INSPUR DIGITAL ENTERPRISE TECHNOLOGY LIMITED
浪潮數字企業技術有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 596)

HALF-YEAR RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board**") of Inspur Digital Enterprise Technology Limited (the "**Company**") presents the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Unaudited Consolidated Results**") together with the unaudited comparative figures for the corresponding period in 2025. The unaudited consolidated results have been reviewed by the Audit Committee of the Company:

Financial highlights for the six months ended 30 June 2026

– Turnover decreased by 13.50% compared with the corresponding period in 2025 to RMB3,757,189,000 (corresponding period in 2025: RMB4,343,457,000).

– Profit attributable to owners of the Company for the period was RMB62,135,000 (corresponding period in 2025: RMB183,142,000), representing a decrease of 66.07% compared with the corresponding period last year.

– Basic profits per share attributable to owners of the Company for the period were RMB5.09 cents (corresponding period in 2025: RMB16.04 cents).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

	Notes	**For the six months ended**	
		30 June 2026	30 June 2025
		RMB'000	*RMB'000*
Turnover	3	**3,757,189**	4,343,457
Cost of sales		**(2,885,513)**	(3,328,551)
Gross profit		**871,676**	1,014,906
Other income	4	**47,530**	60,108
Other gains and losses		**(2,463)**	(278)
Impairment losses	11	**(3,568)**	(30,884)
Administrative expenses		**(214,146)**	(199,444)
Research and development expenses		**(369,639)**	(397,502)
Selling and distribution costs		**(256,324)**	(256,939)
Financial costs		**(15,386)**	(8,856)
Change in fair value of investment properties		**(2,926)**	(2,267)
Share of profit of an associate		**1,828**	3,778
Share of profit of a joint venture		**5,637**	3,378
Profit before tax		**62,219**	186,000
Income tax expenses	5	**(5,298)**	(1,752)
Profit for the period	6	**56,921**	184,248
Profit for the period attributable to owners of the Company		**62,135**	183,142
Profit (loss) for the period attributable to non-controlling interests		**(5,214)**	1,106
Earnings per share			
– Basic (RMB cents)	8	**5.09**	16.04
– Diluted (RMB cents)		**5.09**	15.97

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

	For the six months ended	
	30 June 2026	30 June 2025
	RMB'000	*RMB'000*
Profit for the period	**56,921**	184,248
Other comprehensive (expense) income:		
Items that will not be reclassified to profit or loss:		
Exchange differences arising on translation to presentation currency	**6,300**	(2,725)
	6,300	(2,725)
Total comprehensive income for the period	**63,221**	181,523
Total comprehensive income (loss) for the period attributable to:		
– Owners of the Company	**68,435**	180,417
– Non-controlling interests	**(5,214)**	1,106
	63,221	181,523

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Notes	**30 June 2026**	31 December 2025
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**397,796**	406,774
Investment properties		**526,173**	529,099
Right-of-use assets		**34,183**	37,091
Other intangible assets		**276,254**	221,281
Financial assets at fair value through profit or loss		**1,000**	1,000
Interest in associates		**471,004**	469,176
Interest in joint ventures		**147,153**	141,517
		1,853,563	1,805,938
Current assets			
Inventories		**1,617**	691
Trade and bills receivables	9	**3,248,397**	2,756,448
Debt instruments at FVTOCI		**20,532**	13,053
Prepayments, deposits and other receivables		**536,334**	551,334
Contract assets	11	**1,752,095**	1,577,081
Amount due from ultimate holding company	10	**18,840**	14,402
Amount due from fellow subsidiaries	10	**806,538**	756,550
Pledged bank deposits		**106,190**	65,489
Bank balances and cash		**1,040,537**	1,257,987
		7,531,080	6,993,035

	Notes	**30 June 2026**	31 December 2025
		RMB'000	*RMB'000*
Current liabilities			
Trade payables	13	**2,668,424**	2,568,911
Other payables, deposits received and accrued expenses		**638,068**	724,716
Lease liabilities		**1,289**	5,798
Contract liabilities	11	**569,664**	810,640
Borrowings	15	**1,012,913**	328,550
Estimated liabilities		**15,833**	15,833
Amount due to ultimate holding company	14	**29,383**	43,619
Amount due to fellow subsidiaries	14	**533,531**	376,233
Amount due to associates		**419,445**	468,966
Deferred income - government special appropriation		**36,511**	10,392
Tax payable		**20,442**	21,224
Dividends payable		**20,712**	—
		5,966,215	5,374,882
Net current assets		**1,564,865**	1,618,153
Total assets less current liabilities		**3,418,428**	3,424,091
Non-current liabilities			
Lease liabilities		**3,866**	6,162
Deferred income - government special appropriation		**10,628**	34,667
Deferred tax liabilities		**126,086**	126,277
Borrowings		**15,873**	16,870
		156,453	183,976
Capital and reserves			
Share capital	16	**11,523**	11,516
Reserves		**3,183,428**	3,156,361
Equity attributable to owners of the Company		**3,194,951**	3,167,877
Non-controlling interests		**67,024**	72,238
Total equity		**3,261,975**	3,240,115

