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數據智能

智慧供應鏈

INTERIM REPORT

Digital China Holdings Limited
神州數碼控股有限公司*

2025 中期報告

Incorporated in Bermuda with Limited Liability
於百慕達註冊成立之有限公司

* For identification purpose only 僅供識別

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Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

The board of directors (the "Director(s)" or the "Board") of Digital China Holdings Limited (神州數碼控股有限公司*) (the "Company" or "DC Holdings") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2025 together with the comparative figures for the corresponding period for 2024 as follows:

	Notes	Six months ended 30 June (Unaudited)	
		2025 RMB'000	2024 RMB'000
Revenue	3	7,865,449	7,014,343
Cost of sales and services		(6,832,909)	(6,056,885)
Gross profit		1,032,540	957,458
Other income and gains	3	63,780	70,545
Selling and distribution expenses		(403,865)	(390,346)
Administrative expenses		(192,969)	(171,162)
Other expenses, net		(471,895)	(441,235)
Finance costs		(88,264)	(68,900)
Share of losses of associates and joint ventures		(24,867)	(17,095)
Loss before tax	4	(85,540)	(60,735)
Income tax credit	5	17,044	11,395
Loss for the period		(68,496)	(49,340)
Attributable to:			
Equity holders of the parent		15,207	10,808
Non-controlling interests		(83,703)	(60,148)
		(68,496)	(49,340)
Earnings per share attributable to equity holders of the parent (expressed in RMB per share)	7		
Basic		0.0103	0.0073
Diluted		0.0102	0.0073

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	(Unaudited)	
	2025	2024
	RMB'000	RMB'000
Loss for the period	(68,496)	(49,340)
Other comprehensive income (expense)		
<i>Other comprehensive income (expense) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences arising on translation of financial statements of foreign operations	18,302	(10,144)
Share of other comprehensive income of associates	345	-
Net other comprehensive income (expense) that may be reclassified to profit or loss in subsequent periods	18,647	(10,144)
<i>Other comprehensive income (expense) that will not be reclassified to profit or loss in subsequent periods:</i>		
Net fair value changes on financial assets measured at fair value through other comprehensive income	41	(2,507)
Income tax effect	(6)	623
Net other comprehensive income (expense) that will not be reclassified to profit or loss in subsequent periods	35	(1,884)
Other comprehensive income (expense) for the period, net of tax	18,682	(12,028)
Total comprehensive expense for the period	(49,814)	(61,368)
Attributable to:		
Equity holders of the parent	27,409	(3,181)
Non-controlling interests	(77,223)	(58,187)
	(49,814)	(61,368)

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
	Notes		
Non-current assets			
Property, plant and equipment		674,172	697,019
Right-of-use assets		117,777	138,040
Investment properties		4,487,842	4,481,252
Goodwill		1,125,105	1,125,105
Other intangible assets		230,088	261,995
Interests in joint ventures		41,699	41,922
Interests in associates		193,276	218,606
Financial assets at fair value through other comprehensive income		353,315	362,361
Financial assets at fair value through profit or loss		314,505	134,460
Accounts receivables	8	75,301	132,139
Other receivables		440,000	440,000
Deferred tax assets		257,757	224,338
		8,310,837	8,257,237
Current assets			
Inventories		2,784,228	1,117,841
Completed properties held for sale		580,768	579,642
Accounts and bills receivables	8	3,201,244	3,259,130
Prepayments, deposits and other receivables		1,649,946	1,528,936
Contract assets		4,449,529	3,811,240
Financial assets at fair value through profit or loss		173,000	183,198
Finance lease receivables		19,418	19,418
Restricted bank balances		43,959	83,479
Cash and cash equivalents		1,960,403	3,142,841
		14,862,495	13,725,725
Assets classified as held for sale		–	324,336
		14,862,495	14,050,061
Current liabilities			
Accounts and bills payables	9	3,959,235	4,251,022
Other payables and accruals		1,149,752	1,257,244
Lease liabilities		51,648	56,659
Contract liabilities		2,226,909	2,264,240
Tax payable		23,210	62,337
Interest-bearing bank and other borrowings		3,507,152	1,980,515
Other financial liability	10	890,982	–
		11,808,888	9,872,017
Net current assets		3,053,607	4,178,044
Total assets less current liabilities		11,364,444	12,435,281

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
	Notes		
Non-current liabilities			
Interest-bearing bank and other borrowings		1,436,251	1,502,222
Deferred tax liabilities		513,260	504,237
Deferred income		23,290	13,763
Lease liabilities		25,350	37,450
Other financial liability	10	–	870,155
		1,998,151	2,927,827
Net assets		9,366,293	9,507,454
Capital and reserves			
Share capital	11	163,826	163,826
Reserves		5,603,039	5,667,605
Equity attributable to equity holders of the parent		5,766,865	5,831,431
Non-controlling interests		3,599,428	3,676,023
Total equity		9,366,293	9,507,454

Condensed Consolidated Statement of Changes in Equity

As at 30 June 2025

	Attributable to equity holders of the parent												Total equity (Unaudited) RMB'000
	Issued capital (Unaudited) RMB'000	Share premium account (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Employee share trust (Unaudited) RMB'000	Employee share-based compensation reserve (Unaudited) RMB'000	Asset revaluation reserve (Unaudited) RMB'000	Investment revaluation reserve (Unaudited) RMB'000	Reserve funds (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	Accumulated losses (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	
At 1 January 2025	163,826	4,139,709	1,589,764	(868,213)	251,072	610,610	(221,360)	794,825	(210,023)	(418,779)	5,831,431	3,676,023	9,507,454
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	15,207	15,207	(83,703)	(68,496)
Change in fair value on financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	29	-	-	-	29	6	35
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	11,828	-	11,828	6,474	18,302
Share of other comprehensive income of associates	-	-	-	-	-	-	187	-	158	-	345	-	345
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	175,435	-	-	(175,435)	-	-	-
Total comprehensive income (expense) for the period	-	-	-	-	-	-	175,651	-	11,986	(160,228)	27,409	(77,223)	(49,814)
Share-based compensation	-	-	-	-	4,123	-	-	-	-	-	4,123	-	4,123
Contribution to employee share trusts	-	-	-	(776)	-	-	-	-	-	-	(776)	-	(776)
Vesting of shares under the restricted share award scheme	-	-	-	32,907	(32,907)	-	-	-	-	-	-	-	-
Deregistration of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(3,104)	(3,104)
Changes in ownership interests in subsidiaries	-	(3,732)	-	-	-	-	-	-	-	-	(3,732)	3,732	-
Final dividend (note 6)	-	-	-	-	-	-	-	-	-	(91,590)	(91,590)	-	(91,590)
At 30 June 2025	163,826	4,135,977	1,589,764	(836,082)	222,288	610,610	(45,709)	794,825	(198,037)	(670,597)	5,766,865	3,599,428	9,366,293



Condensed Consolidated Statement of Changes in Equity

As at 30 June 2025

	Attributable to equity holders of the parent												Total equity (Unaudited) RMB'000
	Issued capital (Unaudited) RMB'000	Share premium account (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Employee share trust (Unaudited) RMB'000	Employee share-based compensation reserve (Unaudited) RMB'000	Asset revaluation reserve (Unaudited) RMB'000	Investment revaluation reserve (Unaudited) RMB'000	Reserve funds (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	Accumulated losses (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	
At 1 January 2024	163,826	4,139,709	1,595,724	(868,751)	248,415	610,610	(123,672)	744,463	(196,153)	(18,804)	6,295,367	4,070,638	10,366,005
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	10,808	10,808	(60,148)	(49,340)
Change in fair value on financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(1,865)	-	-	-	(1,865)	(19)	(1,884)
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	(12,124)	-	(12,124)	1,980	(10,144)
Total comprehensive (expense) income for the period	-	-	-	-	-	-	(1,865)	-	(12,124)	10,808	(3,181)	(58,187)	(61,368)
Share-based compensation	-	-	-	-	6,498	-	-	-	-	-	6,498	1,339	7,837
Contribution to employee share trusts	-	-	-	(11,621)	-	-	-	-	-	-	(11,621)	-	(11,621)
Vesting of shares under the restricted share award scheme	-	-	-	12,118	(12,118)	-	-	-	-	-	-	-	-
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	353	353
Deregistration of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,989)	(1,989)
Acquisition of non-controlling interests	-	-	(5,670)	-	-	-	-	-	-	-	(5,670)	(41,580)	(47,250)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(47,125)	(47,125)
Final dividend (note 6)	-	-	-	-	-	-	-	-	-	(82,062)	(82,062)	-	(82,062)
At 30 June 2024	163,826	4,139,709	1,590,054	(868,254)	242,795	610,610	(125,537)	744,463	(208,277)	(90,058)	6,199,331	3,923,449	10,122,780

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June (Unaudited)	
	2025 RMB'000	2024 RMB'000
Operating activities		
(Increase) decrease in inventories	(1,660,653)	13,626
Decrease in accounts and bills receivables	368	405,686
Decrease in accounts and bills payables	(291,787)	(660,229)
Decrease in other working capital and adjustments for non-cash transactions	(757,624)	(1,324,675)
Net cash used in operating activities	(2,709,696)	(1,565,592)
Investing activities		
Purchases of property, plant and equipment	(13,816)	(16,088)
Proceeds from disposal of property, plant and equipment	4,447	2,368
Additions to other intangible assets	(14,582)	(73,877)
Proceeds from disposal of financial assets at fair value through other comprehensive income	290,773	4,188
Proceeds from disposal of financial assets at fair value through profit or loss	324,939	191,130
Purchase of financial assets at fair value through profit or loss	(487,826)	(178,628)
Acquisition of a subsidiary	–	(4,500)
Dividends received from associates	240	240
Dividend income received from financial assets at fair value through profit or loss	–	279
Dividend income received from financial assets at fair value through other comprehensive income	–	1,592
Proceeds from partial disposal of an associate	3,100	–
Proceeds from sale of investment properties	28,830	–
Proceeds from refund of other financial assets deposits	22,128	–
Net cash from (used in) investing activities	158,233	(73,296)
Financing activities		
New bank borrowings	3,059,588	1,451,571
Repayment of bank borrowings	(1,596,191)	(595,675)
Interest paid	(61,594)	(48,015)
Acquisition of non-controlling interests	–	(47,250)
Dividends paid to non-controlling shareholders	–	(47,125)
Purchase of shares under the restricted share award scheme	(776)	(11,621)
Contribution from non-controlling shareholders of subsidiaries	–	353
Repayment of lease liabilities	(35,289)	(39,648)
Liquidation/deregistration of a subsidiary	(1,103)	(2,000)
Net cash from financing activities	1,364,635	660,590

