

INTERIM REPORT 2 0 2 6



Chinasoft International Limited
中軟國際有限公司*

Incorporated in the Cayman Islands with Limited Liability
Stock Code: 0354

* for identification purpose only

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2 HIGHLIGHTS

Results for the first half of 2026			
	For the six months ended 30 June		
	2026	2025	
Income statement highlights	(unaudited)	(unaudited)	% Change
	RMB'000	RMB'000	
Revenue	8,947,968	8,506,642	5.2%
Service revenue	8,586,976	8,248,232	4.1%
Profit before taxation	399,010	348,946	14.3%
Profit for the period	349,919	315,031	11.1%
Profit attributable to Owners of the Company	350,383	315,563	11.0%
Basic EPS (RMB cents)	13.87	12.64	9.7%
Adjusted profit before taxation*	547,605	430,802	27.1%
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026. - No closure for the Register of Members of the Company.			
* Adjusted profit before taxation is calculated as profit before taxation excluding severance compensation.			

Dear Investors,

Over the past three decades in the software industry, wave after wave of technology has reshaped the industrial landscape; but this time, AI is rewriting the underlying logic itself. Four hundred years ago, “I think, therefore I am” ushered in the Enlightenment; four hundred years later, “the model thinks, therefore I am” defines the intelligence era. In building a new production relationship of “human-machine collaborative intelligence”, we are the best positioned and the most advantaged — we have a large number of AI Coding operators, as well as partners who have long worked alongside these operators and participated in management up close. Chinasoft's choice is to proactively Reset — beginning with the end in mind and restarting the paradigm, fundamentally reconstructing the underlying logic, basic assumptions and core frameworks, striving to become the new inhabitants closest to the AI-native “World Zero”.

During the Reporting Period, the Company achieved an operating revenue of RMB8.948 billion and a net profit of RMB0.35 billion; revenue from full-stack full-scenario AI products and services reached RMB1.532 billion, representing a YoY increase of 133.7%, as the strategic transformation moved from the investment phase into the value demonstration phase. The Company firmly advanced the “One Body, Two Wings” strategic layout: with computing power infrastructure, the large model ecosystem and FDE delivery capabilities as the “body”, and AI HarmonyOS (Physical AI) and AI ERP (Digital AI) as the “two wings”, positioning itself as an “architect and integrator of enterprise Agentic AI”. The Company actively invested in building its FDE team and capabilities, and comprehensively strengthened four layers of capabilities through ecosystem cooperation — model adaptation and tuning with computing power supply, model and data governance, native AI application development, and business integration — building a complete business chain from intelligent computing to end-to-end operation of high-value Tokens.

I. THE BODY: A COMPLETE BUSINESS CLOSED LOOP FROM INTELLIGENT COMPUTING INFRASTRUCTURE TO HIGH-VALUE TOKEN OPERATION

1. Full-scale entry into the computing power business, leaping toward “computing power + model + Token” operations.

For high-professional-value Token operations, the computing power business revolves around three models: computing hardware resale, computing power leasing and Token sales. Server trading validates channel and delivery capabilities and contributes current-period profit; computing power leasing builds a scalable, renewable recurring revenue base targeting government and enterprise customers; and Token metered operation is the endgame, transforming computing power from one-off delivery into a business of continuous metered supply. The Company established Chinasoft Intelligent Computing Co. as the legal entity for its computing power business. In terms of deployment, it adheres to the dual reserve of “advanced computing power + domestic computing power” and an “asset-light and asset-heavy combination”, maintaining asset flexibility and high turnover, while actively promoting the independent deployment and consumption of domestic computing power such as Ascend. During the Reporting Period, the Company successfully won the bid for an intelligent computing center construction project for a major customer, with a contract value exceeding RMB1 billion, covering AI server cluster delivery, a computing power scheduling platform and full-lifecycle operations and maintenance — the Company's turnkey delivery capability for domestic computing power has been validated by the market. At the same time, the Company is deploying under the “computing-power synergy” model, leveraging low electricity prices and low latency to match the Token production capacity arising from the deep cooperation between allmeta and foundation model companies.

2. Deep alliance with foundation model vendors is a milestone breakthrough of the period.

The Company formally signed the "Moon Landing Project" Token revenue-sharing and joint innovation cooperation agreement with Moonshot AI (KIMI): building on the technical foundation of the allmeta platform combined with Kimi's leading large model, the Company will undertake all custom development, industry implementation and private deployment beyond Kimi's standard products, and the two parties will jointly establish an FDE joint innovation laboratory, with joint solutions to be replicated and promoted in key foundational industries such as energy and power. Most importantly, the Company will participate in revenue sharing based on Token invocation volume, gaining for the first time a share of the long-term value generated by the continuous use of the model. AI Delivery Integration (foundation model/industry/scenario) drives and elevates the effective Token consumption level. The Company also made a strategic investment in SiliconFlow, synergising computing power acceleration with full-stack AI services to enhance the adaptation capability of the Ascend chip foundation, connecting the complete chain of "domestic computing power – model inference – enterprise delivery". With this, the complete business closed loop from intelligent computing infrastructure and the model ecosystem to high-value Token operation has been fully connected.

3. Increasing investment in FDE team and capability building to connect the "last mile" of high-value Token delivery.

The Company has established FDE (Forward Deployed Engineer) capability building as its number-one investment focus — investing in FDE is investing in the right to value distribution in the Token operation era. Benchmarking against Palantir's FDE capability standards, and relying on the industry know-how accumulated over three decades of serving central and state-owned enterprises together with its position within the Huawei ecosystem, the Company has built a systematic capability framework of Echo (business insight) + Delta (engineering delivery). During the Reporting Period, the Company's AI Strategic Reserve Force completed its training, replicating production capacity at scale through the AI BootCamp. This "spark force" provided full-scale support at customer sites for 98 external business opportunities and 42 real-world projects, covering leading customers in power and energy, manufacturing, government affairs, healthcare and pharmaceuticals. Addressing customers' pain points to upgrade cooperation, it completed group-level full-cycle AI planning with a "light consulting + MVP" approach, delivering 296 sets of industry dataset plans and 137 agent blueprints. FDE is the transmission shaft of strategy execution and the delivery engine for 3-to-N scaled replication; every on-site practice feeds back into the data flywheel of the Ontology foundation. At the same time, FDEs who understand business, products and implementation are the core reason foundation model companies choose Chinasoft — co-building the FDE joint innovation laboratory with Moonshot AI (KIMI) and deepening delivery cooperation with Zhipu AI — FDE capability is becoming the Company's admission ticket to sharing the long-term value of Tokens.