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to owners of the Company												
	Share capital	Share premium	Treasury shares	Other reserves	Special reserve	Share option reserve	Translation reserve	Revaluation reserve	Merger reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000* *(note a)*	*RMB'000* *(note b)*	*RMB'000* *(note c)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
On 1 January 2025	10,796	1,371,809		(476,830)	98	51,625	16,434	159,540	(347,589)	1,726,348	2,512,231	72,516	2,584,747
Profit for the period										183,142	183,142	1,106	184,248
Other comprehensive expense							(2,725)				(2,725)		(2,725)
Total comprehensive (expense) income for the period							(2,725)			183,142	180,417	1,106	181,523
Dividends payable										(84,229)	(84,229)		(84,229)
Recognition of equity-settled share-based payments						3,400					3,400		3,400
Proceeds from the issue of shares	17					11,444					11,461		11,461
	17					14,844				(84,229)	(69,368)		(69,368)
On 30 June 2025	10,813	1,371,809		(476,830)	98	66,469	13,709	159,540	(347,589)	1,825,261	2,623,280	73,622	2,696,902
On 1 January 2026	11,516	1,886,621		(478,946)	98	37,049	16,484	159,540	(347,589)	1,883,104	3,167,877	72,238	3,240,115
Profit for the period										62,135	62,135	(5,214)	56,921
Other comprehensive expense							6,300				6,300		6,300
Total comprehensive (expense) income for the period							6,300			62,135	68,435	(5,214)	63,221
Dividends payable										(41,912)	(41,912)		(41,912)
Share repurchase			(9,747)								(9,747)		(9,747)
Recognition of equity-settled share-based payments						4,947					4,947		4,947
Proceeds from the issue of shares	7					5,344					5,351		5,351
	7		(9,747)			10,291				(41,912)	(41,361)		(41,361)
On 30 June 2026	11,523	1,886,621	(9,747)	(478,946)	98	47,340	22,784	159,540	(347,589)	1,903,327	3,194,951	67,024	3,261,975

(a) For the period ended 30 June 2026, the Company repurchased a total of 4,014,000 shares from the market for future employee share option incentive schemes.

(b) Other reserve arose from the acquisition of partial interest in a subsidiary without changes in control.

(c) The special reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the reorganisation prior to the listing of the Company's shares in 2003.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	30 June 2026	30 June 2025
	RMB'000	*RMB'000*
CASH FLOWS USED IN OPERATING ACTIVITIES	**(688,548)**	(881,040)
CASH FLOWS USED IN INVESTING ACTIVITIES	**(73,280)**	(70,414)
CASH FLOWS FROM FINANCING ACTIVITIES	**558,253**	900,447
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(203,575)**	(51,007)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**1,257,987**	908,405
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(13,875)**	2,083
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
BANK BALANCE AND CASH	**1,040,537**	859,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL

Inspur Digital Enterprise Technology Limited (the "**Company**") is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The directors of the Company consider that Inspur Group Limited ("**Inspur Group**"), a company established in the People's Republic of China (the "**PRC**"), is the immediate holding company and ultimate holding company of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the Interim Report.

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

The Company is an investment holding company. The principal activities of the subsidiaries (together with the Company, referred to as the "**Group**") are engaged in enterprise AI, cloud services and management software and intelligent computing centers and others.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), the accounting policies and methods of computation used in the consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

2. PRINCIPAL ACCOUNTING POLICIES – CONTINUED

APPLICATION OF NEW AND AMENDMENTS TO HKFRS

In the current interim period, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) which are mandatorily effective for the annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

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 application of the Amendments to References to the Conceptual Framework in HKFRSs and the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable operating segments.

To optimize its business portfolio and achieve strategic focus, the Group has adjusted its internal reporting structure effective from 1 April 2026. Accordingly, "enterprise AI", "cloud services and management software" and "intelligent computing centers and others" have been identified as new business segments for performance measurement. Prior period comparative segment information has been restated to conform to the current updated segment structure.

1. Enterprise AI – Provision of enterprise AI services;
2. Cloud services and management software – Provision of cloud services, software development and other software services;
3. Intelligent computing centers and others – Provision of data center engineering services and sales of IT peripherals and software.

	For the six months ended 30 June 2026			
	Enterprise AI	**Cloud services and management software**	**Intelligent computing centers and others**	**Consolidated**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue	**137,208**	**1,609,163**	**2,010,818**	**3,757,189**
Segment profit	**(90,842)**	**128,747**	**37,236**	**75,141**
Unallocated other income, gains				**12,422**
Change in fair value of investment properties				**(2,926)**
Share of profit of associates				**1,828**
Share of profit of joint ventures				**5,637**
Share-based payments				**(6,836)**
Unallocated administrative expenses				**(4,093)**
Impairment losses				**(3,568)**
Financial costs				**(15,386)**
Profit before tax				**62,219**

3. **REVENUE AND SEGMENT INFORMATION– CONTINUED**

	For the six months ended 30 June 2025 (restated)			
	Enterprise AI	Cloud services and management software	Intelligent computing centers and others	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	46,919	2,424,841	1,871,697	4,343,457
Segment profit	(13,936)	218,630	17,923	222,617
Unallocated other income, gains				15,252
Change in fair value of investment properties				(2,267)
Share of profit of associates				3,778
Share of profit of joint ventures				3,378
Share-based payments				(7,568)
Unallocated administrative expenses				(9,450)
Impairment losses				(30,884)
Financial costs				(8,856)
Profit before tax				186,000

4. OTHER INCOME

	For the six months ended	
	30 June 2026	30 June 2025
	RMB'000	*RMB'000*
Other income:		
Interest income on bank deposits	**3,333**	2,935
Value-added tax refund	**19,040**	18,172
Government special appropriation	**11,405**	20,633
Rental income	**10,953**	10,865
Others	**2,799**	7,503
	47,530	60,108

5. INCOME TAX EXPENSES

	For the six months ended	
	30 June 2026	30 June 2025
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax (EIT)	**2,282**	864
Under provision in prior year:		
PRC Enterprise Income Tax (EIT)	**3,016**	888
Deferred tax	**—**	—
	5,298	1,752