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June (Unaudited)	
	2025	2024
	RMB'000	RMB'000
Net decrease in cash and cash equivalents	(1,186,828)	(978,298)
Cash and cash equivalents at the beginning of the period	3,142,841	2,883,308
Effects of foreign exchange rate changes, net	4,390	1,875
Cash and cash equivalents at the end of the period	1,960,403	1,906,885
Analysis of components of cash and cash equivalents		
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	1,960,403	1,906,885

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

2. SEGMENT INFORMATION

Information reported to the board of directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Segments information of the three business groups is summarised as follows:

- (a) The Big Data Products and Solutions business segment: provides sales of data software products focused on big data and artificial intelligence capabilities as well as data solutions for core use cases namely supply chain digital transformation, fintech and government-enterprise services.
- (b) The Software and Operating Services business segment: provides end-to-end data-enabled supply chain operating services, as well as software development, testing, operating and maintenance services utilising cloud technology, automation and artificial intelligence. Such services provide important support for the continued deployment of our big data products and solution business.
- (c) The Traditional and Localization Services business segment: provides integration services as well as e-commerce supply chain services focused on integrated solutions, providing a vast sales channel which is critical for the Group's continued deployment of its big data products and solutions as well as software and operating services. The segment also includes business related to investments, property sales and rental, as well as others.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results are evaluated based on the reportable segment profit, which is a measure of adjusted loss before tax. The segment results are measured consistently with the Group's loss before tax except that interest income, finance costs, unallocated corporate income and gains and unallocated corporate expenses are excluded from such measurement. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

2. SEGMENT INFORMATION (CONTINUED)

The following table presents revenue and results for the Group's operating segments for the six months ended 30 June 2025 and 2024 (Unaudited):

	Big Data Products and Solutions		Software and Operating Services		Traditional and Localization Services		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:										
External	1,430,144	1,277,132	2,448,322	2,159,513	3,986,983	3,577,698	-	-	7,865,449	7,014,343
Inter-segment	4,975	3,229	17,034	13,855	9,259	8,503	(31,268)	(25,587)	-	-
	1,435,119	1,280,361	2,465,356	2,173,368	3,996,242	3,586,201	(31,268)	(25,587)	7,865,449	7,014,343
Segment gross profit	319,055	315,241	311,884	263,273	401,601	378,944	-	-	1,032,540	957,458
Segment results	(52,017)	(43,008)	105,379	81,384	55,816	101,875			109,178	140,251
Unallocated										
Interest income									8,520	8,580
Income and gains									41,467	28,853
Unallocated expenses									(156,441)	(169,519)
Profit from operating activities									2,724	8,165
Finance costs									(88,264)	(68,900)
Loss before tax									(85,540)	(60,735)

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

3. REVENUE, OTHER INCOME AND GAINS

Revenue represents revenue arising on the sale of goods after allowances for returns and trade discounts; provision of services, net of value-added tax and government surcharges; and rental income received and receivable from investment properties for the period.

An analysis of the Group's revenue, other income and gains are as follows:

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customer within the scope of HKFRS 15		
Disaggregated by major products or service lines:		
Sales of software products business	7,434	34,973
Software development and technical service business	2,914,169	2,614,386
Supply chain operation and maintenance business	950,340	1,036,415
System integration business	1,541,447	1,546,291
E-commerce supply chain business	2,093,480	1,546,481
Others	215,922	89,470
Total revenue from contracts with customers	7,722,792	6,868,016
Revenue from other sources		
Rental income from investment properties under operating lease	137,950	140,780
Financial services business	4,707	5,547
Total revenue from other sources	142,657	146,327
Total revenue	7,865,449	7,014,343



Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

3. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(i) Revenue from contracts with customers

Disaggregated of revenue by timing of recognition

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Timing of revenue recognition		
At a point in time	3,858,283	3,217,215
Over time	3,864,509	3,650,801
	7,722,792	6,868,016

(ii) Other income and gains

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Other income		
Government grants	38,503	38,022
Interest on bank deposits	8,520	8,580
Income from wealth management financial products	7,280	4,001
Dividend income from financial assets at fair value through profit or loss	–	279
Dividend income from financial assets at fair value through other comprehensive income	–	1,592
Others	2,097	6,015
	56,400	58,489
Gains		
Fair value gains on investment properties	4,280	–
Net exchange gains	–	8,624
Gain on deemed partial disposal of equity interest in an associate	3,100	3,432
	7,380	12,056
Total other income and gains	63,780	70,545

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

4. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging (crediting):

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Share of losses of associates	24,644	15,660
Share of losses of joint ventures	223	1,435
	24,867	17,095
Amount of inventories recognised as an expense	3,549,665	2,930,134
Depreciation of property, plant and equipment	30,058	30,627
Depreciation of right-of-use assets	36,807	39,200
Loss on disposal of property, plant and equipment	–	177
Interest on discounted bills	13,713	9,245
Interest on bank loans and other loans	52,037	35,214
Interest on lease liabilities	1,687	3,556
Interest on other financial liabilities	20,827	20,885
Research and development costs (excluding amortisation of other intangible assets)	258,242	282,488
Amortisation of other intangible assets	46,490	37,232
Reversal of inventories	(5,734)	(14,460)
Impairment of accounts and bills receivables, other receivables and contract assets	141,847	116,478
Foreign exchange loss	19,129	–
Fair value loss on financial assets at fair value through profit or loss	320	11,708
Others	11,601	7,789
Other expenses, net	471,895	441,235



Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

5. INCOME TAX CREDIT

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current – People's Republic of China ("PRC")		
Enterprise income tax ("EIT")	8,293	8,746
Land appreciation tax ("LAT")	1,026	–
	9,319	8,746
Current – Hong Kong	–	1,160
Deferred tax	(26,363)	(21,301)
	(26,363)	(20,141)
Total tax credit for the period	(17,044)	(11,395)

- (a) PRC EIT represents tax charged on the estimated assessable profits arising in Mainland China. In general, the Group's subsidiaries operating in Mainland China are subject to the PRC EIT rate of 25% except for certain subsidiaries which are entitled to preferential tax rates.
- (b) PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs and all property development expenditures.
- (c) Hong Kong Profits Tax is charged under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the six months ended 30 June 2025 and 2024, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5% of the estimated assessable profits.
- (d) The share of tax credit attributable to joint ventures of approximately RMB2,000 (six months ended 30 June 2024: tax charge of RMB298,000) and the share of tax charge attributable to the associates of approximately RMB147,000 (six months ended 30 June 2024: tax charge of RMB174,000) are included in "Share of losses of associates and joint ventures", in the condensed consolidated statement of profit or loss.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

6. DIVIDENDS

During the six months ended 30 June 2025, the shareholders of the Company ("Shareholders") approved the payment of a final dividend of HK6.0 cents per ordinary share of the Company in respect of the year ended 31 December 2024 (six months ended 30 June 2024: a final dividend of HK6.0 cents per ordinary share of the Company in respect of the year ended 31 December 2023) at the annual general meeting of the Company held on 27 June 2025. The final dividend of approximately HK\$100,416,000 (equivalent to approximately RMB91,590,000) was paid on 16 July 2025 (six months ended 30 June 2024: approximately HK\$100,416,000 (equivalent to approximately RMB82,332,000)).

The directors of the Company have resolved not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: interim dividend of HK1.0 cent per ordinary share of the Company in respect of the six months ended 30 June 2024, absorbing a total amount of approximately HK\$16,736,000 (equivalent to approximately RMB13,332,000)).

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the profit for the six months ended 30 June 2025 attributable to equity holders of the parent, and the weighted average number of ordinary shares in issue less shares held under the restricted share award scheme (the "RSA Scheme") of 1,479,115,772 (six months ended 30 June 2024: 1,476,503,004) during the six months ended 30 June 2025.

The calculation of the diluted earnings per share is based on the profit for the six months ended 30 June 2025 attributable to equity holders of the parent with an adjustment on effect of dilutive potential ordinary shares of a subsidiary. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue less shares held under the RSA scheme during the six months ended 30 June 2025 as used in the basic earnings per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all the dilutive potential ordinary shares related to the Group's share-based incentive schemes into ordinary shares.

The calculations of basic and diluted earnings per share are based on the following data:

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Earnings		
Profit for the period attributable to equity holders of the parent, used in the basic earnings per share calculation	15,207	10,808
Effect of dilutive potential ordinary shares of a subsidiary	–	–
Earnings for the purpose of diluted earnings per share	15,207	10,808

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

7. EARNINGS PER SHARE (CONTINUED)

	(Unaudited) Number of shares Six months ended 30 June	
	2025	2024
Shares		
Weighted average number of shares in issue less shares held under the RSA Scheme during the period, used in the basic earnings per share calculation	1,479,115,772	1,476,503,004
Effect of dilution potential ordinary shares:		
Share-based incentive schemes	6,989,384	8,511,268
Weighted average number of shares during the period used in the diluted earnings per share calculation	1,486,105,156	1,485,014,272

8. ACCOUNTS AND BILLS RECEIVABLES

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Receivables at amortised cost comprise:		
Accounts and bills receivables	4,299,239	4,308,918
Less: loss allowance	(1,022,694)	(917,649)
Total	3,276,545	3,391,269
Analysis by:		
Current portion	3,201,244	3,259,130
Non-current portion	75,301	132,139
	3,276,545	3,391,269

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally from 15 to 720 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

8. ACCOUNTS AND BILLS RECEIVABLES (CONTINUED)

The following is an aged analysis of accounts and bills receivables net of allowance for impairment of accounts and bills receivables present based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Within 30 days	1,187,888	1,904,388
31 to 60 days	209,950	185,442
61 to 90 days	108,916	112,764
91 to 180 days	423,426	186,561
181 to 360 days	751,580	267,875
Over 360 days	594,785	734,239
	3,276,545	3,391,269

Included in the Group's accounts and bills receivables as at 30 June 2025 are amounts due from joint ventures, associates and related companies of the Group of approximately RMB11,238,000 (31 December 2024: RMB16,675,000), RMB859,000 (31 December 2024: RMB911,000) and RMB44,108,000 (31 December 2024: RMB42,241,000), respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

9. ACCOUNTS AND BILLS PAYABLES

The following is an aged analysis of the accounts and bills payables presented based on the invoice date at the end of the reporting period.