II. THE TWO WINGS: FROM ECOSYSTEM CO-BUILDER TO INDUSTRY INTELLIGENCE ARCHITECT

1. AI ERP: SAP + Palantir = allmeta — a paradigm leap from Systems of Record to Intelligent Operation

The Company continued to advance its AI-native strategy, taking the allmeta enterprise intelligent operating system as the value anchor, building core value in the process of 3-to-N scaled replication, and reaching customers with the new brand along their AI Liberation spectrum. allmeta has established its combined positioning of “SAP + Palantir” — with an SAP-grade business foundation defining the enterprise digital skeleton to carry core enterprise processes, and Palantir-grade ontology-driven intelligence enabling enterprises to leap in one step from “Systems of Record” to “Intelligent Operation” systems, answering the enterprise operating system question of the Agentic AI era. In March 2026, the allmeta Enterprise Intelligent Operating System (EOS) was officially released, guided by the core philosophy of “data nourishes the ontology, and the ontology drives action”, building a three-layer closed-loop system of “foundation ECore – cognition Ontology – execution Agentic”. In the field of penetrating supervision for central and state-owned enterprises, the Company proposed the “allmeta + AI-native integration” solution based on allmeta, connecting enterprises’ existing heterogeneous systems across finance, treasury, contracts and supply chain, with multi-agent collaboration undertaking 90% of basic screening. As the lead unit of a consortium, the Company successfully won the bid for the meteorological forecasting and hydro-wind-solar-storage intelligent operation large model (Phase I) project of Yalong River Hydropower Development Co., Ltd., with a total contract value of RMB44.155 million, consolidating the Company’s core capabilities in hydrological and meteorological forecasting, integrated power dispatching, power plant production O&M, and private deployment and multi-agent collaborative scheduling for customised power market trading. At the World Artificial Intelligence Conference, the Company officially released the JointPilot Enterprise Agent Platform V3, which provides integrated capabilities covering agent building, deployment and launch, and operations management based on Huawei Cloud Stack and the openJiuwen open-source foundation, having accumulated over 350 skills and over 500 tools.

In terms of business model, allmeta breaks away from the traditional ERP model of one-off implementation fees, innovatively adopting a dual sustainable revenue structure of “base platform annual fee + pay-per-use agent Token billing”; leveraging ontology modelling technology to build high customer switching costs, it continuously accumulates long-term, stable operating cash flow. In terms of market space, the digitalisation and penetrating compliance supervision of central and state-owned enterprises are rigid policy requirements, and a large-scale system replacement window will open over the next three years; with its first-mover advantage in implementation, the Company is well positioned to capture this certain incremental demand.

2. AI HarmonyOS: Deep cultivation of root technologies, building a full-stack intelligence system with the dual engines of “OS + agents”

AI HarmonyOS is the Company's wing facing the physical world — taking the intelligent operating system as the root technology, it injects AI capabilities into real physical scenarios such as cities, transportation and robotics. At the underlying layer, it relies on KaihongOS microkernel and soft bus technology to achieve plug-and-play devices, dynamic computing power allocation and ubiquitous sensing; at the upper layer, it builds a “device – edge – cloud” collaborative agent framework, leaping toward the “Internet of Everything”. Notably, Shenzhen Kaihong has recently commenced listing preparations, and the Company's earlier strategic investment is expected to be capitalised, which will further enhance the Company's long-term investment income while amplifying the synergistic value of the OpenHarmony ecosystem.

During the Reporting Period, the Company deeply participated in the top-level design of “HarmonyOS Cities” in Xi'an, Shenzhen, Beijing, Suzhou, Nanjing and other locations. In Xi'an, as a city partner under the open competition mechanism, the Company led the formation of an innovation consortium of seven enterprises, using OpenHarmony as the unified digital foundation to solve the interconnection challenge of more than 2,000 intersections and over 25,000 heterogeneous transportation terminals, integrating 23 categories of management scenarios spanning traffic, public transit, metro and meteorology to build an OpenHarmony ecosystem cluster, forming a replicable and scalable “Xi'an model”. The Company launched M-Robots OS, the world's first OpenHarmony industry distribution meeting microsecond-level hard real-time specifications, achieving the leap from individual intelligence to swarm intelligence. Together with Shenzhen Kaihong (a core OpenHarmony ecosystem enterprise in which the Company holds a strategic stake), the Company has cumulatively contributed 10 million lines of code to the OpenHarmony community, holds 4 core PMC seats and 35 dedicated Committers, and ranks first among ecosystem vendors outside the Huawei system in both aggregate code contributions and the number of certified compatible products, continuously consolidating its industry leadership.

III. INTERNAL RECONSTRUCTION: THE RESET TRANSFORMATION AND RESHAPING OF ORGANIZATIONAL CAPABILITIES

With the goal of building an AI-native organization, the Company officially launched the RESET management transformation (Reset/Reboot/Rebuild), anchoring three objectives: in the short term, holding the baseline of simple reproduction through agent-based business management and consolidating profitability; in the medium term, forming an iterable, evolvable and sustainable operational capability and achieving a 1:9 Token-based delivery structure; and in the long term, establishing an end-to-end agent-based business management system and advancing toward a Token operation ecosystem. The AI Coding and AI Work transformations bring drastic short- and medium-term changes in the volume and structure of human resource demand; we have proactively adjusted to achieve a “formation change” on the delivery frontline, shifting resources from an “upright triangle” to an “inverted triangle”. At the same time, the Company launched zero-based budgeting for its two levels of administrative organs — “begin with the end in mind, AI First” — with all decisions traced back to ultimate business value, concentrating resources on high-value, high-frequency scenarios. By first connecting the value chain, matching new requirements, establishing new positions and accumulating new capabilities, positions are allowed to “grow” out of tasks and connect into the Ontology foundation, contributing to the data flywheel. Through BootCamp, internal and external project practice and Work-type matching are completed, with results listed on internal and external Agent Stores, forming a new pathway for innovation and entrepreneurship for all employees. Replacing retreat with renewal, with advancement and with transformation, the Company continues to forge strong organizational resilience and vitality.

IV. OUTLOOK FOR THE SECOND HALF OF 2026

In the second half of the year, the Company will follow the “One Body, Two Wings” strategic mainline, driving the strategic transformation from the “value demonstration phase” toward the “value realisation phase”.

Strengthening the foundation of the Body. The Company will accelerate the development of the intelligent computing business, expand the recurring revenue base of computing power leasing, and promote the independent deployment and consumption of domestic computing power such as Ascend. Relying on the Token revenue-sharing mechanism with Moonshot AI (KIMI), the Company will drive the “computing power + model + Token” operation model to first prove viable in key industries such as energy and power, forming measurable Token revenue. At the same time, it will launch a new cohort of AI Strategic Reserve Force training, expand the FDE team at scale, use FDE to drive the conversion of business opportunities and the 3-to-N scaled replication of projects, and continuously raise the effective Token consumption level.

The Two Wings flying in tandem. For AI HarmonyOS, the Company will accelerate the replication and promotion of the “Xi'an model” to more HarmonyOS Cities, and continue to release ecosystem synergy and investment value alongside Shenzhen Kaihong's listing process. For AI ERP, the Company will seize the system replacement window for penetrating compliance supervision of central and state-owned enterprises, accelerate the delivery and industry replication of allmeta benchmark projects, drive the substantive implementation of the “base platform annual fee + pay-per-use agent Token billing” revenue structure, and gradually make visible the valuation foundation of long-term stable cash flow.

Organizational assurance. The Company will deepen the RESET management transformation, advance agent-based business management and the implementation of zero-based budgeting for the two levels of administrative organs, and respond to the uncertainty of the technology cycle with the certainty of organisational capability. The management is fully confident in achieving the annual operating targets, and will continue to repay investors' trust and companionship with verifiable orders, revenue and cash flow.

Thirty years ago, Chinasoft started from scratch. Today, we stand at the same starting point once again. “The model thinks, therefore I am” — this is the first-principles proposition of the intelligence era, and also Chinasoft's aspiration for the future. Crossing cycles, winning in the long run. Like the chick and the hen pecking the shell in unison, we embark once more on an expedition toward the summit of “claiming one tenth of all under heaven”. Keep swimming until the sea turns blue — that is our new homeland.

We Enjoy the Inspired RESET Journey!