6. PROFIT FOR THE PERIOD

	For the six months ended	
	30 June 2026	30 June 2025
	RMB'000	*RMB'000*
Profit for the period has been arrived at after charging (crediting):		
Cost of inventories recognised as cost of sales	**1,818,970**	1,762,075
Depreciation for property, plant and equipment	**13,951**	15,325
Amortisation for other intangible assets	**14,714**	11,747

7. DIVIDENDS

The Board of directors does not recommend the payment of any dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

8. EARNINGS PER SHARE

The calculation of the basic and diluted profit per share attributable to the owners of the Company is based on the profit for the period attributable to owners of the Company and on the number of shares as follows:

The calculation of basic and diluted profit per share attributable to the owners of the Company is based on the following data:

	For the six months ended	
	30 June 2026	30 June 2025
	RMB'000	*RMB'000*
Earnings		
Profit for the period attributable to owners of the Company	**62,135**	183,142

	For the six months ended	
	30 June 2026	30 June 2025
	'000	*'000*
Number of shares		
Number of ordinary shares used in basic earnings per share	**1,221,462**	1,141,950
Effect of dilutive potential ordinary shares arising from the outstanding share options	**20**	5,156
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**1,221,482**	1,147,106

9. TRADE AND BILLS RECEIVABLES

The Group allows an average credit period of 30-210 days to its trade customers. As at 30 June 2026, trade receivables aged over one year amounted to RMB516,123,000 (31 December 2025: RMB547,756,000).

The following is an aging analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date, which approximated the revenue recognition date.

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
0-30 days	**889,867**	1,123,217
31-60 days	**248,314**	303,577
61-90 days	**298,829**	156,932
91-120 days	**75,464**	81,259
121-180 days	**359,790**	267,027
Over 180 days	**1,376,133**	824,436
	3,248,397	2,756,448

10. AMOUNTS DUE FROM THE ULTIMATE HOLDING COMPANY AND FELLOW SUBSIDIARIES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Amount due from ultimate holding company	**18,840**	14,402
Amount due from fellow subsidiaries	**806,538**	756,550
	825,378	770,952

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
CONTRACT ASSETS		
Current - software development	**1,752,095**	1,577,081
CONTRACT LIABILITIES		
Current - software development	**569,664**	810,640

12. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO EXPECTED CREDIT LOSS ("ECL") MODEL

	For the six months ended	
	30 June 2026	30 June 2025
	RMB'000	*RMB'000*
Impairment loss in respect of		
Trade receivables	**(1,118)**	13,384
Contract assets	**4,686**	17,500
	3,568	30,884

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

13. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables, presented based on the invoice date.

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Trade payables		
0-60 days	**895,530**	1,003,831
61-90 days	**95,938**	108,420
Over 90 days	**1,676,956**	1,456,660
	2,668,424	2,568,911

14. AMOUNTS DUE TO THE ULTIMATE HOLDING COMPANY AND FELLOW SUBSIDIARIES

The following is an aging analysis of amounts due to the ultimate holding company and fellow subsidiaries for the purchase of goods and services at the reporting date.

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Amount due to ultimate holding company	**29,383**	43,619
Amount due to fellow subsidiaries	**533,531**	376,233
	562,914	419,852

15. BORROWINGS

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Current		
Bank borrowings	**1,012,913**	328,550
Non-current		
Bank borrowings	**15,873**	16,870
	1,028,786	345,420

The effective annual interest rates on the Group's bank borrowings ranged from 2.1% to 2.7%. Bank borrowings secured by bills receivable discounted with recourse carried an interest rate of 3% and are repayable within one year.

16. SHARE CAPITAL OF THE COMPANY

	Number of shares		Share capital	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	'000	*'000*	***RMB'000***	*RMB'000*
Ordinary shares of HK$0.01 each:				
Authorised	**2,000,000**	2,000,000	**15,806**	15,806
At the beginning of the period	**1,221,042**	1,141,921	**11,516**	10,796
At the end of the period	**1,221,856**	1,143,785	**11,523**	10,813

17. RELATED PARTY TRANSACTIONS/BALANCES

Apart from the amounts due from and to related parties as disclosed in the condensed consolidated statement of financial position, certain of which also constitute connected transaction under Chapter 14A of Listing Rule of HKEX, the Group had entered into the following related party transactions during the period:

		For the six months ended	
	Notes	**30 June 2026**	30 June 2025
		RMB'000	*RMB'000*
Supply Transactions	(i)	**203,445**	164,871
Selling Agency Transactions			
(1) Accumulated transactions amount	(ii)	**114,792**	109,815
(2) Related commission amount		**1,147**	—
Purchase Transactions	(iii)	**272,027**	165,247
Common Services Transactions	(iv)	**13,594**	8,549
Leasing Services Transactions	(v)	**8,018**	10,085
Business Travel Services Transaction		**21,359**	1,502

Notes:

(i) The Group supplied goods for Inspur Group with reference to the market price.

(ii) The Group engaged Inspur Group as the sales agent for the Group's products and services and Inspur Group received a commission of not more than 1% of the total sales value of the products and services.

(iii) The Group would purchase computer software and hardware products from the Inspur Group. The unit price of computer products and components to be supplied by the Inspur Group would be agreed between parties with reference to the then prevailing market prices of such products at the relevant time.

17. RELATED PARTY TRANSACTIONS/BALANCES – CONTINUED

(iv) Inspur Group would provide services to the Group in relation to the use of the property on normal commercial terms and on arm's length terms or on terms no less favourable to the Group than those for provision of similar services by Inspur Group to other parties or by other parties to the Group.

