0% YoY, reflecting continuous improvement in the profitability of the Group's core business.

Working Capital, Financial Resource and Capital Structure

As at 30 June 2026, the Group's total available cash balance (comprising bank balances and cash, term deposits and pledged bank deposits) amounted to RMB4,586.557 million (end of 2025: RMB4,950.556 million). A portion of the Group's customer collections are concentrated in the second half of the year.

As at 30 June 2026, the Group's net current assets amounted to RMB7,996.499 million (end of 2025: RMB7,341.591 million). The current ratio, calculated as current assets divided by current liabilities, was 2.3, consistent with the end of 2025. The Group's short-term solvency remained sound, with a healthy asset liquidity structure.

As at 30 June 2026, the Group's borrowings amounted to RMB5,928.847 million (end of 2025: RMB4,713.428 million). The net gearing ratio is calculated by dividing the borrowing amount (borrowings minus available cash, comprising bank balances and cash, term deposits and pledged bank deposits) by total equity. As at 30 June 2026, the Group's net gearing ratio was 11.3% (end of 2025: -2.0%). The change in the ratio was mainly attributable to cash outflows including normal operating cash consumption, treasury share repurchases, dividend payments and capital expenditure on the AI business. The ratio was slightly lower than the level of 12.8% recorded in the first half of 2025.

Foreign Currency Exposure

It is the Group's policy for each operating entity to operate in local currency as far as possible to minimise currency risk. The Group's principal businesses are conducted in RMB. Since the impact of foreign exchange exposure, other than that of the foreign currency loans, is minimal, no hedging against foreign currency exposure has been carried out by the management. However the management has kept on monitoring the movement of all foreign currency exposure including that of the foreign currency denominated loans, and will consider hedging significant foreign exchange exposure should the need arise.

Capital Commitments

As at 30 June 2026, the Group did not have any significant capital commitments.

Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities.

Pledge of Assets

As at 30 June 2026, the Group's leased land with a carrying amount of RMB124.072 million (31 December 2025: RMB126.545 million) and bank deposits of RMB489.070 million (31 December 2025: RMB39.695 million) were pledged and mortgaged to banks, and bills receivable with a net book value of RMB58.009 million (31 December 2025: nil) were pledged, as collateral for the Group to obtain certain bank loans.

Significant Investments/Material Acquisitions And Disposals

There was no significant investment held by the Group or material acquisition or disposal of subsidiaries, associated companies or joint ventures made by the Group during the Reporting Period.

Future Plans for Material Investments and Capital Assets

The Group currently has no plans for material investments or capital assets.

FUND RAISING ACTIVITIES

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

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

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

Net proceeds allocation	**Percentage of total net proceeds**	**Original intended use of the net proceeds**	**Revised intended use of the net proceeds**	**Actual use of the net proceeds**	**The amount of the remaining net proceeds as at 30 June 2026**	**Expected time of utilisation** *(Note 1)*
Approximately HK$788 million	40%	For the research and development of full-stack cloud smart products and solutions, as well as investments and mergers and acquisitions related to the Company's main business	N/A	Approximately HK$788 million were used for the original intended use	–	N/A
Approximately HK$788 million *(Note 2)*	40%	For developing hardware and software products and solutions for HarmonyOS and OpenHarmony, the research and development of full-stack technologies required for atomic services, making investments and mergers and acquisitions around the HarmonyOS and OpenHarmony industrial ecology (the "Uses for Harmony OS and OpenHarmony")	A combination of (1) Uses for Harmony OS and OpenHarmony and (2) Investment in the full-spectrum artificial intelligence business direction, specifically including areas such as intelligent cloud infrastructure development, intelligent agent and model factories, Harmony AIOT and digital twin applications, ERP consulting and implementation services, etc. (the "Extended Uses for Harmony and AI")	Approximately HK$394 million were used for original intended use Approximately HK$394 million were used for the revised intended use	–	N/A *(Note 3)*
Approximately HK$394 million	20%	For general working capital of the Company	N/A	Approximately HK$394 million were used for original intended use	–	N/A

Note 1: The expected time frame for fully applying the unutilised proceeds is based on the best estimation of the future market conditions and strategic development made by the Group, which may be subject to changes and adjustments based on the future development of market conditions.

Note 2: Based on the Company's strategic positioning, the remaining unutilised net proceeds which were originally intended to be only used for the Uses for Harmony OS and OpenHarmony extended to also include the Extended Uses for Harmony and AI. This is mainly due to the rapid and ongoing breakthroughs in AI technologies, which have become a central force in global digital transformation. AI is now deeply integrated across both software and hardware domains, with cross-industry applications forming a robust and evolving AI ecosystem. To meet market trends and customer demands, the Company aims to seize the opportunity to embed AI into full-scenario applications and will therefore allocate additional resources to the development of the full-scenario AI application industry.