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Within 30 days	875,907	1,698,294
31 to 60 days	413,146	256,520
61 to 90 days	97,260	207,013
Over 90 days	2,572,922	2,089,195
	3,959,235	4,251,022

The average credit period on purchase of goods is ranging from 30 to 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

As at 30 June 2025, included in the Group's accounts and bills payables are amounts due to joint ventures, associates and related companies of the Group of approximately RMB1,360,000 (31 December 2024: RMB1,517,000), RMB93,249,000 (31 December 2024: RMB101,095,000) and RMB193,425,000 (31 December 2024: RMB241,939,000), respectively, which are repayable on credit terms similar to those obtained from the major suppliers of the Group.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

10. OTHER FINANCIAL LIABILITY

Pursuant to the capital contribution from non-controlling interest of 神旗數碼有限公司 ("Shengqi Digital") (formerly known as 因特睿科技有限公司) to the condensed financial statements, a put option has been granted by 神州數碼軟件有限公司 ("DC Software") (being an indirect wholly-owned subsidiary of the Company), to the investors.

If any of the triggering events occurs during the period when the investors hold equity interest in Shengqi Digital and before the listing of Shengqi Digital, the investors shall be entitled to require the Group to purchase all or part of their equity interest in Shengqi Digital at the put price before 31 March 2026.

The Company will act as a guarantor in favour of the investors to guarantee the performance of such repurchase obligations of DC Software under the supplemental agreement.

As the financial liability is due to be settled within twelve months after the reporting period, the financial liability was classified as a current liability as at 30 June 2025.

11. SHARE CAPITAL

	(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
Authorised:		
2,500,000,000 (31 December 2024: 2,500,000,000) ordinary shares of HK\$0.1 (31 December 2024: HK\$0.1) each	250,000	250,000
	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Issued and fully paid:		
1,673,607,386 (31 December 2024: 1,673,607,386) ordinary shares of HK\$0.1 (31 December 2024: HK\$0.1) each	163,826	163,826

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

12. COMMITMENTS

	(Unaudited) 30 June 2025 RMB'000	(Audited) 31 December 2024 RMB'000
Contracted, but not provided for, in the unaudited condensed consolidated interim financial statements:		
Land and buildings	37,753	20,419
Capital contributions payable to joint ventures	68,250	68,250
Capital contributions payable to associates	3,510	3,510
Capital contributions payable to financial assets at fair value through other comprehensive income	429	429
	109,942	92,608

13. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

In addition to the transactions and balances detailed elsewhere in these unaudited condensed consolidated interim financial statements, the Group had the following material transactions with related parties:

		(Unaudited) Six months ended 30 June 2025 RMB'000	2024 RMB'000
	Notes		
Transactions with joint ventures			
Provision of services from joint ventures	(ii)	–	236
Interest income on loans from joint ventures	(v)	2,317	2,330
Transactions with associates			
Sales of products to associates	(i)	–	476
Purchase of products from associates	(iii)	–	12,899
Provision of services to associates	(ii)	202	984
Provision of services by associates	(ii)	145,095	204,511
Rental income from associates	(iv)	–	2,700
Transactions with related companies (note (vi))			
Sales of products to related companies	(i)	4,367	14,801
Purchases of products from related companies	(iii)	23,235	142,141
Provision of services to related companies	(ii)	181,622	185,111
Provision of services by related companies	(ii)	27,046	77,304
Rental income from related companies	(iv)	31,264	24,159

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

13. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties: (Continued)

Notes:

- (i) The sales were made with reference to the listed prices and conditions offered to the major customers of the Group.
- (ii) The prices for the provision of IT services were determined at rates mutually agreed between the Group and the corresponding related parties.
- (iii) The purchases were made at prices mutually agreed between the Group and the corresponding related parties with reference to the listed price and conditions offered by the related parties to their major customers.
- (iv) The rental income was determined at rates mutually agreed between the Group and the corresponding related parties with reference to the market rental.
- (v) The interest income is calculated with reference to market interest rates and included in revenue from financial service business.
- (vi) Digital China Group Co., Ltd. and its subsidiaries are the related companies of the Group, as Mr. GUO Wei, the Chairman and key management personnel of the Company, exert significant influence to Digital China Group Co. Ltd.

(b) Outstanding balances with related parties:

- (i) Details of the Group's accounts and bills receivables and accounts and bills payables balances with the joint ventures, associates and related companies as at the end of the reporting period are included in notes 8 and 9 to these unaudited condensed consolidated interim financial statements, respectively.
- (ii) Digital China Group Co., Ltd. and its subsidiaries are the related companies of the Group, as Mr. GUO Wei, the Chairman and key management personnel of the Company, exerts significant influence to Digital China Group Co. Ltd.

(c) Compensation of key management personnel:

The remuneration of key management personnel (executive directors and senior management) of the Company during the period was as follows:

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Short term employee benefits	8,094	5,232
Post-employment benefits	84	41
	8,178	5,273

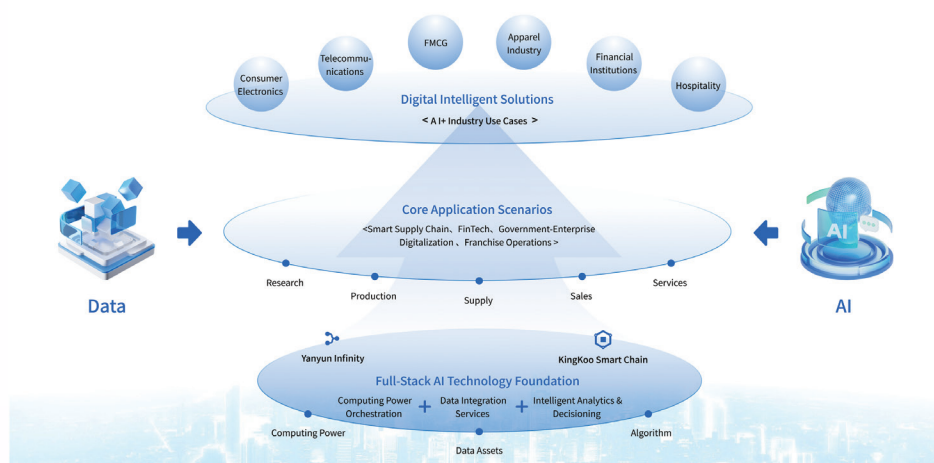
The short term employee benefits and Post-employment benefits presented in the above table represent the total benefits received by the executive directors and senior management from the Group and the Company (including the Group's subsidiary 神州數碼信息服務集團股份有限公司 ("DCITS") and other subsidiaries of the Group).

14. EVENTS AFTER THE REPORTING PERIOD

There has been no significant event of the Group after the Reporting Period and up to the date of this report.

Management Discussion and Analysis

I. STRATEGIC ELEVATION: "DATA X AI" LEADING BUSINESS GROWTH



"Data x AI" Strategic Elevation

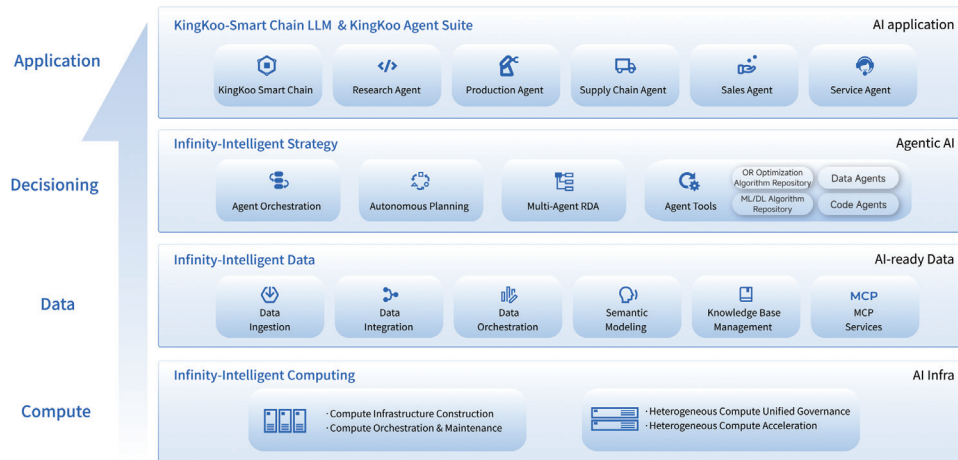
In 2025, leveraging our first-mover advantage in Big Data and AI, DC Holdings continuously promoted the elevation of "Data x AI" Strategy, to strengthen our data-intelligence technical foundation centered on the Yanyun Infinity Platform, and to empower core business scenarios. As China's "AI+" Strategy gained momentum, DC Holdings provided more sophisticated full-stack data-intelligence solutions for industries including smart devices, communication technology, fast-moving consumer goods (FMCG), Apparel Industry, FinTech and Hospitality, which empowered our customers to achieve end-to-end digital transformation and to leap forward in management efficiency, thereby driving the restructuring of values across industrial chains.

Propelled by the deepened promotion of our "Data x AI" Strategy, DC Holdings has demonstrated robust growth momentum. During the six months ended 30 June 2025 (the **"Reporting Period"**), the Group's total revenue was approximately RMB7.87 billion, reflecting a year-on-year increase of 12%; gross profit was approximately RMB1.03 billion, reflecting a year-on-year increase of 8%; net income attributable to equity holders of the parent company was approximately RMB15.21 million, representing a year-on-year increase of 41%.

By business segments, throughout the Reporting Period, the Big Data Products and Solutions Business Segment achieved a revenue of approximately RMB1.43 billion, marking a year-on-year increase of 12%; gross profit was approximately RMB319 million, with a year-on-year increase of 1%. The Software and Operating Services Business Segment achieved a revenue of approximately RMB2.45 billion, marking a year-on-year increase of 13%; gross profit was approximately RMB312 million, with a year-on-year increase of 18%. The Traditional and Localization Services Business Segment achieved a revenue of approximately RMB3.99 billion, marking a year-on-year increase of 11%; gross profit was approximately RMB402 million, with a year-on-year increase of 6%.

The Group maintained a robust order backlog. Throughout the Reporting Period, our newly signed contracts worth approximately RMB9.48 billion, representing a year-on-year increase of 98%; the signed but undelivered contracts worth approximately RMB10.44 billion, representing a year-on-year increase of 27%, laying a solid foundation for the Group's long-term and sustainable development.