(v) The Group would provide leasing services (leasing services) for the Group's property to Inspur Group at rates negotiated on normal commercial terms and on arm's length terms or on terms no less favourable than those for provision of similar services to other parties.

On 27 December 2024, the Group entered into the Framework Financial Services Agreement with Inspur Group Finance Co., Ltd. (hereinafter referred to as "**Inspur Finance Company**"), pursuant to which Inspur Finance Company agrees to provide several categories of financial services including deposit services, loan facility services and other financial services on a non-exclusive basis to the Group for a term of three years ending on 31 December 2027.

Details of such major connected transaction were disclosed in the Company's announcement dated 27 December 2024 and circular dated 30 June 2025 (the "**Circular**").

According to the deposit service, the recommended upper limit for the maximum daily deposit balance (including any accrued interest) deposited with Inspur Finance Company during the year 2026 does not exceed RMB1,050,000,000. The board of directors confirmed that as of 30 June 2026, the daily deposit balance of the Group in Inspur Finance Company (including any accrued interest) did not exceed the upper limit.

Inspur Finance Company will provide loan facility services to the Group from time to time under the loan financing services. The total outstanding amount under the loan facility services shall not exceed RMB1,500,000,000. As of 30 June 2026, the Group's total borrowings from Inspur Finance Company amounted to RMB419,445,000, which did not exceed the cap.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

As of 30 June 2026, the Group's revenue was mainly derived from its business in the PRC. During the Reporting Period, the Group's revenue decreased by 13.50% compared with the corresponding period of the previous year, while its gross profit decreased by 14.11% compared with the corresponding period of the previous year.

(1) Turnover

During the Reporting Period, the Group recorded a turnover of RMB3,757,189,000, representing a decrease of 13.50% compared with the corresponding period of the previous year (corresponding period in 2025: RMB4,343,457,000). Of which, revenue from the enterprise AI business was RMB137,208,000, representing an increase of 192.44% compared with the corresponding period of the previous year (corresponding period in 2025: RMB46,919,000); revenue from the cloud services and management software business was RMB1,609,163,000, representing a decrease of 33.64% compared with the corresponding period of the previous year (corresponding period in 2025: RMB2,424,841,000); and revenue from intelligent computing centers and others was RMB2,010,818,000, representing an increase of 7.43% compared with the corresponding period of the previous year (corresponding period in 2025: RMB1,871,697,000).

(2) Gross profit

During the Reporting Period, the Group recorded a gross profit of RMB871,676,000 from its operating activities, representing a decrease of 14.11% compared with the corresponding period of the previous year (corresponding period in 2025: RMB1,014,906,000). The overall gross profit margin was 23.20%, representing a decrease of 0.17 percentage points compared with the corresponding period of the previous year (corresponding period in 2025: 23.37%).

(3) Administrative Expenses, Research and Development Expenses and Selling and Distribution Expenses

During the current Reporting Period, the administrative expenses of the Group amounted to RMB214,146,000, representing an increase of 7.37% compared with the corresponding period of the previous year (corresponding period in 2025: RMB199,444,000). The increase was primarily attributable to the increase in relevant expenses arising from the adjustment of business portfolio and the optimization of organizational structure.

During the current Reporting Period, the Group's research and development (R&D) expenses amounted to RMB369,639,000, and the amount of capitalized R&D expenses in the current period was RMB71,113,000, resulting in a total R&D expenditure of RMB440,752,000 (corresponding period in 2025: RMB439,748,000), representing an increase of 0.23% as compared with the corresponding period last year.

During the current Reporting Period, the Group's selling and distribution expenses amounted to RMB256,324,000, representing a decrease of 0.24% compared with the corresponding period of the previous year (corresponding period in 2025: RMB256,939,000).

(4) Other Income and Other Gains and Losses

During the current Reporting Period, the Group's other income amounted to RMB47,530,000, representing a decrease of 20.93% compared with the corresponding period of the previous year (corresponding period in 2025: RMB60,108,000). The decrease was primarily attributable to the government special appropriation amounted to RMB11,405,000, representing a decrease of 44.72% compared with the corresponding period of the previous year (corresponding period in 2025: RMB20,633,000).

During the current Reporting Period, other gains and losses were a loss of RMB2,463,000 (corresponding period in 2025: a loss of RMB278,000).

(5) Investment Income from Associated Companies and Joint Ventures

During the current Reporting Period, the Group's investment income from associated companies amounted to RMB1,828,000, representing a decrease of 51.61% compared with the corresponding period of the previous year (corresponding period in 2025: RMB3,778,000). During the current Reporting Period, the Group's investment income from joint ventures amounted to RMB5,637,000, representing an increase of 66.87% compared with the corresponding period of the previous year (corresponding period in 2025: RMB3,378,000).

(6) Profit Before Tax

During the current Reporting Period, the Company recorded a profit before tax of RMB62,219,000 (corresponding period in 2025: RMB186,000,000), representing a decrease of 66.55% compared with the corresponding period of the previous year.