Note 3: The expected timeline of utilising the net proceeds originally intended to be used for the Uses for Harmony OS and OpenHarmony was extended from before 31 December 2023 to before 31 December 2024 during the year 2023 and was further extended from before 31 December 2024 to before 31 December 2025 during the year 2024, and it was further extended from before 31 December 2025 to before 31 December 2026 during the year 2025. Having considered the revised intended use of the net proceeds and the Company allocated R&D funds as appropriate according to the needs of the progress of the Group's projects, the remaining unutilised net proceeds were utilised by 30 June 2026.

INTERIM RESULTS

The board of Directors (the "Board") of Chinasoft International Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026 with corresponding figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

		For the six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
Revenue	*4*	**8,947,968**	8,506,642
Cost of sales and services		**(7,012,331)**	(6,631,744)
Gross profit		**1,935,637**	1,874,898
Other income		**64,248**	97,907
Other gains or losses		**(12,580)**	85,785
Selling and distribution costs		**(443,136)**	(426,462)
Other expenses		**(41,069)**	(52,363)
Administrative expenses		**(1,088,703)**	(1,118,980)
Finance costs	*5*	**(45,185)**	(61,329)
Impairment losses (including reversals of impairment losses) on financial assets and contract assets		**(14,873)**	(19,017)
Share of results of investments accounted for using the equity method		**45,120**	(29,964)
Loss from derecognition of financial assets measured at amortised cost		**(449)**	(1,529)
Profit before taxation		**399,010**	348,946
Income tax expense	*6*	**(49,091)**	(33,915)
Profit for the period		**349,919**	315,031
Other comprehensive income (expense)			
Exchange differences arising on translation of foreign operations		**1,440**	9,056
Total comprehensive income (expense) for the period		**351,359**	324,087
Profit/(loss) for the period attributable to:			
Owners of the Company		**350,383**	315,563
Non-controlling interests		**(464)**	(532)
		349,919	315,031

	Note	For the six months ended 30 June 2026 RMB'000	2025 RMB'000
Total comprehensive income (expense) attributable to:			
Owners of the Company		**351,823**	324,619
Non-controlling interests		**(464)**	(532)
		351,359	324,087
Earnings per share	*8*		
– Basic (cents)		**13.87**	12.64
– Diluted (cents)		**13.39**	12.05

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Notes	(Unaudited) 30 June 2026 RMB'000	(Audited) 31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment		**1,643,999**	1,536,639
Right-of-use assets		**662,676**	647,818
Intangible assets		**485,644**	466,015
Goodwill		**739,816**	739,816
Investments accounted for using the equity method		**571,080**	497,230
Financial assets at fair value		**854,933**	813,504
Other receivables		**16,869**	10,579
Term deposits		**919,000**	1,119,000
Pledged bank deposits		**9,037**	9,037
Deferred tax assets		**1,781**	1,800
		5,904,835	5,841,438
Current assets			
Inventories		**251,298**	122,454
Trade and other receivables	*9*	**7,666,309**	6,339,174
Bills receivable		**157,148**	80,645
Contract assets		**2,309,189**	2,366,648
Financial assets at fair value		**80,000**	–
Amount due from related companies		**169,228**	155,350
Term deposits		**1,288,171**	1,014,000
Pledged bank deposits		**489,070**	39,695
Bank balances and cash		**1,881,279**	2,768,824
		14,291,692	12,886,790
Current liabilities			
Trade and other payables	*10*	**1,730,924**	1,684,301
Bills payable		**103,132**	6,538
Lease liabilities		**69,024**	54,467
Contract liabilities		**160,737**	118,693
Amounts due to related companies		**26,059**	28,731
Taxation payable		**173,691**	171,879
Borrowings	*11*	**3,991,326**	3,440,290
Derivative financial liabilities		**40,300**	40,300
		6,295,193	5,545,199
Net current assets		**7,996,499**	7,341,591
Total assets less current liabilities		**13,901,334**	13,183,029

	Notes	(Unaudited) 30 June 2026 RMB'000	(Audited) 31 December 2025 RMB'000
Non-current liabilities			
Deferred tax liabilities		**36,747**	44,101
Lease liabilities		**60,926**	51,555
Borrowings	11	**1,937,521**	1,273,138
		2,035,194	1,368,794
		11,866,140	11,814,235
Capital and reserves			
Share capital	12	**123,434**	123,434
Share premium		**4,190,603**	4,301,117
Treasury shares		**(1,006,115)**	(820,658)
Reserves		**8,537,064**	8,187,232
Equity attributable to owners of the Company		**11,844,986**	11,791,125
Non-controlling interests		**21,154**	23,110
Total equity		**11,866,140**	11,814,235