II. TECH-ENABLED FOUNDATION: FULL-STACK AI TECHNOLOGIES PROPELLING DATA VALUE REALIZATION



Full-Stack AI Data Intelligence Technology

The Group actively implemented the "General-Vertical Integration" development philosophy across our full-stack AI data intelligence technologies, constructing the Yanyun Infinity industry-level general data intelligence engine through 3 core platform capabilities, namely AI Infra, AI-ready Data and Agentic AI. On this foundation, focusing on high-value scenarios, we efficiently developed and deployed vertical-specific intelligent applications infused with domain operational expertise. This enabled delivery of end-to-end industry data intelligence solutions, culminating in a technical feedback loop from "Data for AI", "AI for Decision" to "AI for Process".

At the Compute Layer, our AI Infra platform, Infinity-Intelligent Computing, delivered computing resource orchestration and performance enhancement through hardware-software co-optimization. Leveraging nationwide technical service network and extensive ecosystem resources, we have established end-to-end capabilities covering intelligent computing center consulting, deployment, resource orchestration, and maintenance services. For computational performance optimization, our heterogeneous computing resource orchestration and acceleration technologies enabled centralized management and flexible scheduling of diverse computing units. This effectively addressed challenges of fragmented management and low utilization in heterogeneous environments, thereby elevating computational supply efficiency, service capacity, and processing performance.

Management Discussion and Analysis

At the Data Fabric Layer, our AI-ready Data Platform, Infinity-Intelligent Data, delivered comprehensive tooling for Data Ingestion, Data Integration, Data Orchestration, Semantic Modeling, Knowledge Base Management and MCP services. The platform universal data connectivity, having achieved seamless integration of 100+ data source types across Relational Databases, Real-time Streaming Data, File Storage Systems, Data Warehouses, ERP/CRM Platforms, NoSQL Databases, IoT Devices, RESTful APIs. Powered by built-in transformation operators and AI-driven configuration leveraging LLM, our platform efficiently implemented complex data processing logic to automate intelligent data pipelines and ensure high-quality outputs. Additionally, our configurable MCP service accelerated agent capability development by operationalizing semantic knowledge frameworks.

At the Decisioning Layer, our Agentic-AI Platform, Infinity-Intelligent Strategy, delivered multi-dimensional orchestration strategies with core capabilities focused on Agent Workflow Orchestration, Autonomous Planning & Reasoning, and Multi-agent Simulation-based Execution. This propelled significantly higher task execution efficiency. Our platform offered a rich library of standardized Agent Tools, enabling rapid development and intelligent interaction between vertical-specific agents. Ultimately, this served intelligent applications across the entire enterprise value chain—from R&D and production to supply chain, marketing, and after-sales services.

At the Application Plane, we empowered intelligent supply chain solutions through our three-layer core technology stack, namely AI Infra, AI-ready Data, and Agentic AI. Throughout the Reporting Period, we independently developed a logistics-specific KingKoo-Smart Chain LLM, and KingKoo Agent Suite, covering R&D, production, supply chain, marketing, and after-sales services, empowering the construction of intelligent applications in smart supply chain scenarios.

To support the continuous iteration and industrial implementation of our above-mentioned technological system, we remains committed to in-depth R&D of scenario-based applications for "Data x AI". Throughout the Reporting Period, the amount of our R&D expenses reached approximately RMB305 million, continuously consolidating our tech foundation. Meanwhile, the Group actively contributes to the formulation of national and industry standards. As of 30 June 2025, the Group has cumulatively led our contributed to 187 national and industry standards (with 77 approved and published, and 110 under development), and accumulated 3,290 intellectual property rights including software copyrights and patents, thus strengthening the core technological barriers for innovation and industrial application.



III. INDUSTRY-SPECIFIC EXCELLENCE: AI-DRIVEN PERFORMANCE LEAP IN VALUE SCENARIOS

1) Smart Supply Chain Scenarios:

After over two decades of development, the Group has established our end-to-end intelligent supply chain solutions spanning warehousing management, transportation, delivery, e-commerce operations, cross-border trade, and supply chain digitalization systems. We have accumulated profound industry insights and operational expertise, leveraging transaction-driven demand capture to fuel logistics fulfillment ecosystems, while continuously refining data and experience to power AI-enabled supply chain software evolution, thereby forging cross-functional value pathways with real-time synergy.

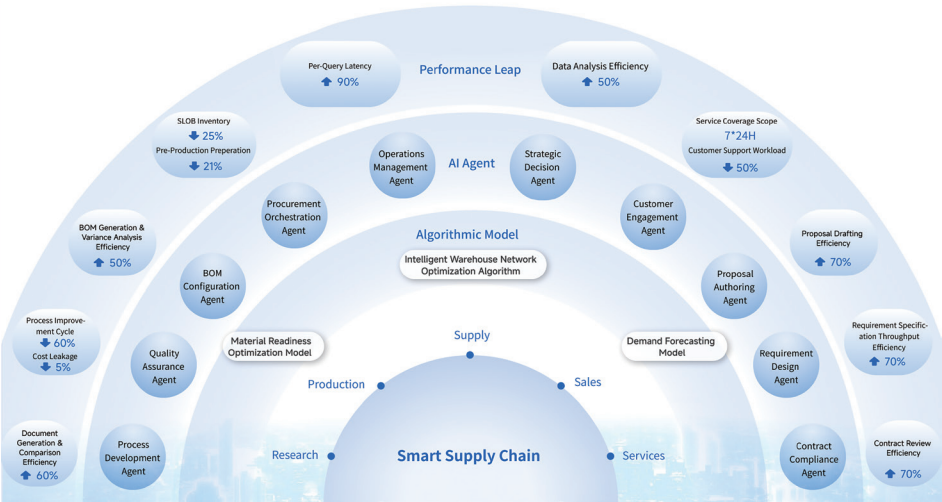
In 2025, our smart supply chain division prioritized consumer electronics, telecommunications, FMCG, and apparel sectors, launching The Legacy Value Program for deepening existing client engagement and The Growth Frontier Initiative for new client acquisition. These initiatives drive vertical specialization and scenario-centric solutions. Among them, The Growth Frontier Initiative has systematized best practices into standardized industry solutions through serving market leaders, thereby achieving capability replication across multiple target enterprise customers. Meanwhile, The Legacy Value Program propelled over 30 existing enterprise customers from point solutions to full-chain partnerships through AI-powered tiered engagement and lifecycle services, facilitating a significant year-on-year revenue growth of the customers. The Group has kept committed to forging comprehensive strategic alliances with high-value clients, deeply addressing core needs and pain points across their full-spectrum supply chain lifecycle through embedded customized value-co-creation services. Throughout the Reporting Period, the Group has signed strategic cooperation agreement with 4 enterprise customers, targeting to secure over 10 high-value partnerships by year-end.

Technologically, the Group leverages deep industry expertise and a mature digital operation framework, powered by our logistics-specific vertical LLM "KingKoo Smart Chain", which has been trained on massive real-time operational data, to build our smart supply chain control tower. This integrated platform enables digital operations, intelligent analytics, and precision decision-making, delivering end-to-end intelligent orchestration. Our smart supply chain control tower enables continuous self-iteration through AI reinforcement learning and algorithmic model dynamic optimization, adapting to increasingly complex business scenarios, while making optimal decisions during actual business operations. Simultaneously, the smart supply chain control tower provides full-linkage workflow visualization for data-driven intelligent analysis, supporting precise business decisions and real-time intelligent alerts in areas such as production volume forecasting, intelligent order dispatch, intelligent storage location, picking path planning, intelligent packaging material recommendation, and intelligent transportation scheduling. Throughout the Reporting Period, within the Group's supply chain operations, the warehouse operational costs decreased by more than 20% year-on-year, transportation and delivery costs fell by approximately 8% year-on-year, and overall warehouse efficiency improved by over 30% year-on-year.

Management Discussion and Analysis

Currently, our smart supply chain scenario has pioneered the implementation of a full-stack data intelligence solution encompassing "data-to-decision-to-application," achieving deep penetration of "AI for Process." Leveraging internal industry knowledge bases, operational manuals, logs, datasets, and other proprietary data, the Group has developed supply chain algorithms tailored to diverse industry characteristics, thereby building up our "KingKoo Smart Chain" logistics vertical LLM. This industry-specific corpus significantly mitigates hallucination issues prevalent in general-purpose LLMs. Throughout the Reporting Period, our self-developed KingKoo Agent Suite attained end-to-end coverage across the entire value chain, with implementation commencing via internal pilot programs. Specifically, the KingKoo Operations Agent enables multi-range, multi-dimensional, and multi-relational data queries, boosting routine query efficiency by 90%. The KingKoo Decision Agent deeply integrates industry knowledge and enterprise data, autonomously determining required datasets and planning analytical workflows to assist managers in optimizing inventory strategies based on seasonal, market, and multidimensional factors, thereby increasing data analysis efficiency by 50%. The KingKoo Customer Agent consolidates client background knowledge, delivering 7*24 data analysis and intelligent service responses, effectively reducing customer service workload by 50%.

Moving forward, the Group will consistently increase R&D investment in smart supply chain solutions, continuously enhancing the KingKoo Agent Suite. Following internal scaling and stress testing, we will deliver secure, trustworthy vertical-specific intelligent applications tailored to supply chain industry requirements. These solutions will be rapidly deployable in customer supply chain use cases, empowering clients to achieve AI-driven value chain transformation across their R&D-to-after-sales operations.



Smart Supply Chain Drives Performance Leap

2) FinTech Scenarios:

Within the FinTech sector, Digital China Information Service Group Company Limited ("DCITS"), our consolidated subsidiary, drives deep innovation in "AI + FinTech" applications. We keep advancing continuous development of vertical LLM for the financial industry, while comprehensively accelerating intelligent finance transformation initiatives. To date, DCITS has served over 2,000 financial institutions.

Throughout the Reporting Period, building on DeepSeek's foundation, the Group has comprehensively enhanced our FinancialMaster Q&A Agent and CodeMaster programming assistant for financial applications. Through deep strategic collaboration with Huawei centered on FinancialMaster, we have officially launched an integrated appliance solution for financial knowledge Q&A agents operating on Ascend AI's software-hardware platform. Concurrently, CodeMaster deployments have been completed across multiple core banking implementation projects, enabling automated generation of new feature code aligned with engineering frameworks and autonomous modification of demand-altering code segments. To date, empirical data has demonstrated significant coding efficiency improvements with LLM assistance, with generated code now achieving quality, readability, and standards compliance comparable to manually written code by senior developers.

Concurrently, we are vigorously advancing our "+AI" strategy across comprehensive solution suites. Within the financial sector, artificial intelligence generated content (AIGC) integration has been deployed in core banking, credit systems, channel platforms, data solutions, risk management, and cloud infrastructure offerings.