(7) Profit Attributable to Owners of the Company

During the current Reporting Period, the profit attributable to the owners of the Company amounted to RMB62,135,000, representing a decrease compared with RMB183,142,000 in the corresponding period of the previous year. The main reasons are as follows: 1) the Company's strategic adjustment of its business portfolio to focus on core AI sectors and continuous increase of investments in R&D and market expansion of AI-native products, with profitability under short-term pressure, resulting in a loss of RMB90,842,000 in the Enterprise AI business segment; 2) pressure on revenue from traditional businesses. The operating profit of the cloud services and management software business segment amounted to RMB128,747,000, representing a decrease of 41.11% compared with the corresponding period of the previous year (corresponding period in 2025: RMB218,630,000), mainly attributable to: (i) the ongoing investment cost-cutting measures by operator customers as capital expenditure entered a cycle of contraction and structural adjustment, resulting in a year-on-year decline in network operation and maintenance support services; (ii) the deep adjustments within the software outsourcing business due to shrinking customer demand, intensified market competition, and rising labor costs, which have resulted in a temporary weakening of profitability; and (iii) the extension of project delivery cycles and a slower pace of revenue recognition, driven by increasingly stringent customer compliance requirements and higher product specifications necessitated by the advancement of AI technology.

The basic earnings per share was RMB5.09 cents (corresponding period in 2025: RMB16.04 cents), and the diluted earnings per share was RMB5.09 cents (corresponding period in 2025: RMB15.97 cents).

(8) Financial Resources and Liquidity

As at 30 June 2026, the current assets amounted to RMB7,531,080,000, mainly consisting of trade and bills receivables, contract assets, and bank balances and cash.

The current liabilities were RMB5,966,215,000, mainly including trade payables, other payables and accrued expenses, and contract liabilities. The Group's current assets were 1.26 times the current liabilities (31 December 2025: 1.30 times).

The Group's borrowings from banks amounted to RMB1,028,786,000, and its borrowings from Inspur Group Finance Co., Ltd. amounted to RMB419,445,000.

FOREIGN EXCHANGE RISK

The Group's purchases and sales are mainly denominated in RMB. The Group does not use any derivative instruments to hedge its currency exposure. The Group is currently in a strong financial position and will be able to meet its foreign exchange liabilities as they fall due. The Group's functional currency is RMB and the statements adopt RMB as the presentation currency.

EMPLOYEE INFORMATION

As of 30 June 2026, the Group had 7,303 employees. During the Reporting Period, total staff remuneration (including directors' remuneration and Mandatory Provident Fund contributions) under operating activities amounted to RMB886,414,836.23.

In accordance with the Group's remuneration policy, employees are remunerated based on their performance and competence, and incentives and options are granted to eligible employees. In addition, the Group provides a mandatory provident fund scheme and a medical protection scheme to all employees, and the Company also provides continuing education and training to its employees to continuously upgrade their skills.

CHARGES OF ASSETS

As of 30 June 2026, the Group's bank deposits of RMB106,190,000 (31 December 2025: RMB65,489,000) were pledged.

BUSINESS REVIEW

During the Reporting Period, the Group, guided by the "1321" strategy, the Group fully committed to the AI-native roadmap by constructing the "Inspur Haiyue Enterprise AI" intelligent-native product ecosystem. Leveraging its management, industrial, and platform-support software, the Group empowered enterprise-wide digital and intelligent transformation across the dual dimensions of management and production digitalization, thereby reshaping the evolutionary potential of enterprise with AI-native capabilities.

During the Reporting Period, by capitalizing on market opportunities such as DRP construction for central and state-owned enterprises, penetrative supervision, and domestic substitution, the Group leveraged its extensive practical experience in the digital and intelligence sector to successfully secure contracts with various large-scale SOEs and enterprises, including China Eastern Airlines (中國東航), China Energy Engineering Group (中國能建), China Tower (中國鐵塔), CSCEC (中建集團), China Minerals (中國礦產), PipeChina (國家管網), China Grain Reserves Group (中儲糧集團), Bright Food Group (光明食品集團), Science City Group (科學城集團), Shanxi Coking Coal (山西焦煤), and CMOC Group (洛鉬集團). Furthermore, the Group accelerated the replacement and upgrade of legacy systems from domestic and international vendors for key clients, including State Power Investment Corporation (國家電投), Harbin Electric Corporation (哈爾濱電氣集團), the TRT Group (同仁堂集團), Nanjing NII Group (新工集團), and Yunnan Communications Investment & Construction Group (雲南交投). As of the end of the Reporting Period, it has provided digital and intelligent transformation services to 95 central enterprises, 23 provincial-level state-owned assets supervision and administration commissions and over 210 China Top 500 enterprises. Its market competitiveness and customer recognition continue to see consistent uplift.

I. Enterprise AI Business: Continuous Improvement of Product System, Accelerating Large-scale Commercial Application

During the Reporting Period, the Group focused on the core needs of enterprise intelligent-native transformation and built the "Inspur Haiyue Enterprise AI" intelligent-native product system. With a "Four-layer and Three-drive" overall architecture, it developed the Inspur Haiyue Mano Intelligent Execution System and released products including Inspur Haiyue Large Model V4.0, Inspur Haiyue MaaS Platform, Inspur Haiyue Knowledge Graph Platform V2.0, Inspur Haiyue ChatBI V4.0, Inspur Haiyue Data-Knowledge Integrated Platform, Inspur Haiyue Commercial AI V2.0, and Inspur Haiyue Industrial AI. These products connect the four core levels of model and data, digital and intelligence platforms, intelligent applications, and intelligent interaction, forming a product capability system that covers full-stack enterprise intelligence needs. Leveraging the three major drivers—business ontology, large models, and agents—the Group achieved deep integration of technology and business, releasing AI value for enterprises and driving high-quality development. During the Reporting Period, the enterprise AI business entered into contracts totaling approximately RMB475 million and recorded an income of approximately RMB137 million.