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to the owners of the Company													
	Share capital *RMB'000*	Share premium *RMB'000*	Treasury shares *RMB'000*	Other reserves *RMB'000*	Fair value through other comprehensive income reserve *RMB'000*	Translation reserve *RMB'000*	Equity-settled share-based payment reserve *RMB'000*	General reserve fund *RMB'000*	Statutory enterprise expansion fund *RMB'000*	Statutory surplus reserve fund *RMB'000*	Accumulated profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
At 1 January 2025	123,434	4,435,962	(991,060)	(122,769)	(13,834)	(32,609)	303,439	15,793	26,749	397,121	7,273,749	11,415,975	22,519	11,438,494
Profit for the period	–	–	–	–	–	–	–	–	–	–	315,563	315,563	(532)	315,031
Other comprehensive (expenses) income for the period	–	–	–	–	–	9,056	–	–	–	–	–	9,056	–	9,056
Total comprehensive income (expenses) for the period	–	–	–	–	–	9,056	–	–	–	–	315,563	324,619	(532)	324,087
Recognition of equity-settled share-based payment expenses	–	–	–	–	–	–	92,656	–	–	–	–	92,656	–	92,656
Vesting of award shares	–	(17,061)	126,660	–	–	–	(109,599)	–	–	–	–	–	–	–
Dividends paid to ordinary shareholders	–	(122,196)	–	–	–	–	–	–	–	–	–	(122,196)	–	(122,196)
At 30 June 2025	123,434	4,296,705	(864,400)	(122,769)	(13,834)	(23,553)	286,496	15,793	26,749	397,121	7,589,312	11,711,054	21,987	11,733,041
At 1 January 2026	123,434	4,301,117	(820,658)	(122,769)	(13,834)	(27,133)	316,107	15,793	26,749	450,359	7,541,960	11,791,125	23,110	11,814,235
Profit for the period	–	–	–	–	–	–	–	–	–	–	350,383	350,383	(464)	349,919
Other comprehensive (expenses) income for the period	–	–	–	–	–	1,440	–	–	–	–	–	1,440	–	1,440
Total comprehensive income (expenses) for the period	–	–	–	–	–	1,440	–	–	–	–	350,383	351,823	(464)	351,359
Recognition of equity-settled share-based payment expenses	–	–	–	–	–	–	73,076	–	–	–	–	73,076	–	73,076
Capital contributions from non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	–	3,000	3,000
Vesting of award shares	–	(10,712)	79,528	–	–	–	(68,816)	–	–	–	–	–	–	–
Purchase of shares under share award scheme	–	–	(264,985)	–	–	–	–	–	–	–	–	(264,985)	–	(264,985)
Cancellation of subsidiaries	–	–	–	–	–	(6,251)	–	–	–	–	–	(6,251)	(4,492)	(10,743)
Dividends paid to ordinary shareholders	–	(99,802)	–	–	–	–	–	–	–	–	–	(99,802)	–	(99,802)
At 30 June 2026	123,434	4,190,603	(1,006,115)	(122,769)	(13,834)	(31,944)	320,367	15,793	26,749	450,359	7,892,343	11,844,986	21,154	11,866,140

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Net cash used in operating activities	**(681,125)**	(990,209)
Net cash used in investing activities	**(883,804)**	(653,449)
Net cash generated from financial activities	**713,749**	(191,291)
Net decrease in cash and cash equivalents	**(851,180)**	(1,834,949)
Effect of foreign exchange rate changes	**(36,365)**	(5,184)
Cash and cash equivalents at the beginning of the period	**2,768,824**	3,130,989
Cash and cash equivalents at the end of the period	**1,881,279**	1,290,856

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PRESENTATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards and interpretations effective as at 1 January 2026.

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Nature of goods and services		
Provision of services		
Project-based development services	**956,072**	914,902
Outsourcing services	**7,556,754**	7,238,584
Others	**74,150**	94,746
	8,586,976	8,248,232
Sales of software and hardware products	**360,992**	258,410
	8,947,968	8,506,642

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Timing of revenue recognition		
Over time	**8,586,976**	8,248,232
At a point in time	**360,992**	258,410
	8,947,968	8,506,642

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

Segment information

In response to the paradigm shift driven by AI technology, the Group has unswervingly advanced the full-scenario AI strategy and restructured its organisational framework, breaking away from the previous operating segment (technical professional services group and internet information technology services group) and integrating and resetting its resource allocation and performance evaluation systems. The chief executive officer, being the operating decision maker, now evaluates the Group's business performance as a single integrated business. As a result, the Group now has only one operating segment and no segment information is presented. No other discrete financial information is provided other than the Group's results and financial position as a whole.

5. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest on borrowings	**50,665**	58,419
Interest on lease liabilities	**2,086**	2,910
Total borrowing costs	**52,751**	61,329
Less: amount capitalised in the cost of qualifying assets	**(7,566)**	–
	45,185	61,329

6. TAXATION

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Tax charge comprises:		
PRC Enterprise Income Tax	**55,042**	21,450
Others	**1,402**	3,495
Deferred Tax	**(7,353)**	8,970
	49,091	33,915

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

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

7. DIVIDEND

During the six months ended 30 June 2026, a final dividend of HK$0.0466 per ordinary share from share premium account of the Company in respect of the year ended 31 December 2025 (2024: HK$0.0533) was declared to the owners of the Company and paid on 29 June 2026. The aggregate amount of the final dividend declared during the six months ended 30 June 2026 amounted to HK$114,650,768 (2025: HK$133,325,528).