3) Government-Enterprise Digitalization Scenarios:

Leveraging the Yanyun Infinity Platform's capabilities in efficient data sensing, precise collection, and intelligent analytics, the Group has established deep expertise across government services, citizen services, urban cognitive systems, and industrial economy use cases. Through continuous iteration of data intelligence products and solutions, we propel the upgrade of client data governance into intelligent decision-making ecosystems. Throughout the Reporting Period, the Group launched an end-to-end data intelligence solution integrating DeepSeek's private deployment capabilities on the Yanyun Infinity platform. This solution has been successfully implemented in a municipal government service application, featuring the region's first AI government assistant. Trained on 150,000 policy documents and a over-4-million-word local knowledge repository, the assistant achieves more than 95% accuracy in handling government service inquiries, while enabling 62% online processing coverage across municipal, county, township, and village administrative levels. Concurrently, we continue driving iterative upgrades aligned with national policy directives, accelerating provincial-scale replication following successful city-level deployment.

In the government-enterprise digitalization sector, the Group has played an integral role in China's Golden Tax Project Phases III and IV, continuously advancing fiscal digitalization. Customized digital solutions have also been deployed for top-tier internet platforms including Meituan and Alibaba, as well as state-owned enterprise customers including INESA and Longyan Tobacco. Moving forward, our Yanyun Infinity platform will drive cross-industry standardization at scale, enabling full-cycle intelligent decision-making upgrades across client value chains.

Management Discussion and Analysis

4) Chain Hotel Business Scenarios:

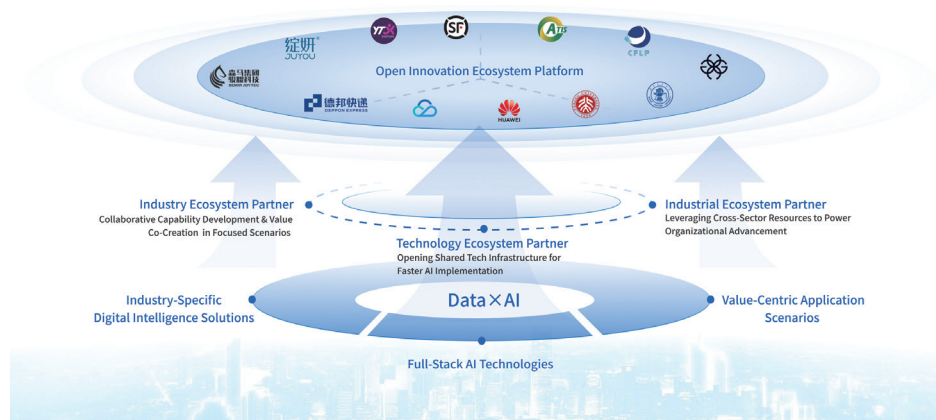
DC Holdings has established a solid business foundation and distinct competitive advantages through our sustained dedication to the hospitality sector. To date, the Group has served over 1,400 premium chain hotels and established a nationwide network of over 2,600 technical service outlets. Leveraging our asset management software platform, developed through years of specialization in high-end chain hotels, along with technical capabilities in computing resource orchestration and infrastructure maintenance, we have built a tech-driven growth model within the chain business ecosystem, thereby providing strong support for AI applications in the hospitality industry.

Throughout the Reporting Period, the Group has deepened strategic collaborations with Wanda Hotels & Resorts and Yunji Technology to jointly advance the implementation of data-driven intelligent solutions for the hospitality industry. Concurrently, we have secured digital services contracts across over 300 outlets of multiple premium chain hotels, further cementing our leadership in the hospitality sector. Furthermore, partnering with hospitality industry leaders, we are actively expanding our overseas operations, extending our proven domestic success to international markets.

Leveraging proven technical capabilities and service models honed in the hospitality sector, the Group is now replicating this success across other chain-based formats. In the computing power domain, building on the solid foundation established through successfully completing a computing power migration project for a leading IT provider, the Group has secured contracts for related services including computing resource scheduling and maintenance. This success has further enabled our expansion into digital services for IDC scenarios. In the chain-based enterprise service domain, the Group has achieved breakthroughs by providing digital solutions to automotive dealership outlets under major manufacturers such as FAW Group and SAIC Motor. These accomplishments effectively demonstrate the Group's capacity to rapidly deploy our comprehensive AI scenario-based solutions across diverse chain business models. This progress lays a critical foundation for our future diversified growth.



IV. PARTNER RESOURCES AGGREGATION: INDUSTRIAL SYNERGY CO-CREATING NEW GROWTH ENGINES



Igniting New Growth Drivers Through Industrial Synergy

DC Holdings is committed to building an open industrial ecosystem platform that deeply integrates multidimensional resources from government, industry, academia, research, and end-user sectors. This establishes an innovation ecosystem featuring technology collaboration, co-created scenarios, and industrial synergy. The platform's core value lies in its open data capability infrastructure and AI toolchain, empowering ecosystem partners with composable and extensible technical capabilities. By lowering barriers to AI innovation, we accelerate partners' application development, streamline resource matching, and expand competency boundaries, enabling joint definition and resolution of core industry challenges to ultimately drive scalable implementation of digital intelligent transformation.

Within the technology ecosystem, the platform provides our partners with industry-wide data integration capabilities, AI-tools products, and domain-specific knowledge repositories to enhance their platform competencies. Moving forward, the platform will deliver encapsulated services via AI-ready Data and Agentic AI platforms, aiming to foster an open AI innovation community. Throughout the Reporting Period, building upon the February 2025 joint laboratory establishment with Peking University, we deepened collaboration with Peking University across AI infrastructure, agent-based general technologies, and application scenarios. This partnership leverages shared R&D outcomes to continuously enhance core product competencies. We also signed a big data product cooperation framework agreement with Tencent Cloud, under which both parties will intensify the promotion of domestic distributed databases and related data products. Furthermore, the Group joined forces with enterprises including Huawei Technologies Co., Ltd and Tencent Cloud to launch the industry's first AIGC large model financial ecosystem.

Within the use-case ecosystem, the Group collaborated with partners across the business ecosystem to deeply penetrate target industries. Together, we identified and defined the value of core industry scenarios, realizing collaborative capability enhancement and shared value generation. Throughout the Reporting Period, the Group deepened collaborations with SF and Deppon to enhance our competitive edge in transportation and delivery scenarios, incorporating parcel shipping and oversized logistics. Also, we signed a strategic cooperation agreement with YTO. Leveraging both parties' complementary strengths and resources, we jointly developed and deepened end-to-end smart supply chain service capabilities. Furthermore, the Group advanced innovation partnerships with national industry associations including the China Association of Trade in Services (CATIS) and China Federation of Logistics & Purchasing, pioneering business innovations and frontier explorations in domains such as cross-border trusted trade and payment, talent development for cross-border e-commerce, and end-to-end code standardization.

Management Discussion and Analysis

Within the industrial ecosystem, leveraging deep industrial expertise, the Group utilizes government partnerships as strategic access points to empower enterprise customers, thereby synergizing policy, technology, capital, and market resources to accelerate growth momentum. Throughout the Reporting Period, the Group signed a strategic cooperation agreement with Beijing Jiaotong University to establish the "Institute of Data Intelligence", jointly advancing the industry-academia-research collaboration in trusted logistics data space construction and intelligent manufacturing, while launching the "Green Supply Chain Initiative". What's more, we deepened collaboration with National Institution for Finance & Development (NIFD), China's national financial think tank, bridging financial research with industrial practice. Simultaneously, capitalizing on long-term service experience with provincial-level (Fujian, Jilin), municipal (Weihai), and county-level (Kunshan, Wujiang District) governments, we accessed large enterprises to facilitate digital transformation of local traditional businesses.

The Group's technological innovations and industry practices in Big Data and AI have garnered significant industry recognition. Throughout the Reporting Period, as a member of the National Data Administration-guided Trusted Data Space Development Alliance, the Group contributed to drafting two national big data standards and the Cross-Border E-commerce Platform Services Group Standard. We received notable accolades including: "Top 50 AI Tech Companies 2025" (Forbes China), "Global E-commerce Marketing Excellence Provider" (CATIS), "2024 Supply Chain Tech Innovation Breakthrough Award" (LOG Logistics News), "Golden Chain Award-Best Supply Chain Innovation" (SSCL), and "Top 50 Fintech Service Providers" & "Top 20 Big Data Services 2024" (iResearch). Also, we were recognized as "Outstanding Logistics Supplier" by Canon as well as other enterprise customers.

V. FUTURE OUTLOOK: PIONEERING POSITIONING TO SECURE LEADERSHIP IN THE AI-POWERED NEW ERA

Capitalizing on strategic opportunities presented by China's national "AI +" initiative and market-oriented data element reforms, the Group resolutely executed our dimensional upgrade to the "Data x AI" strategy. This accelerated deep integration of data intelligence technologies with the real economy. Throughout the Reporting Period, the Group achieved robust business growth and breakthrough innovations by fortifying full-stack AI technology foundation, deepening value-driven scenario applications, and aggregating ecosystem partner resources.

Looking forward, the Group will persistently implement our "AI for Process" philosophy, integrating generalized and specialized capabilities, driven by technological innovation and customer-centricity. We will deepen our "Data x AI" strategic moats to build enduring competitive advantages, leveraging the Yanyun Infinity technology foundation to fortify our full-stack AI engine. This will power the intelligent evolution of customer ecosystems across their R&D-to-after-sales operations, accelerating their transition from digitalization to intelligent transformation. Through these efforts, we will continuously inject new digital-intelligent momentum into the real economy, achieving synergistic convergence of corporate value creation and social responsibility fulfillment.



VI. UPDATE ON THE SETTLEMENT PLANS REGARDING CERTAIN WEALTH MANAGEMENT PRODUCTS PURCHASED BY THE GROUP (THE "WMP")

As of 30 June 2025, the net book value of the WMP was approximately RMB686 million. The Group has obtained the right to proactively dispose of the ultimate underlying assets associated with the WMP and has formulated disposal plans and specific action plans in relation thereto. The Group pushed forward with the disposal of a real estate residential project (the net book value of which was approximately RMB84 million as of the Reporting Period), one of the ultimate underlying assets of the WMP, in accordance with the action plans. The court has issued a ruling that finalizes the restructuring plan, and the Group is currently planning to carry out related marketing activities through various channels.