During the Reporting Period, the Inspur Haiyue Mano Intelligent Execution System was developed, positioned as the core hub of the "Inspur Haiyue Enterprise AI" intelligent-native product system. It uses AI-native technology to manage agent interconnection and collaboration, opening up full-scenario business links and truly making AI a core productivity for enterprises. Among them, the Mano Work super portal provides a unified interactive service window for enterprise AI capabilities, supporting multi-modal input, multi-terminal synergy, and cloud roaming. It bridges the perception-decision-execution loop, eliminating the need to switch between multiple systems and ensuring business interaction continuity and consistency. The Haiyue Mano Agent Platform provides a development, governance, and operation platform covering the entire agent lifecycle, including large models, agent construction, knowledge access, tool calling, skill configuration, memory management, multi-agent collaboration, and security sandboxes. It supports the creation of the Haiyue Mano Team digital workforce, achieving "an assistant for every person and a digital twin for every post", helping enterprises achieve full-process autonomous execution.

During the Reporting Period, focusing on enterprise management and production, the Group developed commercial AI and industrial AI agent clusters to empower the development of the Haiyue Mano Team digital workforce. Regarding commercial AI, the Group released Haiyue Commercial AI V2.0, focusing on four key application domains: autonomous planning, attribution insights, risk prevention and control, and decision support. By deploying over 120 agents across 101 intelligent scenario applications in business areas such as finance and taxation, shared services, treasury, and supply chain, the Group forged an agent cluster with a profound understanding of corporate operations, powering end-to-end autonomous operations from perception to decision-making. In terms of Industrial AI, for industries such as machinery, equipment, petroleum, chemical, and mining, the Group focused on the integration of industrial mechanisms and large models, providing full-chain capabilities from perception to agent development. It released agents for equipment maintenance, energy consumption optimization, process optimization, safety control, and quality inspection, helping customers transition from experience-based management to autonomous optimization.

The "Inspur Haiyue Enterprise AI" intelligent-native product system continues to improve and has entered the stage of large-scale commercial application. Currently, it has been implemented in many enterprises, including the TRT Group (同仁堂集團), Shandong Haihua Group (山東海化集團), Shougang Group (首鋼集團), Chengdu City Construction Investment & Management Group (成都城投), Hubei Communications Investment (湖北交投), Bright Food Group (光明食品集團), China Datang (中國大唐), Guohua Investment (國華投資), and Gansu Province Electric Power Investment Group (甘肅電投集團), and has received wide recognition from authoritative international and domestic institutions. The Group was selected as one of the first national-level pilot units for the Agent Interconnection Protocol (AIP) and participated in the drafting of seven national standards. It was recognized by IDC as a representative vendor for Enterprise AI Agents and Industry AI Agents, spanning domains such as finance, HR, operations, and data analysis, as well as industries including manufacturing, energy, and healthcare. Additionally, the Group was named an IDC representative vendor for both the AI Agent Development Platform and Enterprise AI Platform in China. The Haiyue Large Model was featured as a typical case of Industrial Large Models and honored as a "2026 China AI Agent Pioneer". Meanwhile, Haiyue Commercial AI was named the 'Preferred Product for China Finance AI Agents' at the CFO Conference. Furthermore, the Group empowered its clients to achieve significant recognition: Shandong Haihua Group was selected as an IDC China AI Digital Factory Leader case and Xi'an Water Group was honored with the IDC China Artificial Intelligence Innovation Award. During the Reporting Period, the Group signed contracts with strategic customers including China Grain Reserves Group (中儲糧集團), GZCCI Group (廣州城投集團), Guangzhou Metro (廣州地鐵集團), Nanning Rail Transit Group (南寧軌道交通集團), CHICO (河南國際集團), and Zhongtai Securities (中泰證券), accelerating large-scale commercial application.

II. Cloud Service and Management Software Business: Promoting AI-native Reconstruction of Products and Seizing Industry Transformation Opportunities

During the Reporting Period, the rapid development of AI technology and applications continued to reshape the industry's competitive landscape, bringing new challenges and opportunities to the Group's existing core capability system. At the same time, operator customers continued to push for investment cost-cutting measures, with capital expenditures showing characteristics of cyclical contraction and structural adjustment. The Group's traditional operation support business faced phased pressure. To address these challenges, the Group, on one hand, focused on core enterprise needs such as intelligent ERP, group control, and talent management, fully promoting the AI-native reconstruction of cloud service and management software products to empower the digital and intelligent transformation of enterprise operation management. On the other hand, it actively laid out areas such as the low-altitude economy, computing power networks, and autonomous networks, promoting the synergistic development of operation support, intelligent O&M, and agent development. It accelerated the deep integration of AI capabilities with industry scenarios, striving to alleviate the pressure on traditional business. During the Reporting Period, the cloud service and management software business recorded an income of approximately RMB1.609 billion, representing a year-on-year decrease of approximately 33.64%.

During the Reporting Period, Inspur Haiyue Intelligent ERP GS Cloud was fully upgraded based on an AI-native architecture, promoting the realization of process skill-ization, and employee agent-ization, providing a solid tool foundation for the autonomous execution of the entire agent process. The Group strengthened the intelligent capabilities of smart treasury, financial sharing service, strategic finance, and core ERP, fully empowering the DRP construction for central and state-owned enterprises, and facilitating the digital and intelligent transformation of the financial system and the leap in value creation capabilities. It was ranked first in IDC China's treasury management software market share and passed the project acceptance for the national key product and process "One-Stop Application Demonstration (ERP direction)". During the Reporting Period, the Group signed contracts with strategic clients including Science City Group (科學城集團), Nanjing NII Group (新工集團), Shanxi Coking Coal (山西焦煤), Chengdu City Construction Investment & Management Group (成都城投), CMOC Group (洛陽鉬業) and Yunnan Communications Investment & Construction Group (雲南交投).