Chairman of the Board of Directors

Chen Yuhong

August 2026

I. FULL-STACK FULL-SCENARIO AI PRODUCTS AND SERVICES

1. Implementation of the Full-Stack Full-Scenario AI Strategy Under “One Body, Two Wings”

During the Reporting Period, the Company further advanced its full-stack full-scenario AI strategy and deepened the “One Body, Two Wings” business layout. The “Body” refers to the build-out of full-stack AI capabilities spanning computing power, Tokens and applications; the “Two Wings” refer to software-hardware integrated capabilities for the production domain built on HarmonyOS as the foundation, and intelligent operation capabilities for the business management domain centred on AI ERP. With full-stack full-scenario AI, the Company aims to transcend traditional IoT and traditional ERP and become the architect and integrator of enterprise Agentic AI. During the Reporting Period, the Company achieved remarkable results in its full-stack full-scenario AI strategic transformation, with revenue from full-stack full-scenario AI products and services reaching RMB1.532 billion, representing a YoY increase of 133.7%.

During the Reporting Period, centred on its full-stack full-scenario AI strategy, the Group accelerated its extension into computing power supply and services, continuously improving the full business chain spanning computing power infrastructure, model services, enterprise agent platforms and industry application delivery. The computing power business is conducted mainly through business models such as the sale and leasing of computing power resources, Token sales and operations, and the development of enterprise-grade agent platforms and applications, driving the conversion of general-purpose computing power resources into high-professional-value model services and industry intelligent applications. The Group’s computing power business forms a new growth driver for the Company and serves as the underlying resource foundation for the strategy built around “computing power – Token – agent applications”: it provides computing power supply for high-value Token and agent application businesses; enables high-performance Token production and invocation through AI Infra capabilities, complemented by API access and application integration services; and the AllMeta platform and the Forward Deployed Engineer (FDE) system further embed industry knowledge and intelligent applications into customers’ real business processes. The three work in synergy to form an integrated capability closed loop of “computing power – Token – agents”.

At the computing power layer, the Company plans to build AIDCs, adopting a development path that combines domestic and internationally advanced computing power and integrates self-built and leased resources, deploying user-oriented intelligent computing centres in core cities and efficiency-oriented computing power resources at the eight national computing hub nodes in the first batch, while advancing its overseas computing centre business in parallel. The Company continued to strengthen sales of high-end AI computing equipment and domestic Ascend computing power, and its computing power leasing business also progressed steadily. At the Token layer, the Company built a dual-engine sales model based on the CSI MaaS platform and the BootCamp mechanism, and established a Token revenue-sharing cooperation mechanism with Moonshot AI (KIMI), a leading foundation model vendor, completing the commercial closed loop of “model capabilities – Token consumption – revenue sharing”. Meanwhile, the Company continued to strengthen its capabilities in model adaptation, deployment, tuning and operations to enhance service value. At the application layer, the Company focused on core industries such as electric power, finance, manufacturing and government, using AI applications to drive computing power demand and Token consumption. Computing power supports the Token business and AI applications, while AI applications drive computing power demand and Token consumption — together forming a mutually reinforcing business flywheel that builds a complete commercial closed loop for the Company from intelligent computing infrastructure to high-value Token operations, further solidifying the strategic foundation of “One Body, Two Wings”.

In AI HarmonyOS, the Company continued to consolidate its leading position in the OpenHarmony ecosystem, built physical AI software-hardware integrated capabilities for urban governance and industrial production scenarios, and participated deeply in the top-level planning, construction and implementation of smart cities in Xi'an, Shenzhen, Beijing, Suzhou and other locations. In smart transportation, as the lead implementation unit of Xi'an's open competition special project for OpenHarmony smart transportation, the Company deployed full-stack OpenHarmony intelligent signal-controlled intersections in batches at core urban intersections, achieving an ultra-fast end-to-end response of seven seconds for green-wave escort of special vehicles and creating a Xi'an model that can be replicated and promoted nationwide. In ecosystem development, the Xi'an OpenHarmony Adaptation Centre completed its cluster-based upgrade into an industrial innovation centre. The Xi'an OpenHarmony Industry Innovation Centre was approved through joint review by four government departments, adopting a “one centre, four professional platforms” architecture with 15 first-batch co-founding units, supporting Xi'an in cultivating a RMB100 billion-level OpenHarmony industrial cluster. Meanwhile, the Company also made outstanding progress in smart public security, smart energy, smart expressways, smart water conservancy, smart parks and other industries.

In AI ERP, the Company continued to advance its AI Native strategy. Centred on the allmeta enterprise intelligent operating system and positioned as the intelligent gateway to enterprise Agentic AI, the Company built AI-native operational capabilities covering the entire chain of enterprise operations and management. The Company officially released allmeta Ontology V1.0, its enterprise AI ontology platform, which adopts an Agentic AI architecture (the Ecore connectivity foundation – the Ontology semantic hub – the Agentic execution system) to transform enterprise business objects, rules, processes and knowledge into intelligent execution capabilities that AI can understand and execute. In the energy industry, the Company successfully won the bid for the weather forecasting and intelligent operation foundation model (phase I) project for hydro-wind-solar-storage of Yalong River Hydropower Development Co., Ltd., implementing a benchmark industry foundation model project and accumulating capabilities in private deployment and standardised delivery. The Company continues to leverage the “Human+AI” collaborative delivery model to accelerate the transformation of its AI capabilities from product innovation to scaled industry replication.

2. Advancing Strategic Cooperation with Foundation Model Vendors

During the Reporting Period, the Company established in-depth cooperation with leading domestic foundation model vendors, forming a well-structured ecosystem layout with clearly defined cooperation models. The Company signed and implemented a strategic agreement with Moonshot AI's KIMI, creating a new Token sales revenue-sharing model. The Company signed a “Moon Landing Project” Token revenue-sharing and joint innovation cooperation agreement with Moonshot AI, a key strategic move in the Company's transformation into a “high-professional-value Token operator”. With the Company's self-developed AllMeta platform combined with the Kimi K2.7 Code and K3 foundation models as the core foundation, the two parties will jointly build an FDE innovation laboratory, focusing on key industries such as energy, electric power and finance to advance the definition, R&D and scaled commercialisation of enterprise-grade Agentic AI products. Under the business model, the two parties share, at an agreed ratio, the revenue from Token consumption generated on Kimi foundation models and other derivative income arising from the cooperation. The Company actively seized the golden window of tight computing resources following the launch of Kimi K3 to accelerate the ramp-up of Token sales, and formed an FDE delivery task force of engineers to build replicable engineering delivery capabilities.

During the Reporting Period, the Company engaged in-depth discussions with Zhipu AI on private deployment for central and state-owned enterprises. The Company is advancing the private deployment of Zhipu AI's models and FDE engineering implementation in the central and state-owned enterprise market, and has stationed engineer teams to provide services such as AI scenario implementation, AI application development and follow-up operations and maintenance. The Company will focus on two to three central and state-owned enterprise customers to create standardised benchmark cases of "foundation model + FDE delivery", forming a complete closed loop of "computing power – model – delivery". Meanwhile, the Company has also engaged in business cooperation discussions with foundation model vendors such as DeepSeek, MiniMax and ByteDance.