The directors of the Company have resolved not to declare an interim dividend for the six months ended 30 June 2026 (2025: Nil).

8. EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Earnings for the purposes of calculating basic earnings per share and diluted earnings per share	**350,383**	315,563

	Number of shares	
	2026	2025
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**2,526,734,033**	2,497,482,058
Effect of dilutive potential ordinary shares:		
Share awards	**90,772,592**	120,893,564
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**2,617,506,625**	2,618,375,622

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

9. TRADE AND OTHER RECEIVABLES

	(Unaudited) **30 June** **2026** ***RMB'000***	(Audited) 31 December 2025 *RMB'000*
Trade receivables, net of allowance	**7,128,358**	5,911,597
Advances to suppliers	**168,589**	105,033
Deposits, prepayments and other receivables, net of allowance	**386,231**	333,123
	7,683,178	6,349,753
Analysed for reporting purposes as:		
Non-current assets	**16,869**	10,579
Current assets	**7,666,309**	6,339,174
	7,683,178	6,349,753

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

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

	(Unaudited) **30 June** **2026** ***RMB'000***	(Audited) 31 December 2025 *RMB'000*
Within 90 days	**4,896,623**	4,126,316
Between 91 – 180 days	**766,302**	693,165
Between 181 – 365 days	**793,611**	547,711
Between 1 – 2 years	**671,822**	544,405
	7,128,358	5,911,597

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

10. TRADE AND OTHER PAYABLES

	(Unaudited) **30 June** **2026** ***RMB'000***	(Audited) 31 December 2025 *RMB'000*
Trade payables	**710,207**	623,187
Other payables	**1,020,717**	1,061,114
	1,730,924	1,684,301

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

	(Unaudited) **30 June** **2026** ***RMB'000***	(Audited) 31 December 2025 *RMB'000*
Within 90 days	**296,371**	204,435
Between 91-180 days	**53,212**	36,007
Between 181-365 days	**75,005**	99,218
Between 1-2 years	**149,634**	162,145
Over 2 years	**135,985**	121,382
	710,207	623,187

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

The fair value of the Group's trade and other payables at 30 June 2026 was approximately equal to the corresponding carrying amount.

11. BORROWINGS

	(Unaudited) 30 June 2026 *RMB'000*	(Audited) 31 December 2025 *RMB'000*
Unsecured bank loans *(Note (i) and (ii))*	**5,232,373**	4,166,207
Secured bank loans *(Note (iii) and (iv))*	**696,474**	547,221
	5,928,847	4,713,428

	(Unaudited) 30 June 2026 *RMB'000*	(Audited) 31 December 2025 *RMB'000*
Carrying amount repayable:		
Within one year	**3,991,326**	3,440,290
Within a period of more than one year but not more than two years	**593,556**	603,317
Within a period of more than two years but not more than five years	**705,500**	122,600
Within a period of more than five years	**638,465**	547,221
	5,928,847	4,713,428
Less: Amounts due within one year shown under current liabilities	**(3,991,326)**	(3,440,290)
Amounts shown under non-current liabilities	**1,937,521**	1,273,138

	(Unaudited) 30 June 2026 *RMB'000*	(Audited) 31 December 2025 *RMB'000*
Total borrowings		
At floating interest rates – under an instalment loan facility *(Note (i) and (ii))*	**431,856**	451,117
At floating interest rates – secured bank loans *(Note (iii) and (v))*	**638,465**	547,221
At floating interest rates – others *(Note (i) and (v))*	**889,901**	185,000
At fixed interest rates – others *(Note (i) and (vi))*	**3,910,616**	3,530,090
At fixed interest rates – secured bank loans *(Note (iv) and (vi))*	**58,009**	–
	5,928,847	4,713,428

Notes:

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

(ii) During 2022 and 2023, the Company raised loans of HK$3,000 million in two tranches from its loan facility with a group of financial institutions. The total loans represent 100% of commitments under the facility agreement and are repayable by instalments as to 5%, 10%, 15% and 70%, respectively, in June 2024, December 2024, June 2025, and December 2025. The contracted interest rate is the applicable Hong Kong Interbank Offered Rate ("HIBOR") plus 1.3% per annum. Under the terms of the facility agreement, the Company is required to comply with financial covenants to maintain a consolidated tangible net worth of no less than RMB3,800 million, and certain ratios of (1) consolidated EBITDA to consolidated financial expenses, (2) consolidated total net debt to consolidated EBITDA, and (3) cash dividend to distributable profits of the Company. The Group has complied with the relevant covenants during the reporting period. The first two instalments representing 15% of the loans, or HK$450 million has been repaid in 2024. The third instalment and partial of the residual one instalment representing 40% of the loans, or HK$1,200 million has been early repaid in 2024. Of the residual instalment of HK$1,350 million, HK$850 million was repaid in 2025 and the repayment term of HK$500 million has been extended to December 2027. The interest rate for the balance is the applicable HIBOR plus 1.0% per annum. In addition, the certain ratio for financial covenants have been updated to (1) consolidated EBITDA to consolidated financial expenses and (2) consolidated total net debt to consolidated EBITDA. The Group has complied with the relevant covenants as of 30 June 2026.