During the Reporting Period, in the field of penetrative supervision, the Group added 39 new analysis models, bringing the cumulative number of released models to 148. Driven by AI-empowered applications, the Group constructed a "full-level, full-process, and full-element" supervision system, which was selected as an exemplary case of artificial intelligence application by the Ministry of Industry and Information Technology (MIIT). The Group released the intelligent State-owned Assets Online Supervision Platform V9.0. With "data + intelligence + model" as the core support and relying on key AI technologies such as large models, it established a four-level full-domain penetrating traceability system for entities, business, data, and risk. It created a standardized risk model library covering 10 major fields such as investment, finance, salary, procurement, and supply chain, and 11 categories of major issues such as excessive debt and unrelated diversification. This promoted the upgrade of state-owned assets supervision from "manual spot checks" to "intelligent early warning and targeted governance". At the same time, a matrix of ten major business agents was launched, equipped with AI intelligent assistants to achieve intelligent Q&A, data inquiry, and report generation, driving a leapfrog development of state-owned assets supervision from "manual-led" to "intelligent collaboration". During the Reporting Period, the Group signed new contracts with customers including state-owned assets supervision and administration commissions of Zhuzhou and Jiangxi. It has cumulatively served the construction of state-owned assets supervision platforms for 23 provincial-level state-owned assets supervision and administration commissions and 80 municipal-level state-owned assets supervision and administration commissions, ranking first in the market share of state-owned assets supervision.

During the Reporting Period, the Group released “MoirAI,” a new-generation intelligent digital employee platform for Inspur Haiyue HCM. By creating an AI-native enterprise HR system, the Group built a digital employee team composed of Super-Agents and Expert-Agents covering all HR scenarios, including recruitment, payroll, performance appraisal, and organization. This initiative leads human resource management into a new era of endogenous intelligence. During the Reporting Period, Inspur Haiyue HCM was selected for the New Quality 100 Innovative Enterprises List; Inspur Haiyue HCM MoirAI honored as a “2026 Excellent Product of AI+” and was included in the 2026 “AI+” Ecological Innovation Practice Casebook, becoming a benchmark in the field of AI-empowered human resource management. During the Reporting Period, the Group signed contracts with strategic customers such as TravelSky (中國民航信息), CISRI (中國鋼研), Beijing Financial Holdings Group (北京金融控股), Bank of Beijing (北京銀行), Bank of Guangzhou (廣州銀行), and Great Wall Securities (長城證券) to jointly promote the digital construction of enterprise human resources.

During the Reporting Period, for small and medium-sized enterprises (SMEs), the Group created “Inspur Haiyue Mano Lite”, a lightweight one-stop intelligent execution system. Based on an AI-native ERP foundation, it adopts a SaaS subscription model and features built-in multi-scenario agents to create exclusive AI digital employees for core businesses such as finance, supply chain, and production. Enterprises can quickly deploy applications without building their own AI teams. It possesses four core capabilities: native integration, lightweight and inclusive, out-of-the-box, and secure and controllable, effectively lowering the threshold for intelligent transformation for SMEs and helping them achieve agile operations. During the Reporting Period, for micro and small enterprises, the Group continued to upgrade the AI assistant “Yun Xiaoyi,” adding intelligent processing scenarios for invoice recognition, account matching, and auxiliary billing, improving document processing efficiency and driving the transformation of business and financial management toward AI-driven models. It released “Eqitong” and “Yi Fei Kong” to strengthen the intelligent supervision capabilities of micro and small enterprises and help them build refined operation systems.

During the Reporting Period, for global operator customers, the Group continued to promote product R&D innovation, enhance service capabilities, and released the overseas version of the Yunrui Agent Platform. Using a single-agent + multi-agent collaboration architecture and relying on large models to achieve automatic decomposition and disposal of complex O&M tasks, it supports multi-channel connection with operators' existing business systems, deepening the integration of AI and industry scenarios. The Group signed a contract for the Digital Operation, Maintenance, Monitoring, and Command Center Project of China National Pipeline Network Group. This milestone expanded the Group's network management software business into the digital and intelligent service sector for central energy enterprises, further refining its strategic layout in the high-end central and state-owned enterprise market. The Group actively laid out the low-altitude economy and released the Inspur Low-altitude Intelligent Network Integrated Operation Service Platform 4.0. With core capabilities of "controllability, visibility, and calculability", it built a city-level low-altitude digital foundation and an integrated operation system, helping the low-altitude economy move from pilot exploration to a new stage of safe, standardized, and normalized sustainable operation.

III. Intelligent Computing Center and Other Businesses: Optimizing Business Layout and Deepening Presence in the Core Track of Intelligent Computing Centers

During the Reporting Period, the Group continued to optimize its business layout, gradually adjusted the scale of its IoT solution business, and focused its efforts on the core track of intelligent computing centers to accelerate the cultivation of new growth drivers. During the Reporting Period, the intelligent computing center and other businesses recorded an income of approximately RMB2.011 billion, representing a year-on-year increase of 7.43%.