The remaining ultimate underlying assets of the WMP involve a market and a commercial complex (the net book value of which was approximately RMB602 million as of the Reporting Period). The market section is operating stably. The commercial complex section is currently undergoing divestment into a new corporate entity in accordance with the final restructuring plan approved by the court. The Group is expected to acquire a controlling interest in this newly registered corporate entity such that the Group can facilitate the disposal of the relevant underlying assets. The asset divestiture is progressing in an orderly manner. The new corporate entity has obtained management rights for the relevant assets and has entrusted a well-known enterprise to operate in order to enhance asset value and accelerate the asset disposal.

The Group will continue to push forward the implementation of the action plans and the Company will make further announcement(s) as and when appropriate in the event of any material development on the action plans.

CAPITAL EXPENDITURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly finances its operations with internally-generated cash flows, bank borrowings and banking facilities.

The Group had total assets of approximately RMB23,173 million as at 30 June 2025 which were financed by total liabilities of approximately RMB13,807 million, non-controlling interests of approximately RMB3,599 million and equity attributable to equity holders of the parent of approximately RMB5,767 million. The Group's current ratio as at 30 June 2025 was 1.26 as compared to 1.42 as at 31 December 2024.

During the six months ended 30 June 2025, capital expenditure of approximately RMB28 million was incurred mainly for the additions of property, plant and equipment and other intangible assets.

As at 30 June 2025, the Group had cash and cash equivalents of approximately RMB1,960 million, of which approximately RMB1,807 million were denominated in Renminbi.

The Group's foreign currency exposures mainly arise from net monetary liabilities in currencies other than the functional currencies of approximately RMB235,863,000 as at 30 June 2025. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange should the need arise.

The gearing ratio, being aggregate borrowings of the Group as a ratio of equity attributable to equity holders of the parent was 0.86 at 30 June 2025 as compared to 0.60 at 31 December 2024. The computation of the said ratio was based on the total interest-bearing bank and other borrowings of approximately RMB4,943 million (31 December 2024: approximately RMB3,483 million) and equity attributable to equity holders of the parent of approximately RMB5,767 million (31 December 2024: approximately RMB5,831 million).

Management Discussion and Analysis

As at 30 June 2025, the interest-bearing bank and other borrowings of the Group were shown as follows:

	RMB'000
Current	
Interest-bearing bank borrowings, unsecured	2,847,193
Interest-bearing bank borrowings, secured	601,509
Other borrowings	58,450
	3,507,152
Non-current	
Interest-bearing bank borrowings, secured	1,436,251
Total	4,943,403

Certain of the Group's bank borrowings of:

1. Approximately RMB1,689 million extended by financial institutions to certain subsidiaries of the Group were secured by mortgages over the Group's buildings, investment properties and land use rights with an aggregate carrying amount of approximately RMB3,093 million as at 30 June 2025; and
2. Approximately RMB300 million extended by financial institutions to certain subsidiaries of the Group were secured by pledge of 92,063,900 issued shares of DCITS, directly held by a wholly-owned subsidiary of the Company, with an aggregate fair value of approximately RMB1,309 million as at 30 June 2025.

Included in the Group's current and non-current bank borrowings of approximately RMB229 million and RMB1,436 million respectively are long-term loans repayable between 2025 and 2037. As at 30 June 2025, approximately RMB3,009 million and RMB1,934 million of the Group's bank borrowing were charged at fixed interest rates and floating interest rates, respectively.

The total available bank credit facilities for the Group as at 30 June 2025 amounted to approximately RMB10,030 million, of which approximately RMB1,665 million were in long-term loan facilities and approximately RMB8,365 million were in trade lines, short-term loans and cash advance. As at 30 June 2025, the total amount drawn down by the Group was approximately RMB1,665 million in long-term loan facilities and approximately RMB5,313 million in trade lines, short-term loans and cash advance.

Under the normal course of business, the Group has issued performance bonds to some customers for potential claims of non-performance in order to satisfy the specific requirements of these customers. As no material claims had been made by the customers under such performance bonds in the past, the management considers that the possibility of realisation of any actual material liabilities arising from such performance bonds is remote.

CONTINGENT LIABILITIES

Patent Infringement Lawsuit Against Digital China Jinxin (Beijing) Technology Co., Ltd.

In March 2016, Shenzhen Yihua Computer Co., Ltd. (hereinafter referred to as "**Yihua**") initiated legal proceedings against Oki Electric Industry (Shenzhen) Co., Ltd. (hereinafter referred to as "**OKI**") and Digital China Jinxin (Beijing) Technology Co., Ltd. (hereinafter referred to as "**DC Jinxin**") in a patent infringement dispute. Yihua alleged that the defendants had violated its proprietary rights by infringing upon five utility patents. The patent numbers involved in the five cases are ZL201420112570.5, ZL201210385756.3, ZL201420060123.X, ZL200910108145.2, and ZL201420020564.7. Pursuant to the alleged infringements, Yihua sought judicial relief, demanding that OKI desist from the manufacturing, marketing, and promising sales of the products in question, while DC Jinxin was enjoined from selling and promising the sale of such products. Additionally, Yihua claimed monetary compensation for economic losses and reasonable expenses incurred in the protection of its rights, totaling RMB7 million from both OKI and DC Jinxin.

In January 2019, the Shenzhen Intermediate People's Court of Guangdong Province issued the first-instance judgment for the five cases, ordering OKI to desist from the production and sale of the infringing products and compensate RMB4.4 million. The judgement also ordered DC Jinxin to halt the sales and not to promise sales of such products and to compensate Yihua RMB1 million. The judgment dismissed all other claims advanced by Yihua.

OKI and DC Jinxin filed an appeal against the first-instance judgment. In December 2020, the Supreme People's Court rendered a civil ruling, which held that the five cases had failed to scrutinize the "OEM Supply Agreement" between OKI and Yihua. The Supreme People's Court determined that the initial factual findings were unclear and affected the infringement assessment. Consequently, it vacated the first-instance judgment and ordered a retrial. Yihua withdrew the litigations in November 2023.

However, in December 2023, Yihua filed a legal action with the Shenzhen Intermediate People's Court against OKI and DC Jinxin again, alleging infringement of its five previously identified invention patents. Yihua sought an injunction requiring OKI to desist from the production and sale of the infringing products and DC Jinxin to halt the sales and not to promise sales of such products. Additionally, Yihua demanded compensation from OKI and DC Jinxin for economic losses and reasonable expenses associated with efforts to mitigate the infringement, totaling RMB275.3 million.

On 29 August 2024, Yihua withdrew its claim for infringement damages against DC Jinxin and clarified that only OKI would bear the compensation liability. DC Jinxin is only responsible for ceasing the infringement.

As at 30 June 2025, the case has not yet been adjudicated. Based on the advice from the Group's legal advisor, no material loss will be borne by DC Jinxin.

Save as disclosed above, the Group had no material contingent liabilities as at 30 June 2025.

COMMITMENTS

Details of the Group's commitment at 30 June 2025 are set out in note 12 to the unaudited condensed consolidated interim financial statements.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2025, the Group had 20,254 (30 June 2024: 17,307) full-time employees. The majority of these employees work in the PRC. The Group offers remuneration packages in line with industry practice. Employees' remuneration includes basic salaries and bonuses. The Group has recorded an increase by 16.69% in staff costs of approximately RMB2,035 million for the six months ended 30 June 2025 as compared to approximately RMB1,744 million for the corresponding period of the last financial year. In order to attract and retain a high caliber of capable and motivated workforce, the Company offers share-based incentive schemes to staff based on the individual performance and the achievements of the Company's targets. The Group is committed to providing its staff with various in-house and external training and development programs.

Management Discussion and Analysis

The remuneration of the directors and senior management of the Group are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each director and senior management member as well as their individual performance.

UPDATE ON THE USE OF PROCEEDS FROM THE RIGHTS ISSUE

In September 2017, the Company completed a rights issue (the "Rights Issue") and raised funds of approximately RMB1,149 million. The table below set out the use of net proceeds (the "Net Proceeds") from the Rights Issue:

Intended use of the net proceeds from the Rights Issue	Net proceeds RMB'million	Utilised amount as at 1 January 2025 RMB'million	Actual application during the six months ended 30 June 2025 RMB'million	Un-utilised amount as at 30 June 2025 RMB'million	Expected to be utilised by 30 June 2026 RMB'million
(i) Financing the Healthcare Big Data Investment or any other potential investments and acquisitions as and when any suitable opportunity is identified (<i>Note</i>)	664	(454)	-	210	210
(ii) Repayment of debt and interest expenses					
(a) Repayment of principal and interest expenses to Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司) due in October 2017	160	(160)	-	-	-
(b) Repayment of principal and interest expenses to Western Securities Co., Ltd. (西部證券股份有限公司) due in October 2017	250	(250)	-	-	-
(iii) General working capital purposes	75	(75)	-	-	-
Total	1,149	(939)	-	210	210

Note: As at the date of this report, the Healthcare Big Data Investment is still at its preliminary discussion stage and no legally binding agreement has been entered into by the Group.

The Company does not have any intention to change the purposes of the Net Proceeds as set out in the rights issue prospectus dated 23 August 2017, and will gradually utilise the un-utilised amount of the Net Proceeds in accordance with the intended purpose mentioned above. As at 30 June 2025, an aggregate of approximately RMB939 million of the Net Proceeds has been utilised.

As at 30 June 2025, the un-utilised Net Proceeds from the Rights Issue amounted to approximately RMB210 million. During the Reporting Period, due to the slow pace of macroeconomic recovery, the investment atmosphere was relatively sluggish, and the management of the Company became more cautious in investing in mergers and acquisitions. Therefore, the un-utilised Net Proceeds had not been utilised in full as at 30 June 2025. Given the lingering market uncertainties and the time required for the restoration of investment confidence, it is expected that the un-utilised Net Proceeds would not be fully utilised by 31 December 2025. All of such un-utilised Net Proceeds will be utilised for financing the Healthcare Big Data Investment or any other potential investments and acquisitions as and when any suitable opportunity is identified. It is expected that the un-utilised Net Proceeds will be fully utilised by 30 June 2026.

For further details of the Rights Issue, please refer to the announcements dated 21 July 2017, 24 August 2017 and 15 September 2017, the rights issue prospectus dated 23 August 2017 and the annual report for the year ended 31 December 2017 and 31 December 2018 and 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 of the Company.