3. The “Body”: AI Computing Power Platform and Applications

3.1 AI Computing Power Business

During the Reporting Period, the Company accelerated the build-out of self-built computing power and infrastructure. The Company actively procured high-end AI servers to build computing power infrastructure, adopting a development path that combines domestic and internationally advanced computing power and integrates self-built core AIDCs with leased high-quality AIDCs. In the first batch, the Company planned to build user-oriented intelligent computing centres in core cities such as Beijing and Xi'an, and to deploy efficiency-oriented computing power resources at the eight national computing hub nodes including Sichuan and Ulanqab, while evaluating and advancing the construction of overseas computing centres in parallel to develop its overseas computing power business. The Company achieved commercial breakthroughs in computing power hardware sales. Relying on compliant upstream supplier channels, the Company sells computing power servers and supporting equipment to enterprise, government and research institution customers, complemented by one-stop value-added services such as selection consulting, deployment and commissioning, and operations support. During the Reporting Period, a wholly-owned subsidiary of the Company entered into sales agreements for high-end AI computing equipment with several independent third-party customers, marking that the Company's high-end AI computing power segment has formally entered the stage of scaled market implementation from strategic layout.

In domestic computing power cooperation, the Company vigorously promoted sales of Ascend computing equipment, reaching deeply into core customers in manufacturing, oil and gas, and electric power, empowering industry customers to implement AI digital transformation. The computing power leasing business progressed steadily. Leveraging its intelligent computing centres and computing cluster resources, the Company provides computing power leasing services to customers with flexible and medium-to-long-term computing power needs, complemented by value-added services such as computing power scheduling, operations and optimisation. Its self-built industry computing centres will prioritise the Company's own Token business and the computing power needs of strategic partners such as Moonshot AI, creating integrated service capabilities "from computing power to enterprise applications".

3.2 High-Professional-Value Token Operations

During the Reporting Period, the Company officially launched high-professional-value Token operations, marking a key breakthrough in its AI commercialisation model. The Token revenue-sharing agreement signed with Moonshot AI defines a sustainable and scalable commercial path, under which the two parties share, at an agreed ratio, the Token revenue generated on Kimi foundation models and other derivative income arising from the cooperation. This model completes the closed loop of "model capabilities – Token consumption – revenue sharing". Meanwhile, the Company made a strategic investment in SiliconFlow, upgrading the relationship from business synergy to in-depth "capital + industry" collaboration, strengthening heterogeneous computing power scheduling and domestic adaptation capabilities, forming a full-chain closed loop of "computing power foundation – model services – commercial operations", and jointly expanding into core industry markets such as energy, electric power and finance. Through these deployments, the Company is accelerating the construction of a comprehensive AI infrastructure ecosystem and driving its transformation and upgrade into a "high-professional-value Token operator".

In terms of the Token sales model, the Company has formed a dual-engine drive. First, it launched the CSI MaaS platform (maas.jointpilot.com), which carries standardised model services and Token distribution. The first batch connected three core models — Kimi K3, K2.7-Code and K2.6 — covering key scenarios such as long-context understanding, code generation and general Q&A. Combined with end-to-end consulting, integration and operation services, the platform helps customers in finance, manufacturing, government affairs and other industries rapidly implement AI productivity. Currently, a financial technology customer is conducting performance verification tests for Kimi model integration, carrying out dedicated stress tests and actual measurements on key technical indicators such as concurrency, TPM, RPM and TTFT. Second, the Company innovatively launched the BootCamp model, jointly establishing innovation workshops with leading industry customers, in which FDE teams are stationed on-site to participate deeply in co-creation around customer scenarios. Tokens are naturally consumed in engineering solutions to real business problems, forming a sticky operating model of "locking in customers through scenarios and driving sales through delivery".

3.3 Private Deployment of Foundation Models for Central and State-Owned Enterprises

During the Reporting Period, the Company built a full-stack capability system for the private deployment needs of central and state-owned enterprises for foundation models, providing customers with full-stack services from computing infrastructure construction and private model deployment to industry agent development, completing the full chain from underlying computing power to upper-layer application implementation. In terms of domestic computing power foundation and platform capabilities, the Company deeply adapted to domestic computing power platforms such as Huawei Ascend, achieving stable operation of foundation models on a fully domestic computing foundation. At the platform level, relying on its self-developed allmeta enterprise intelligent operating system and the JointPilot Enterprise Agent Platform, the Company provides diversified AI services such as foundation model migration, private deployment, model distillation, fine-tuning and agent development. The FDE delivery system safeguards implementation. For a culture and tourism bureau, the Company built one culture-and-tourism foundation model hub and five application scenarios on the foundation of big data and foundation model technologies, empowering precise management

and expanding personalised services. With the FDE (Forward Deployed Engineer) system at its core, the Company deeply integrates the delivery capabilities of its engineer teams with the allmeta platform, and through a customised “one policy for each enterprise” delivery model, ensures deep adaptation of foundation models to the core business processes of central and state-owned enterprises, achieving a full-lifecycle service closed loop from solution design and model deployment to continuous operations.

3.4 Building the FDE Delivery System

During the Reporting Period, the Company built a trinity AI engineering capability system of “talent echelon – platform tools – delivery methodology” around FDE, completing the “last mile” from foundation models to business scenarios.

Building the FDE talent echelon and capability standards. Drawing on AI project implementation practice, the Company built an FDE hexagonal competency model covering “AI domain consulting capabilities, full-stack AI engineering capabilities and continuous AI operation capabilities”, forming a composite talent standard of understanding business, products and implementation. The first cohort of the Company’s BootCamp graduated, focusing on eight industries — healthcare, finance, government affairs, manufacturing, energy, electric power, transportation and education — selecting real customer pain-point scenarios for joint innovation and incubating 15 internal and external AI scenarios such as a power trading AI assistant and a financial AI collection assistant. The second BootCamp cohort plans to select 608 participants, adding education, healthcare, logistics and other industry scenarios on top of the original eight industries to cover broader AI implementation needs.

The Company and Kimi jointly built an FDE innovation laboratory, bringing together top industry experts and R&D forces to jointly carry out the definition, R&D, delivery, refinement, testing and continuous iteration of enterprise-grade Agent products. The first phase of cooperation focuses on the key energy and electric power industry, carrying out technical breakthroughs and scenario innovation around core industry business scenarios, and jointly creating intelligent power AOS, industry-specific agents and integrated digital-intelligent solutions.

3.5 Huawei Cloud/Ascend Cloud Cooperation

During the Reporting Period, the Company maintained close cooperation with Huawei Cloud. Over nine years of “Same Boat, Same Journey” cooperation, the Company has maintained strong competitiveness in Huawei Cloud business, with revenue from AI intelligent computing products growing over 100% YoY and overall performance continuously maintaining a leading position among Huawei Cloud’s core partners. The Company holds 10 level-one and 18 level-two capability labels as a certified Huawei Cloud Transformation Service Provider (CTSP), ranking first in the number of partner label certifications. As one of the first partners of the public industry cloud alliance, the Company joined industry think tanks such as the China Software Industry Association and the China Academy of Information and Communications Technology to build an open, inclusive, efficient and secure public cloud ecosystem, jointly promoting high-quality development of the cloud industry and accelerating the implementation of the intelligent economy. The Company was honoured with the “Outstanding Solution Partner Award” at the Huawei Cloud Innovators Conference and the “Huawei Cloud Nine Years Together” award, and received awards such as “King of Lions”, “Outstanding Contribution Award for General Distributor” and “Partner Through Thick and Thin” in Huawei’s key regions.