(iii) In 2024, a subsidiary of the Group entered into a loan facility agreement with a total amount of RMB660 million with a commercial bank. In 2025, the facility amount has been increased to RMB720 million pursuant to a supplemental agreement. As of 30 June 2026, the subsidiary has raised RMB638 million (31 December 2025: RMB547 million). The loans are repayable in October 2034 and were secured by a leasehold land amounting to approximately RMB124,072,000 (2025: RMB126,545,000).

(iv) Bill receivables with a net carrying value of RMB58,009,000 (2025: RMBNil) are pledged to secure certain bank loans granted to the Group.

(v) Interests on floating interest rates borrowings are charged at interest rates announced by the People's Bank of China. The average interest rate is 1.60% (2025: 1.67%) per annum as at 30 June 2026.

(vi) Interests on fixed interest rates borrowings are charged at interest rate from to 0.40%-2.27% (2025: 0.90%-2.27%) per annum as at 30 June 2026.

12. SHARE CAPITAL

Ordinary shares of HK$0.05 each:

	Number of shares	Nominal amount
		HK$
Authorised		
At 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	4,000,000,000	200,000,000

	Number of shares	Nominal amount	Amount shown in the financial statements
		HK$	*RMB'000*
Issued and fully paid			
At 1 January 2025	2,732,079,358	136,603,969	123,434
Cancellation of repurchased shares	–	–	–
At 30 June 2025	2,732,079,358	136,603,969	123,434
At 31 December 2025, 1 January 2026 and 30 June 2026	2,732,079,358	136,603,969	123,434

13. CAPITAL COMMITMENTS

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
	RMB'000	*RMB'000*
Capital expenditure contracted for but not provided in the consolidated financial statements		
– acquisition of property, plant and equipment	**2,903**	1,994
– construction of property, plant and equipment	**298,004**	478,596
	300,907	480,590

In addition, as at 30 June 2026, the Group is committed to contributions of further capital amounting to RMB256,146,000 (2025: RMB236,975,000) under the relevant agreements for its investments in entities accounted for using equity method and using fair value.

14. RELATED PARTY TRANSACTIONS

During the period, the Group had the following transactions with the Group's associates (including their subsidiaries), other than those disclosed elsewhere in the consolidated financial statements:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Provision of IT outsourcing services by the Group	**10,917**	19,589
Provision of IT solution services by the Group	**1,480**	2,712
Provision of other services by the Group	**19,493**	424

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

15. EMPLOYEE AND OTHER INFORMATION

The total employee benefits expenses of the Group amounted to approximately RMB7,244,061,000 including the directors' emoluments of approximately RMB14,545,000 during the six months ended 30 June 2026 (2025: approximately RMB7,010,805,000, including the directors' emoluments of approximately RMB18,437,000).

The amortisation charge of intangible assets and depreciation during the six months ended 30 June 2026 of the Group amounted to approximately RMB60,096,000 (2025: RMB52,363,000) and approximately RMB86,306,000 (2025: RMB101,796,000), respectively.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

In the opinion of the Board, the Group has complied with the CG Code from 1 January 2026 to 30 June 2026, except for the following deviations as explained:

Code Provision C.1.5

Under Code provision C.1.5, independent non-executive directors and other non-executive directors, as equal board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings to gain and develop a balanced understanding of the views of shareholders. Due to other business commitment, two independent non-executive Directors and two non-executive Directors were unable to attend the annual general meeting of the Company held on 20 May 2026 in Hong Kong (the "2025 AGM").

Code Provision C.2.1

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

Code Provision F.1.3

Under Code Provision F.1.3, the chairman of the board should attend the annual general meeting. The Chairman of the board, Dr. Chen Yuhong was unable to attend the 2025 AGM due to urgent business matters. Instead, one of the independent non-executive Directors attended and acted as the Chairman of the 2025 AGM.

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules on terms no less exacting than the required standard set out in the Model Code as its code of conduct regarding securities transactions by Directors. In response to a specific enquiry by the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code regarding securities transactions by Directors throughout the period ended 30 June 2026.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2026, the following Directors had interests in the shares and underlying shares of the Company and shares in an associated corporation (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) of the Company as set out below and recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of listed issuers.