Other Information

INTERIM DIVIDEND

The board of directors (the "Board") has resolved not to declare any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK1.0 cent per Share).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of each director of the Company ("Director") and chief executive of the Company and their associates in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have taken under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" contained in Appendix C3 to the Rules Governing the Listing of Securities in the Stock Exchange (the "Listing Rule(s)") (the "Model Code") adopted by the Company were as follows:

Name of Director	Capacity	Personal interests	Corporate interests	Number of outstanding share options	Total (Note 1)	Approximate percentage of aggregate interests (%) (Note 5)
GUO Wei	Beneficial owner and interests of controlled corporations	107,996,707	183,784,857 (Note 2)	54,000,000 (Note 3)	345,781,564	20.66
LIN Yang	Beneficial owner	3,571,734	-	1,332,000 (Note 3)	4,903,734	0.29
LIU Yun, John	Beneficial owner	100,000 (Note 4)	-	1,332,000 (Note 3)	1,432,000	0.09
KING William	Beneficial owner	100,000 (Note 4)	-	1,332,000 (Note 3)	1,432,000	0.09

Notes:

- All of the interests disclosed herein represent long position in the Shares.
- Pursuant to a Form 3A – Director/Chief Executive Notice – Interests in Shares of Listed Corporation filed by the Director on 25 January 2025, these Shares represent Shares held by Kosalaki Investments Limited ("KIL") and Digital China Group Co., Ltd. (神州數碼集團股份有限公司)("DCG") (listed on the Shenzhen Stock Exchange) and its subsidiaries. Mr. GUO Wei is the sole shareholder and a director of KIL, and is a substantial shareholder as to approximately 23.12% and also a director of DCG.
- Representing 54,000,000 share options that were granted to Mr. GUO Wei and 1,332,000 share options that were granted to each of Mr. LIN Yang, Dr. LIU Yun, John and Mr. KING William on 13 July 2020 which remained outstanding as at 30 June 2025. These share options are exercisable from the date of satisfaction of certain conditions stated in the offer letter dated 13 July 2020 to 12 July 2028 at an exercise price of HK\$6.60 per Share for subscription of Shares.
- On 2 June 2020, 100,000 shares were granted to each of Dr. LIU Yun, John and Mr. KING William under the restricted share award scheme of the Company and were vested in January 2021 pursuant to the terms and conditions of the scheme.
- The approximate percentage of interests is based on the aggregate nominal value of the Shares/underlying Shares comprising the interests held as a percentage of the aggregate nominal value of all the issued share capital of the Company of the same class immediately after the relevant event and as recorded in the register maintained under Section 352 of the SFO.

Other Information

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company or their associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of 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 or short positions which the Directors and chief executive of the Company were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, pursuant to Form 2 – Corporate Substantial Shareholders Notice filed by the respective shareholders and to the best knowledge of the Directors, the following persons or corporations, not being a Director or chief executive of the Company, had the following interests and short positions in the Shares and underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Name	Capacity	Number of Shares (Note 1)	Approximate percentage of aggregate interests (%) (Note 8)
Kosalaki Investments Limited	Beneficial owner	114,876,857 (Note 2)	6.86
Dragon City International Investment Limited	Beneficial owner	165,054,500	9.86
YIP Chi Yu	Interest of a controlled corporation/Interest of spouse	165,054,500/2,325 (Note 3)	9.86
HUANG Shaokang	Beneficial owner/Interest of spouse	2,325/165,054,500 (Note 4)	9.86
Guangzhou City Infrastructure Investment Group Limited* (廣州市城市建設投資集團有限公司) ("GZ Infrastructure")	Interests of controlled corporations	331,201,928 (Note 5(a))	19.80
Guangzhou City Investment Co., Ltd.* (廣州市城投投資有限公司) ("GZ Investment")	Interests of controlled corporations	331,201,928 (Note 5(b))	19.80
Guangzhou City Investment Jiapeng Industry Investment Fund Management Co., Ltd.* (廣州城投佳朋產業投資基金管理有限公司) ("GZ Jiapeng")	Interest of a controlled corporation	299,760,000 (Note 5(c))	17.92
Guangzhou City Investment Jiazi Investment Partnership (Limited Partnership)* (廣州城投甲子投資合夥企業(有限合夥)) ("GZ Jiazi")	Beneficial owner	299,760,000 (Note 5(d))	17.92
Guangzhou Radio Group Co., Ltd.* (廣州無線電集團有限公司) ("Guangzhou Radio Group")	Interests of controlled corporations	181,120,250 (Note 6)	10.83
GRG Banking Equipment Co., Ltd.* (廣州廣電運通金融電子股份有限公司) ("GRG Banking Corp.")	Interests of controlled corporations	181,120,250 (Note 7)	10.83
Law Debenture Trust (Asia) Limited as Trustee of Digital China Holdings Limited's Restricted Share Award Scheme Trust	Trustee	184,352,900	11.02
China New Century Co., Ltd.* (中國新紀元有限公司)	Interests of controlled corporation	101,800,000	6.08
Digital China Group Co., Ltd.* (神州數碼集團股份有限公司)	Beneficial owner/Interest of controlled Corporations	21,660,000/ 115,657,000 (Note 8)	8.20

Notes:

1. All of the interests disclosed herein represent long position in the Shares.
 2. Mr. GUO Wei, a director of the Company, is the controlling shareholder and a director of KIL. Under the SFO, Mr. GUO Wei is deemed to be interested in the shares held by KIL. The Shares registered in the name of KIL was also disclosed as the interest of Mr. GUO Wei in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above.
 3. Dragon City International Investment Limited ("**Dragon City**") is controlled by Ms. YIP Chi Yu ("**Ms. Yip**") and Mr. HUANG Shaokang ("**Mr. Huang**") is the spouse of Ms. Yip. By virtue of the SFO, Ms. Yip was deemed to be interested in the Shares in which Dragon City and Mr. Huang was interested.
 4. Mr. Huang is the spouse of Ms. Yip. By virtue of the SFO, Mr. Huang was deemed to be interested in the Shares in which Ms. Yip was interested.
 5.
 - (a) Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by GZ Infrastructure, on 28 January 2021, GZ Infrastructure was interested in 331,201,928 Shares in aggregate, of which, 299,760,000 Shares were held by GZ Jiazi and 31,441,928 shares were held by Suitong Hong Kong Company Limited* (穗通(香港)有限公司) ("**Suitong HK**"). GZ Jiazi is owned as to 99.96% by GZ Investment and 0.04% by GZ Jiapeng, which is in turn wholly-owned by GZ Investment. Suitong HK is also wholly-owned by GZ Investment. GZ Investment is 80% owned by GZ Infrastructure and 20% owned by Guangzhou Industry Investment Fund Management Co. Ltd. (廣州產業投資基金管理有限公司) ("**GZ Industry Fund**") which is wholly-owned by GZ Infrastructure. By virtue of the SFO, GZ Infrastructure was deemed to be interested in the Shares in which GZ Jiazi and Suitong HK were interested.
 - (b) Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by GZ Investment, on 28 January 2021, GZ Investment was interested in 331,201,928 Shares in aggregate, of which, 299,760,000 Shares were held by GZ Jiazi and 31,441,928 Shares were held by Suitong HK. By virtue of the SFO, GZ Investment was deemed to be interested in the Shares in which GZ Jiazi and Suitong HK were interested.
 - (c) Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by GZ Jiapeng, on 28 January 2021, GZ Jiapeng was interested in the Shares in which GZ Jiazi was interested by virtue of the SFO.
 - (d) Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by GZ Jiazi, on 28 January 2021, GZ Jiazi was beneficially interested in 299,760,000 Shares.
 6. Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by Guangzhou Radio Group, on 16 February 2021, GRG Banking Corp., a company listed on The Shenzhen Stock Exchange, owned as to 52.96% by Guangzhou Radio Group, was interested in 181,120,250 Shares.
 7. Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by GRG Banking Corp. on 16 February 2021, GRG Banking Corp. was interested in 181,120,250 Shares of which 7,078,000 Shares were held by GRG Banking Equipment (HK) Co., Limited (廣電運通國際有限公司) which is wholly-owned by GRG Banking Corp.
 8. Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by DCG on 19 June 2025, DCG was interested in 137,317,000 Shares in aggregate, of which 115,657,000 shares were interests of controlled corporations, which includes (i) 60,487,000 shares were held by Digital China Technology Limited ("**DCT**"); (ii) 36,500,000 shares were held by Digital China (HK) Limited ("**DCHK**"); and (iii) 18,670,000 shares were held by Beijing Digital China Smart Life Technology Co., Ltd.* (北京神州數碼智慧生活科技有限公司) ("**DCSLT**"). Each of DCT, DCHK and DCSLT is an indirect wholly-owned subsidiary of DCG.
 9. The approximate percentage of interests is based on the aggregate nominal value of the Shares/underlying shares comprising the interests held as a percentage of the aggregate nominal value of all the issued share capital of the Company of the same class immediately after the relevant event and as recorded in the register maintained under Section 336 of the SFO.
- * The English name of the company is a direct transliteration of its Chinese registered name.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any persons and corporations who had interests or short positions in Shares or underlying Shares which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

Other Information

SHARE-BASED INCENTIVE SCHEMES

(A) SHARE OPTION SCHEME

The share option scheme of the Company was adopted on 15 August 2011 (the "2011 Share Option Scheme").

The 2011 Share Option Scheme seeks to recognise and acknowledge the contributions or potential contributions made or to be made by the qualified persons to the Group, to motivate the qualified persons to optimise their performance and efficiency for the benefit of the Group, and to maintain or attract business relationships with the qualified persons whose contributions are or may be beneficial to the growth of the Group.

The 2011 Share Option Scheme has a life span of ten years and has expired on 14 August 2021. Since then, no further share options can be granted under the same. However, the period during which an option may be exercised in accordance with the terms of the 2011 Share Option Scheme shall be the period set out in the relevant offer letter, provided that such period must expire on the date falling on the tenth anniversary of the offer date.