Based on Huawei Cloud’s “silicon-based black soil” ecosystem foundation, the Company deeply cultivated vertical industries such as manufacturing, retail and pharmaceuticals, building a rich matrix of AI industry applications and full-stack service delivery capabilities to provide customers with “AI industry cloud” solutions with significant differentiated advantages. In manufacturing, the Company actively responded to Guangdong Province’s core software breakthrough project and the national digital transformation pilot policy for SMEs, leveraging its consulting and diagnostic strengths and general integration advantages to help enterprises such as Foshan Lighting, Huile Technology and Runmao Precision complete digital upgrades, consolidating the foundation for high-quality development of local manufacturing. In retail, the Company deployed a cloud ERP system for a large chain apparel enterprise, supporting real-time store inventory control and integrated business-finance operations through core scenarios covering store retail, warehousing and logistics, supply chain collaboration and financial settlement, driving a leap in operational efficiency. In pharmaceuticals, the Company built a pharmaceutical knowledge enhancement and intelligent retrieval solution for a domestic medical infrastructure platform, stably supporting over 600 million Token calls per day and ensuring a stable access experience for one million registered doctors nationwide.

During the Reporting Period, the Company continued to deepen cooperation with Huawei in the Ascend domain, focusing on high-value customer needs and taking AI as the entry point to jointly create full-stack full-scenario AI products, solutions and service systems with industry attributes. The Company continued to build a full-stack Ascend Cloud professional service system covering “IaaS infrastructure – PaaS platform enablement – AI data and model engineering – SaaS intelligent applications – industry solutions”, forming end-to-end, full-lifecycle intelligent delivery capabilities.

In infrastructure and platform enablement, the Company provides enterprise cloud migration consulting, Ascend Cloud architecture design, Ascend computing power migration and adaptation, disaster recovery backup and performance optimisation services to consolidate the cloud foundation. Relying on the CodeArts R&D toolchain and DevOps system, the Company provides cloud-native architecture transformation, container platform operations, microservices governance and full-lifecycle software R&D support, while carrying out customised development of the Pangu R&D foundation model and plug-ins as well as data annotation and training services, building an intelligent R&D and delivery platform.

In AI engineering and data services, the Company focuses on the dual drive of data engineering and model engineering, building capabilities covering AI data collection, annotation, augmentation, governance and full-lifecycle model management, and providing services such as foundation model fine-tuning, multimodal training, RAG knowledge engine construction, and inference optimisation and deployment, completing the “last mile” of AI implementation.

In intelligent applications and industry empowerment, the Company launched AgentArts agent professional services, accumulating rich agent assets and industry solutions covering smart government affairs, intelligent manufacturing, healthcare and pharmaceuticals, and oil and gas energy, achieving scaled implementation of scenario-based AI applications such as intelligent customer service, predictive equipment maintenance, pharmaceutical registration and filing, and SOP generation. Meanwhile, the Company built an integrated service closed loop of “consulting and planning – application development – integration and implementation – training and operations”, providing customers with one-stop Ascend Cloud companion services covering diagnosis, planning, migration, development, operations and talent empowerment, continuously helping industry customers achieve high-quality intelligent upgrades.

Meanwhile, with advanced public cloud as the foundation, the Company deeply integrated the Huawei Cloud openJiuwen framework to create a new AI-native delivery model of “development on the cloud, delivery off the cloud, and imperceptible scaling of computing power”. At the deployment level, the model supports bidirectional dynamic scheduling between private environments and Huawei public cloud through a hybrid elastic architecture, complemented by supporting R&D toolchains and collaboration platforms. The system has already been implemented in high-value scenarios such as electric power, finance, intelligent manufacturing and digital government affairs.

4. The Two Wings: AI HarmonyOS

4.1 Strategic Positioning and Leading Position

Seizing the opportunities from the national “Six Networks” new infrastructure construction, the Company pursues a dual drive of self-developed product breakthroughs and industrial ecosystem collaboration, continuously delivering standardised OpenHarmony full-scenario solutions and striving to build itself into an OpenHarmony intelligent terminal industry chain leader with all-domain coordination capabilities. Relying on the dual core foundations of KaihongOS and KaihongOS Meta, the Company supplies standardised, highly reliable and highly real-time IoT sensing data to general-purpose and industry-specific AI foundation models, consolidating the data foundation for scaled AI implementation in the real economy.

During the Reporting Period, the Company continued to deepen full-stack in-house R&D, working with mainstream domestic chip vendors to iterate and upgrade fully domestic software-hardware integrated Xinchuang solutions. Relying on the distributed soft bus, it achieved unified management, intelligent scheduling and distributed collaboration of terminals across brands and categories, and improved a complete Xinchuang operating system capability matrix covering the kernel, middleware, industry adaptation and security control. The Company continued to implement the “City Partnership + Chief Engineer Working Group” urban industry operation model, adding Jinhua as a key implementation city and participating deeply in smart city top-level planning in Xi’an, Shenzhen, Beijing, Suzhou and Jinhua. Relying on the city adaptation and certification system, regional industrial innovation centres and the KaihongOS Meta IoT management platform, the Company continued to expand its standardised product libraries for transportation, public security, water affairs, housing and construction,

and urban management, while developing AI HarmonyOS standardised terminals and segmented industry solutions in-house and working with upstream and downstream partners to advance the HarmonyOS-based domestic iteration of existing equipment and business systems.

In terms of technological innovation and qualification advantages, the Company worked with benchmark enterprises in the real-time operating system industry to continuously iterate and optimise “M-Robots OS” (the world’s first distributed heterogeneous multi-robot collaborative operating system), consolidating its capability as the world’s only OpenHarmony industry distribution meeting microsecond-level hard real-time indicators, and adapting to ultra-low-latency scenarios such as high-precision industrial control, aerospace equipment and embodied intelligent robots. Its security qualifications continued to rank in the first tier of the domestic OpenHarmony industry, with its barriers of three national-level authoritative security certifications continuously consolidated. The Company completed the version iteration and upgrade of “Hongyun Virtual Machine 2.0”, which in actual testing stably supports over 2,000 Windows office applications, comprehensively supporting the implementation of government and enterprise HarmonyOS PC domestic office replacement scenarios.

In community co-building, as a platinum donor of the OpenAtom Foundation, a Class A donor of the OpenHarmony project group and a top-100 code contributor, the Company, together with Shenzhen Kaihong, has cumulatively contributed over eight million lines of code to the upstream main repository. It holds four seats on the PMC (Project Management Committee) and 35 full-time Committer core developers, participates deeply in the co-building of 30 industry SIG working groups, and has cumulatively passed official OpenHarmony compatibility assessments for 62 software and hardware products. Both core indicators — total code contributions and the number of products passing compliance assessments — rank first among ecosystem vendors other than Huawei, and the Company’s community leadership advantage continues to strengthen.

During the Reporting Period, a milestone breakthrough was achieved in the construction of the national-level industry standard system for OpenHarmony. On 26 June 2026, the Science and Technology Department of the Ministry of Industry and Information Technology published the standard project approval notice, formally including three core OpenHarmony industry standards in the development plan, marking the official launch of a unified national-level OpenHarmony standard system. Shenzhen Kaihong participated deeply in the joint lead drafting of the “Unified Interconnection, Access and Control Interface for OpenHarmony Devices”, the “General Test Methods for OpenHarmony Application Compatibility” and the “OpenHarmony Operating System Technical Framework”, achieving a milestone leap for OpenHarmony from technology ecosystem implementation to national-level standard leadership.

4.2 Main Products and Services

4.2.1 ***Software-Hardware Integrated Intelligent Terminal Products***

The Company continued to advance its own-IP software-hardware integrated intelligent terminal products, focusing on scenario solutions for urban renewal, public security, expressways, urban water affairs, and parks and residential communities, actively driving the Company's transformation into a manufacturer and supplier of AI + HarmonyOS software-hardware integrated terminal products.