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

Name	**Capacity**	**Number of issued ordinary shares held**	**Approximate % of total issued ordinary share as at 30 June 2026**
Chen Yuhong	Beneficial owner, through controlled corporation, founder of discretionary trust and beneficiary of trust	327,988,861 *(Note 1)*	12.01%
Tang Zhenming	Beneficial owner and beneficiary of trust	24,891,765 *(Note 2)*	0.91%
Zhang Yaqin	Beneficial owner	250,000	0.01%
Yeung Tak Bun	Beneficial owner and beneficiary of trust	1,000,000 *(Note 3)*	0.04%

Notes:

(1) Pursuant to the 2018 Share Award Scheme (as defined hereinbelow), on 1 June 2020, there were 16,600,000 awarded shares granted to Dr. Chen Yuhong and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited, of which 5,600,000 awarded shares were vested and transferred to Dr. Chen during the year 2021, 5,500,000 awarded shares were vested and transferred to Dr. Chen during the year 2022, 1,650,000 awarded shares were vested and transferred to Dr. Chen during the year 2023, 2,200,000 awarded shares were vested and transferred to Dr. Chen during the year 2024, and 1,650,000 awarded shares were vested and transferred to Dr. Chen during the year 2025. In addition, on 30 August 2023, there were 9,996,000 awarded shares granted to Dr. Chen Yuhong and held by the same trustee, of which 749,700 awarded shares were vested during the year 2025 and transferred to Dr. Chen during the reporting period. The remaining awarded shares will be vested by period based on future performance.

(2) Pursuant to the 2018 Share Award Scheme, on 1 June 2020, there were 7,200,000 awarded shares granted to Dr. Tang Zhenming and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited, of which 1,440,000 awarded shares were vested and transferred to Dr. Tang during the year 2021, 1,440,000 awarded shares were vested and transferred to Dr. Tang during the year 2022, 432,000 awarded shares were vested and transferred to Dr. Tang during the year 2023, 1,008,000 awarded shares were vested and transferred to Dr. Tang during the year 2024, 1,440,000 awarded shares were vested and transferred to Dr. Tang during the year 2025 and 1,008,000 awarded shares were vested and transferred during the reporting period. In addition, on 30 August 2023, there were 5,000,000 awarded shares granted to Dr. Tang Zhenming and held by the same trustee, of which 375,000 awarded shares were vested during the year 2025 and transferred to Dr. Tang during the reporting period. The remaining awarded shares will be vested by period based on future performance.

(3) Pursuant to the 2018 Share Award Scheme, on 30 August 2023, there are 1,000,000 awarded shares granted to Mr. Yeung Tak Bun J.P. and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited, of which 200,000 awarded shares were vested and transferred to Mr. Yeung during the year 2024 and 200,000 awarded shares were vested and transferred to Mr. Yeung during the year 2025. The remaining awarded shares will be vested by period based on future performance.

Save as disclosed above and so far as was known to the Directors, as at 30 June 2026, none of the Directors or chief executive of the Company had any interests or short positions in the shares, debentures or underlying shares of the Company or its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provision of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the required standard of dealings by directors of listed issuers as referred to the Model Code, to be notified to the Company and the Stock Exchange.

SHARE AWARD SCHEME

The share award scheme (the "2018 Share Award Scheme") was adopted by the Company on 10 December 2018, while another share award scheme (the "2026 Share Award Scheme") was adopted by the Company on 20 May 2026 (collectively the "Share Award Schemes"). Details of the Share Award are set out in the announcements of the Company dated 10 December 2018 and 20 May 2026 respectively and the circular of the Company dated 27 April 2026. As the grant of Awarded Shares to Directors also forms part of their remuneration packages under their respective service contracts with the Company, it is therefore exempt from the reporting, announcement and independent Shareholders' approval requirements under Rule 14A.73(6) and Rule 14A.95 of the Listing Rules.

2018 Share Award Scheme

The 2018 Share Award Scheme is valid and effective for a period of 10 years commencing on 10 December 2018 and will expire on 9 December 2028. The purposes of the 2018 Share Award Scheme are to recognise the contributions by certain employees (including Directors) and to provide them with incentives in order to retain them for continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The vesting of these share awards is subject to the fulfilment of certain performance targets by the employees. The performance targets are related to (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); and/or (iii) individual performance indicators relevant to the directors and employees' roles and responsibilities. There is no scheme mandate or service provider sublimit applicable to the 2018 Share Award Scheme.

The board of directors of the Company shall not make any further award of shares which will result in the nominal value of the shares awarded by the board of directors of the Company under the 2018 Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a qualifying employee under the 2018 Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time. As at 1 January 2026 and 30 June 2026, no shares were available for grant under the 2018 Share Award Scheme.

On 1 June 2020, the Company had granted a total of 152,000,000 awards to certain Directors and employees of the Company pursuant to the 2018 Share Award Scheme, of which 23,800,000 awards were granted to the Directors of the Company. These share awards will vest over 2 to 7 years provided that the relevant performance targets and service conditions are met. The 152,000,000 awards represented the value of approximately HK$604,960,000 with the closing price of HK$3.98 per share on the date of grant. As at 30 June 2026, 8,214,000 awarded shares granted on 1 June 2020 were unvested, representing 0.30% of the issued share capital of the Company as at 30 June 2026.