The following table shows the movements in the Company's share options granted under the 2011 Share Option Scheme according to dates of grant during the six months ended 30 June 2025:

Grantee	Number of share options					Outstanding as at 30/06/2025	Exercise price per share HK\$	Weighted average closing price of shares immediately before the date of share options being exercised		Date of grant	Exercisable Period	Notes
	Outstanding as at 1/1/2025	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period			Closing price immediately before the date of grant HK\$	before the date of share options being exercised during the period HK\$			
Directors												
GUO Wei	13,116,974	-	-	-	(13,116,974)	-	6.394	6.73	-	25/1/2017	25/1/2017-24/1/2025	(i), (ii)
	54,000,000	-	-	-	-	54,000,000	6.60	6.54	-	13/7/2020	(iv)	(v)
LIN Yang	13,116,974	-	-	-	13,116,974	-	6.394	6.73	-	25/1/2017	25/1/2017- 24/1/2025	(i), (ii)
	1,332,000	-	-	-	-	1,332,000	6.60	6.54	-	13/7/2020	(iv)	(v)
LIU Yun, John	1,332,000	-	-	-	-	1,332,000	6.60	6.54	-	13/7/2020	(iv)	(v)
KING William	1,332,000	-	-	-	-	1,332,000	6.60	6.54	-	13/7/2020	(iv)	(v)
Other employees	5,981,340	-	-	-	(5,981,340)	-	6.394	6.73	-	25/1/2017	25/1/2017- 24/1/2025	(i), (ii)
Other employees	1,000,000	-	-	-	-	1,000,000	4.818	4.87	-	21/5/2018	21/5/2019-20/5/2026	(iii)
Other employees	4,147,600	-	-	-	(1,000,000)	3,147,600	4.32	4.26	-	28/3/2019	28/3/2020-27/3/2027	(iii)
Other employees	2,000,000	-	-	-	-	2,000,000	4.04	3.95	-	2/9/2019	2/9/2020-1/9/2027	(iii)
Other employees	3,795,000	-	-	-	(600,000)	3,195,000	4.17	4.16	-	27/4/2020	27/4/2021-26/4/2028	(iii)
Other employees	1,319,000	-	-	-	-	1,319,000	4.48	4.27	-	11/6/2020	11/6/2021-10/6/2028	(iii)
Other employees	7,064,000	-	-	-	(1,000,000)	6,064,000	6.60	6.54	-	13/7/2020	(iv)	(v)
Other employees	1,302,000	-	-	-	-	1,302,000	6.60	6.54	-	13/7/2020	13/7/2021-12/7/2028	(iii)
Other employees	3,410,000	-	-	-	(30,000)	3,380,000	5.44	5.37	-	31/3/2021	31/3/2022-30/3/2029	(iii)
Other participants	1,000,000	-	-	-	-	1,000,000	5.44	5.37	-	31/3/2021	(vi)	(vi), (vii)
Other employees	5,283,000	-	-	-	(1,050,000)	4,233,000	4.48	4.10	-	28/7/2021	28/7/2022-27/7/2029	(iii)
Other participants	1,000,000	-	-	-	-	1,000,000	4.48	4.10	-	28/7/2021	(vii)	(vii), (viii)
In aggregate	121,531,888	-	-	-	(35,895,288)	85,636,600						
Exercisable at the end of the period						82,416,600						
Weighted average exercise price (HK\$)	6.160	-	-	-	6.248	6.123						

Other Information

The following table shows the movements in the Company's share options granted under the 2011 Share Option Scheme (by each class of grantees) during the six months ended 30 June 2025:

Class of grantees	Number of share options					Outstanding as at 30 June 2025
	Outstanding as at 1 January 2025	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	
Directors	84,229,948	–	–	–	(26,233,948)	57,996,000
Other employees	35,301,940	–	–	–	(9,661,340)	25,640,600
Sub-total	119,531,888	–	–	–	(35,895,288)	83,636,600
Other participants (Note (viii))	2,000,000	–	–	–	–	2,000,000
Total	121,531,888	–	–	–	(35,895,288)	85,636,600

Notes:

- (i) As a result of the rights issue which was completed on 18 September 2017, the exercise price was adjusted from HK\$6.71 to HK\$6.394 under the 2011 Share Option Scheme, and the numbers of outstanding share options were adjusted accordingly.
- (ii) All options granted under the 2011 Share Option Scheme are exercisable in whole or in part at anytime during the exercisable period.
- (iii) The options granted under the 2011 Share Option Scheme are subject to a vesting period of five years with 20% becoming exercisable on the first anniversary, 20% on the second anniversary, 20% on the third anniversary, 20% on the fourth anniversary and 20% on the fifth anniversary of the respective dates of grant.
- (iv) Exercisable period is from the date of satisfaction of certain conditions to 12 July 2028. For details of the conditions please refer to Note (v).
- (v) The vesting and exercise of the share options shall be conditional upon the Group's audited net profit after tax (before share-based payment expenses) and deduction of net profit after tax attributable to non-controlling interests achieving certain levels, as well as satisfaction of, among others, certain performance conditions (including, among others, levels of key performance indicators, profit performance target(s) and/or individual results performance target etc.) for the year ended 31 December 2020, 2021 and 2022 as set out in relevant grant letters (if any). As certain of the conditions had been satisfied, the relevant portion of the share options was vested on the respective relevant dates.
- (vi) The vesting and exercise of the share options shall be conditional upon satisfaction of, among others, certain performance targets (including, among others, levels of key performance indicators, profit performance target(s) and/or individual results performance target etc.) as set out in the respective grant letters. Therefore, exercisable period is from the date of satisfaction of these conditions to 30 March 2029.
- (vii) The vesting and exercise of the share options shall be conditional upon satisfaction of, among others, certain performance targets (including, among others, levels of key performance indicators, profit performance target(s) and/or individual results performance target etc.) as set out in the respective grant letters. Therefore, exercisable period is from the date of satisfaction of these conditions to 27 July 2029.
- (viii) Other participants mean service providers who provide services to the Group.

No share options were granted to participants other than those set out in the tables above. As at 1 January 2025 and 30 June 2025, no share option was available for grant under 2011 Share Option Scheme.

Share options granted to the participants under the 2011 Share Option Scheme do not confer rights on the grantees to dividends or to vote at general meetings.

No share option expense was recognized during the six months ended 30 June 2025 (six months ended 30 June 2024: share option expenses of RMB1,129,000).

Other Information

(B) RESTRICTED SHARE AWARD SCHEME ("RSA Scheme")

The RSA Scheme was adopted on 28 March 2011 for the purpose of rewarding and motivating, among others, directors (including executive and non-executive) and employees or consultants of the Company and its subsidiaries (the "Participants") with the shares of the Company. The RSA Scheme is intended to attract and retain the best available personnel, and encourage and motivate the Participants to work towards enhancing the value of the Group and the Company's shares by aligning their interests with those of the shareholders of the Company. The RSA Scheme shall be valid and effective from the date of adoption until termination by the Board in accordance with the rules constituting the RSA Scheme.

Pursuant to the RSA Scheme, existing shares of the Company will be purchased by the trustee of the RSA Scheme from the market at the prevailing market price or at price within a specified price range out of cash contributed by the Group and be held in trust for the relevant Participants until such shares are vested with the relevant Participants in accordance with the provisions of the RSA Scheme. The shares of the Company granted under the RSA Scheme and held by the trustee until vesting are referred to as the restricted share units ("RSUs") and each RSU shall represent one ordinary share of the Company.

Neither the Participants nor the trustee may exercise any of the voting rights in respect of any RSUs that have not yet been vested.

The Company shall comply with the relevant Listing Rules when granting the RSUs. If awards are made to the directors or substantial shareholders of the Group, such awards shall constitute connected transaction under Chapter 14A of the Listing Rules and the Company shall comply with the relevant requirements under the Listing Rules.

No RSUs were granted during the six months ended 30 June 2025 (six months ended 30 June 2024: 150,000).

The fair values of the RSUs granted under the RSA Scheme at granted date during the six months ended 30 June 2024 amount to approximately RMB315,000 (six months ended 30 June 2025: Nil).

During the six months ended 30 June 2025, the Group recognised expenses of RMB4,123,000 (six months ended 30 June 2024: RMB4,520,000) in relation to RSUs granted by the Company in the unaudited condensed consolidated statement of profit or loss.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

There is no change in the Directors' information since the disclosure made in the Company's annual report for the year ended 31 December 2024 and up to the date of this Interim Report pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" contained in Appendix C3 to the Listing Rules (the "Model Code") as its code of conduct for Directors' securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2025.

REVIEW BY AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. CHAN Wai Hong, Michael (who is the Chairman of the Audit Committee), Mr. KING William and Dr. LI Jing. The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025 and this interim report, and have discussed with the senior management of the Company on their respective findings, the accounting treatment, principles and practices adopted by the Group, legal and regulatory compliance, as well as other auditing, internal control, risk management and financial reporting matters. The Audit Committee did not have any disagreement on the accounting treatment adopted by the Group in its unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company has complied with the code provisions (the "Code Provision(s)") contained in Part 2 of Appendix C1 set out in the "Corporate Governance Code" (the "Code")* to the Listing Rules throughout the six months ended 30 June 2025 (the "Reporting Period"), except the following deviations from certain Code Provisions with considered reasons as given below:

Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be separate 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.

Mr. GUO Wei, the Chairman of the Board has been taking up the dual role as Chairman of the Board and Chief Executive Officer of the Company since 8 June 2018. Mr. GUO Wei has extensive experience in business strategic development and management and is responsible for overseeing the whole business, strategic development and management of the Group. The Board believes that the dual role of Mr. GUO Wei will enable the consistency between the setting up and the implementation of the business strategy and benefit the Group and the Shareholders as a whole.

Code Provision B.2.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the amended and restated bye-laws of the Company adopted on 28 June 2023, at each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office, save that the Chairman of the Board and the Managing Director shall not, whilst holding such office, be subject to retirement by rotation. Therefore, Mr. GUO Wei, the Chairman of the Board, shall not be subject to retirement by rotation. Given the existing number of Directors, not less than one-third of the Directors are subject to retirement by rotation at each annual general meeting, by which each Director (other than the Chairman of the Board) will retire by rotation once every three years at the minimum.

Code Provision C.3.3 stipulates that directors should clearly understand delegation arrangements in place. Listed company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment.

The Company has not entered into any written letter of appointment with any of its non-executive Directors or independent non-executive Directors and their terms of office are not subject to a fixed term of service. However, the Board recognises that (i) the relevant Directors have already been subject to the laws and regulations applicable to directors of a company listed on the Stock Exchange, including the Listing Rules as well as the fiduciary duties to act in the best interests of the Company and its Shareholders; (ii) all of them are well established in their professions and/or currently hold or have held directorships in other listed companies; and (iii) the current arrangement has been adopted by the Company for years and has proved to be effective. Therefore, the Board considers that the relevant Directors are able to carry out their duties in a responsible and effective manner under the current arrangement.

* The amendments to the Code effective on 1 July 2025 will apply to the corporate governance reports and annual reports of the Company commencing on or after 1 July 2025.

Other Information

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

There was no material acquisition or disposal of subsidiaries, associated companies and joint ventures during the Reporting Period.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER THE REPORTING PERIOD

There has been no significant event of the Group after the Reporting Period and up to the date of this interim report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the six months ended 30 June 2025.

By Order of the Board

GUO Wei

Chairman and Chief Executive Officer

Hong Kong, 27 August 2025

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