Intelligent sensing terminals: the Company's self-developed new products were upgraded to standardisation, with its full range of AI HarmonyOS cameras completing fully domestic software and hardware standardised adaptation, fully supporting the GB/T28181 and GB35114-2025 national standards, and natively integrating four core capabilities — AI algorithms, high-definition video streaming, NearLink short-range local parameter tuning, and PWL industry-dedicated transmission links. The product matrix added the HarmonyOS integrated weather pole station, forming a complete sensing product series together with the existing smart cameras and Radar-Vision Integrated Devices. Scaled pilots were completed in Beijing, Xi'an and Shenzhen, making them core carriers of all-domain urban AI sensing.

Industry-dedicated terminals: the Company iterated and launched a new generation of police wearable devices and newly released the complete “HarmonyOS Smart Police Car” product, creating the brand-new “Jing Hong OS unified in-vehicle foundation” industry solution. With domestic endogenous security at its core, the solution builds an architecture of one OS for the entire vehicle, soft-bus all-domain interconnection, edge-side real-time intelligence, and closed-loop cloud-edge-device operations:

- Cloud: connecting the dual platforms of the public security police cloud and the mobile police cloud;
- Edge: equipped with a native HarmonyOS police-car-dedicated in-vehicle system;
- In-vehicle devices: seamless interconnection of all vehicle devices based on PWL dedicated links and the distributed soft bus;
- Individual officer linkage: automatic interconnection and collaboration with frontline police wearables and law enforcement terminals.

During the same period, the Company upgraded the HarmonyOS firmware of existing domestic PLC and traffic signal controller products. New bulk orders for public security and transportation industry terminals were secured in the first half of the year, and the number of standardised models increased by 40% compared with the end of 2025.

Swarm intelligence products: the Company continued to iterate the kernel code of Shenzhen Kaihong’s M-Robots OS, adding a multi-robot collaborative scheduling algorithm module. Building on continued in-depth cooperation with the Harbin Institute of Technology Chongqing Research Institute, the Company added three complete-robot manufacturers to jointly develop quadruped robot dogs and park mobile inspection robots. Small-batch pilot implementations across multiple scenarios were completed in the first half of the year, enriching the hardware implementation forms of “terminals + agents”.

During the Reporting Period, the Company expanded into new terminal categories. Relying on the chip adaptation achievements of the HarmonyOS southbound ecosystem, it added two new terminal product lines — smart commercial large screens and Luyuan HarmonyOS two-wheeled electric vehicles — entering the consumer mobility terminal market.

4.2.2 City-Level All-Domain IoT Management Platform

During the Reporting Period, the Company continued to optimise its self-developed KaihongOS Meta Super Device unified management platform. With a standardised thing-model system as the core technical foundation, the platform shields underlying protocol differences of multi-vendor, multi-category hardware downwards and provides unified data interfaces and scheduling capabilities for full-stack AI applications upwards, serving as the core carrier supporting all-domain collection of IoT data, distributed intelligent device scheduling, and integrated operation of city-level IoT assets. The Company completed an upgrade of the platform's technical foundation, iterating the Super Thing Model Kit 2.0, adding a pluggable component library for AI device health early warning, and further reducing the device onboarding cycle to within four hours. It optimised the million-level device concurrent scheduling engine, keeping cross-terminal response latency stably within 50ms. AI capabilities were enhanced in parallel: the device health early warning engine was upgraded to version 3.0, the fault signature library for industrial, water affairs and transportation equipment was expanded, and fault early-warning accuracy remained stably above 92%.

The urban HarmonyOS digital foundation based on the KaihongOS Meta platform was successfully implemented in industries such as urban renewal, smart transportation and smart water conservancy. During the Reporting Period, three new implementation tracks were added — urban lifelines, industrial parks and public security policing. The platform continued to be selected for the Ministry of Industry and Information Technology's white paper on typical digital transformation cases, becoming a benchmark product in the domestic all-domain IoT device unified management and control track. It can support all-domain access and distributed collaborative scheduling of massive heterogeneous terminals across multiple industries, provide an underlying unified management and control foundation for intelligent terminal clusters and multi-agent robot coordination, and complete the end-edge-cloud full-chain collaboration channel.

4.2.3 Urban OpenHarmony Ecosystem Integration Business

During the Reporting Period, the Company innovatively created the standardised commercial implementation model of “City Partnership + Chief Engineer Working Group”, implementing a three-step path of “building OpenHarmony adaptation centres – demonstrating benchmark scenarios – cultivating upstream and downstream industry clusters”, building a complete commercial closed loop of “underlying technology R&D – standardised product output – all-domain market replication”, and promoting the mature model in batches to cities nationwide.

Xi'an Implementation Practice (National Benchmark Model)

As the core chain-owner enterprise of Xi'an's OpenHarmony industry chain, the Company worked with local industry leaders, key universities, research platforms and specialised research institutions to co-build industrial carriers. Focusing on the two core tasks of OpenHarmony ecosystem cultivation and industry chain quality upgrading, the Company built a full-chain collaborative innovation system covering technological breakthroughs, proof of concept, pilot-scale maturation, scenario pilots, enterprise incubation and industrial investment, creating an integrated industrial innovation platform that combines scenario-driven demand, technological breakthroughs, product development, ecosystem cultivation and market-oriented operation. This effectively removes technological and industrial bottlenecks in industry digital transformation, drives the scaled commercialisation of laboratory research results, comprehensively supports the implementation of Xi'an's “HarmonyOS City” top-level strategy, and accelerates the clustered, high-quality development of the local OpenHarmony industry.

In public security and government affairs: during the Reporting Period, the Company led the improvement of the OpenHarmony construction standard system for the public security industry, filling a domestic standard gap in this segment. Relying on AI-integrated OpenHarmony individual-officer terminals and a coordinated system of in-vehicle intelligent equipment, the Company empowered city-wide social security governance, forming a standardised implementation paradigm reusable nationwide. Working with ecosystem partners to introduce police

intelligent application systems, the Company built a business closed loop of “scenario demand discovery – customised technology R&D – terminal product adaptation – scaled market application”, while cultivating local specialised enterprises in the security track to form a regional security industry cluster. The initiative also addressed the shortage of OpenHarmony professionals in public security; after implementation, frontline police operation and maintenance efficiency improved by over 35%, and police force resource allocation was optimised by over 20%.

In meteorological integration: during the Reporting Period, the Company broke down cross-industry data silos between meteorology and transportation, implementing a domestic OpenHarmony integrated meteorological application project that deeply couples meteorological monitoring stations with smart transportation scenarios. Focusing on core transportation hubs such as Xi'an's urban ring roads, and relying on a multi-technology integration solution of “OpenHarmony + AI sensing + intelligent terminals”, the Company achieved millisecond-level interconnection and sharing of meteorological and transportation terminal data, providing data support for dynamic road network control and extreme weather emergency response. The solution can be extended and adapted to 23 categories of refined urban management scenarios, driving the transformation of traditional meteorological services towards scenario-based proactive empowerment.

In urban water affairs: during the Reporting Period, the Company removed data barriers within the water affairs industry and with external domains such as meteorology and emergency management, promoting deep integration of the OpenHarmony water management and control system with all business scenarios of water supply, drainage, and flood and waterlogging prevention. Focusing on core governance scenarios such as urban pipe networks, water purification plants and heating stations, and relying on the local OpenHarmony adaptation, certification and development centre to complete technology integration and transformation, the Company achieved intelligent coordinated management and control of the entire water affairs process, empowering refined and unmanned urban water governance.