On 30 August 2023, the Company had granted a total of 145,460,000 awards to certain Directors and employees of the Company pursuant to the 2018 Share Award Scheme, of which 20,996,000 awards were granted to the Directors of the Company. These share awards will vest over 2 to 7 years provided that the relevant performance targets and service conditions are met. The 145,460,000 awards represented the value of approximately HK$740,391,400 with the closing price of HK$5.09 per share on the date of grant. As at 30 June 2026, 132,043,000 awarded shares granted on 30 August 2023 were unvested, representing 4.83% of the issued share capital of the Company as at 30 June 2026.

As at 30 June 2026, a total of 140,257,000 awarded shares remained unvested under the 2018 Share Award Scheme, representing 5.13% of the issued share capital of the Company. Such awards continue to be valid in accordance with the terms of the 2018 Share Award Scheme. The 2018 Share Award Scheme will not be terminated immediately upon adoption of the 2026 Share Award Scheme, to facilitate handling of remaining shares and residual cash held under the trust.

2026 Share Award Scheme

The 2026 Share Award Scheme is valid and effective for a term of 10 years commencing on the 20 May 2026 and will expire on 19 May 2036, which also complies with the requirements of Chapter 17 of the Listing Rules. The specific objectives of the 2026 Share Award Scheme are for the Company to (i) recognize the contributions by certain Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) attract suitable personnel for further development of the Group.

Eligible participants of the 2026 Share Award Scheme include Employees. For the avoidance of doubt, independent non-executive Directors shall not be eligible participants and will not be granted any Awards under the 2026 Share Award Scheme. In determining the number of Awarded Shares to be granted to any Selected Employee, the Board shall take into consideration matters including, but without limitation to: (i) the present contribution and expected contribution of the relevant Selected Employee to the profits of the Group; (ii) the general financial condition of the Group; (iii) the Group's overall business objectives and future development plan; and (iv) any other matter which the Board considers relevant. Without limiting the generality of the foregoing, the Board or its delegate may, in respect of any grant of Awards, establish specific annual performance targets at the company level. The performance appraisal period for such company-level targets shall cover four consecutive financial years as determined by the Board at the time of grant. The vesting proportion at the company level shall be determined according to the completion rate of performance targets in each performance appraisal year. The performance indicator shall be revenue from full-stack full-scenario AI products and services of the Company for the year 2026 to year 2029, with thresholds set at 2026: RMB3 billion, 2027: RMB4.5 billion, 2028: RMB6.75 billion, and 2029: RMB8.8 billion respectively. Vesting proportions are determined based on achievement rates, with awards lapsing if performance is below 80%.

The Board has delegated the administration of the 2026 Share Award Scheme to the remuneration committee of the Company, which comprises independent non-executive Directors only. As stated above, independent non-executive Directors shall not be eligible participants and will not be granted any Awards under the 2026 Share Award Scheme. None of the Directors who are eligible to receive Awards under the 2026 Share Award Scheme will participate in the administration of the Scheme. The remuneration committee of the Company will review and approve any grant of Awards, ensuring proper governance and alignment with the purposes of the 2026 Share Award Scheme and the interests of the Shareholders.

The maximum number of new shares in respect of all awards to be granted under the 2026 Share Award Scheme and other share schemes of the Company must not in aggregate exceed 4.25% of the total number of shares in issue (excluding treasury shares, if any), being 116,113,372 shares. The maximum number of shares that may be awarded to any eligible employee under the 2026 Share Award Scheme shall not exceed 1% of the Company's issued share capital, calculated as the aggregate of all award shares and options granted to that person by the Company within a 12-month period (excluding any award shares and share options lapsed). All Awarded Shares are subject to a minimum vesting period of not less than 12 months from the date of grant. As at 30 June 2026, no Awarded Shares had been granted under the 2026 Share Award Scheme.

Details of share awards granted under the 2018 Share Award Scheme during the period ended 30 June 2026 are as follows:

Name or Category of Grantees	Date of Grant	Unvested Awards Outstanding as at 1 January 2026	Vesting Period	Awards Granted During the Period	Awards Vested During the Period	Purchase Price	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During the Period)	Awards Cancelled During the Period	Awards Lapsed During the Period	Unvested Awards Outstanding as at 30 June 2026
Chen Yuhong *(Executive Director)*	1/6/2020	–	1/6/2020-31/5/2025	–	–	Nil	N/A	–	–	–
Tang Zhenming *(Executive Director)*	1/6/2020	1,440,000	1/6/2020-31/5/2027	–	(1,008,000)	Nil	HK$4.0505	–	–	432,000
Five highest paid employees *(excluding director)*	1/6/2020	–	1/6/2020-31/5/2027	–	–	Nil	N/A	–	–	–
Other Employees	1/6/2020	25,568,000	1/6/2020-31/5/2027	–	(17,786,000)*	Nil	HK$4.0505	–	–	7,782,000
Total		27,008,000		–	(18,794,000)			–	–	8,214,000
Chen Yuhong *(Executive Director)*	30/8/2023	9,246,300	30/8/2023-29/8/2030	–	–	Nil	N/A	–	–	9,246,300
Tang Zhenming *(Executive Director)*	30/8/2023	4,625,000	30/8/2023-29/8/2030	–	–	Nil	N/A	–	–	4,625,000
Yeung Tak Bun *(Independent Non-Executive Director)*	30/8/2023	600,000	30/8/2023-29/8/2028	–	–	Nil	N/A	–	–	600,000
Five highest paid employees *(excluding director)*	30/8/2023	–	30/8/2023-29/8/2030	–	–	Nil	N/A	–	–	–
Other Employees	30/8/2023	117,571,700	30/8/2023-29/8/2030	–	–	Nil	N/A	–	–	117,571,700
Total		132,043,000		–	–			–	–	132,043,000

* 15,738,226 awarded shares vested during the period were transferred to the selected employees after the period end.

Each of the above awards represents a conditional right to receive one awarded share subject to certain terms and conditions of the grant of such awards. The awarded shares will be settled by way of existing issued shares of the Company held by the independent trustee of the Share Award Schemes of the Company. During the period ended 30 June 2026, no shares of the Company were acquired under 2018 Share Award Scheme (2025 same period: Nil) while 81,790,000 shares of the Company were acquired with a total consideration of approximately HK$304,475,000 under 2026 Share Award Scheme (2025 same period: N/A) from open market by the independent trustee of the Company. As at 30 June 2026, 273,244,438 shares (2025 same period: 230,662,326 shares) of the Company were held by the independent trustee of the Company, representing 10% (2025 same period: 8.44%) of the total issued ordinary share capital of the Company as at 30 June 2026.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, during the six months ended 30 June 2026 none of the Directors was granted options to subscribe for shares of the Company and as at 30 June 2026 none of the Directors had any rights to acquire shares in the Company.

REQUIRED STANDARD OF SECURITIES DEALINGS BY DIRECTORS

During the six months ended 30 June 2026, the Company had adopted a code of conduct for directors' securities transactions on terms no less exacting than the required standard of dealings set out in the Model Code. Having made specific enquiry with all the Directors, the Directors had complied with the required standard of dealings and the code of conduct for directors' securities transactions during the six months ended 30 June 2026.

SUBSTANTIAL SHAREHOLDERS

So far as was known to the Directors, as at 30 June 2026, the following persons (not being a Director or chief executive of the Company) had interests in the shares of the Company which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in Shares

Name	Nature of interest	Approximate number of Shares	Approximate % of total issued ordinary share of the Company
Bank of Communications Trustee Limited *(Note 1)*	Trustee	273,244,438	10.00%
Prime Partners Development Limited *(Note 2)*	Beneficial Interest	140,572,725	5.15%

Notes:

(1) On 10 December 2018, the Company entered into a trust deed to appoint Bank of Communications Trustee Limited as trustee of the trust and to manage the trust fund and administer the Share Award Schemes of the Company, the shares held by Bank of Communications Trustee Limited do not have voting rights. Details of the Share Award Schemes are set out in the section headed "Other Information" of this report.

(2) Dr. Chen Yuhong is deemed to be interested in 140,572,725 Ordinary Shares through Prime Partners Development Limited, which is wholly owned by Dr. Chen Yuhong.

Save as disclosed above, as at 30 June 2026, no other interest or short position in the Shares or underlying shares of the Company were recorded in the register required to be kept under section 336 of the SFO.

COMPETING INTERESTS

As at 30 June 2026, none of the Directors or the management shareholders of the Company and their respective associates (as defined under the Listing Rules) had any interest in a business which competed or might compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 2 June 2003 and the latest amendment of its written terms of reference was carried out on 8 April 2026 to comply with the requirements in the CG Code. The terms of reference of the Audit Committee, a copy of which is posted on the website of the Company and the Stock Exchange, are in line with the provisions of the CG Code. The Audit Committee is mainly responsible for reviewing and supervising the Group's financial reporting and internal control system.

During the six months ended 30 June 2026, the Audit Committee comprised three independent non-executive Directors namely Professor Mo Lai Lan as the Chairman of the Audit Committee and Dr. Lai Guangrong and Mr. Yeung Tak Bun J.P. as the members of the Audit Committee.

During the reporting period, two meetings were held by the Audit Committee with the presence of external auditor. The Audit Committee has reviewed the Group's interim results for the six months ended 30 June 2026 and has also discussed the internal control, the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that the interim results for the six months ended 30 June 2026 have been prepared in accordance with the applicable accounting standards and complied with the Listing Rules and the statutory requirements and that adequate disclosures have been made in the interim report.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, the Company has maintained sufficient public float for the six months ended 30 June 2026.

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

20 August 2026, Hong Kong

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

* *For identification purposes only*