During the Reporting Period, the growth momentum of the intelligent computing center business continued to be unleashed, presenting vast prospects for future expansion. In terms of domestic business, the Group deepened its strategic layout around the eight national computing hubs under the "West Computing Data for East" strategy, while computing infrastructure construction proceeded in an orderly manner. The Group successfully established exemplary benchmarks such as the Qingdao Intelligent Computing Center and the Ningxia Zhongwei Green Data Center. It also secured a series of major contracts, including the data center O&M project for the Sichuan Provincial Department of Transportation, the M&E EPC project for the Ningxia Zhongwei Data Center, and a framework procurement project for data center and municipal hub building machine room supporting facilities and integration for a operator in Hebei. Regarding overseas business, the Group continued to deepen its presence in core Southeast Asian markets, leading to a steady increase in its market share for regional computing services. The Group signed a series of key renewal projects with customers in Indonesia, Malaysia, and other regions. Notably, a data center project in Jakarta, Indonesia implemented a full-lifecycle low-carbon construction plan aiming for LEED Gold certification, positioning it as a leading model for high-density, intelligent, and low-carbon computing infrastructure in Southeast Asia. During the Reporting Period, the Group was honored with the "2025 China IDC Industry Innovative Technology Product Award". It was also named among the "2025 Top 30 Data Center Engineering Enterprises" and featured in the "2025 Typical Cases for Quality Improvement and Brand Building in the Industrial and Information Technology Sectors". During the Reporting Period, the contract value for the intelligent computing center business amounted to RMB2.95 billion, representing a year-on-year increase of 56%.

During the Reporting Period, the Group released the next-generation grain digital intelligence benchmark product "Depot NEXT", reshaping the grain storage digital intelligence paradigm with AI-native technology. Relying on exclusive digital partners for full-process collaboration, it connected the entire grain chain of production, purchase, storage, processing, and sales, building 56 intelligent scenarios and five major solution loops. It created a fully intelligent solution covering grain industry supervision, business management, and production operations, driving a leapfrog upgrade of grain storage business from "IoT automation" to "business scenario intelligence", and continuing to empower the digital and intelligent transformation of the "Granary of the Great Nation". During the Reporting Period, the Group signed new contracts with key customers, including Sinograin (Rizhao) Reserve Co., Ltd. and Sinograin (Yichun) Direct Warehouse Co., Ltd.

Business Plan

The Group will adhere to its "1321" strategy and comprehensively advance its AI-native transformation. We will continue to refine the "Inspur Haiyue Enterprise AI" intelligent-native product ecosystem and further consolidate and expand our market advantages within the central and state-owned enterprise segments. By strengthening strategic focus, optimizing business structures, and enhancing internal quality and efficiency, the Group aims to continuously bolster the market competitiveness of its software and AI products. We are accelerating our progress toward becoming a world-class provider of enterprise software and AI product technologies and services.

Purchase, Sale or Redemption of Shares

Repurchase of Shares

During the Reporting Period, the Company repurchased shares on the Stock Exchange as follows:

Trading day	Number of shares repurchased	Highest price per share *(HK$)*	Lowest price per share *(HK$)*	Total consideration *(HK$)*
27 May 2026	118,000	2.50	2.45	294,260
03 June 2026	540,000	3.30	3.10	1,721,660
05 June 2026	540,000	3.18	2.93	1,654,620
08 June 2026	300,000	2.92	2.81	866,480
09 June 2026	300,000	2.91	2.84	859,600
10 June 2026	176,000	2.83	2.79	496,840
11 June 2026	198,000	2.83	2.65	538,680
12 June 2026	300,000	3.00	2.94	895,700
18 June 2026	200,000	2.91	2.76	564,220
22 June 2026	200,000	2.70	2.61	530,740
23 June 2026	200,000	2.60	2.48	508,100
24 June 2026	200,000	2.48	2.42	490,920
25 June 2026	142,000	2.41	2.37	341,420
26 June 2026	200,000	2.42	2.38	481,480
29 June 2026	200,000	2.42	2.37	481,180
30 June 2026	200,000	2.36	2.35	471,800

The 4,014,000 Shares repurchased as mentioned above are intended to be used for future employee share option incentive schemes.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the Company's listed securities.

Competitive Interests

During the Reporting Period, none of the Directors, General Managers, substantial shareholders of the Company or their respective associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete with the business of the Group.

Share Option Scheme

The Company adopted the new Share Option Scheme on 23 November 2018. As at the end of the Reporting Period, the number of shares available for issue and outstanding under the Share Option Scheme was 90,445,873.

Audit Committee

The Company has established an audit committee in accordance with the written terms of reference of the Listing Rules. The Audit Committee is primarily responsible for reviewing and supervising the Group's financial reporting process and internal control system. The Audit Committee comprises three independent non-executive directors, namely Mr. Wong Lit Chor, Alexis, Ms. Zhang Ruijun and Mr. Ding Xiangqian. Mr. Wong Lit Chor, Alexis is the chairman of the Audit Committee.

The Audit Committee has reviewed this report and has provided its recommendations and opinion thereon.

Code of Corporate Governance Practices

As of 30 June 2026, the Group has complied with the applicable code provisions set out in the Code of Corporate Governance (the "**Code**") contained in Appendix C1 of Listing Rules for Main Board.

Model Code for Securities Transactions by Directors

The Company has complied with the Model Code for Securities Transactions by Directors of Listed Issuers as the code of conduct in relation to Securities Transactions by Directors (the "**Model Code**") as set out in the Listing Rules. Having made specific enquiry of all Directors, the Company has confirmed that all Directors have complied with the required standard set out in the Model Code during the six months ended 30 June 2026.

By Order of the Board
Inspur Digital Enterprise Technology Limited
Chairman
Wei Daisen

Hong Kong, August 28, 2026

As at the date of this announcement, the Board comprised Mr. Wei Daisen, Mr. Cui Hongzhi and Mr. Wang Yusen as executive Directors, Mr. Xie Bingbing as non-executive Director and Mr. Wong Lit Chor, Alexis, Ms. Zhang Ruijun and Mr. Ding Xiangqian as independent non-executive Directors.