Expansion to Beijing, Shenzhen, Suzhou, Jinhua and Other Locations

During the Reporting Period, in Beijing, the Company launched the Changping HarmonyOS District development, with fire protection and transportation HarmonyOS pilots entering the equipment deployment stage. In Shenzhen, a new benchmark elderly-care property project was added: the Longgang Chunxuanmao project — the nation's first full-scenario HarmonyOS elderly care home — completed hardware deployment, connecting over 3,000 health sensing terminals, and is scheduled to commence official operations in the second half of 2026. The Guangming Science Residence HarmonyOS smart villa completed the packaging of a standardised whole-house intelligence solution, which can be exported as a complete package to the real estate industry. The HarmonyOS device adaptation rate at the Shenzhen headquarters Cloud Intelligence Building remained above 93%, with the AI agent autonomous operation and maintenance system continuously optimised. In Suzhou, the Company deepened scenario development and batch device adaptation for smart parks, urban-rural water affairs, smart transportation and other scenarios. In Jinhua (Puijiang), relying on the East China Innovation Centre, the Company implemented a county-level HarmonyOS industry demonstration project, incubating standardised IoT products and gathering local software and hardware ecosystem enterprises.

4.2.4 Key Industry OpenHarmony Solutions: Smart Transportation

During the Reporting Period, as the lead implementation unit of Xi'an's open competition special project for OpenHarmony smart transportation, the Company iterated and upgraded the "Lu Hong (Road Harmony) IoT Operating System" and advanced adaptation innovation between OpenHarmony and NearLink technology, achieving interconnection and interoperability of transportation equipment across vendors and models. At the 7th Western Digital Economy Expo, Chinasoft International and JiaDu Technology jointly demonstrated an integrated smart transportation full-stack solution covering "platform – system – terminal".

During the Reporting Period, the Company successfully created a standardised model of OpenHarmony-based transportation in Xi'an, deploying full-stack OpenHarmony intelligent signal-controlled intersections in batches at core urban intersections. Radar-vision integrated sensing terminals precisely capture all-dimensional traffic flow dynamics, with sensing data transmitted in real time to the OpenHarmony signal control host, and the system dynamically and adaptively adjusts signal timing based on an AI traffic flow analysis model. The green-wave escort scenario for special vehicles achieves ultra-fast end-to-end response — only seven seconds from video recognition of a whitelisted special vehicle to dynamic signal switching. As the core sensing terminal, the Radar-Vision Integrated Device combines radar and video technologies to precisely identify intersection traffic conditions, upgrading traditional “single-point adaptation” to “networked adaptation”. Actual road tests show that traffic efficiency at pilot intersections improved by 20%-25%. According to the plan, over the next two to three years, HarmonyOS-based transformation will be completed at over 3,600 road intersections and over 400 expressway nodes in Xi'an, covering 23 categories of management scenarios including transportation, public transit, metro and meteorology, laying the foundation for Xi'an's development as a “HarmonyOS City”.

During the Reporting Period, the Company established a smart transportation joint research mechanism with Chang'an University. The two parties carry out joint technology creation, joint talent cultivation and joint scenario pilots around the Lu Hong system, vehicle-road coordination and transportation AI sensing. Co-built joint laboratories and research institutes serve as physical platforms, focusing on the two major fields of intelligent transportation and the OpenHarmony technology ecosystem, and driving the transformation of frontier research results into practical industrial applications.

4.2.5 Key Industry OpenHarmony Solutions: Smart Public Security

During the Reporting Period, together with Shenzhen Kaihong, the Company participated deeply in the joint R&D of the Ministry of Public Security's Jing Hong (Police Harmony) dedicated operating system and undertook the national-level Jing Hong pilot project for Xi'an public security. Centred on two core product systems — OpenHarmony individual-officer intelligent equipment and smart policing in-vehicle terminals — the Company built a national-benchmark integrated smart policing solution. The project is the first city-level pilot in which OpenHarmony is implemented in an organised and systematic manner in the public security domain, focusing on the actual deployment and application of the Jing Hong system across the two core product systems of individual-officer equipment such as police communication devices, body-worn law enforcement recorders and in-vehicle terminals, as well as smart policing in-vehicle terminals. It builds a secure, trusted and interconnected smart policing terminal ecosystem, creates a national-benchmark integrated smart policing solution, and provides replicable construction experience and acceptance standards for subsequent nationwide scaled promotion.

In line with Xi'an public security's integrated "intelligence-command-action" operational reform under the 15th Five-Year Plan, the Company improved the three-level operational policing architecture of "terminal sensing – edge computing – cloud assessment". The new-generation integrated intelligence-command-action platform added batch applications of AI agents, achieving automatic incident assessment, intelligent police force dispatch and front-loaded risk early warning. HarmonyOS individual-officer law enforcement terminals and smart police car in-vehicle terminals formed a standardised complete solution, with complete project construction acceptance standards delivered in parallel, meeting the conditions for nationwide scaled replication.

4.2.6 Key Industry OpenHarmony Solutions: Energy and Large-Scale Water Conservancy

During the Reporting Period, the Company reached in-depth strategic cooperation with POWERCHINA and jointly established the Jian Hong (Construction Harmony) joint laboratory. Integrating the technology, market and industrial resources of the three parties, and with the “Jian Hong” industry distribution and the all-domain IoT middle platform as dual core carriers, the parties carry out joint technological breakthroughs and application co-creation around segmented scenarios such as grid frame assembly, intelligent dams, intelligent caverns, smart construction sites, industrial parks and new energy stations. Together they strive to create benchmark digitalisation solutions for the engineering construction and clean energy industries, comprehensively improving intelligent management and control of large-scale engineering projects and the efficiency of coordinated industry chain operations, and supporting the implementation and transformation of new quality productive forces in infrastructure and energy.

During the Reporting Period, the Company participated deeply in the digital construction of the lower Yarlung Tsangpo River hydropower station, a national project of the century, promoting OpenHarmony across the site as the unified technical foundation for on-site equipment and deploying in batches OpenHarmony integrated gate-control units, hydrological and meteorological sensing sensors, edge intelligent control cabinets and radar-vision integrated sensing terminals. It implemented standardised complete solutions for coordinated river channel regulation, smart irrigation districts and dynamic reservoir safety monitoring, creating a national benchmark OpenHarmony project for large-scale water conservancy works.

4.2.7 Key Industry OpenHarmony Solutions: Smart Parks, Intelligent Buildings and Elderly-Care Scenarios

During the Reporting Period, the Company launched its “Cheng Hong” (City Harmony) integrated smart park and intelligent building total solution, covering all-scenario, all-category intelligent terminals for parks. The product matrix includes standardised hardware such as OpenHarmony smart cameras, facial recognition access control terminals, intelligent lighting control modules, energy consumption collection gateways, environmental data collectors, smart conference table cards, park central control screens and information release terminals. The main construction of the Shenzhen headquarters Cloud Intelligence Building was substantially completed, with an OpenHarmony adaptation rate of on-site intelligent devices exceeding 93%, making it the nation's first fully domestic smart building autonomously operated, maintained and controlled by AI agents. The Shenzhen Guangming Science Residence implemented an OpenHarmony whole-house intelligence project, achieving unified access and visualised centralised control of all categories of home terminals, and working with OpenHarmony phones and wearable watches to build Super Device collaborative management capabilities, delivering a what-you-see-is-what-you-control interactive experience and providing guests with seamless smart services throughout their stay.

The OpenHarmony health and elderly-care segment integrates multiple categories of health sensing terminals — anti-snoring smart pillows, millimetre-wave anti-fall radar, OpenHarmony smart watches, smart toilets, acoustic therapy chairs, smart mattresses and constant-temperature bathtubs — to build a proactive home safety protection system, forming a low-cost, highly reliable and easily scalable smart elderly-care package solution and establishing a digital health protection system covering residents' full lifecycles. The supporting park-dedicated AI intelligent operation and maintenance engine enables predictive maintenance of equipment, intelligent optimisation of overall energy consumption and cross-device coordinated handling of security risk events, significantly reducing long-term park operating costs.

4.3 Ecosystem Development — Cluster-Based Upgrade of OpenHarmony Adaptation Centres into Industry Innovation Centres

During the Reporting Period, the Xi'an OpenHarmony Adaptation Centre completed its market-oriented commercial transformation with the establishment of a new operating entity, Kaihong Shilian (Xi'an) Software Industry Co., Ltd., achieving the shift from supporting technical services to a sustainable market-oriented operating closed loop. As a national-benchmark urban OpenHarmony technology adaptation hub, the adaptation centre has cumulatively completed OpenHarmony adaptation and transformation of 32 models of transportation industry hardware equipment across nine major categories, of which 16 models passed official OpenHarmony compatibility assessment and certification and 25 models were selected for Xi'an's first catalogue of recommended OpenHarmony innovative products, coordinating and integrating core upstream and downstream resources of Xi'an's intelligent terminal industry chain.

On 30 April 2026, the Xi'an OpenHarmony Industry Innovation Centre was approved through joint review by four departments — the Xi'an Municipal Science and Technology Bureau, the Development and Reform Commission, the Industry and Information Technology Bureau and the Data Bureau — and the compilation of a special action plan for Xi'an's intelligent terminal industry chain was launched in parallel. The innovation centre adopts an overall architecture of "one centre, four professional platforms", with four professional technical committees for transportation, public security, meteorology and water affairs. The first batch comprises 15 co-founding units, bringing together local universities, central SOE research institutes, leading software and hardware enterprises and specialised technology innovators such as Xi'an University of Technology, Chang'an University, POWERCHINA Northwest Engineering Corporation, Shenzhen Kaihong Digital Industry, Xi'an Lechi Technology, Xi'an Fengniao Pilot-Scale Technology, Xi'an iFlytek SuperBrain, Hikvision Xi'an, Dahua Zhilian Xi'an and JiaDu Zhitong Xi'an. Once completed and operational, the innovation centre will achieve closed-loop management of the full process of industrial resource aggregation, underlying core technology breakthroughs, scaled implementation of industry scenarios and tiered cultivation of local ecosystem enterprises, driving the deep integration of frontier OpenHarmony technologies with local specialised manufacturing enterprises, accelerating the conversion of technological advantages into industrial competitive advantages and regional economic growth advantages, and supporting Xi'an in cultivating a RMB100 billion-level OpenHarmony industrial cluster with independent and controllable technologies, a complete industrial ecosystem and broad multi-industry implementation — consolidating Xi'an's core carrier support for building a national benchmark city for the OpenHarmony industry ecosystem.

During the Reporting Period, new innovation centres were established and implemented across multiple regions nationwide. A new industrial carrier was added in Shenzhen: together with Shenzhen Kaihong, the Company completed the investment layout for “Kaihong Qiyuan Innovation Centre (Shenzhen) Co., Ltd.”, creating a core carrier for OpenHarmony industry R&D, product verification and ecosystem incubation in the Greater Bay Area and complementing the supporting capabilities of the southern industrial innovation cluster. The Jinhua Pujiang Innovation Centre continued to expand: Shenzhen Kaihong, together with Pujiang and the OpenAtom Foundation, operates the East China Innovation Centre digital economy laboratory, which added two ecosystem enterprises in the first half of the year and has cumulatively incubated six categories of standardised IoT products; the OpenHarmony (Jinhua) Application Innovation Demonstration Centre continued to improve its county-level industry incubation capabilities. With the innovation/adaptation centres in each city as unified ecosystem gateways, the Company completes the full chain of “technology adaptation – product R&D – government procurement” and continues to empower local SMEs in completing HarmonyOS product adaptation. This forms a virtuous cycle of “scenarios driving technology, technology driving industry, and industry strengthening the ecosystem”, supporting the rapid nationwide replication of the City Partnership model.

4.4 Southbound HarmonyOS Ecosystem Development — Cooperation with Chip Vendors

During the Reporting Period, the Company actively built deep strategic cooperation and synergy alliances between domestic operating systems and domestic chips, providing replicable and promotable autonomous solutions for the national Xinchuang industry. Together with Shenzhen Kaihong, the Company formally reached “Loongson-HarmonyOS Integration” in-depth cooperation with Loongson Technology. Focusing on full-chain integration of “LoongArch self-developed chips + the OpenHarmony operating system”, the parties successfully completed the full-chain closed loop of “LoongArch + OpenHarmony” through joint breakthroughs in key technologies, the creation of industry benchmark products and the co-building of ecosystem foundations, marking a brand-new stage in the deep integration of Loongson’s self-developed LoongArch instruction set architecture with the OpenHarmony operating system and injecting strong momentum into full-stack autonomy and controllability for the Xinchuang industry. Together with Shenzhen Kaihong, the Company further built a dual open-source autonomous ecosystem of “OpenHarmony + RISC-V” with ESWIN Computing. Referencing the “Wintel model”, the parties formed a joint technical team to carry out joint R&D around key technology directions such as

operating system kernel adaptation, driver development, performance optimisation, security hardening and AI empowerment, creating a stable and efficient software-hardware collaboration foundation. They jointly created edge computing products and industry solutions, gradually expanding to intelligent terminals in smart homes, robotics, industry and other fields, and — taking smart transportation as the entry point — gradually expanding to government affairs, people's livelihood, industry and other fields, building a full-chain autonomous technology system of “chip architecture – operating system – applications”.

4.5 Northbound HarmonyOS Ecosystem Development

During the Reporting Period, the Company continued to focus on HarmonyOS-native application and meta-service ecosystem development, advancing ecosystem expansion around application HarmonyOS adaptation, scaled implementation of meta-services and the exploration of scenario commercial value. The Company supported the completion of HarmonyOS R&D and adaptation delivery for over 1,600 applications, further enriching the HarmonyOS ecosystem's application supply and accelerating the migration of key industry applications to the HarmonyOS ecosystem. In meta-service development, the Company continued to promote implementation in key scenarios such as culture and tourism, local life and city services, with over 50 new meta-services launched, covering projects such as “Tangqi Ancient Town”, “Leyou Cangzhou”, “Leyou Handan”, “Leyou Chongqing” and “Leyou Anshan”. Among these, the Company completed a cooperation signing with the Cangzhou Municipal Bureau of Commerce and promoted the launch of the “Leyou Cangzhou” meta-service, further expanding city-level culture, tourism and consumer service ecosystem cooperation.

During the Reporting Period, the Company continued to explore the integrated model of “meta-services + maps + local life”, creating benchmark demonstration cases. The “Tangqi Ancient Town” meta-service appeared at the HDC2026 conference as a case of deep integration of “meta-services + maps”. Around the local-life commercial closed loop, the Company further completed verification of the core links of the Tangqi Ancient Town meta-service, completing key processes such as coupon collection by users, in-store services, redemption, payment, merchant settlement and revenue splitting. Project data shows that average visitor stay duration increased by 17% and secondary consumption in the scenic area grew by over 40%, validating the application value of meta-services in improving visitor experience, promoting consumption conversion and empowering scenic area operations.

During the Reporting Period, the Company continued to drive the evolution of meta-service capabilities from project delivery to replicable ecosystem capabilities. Building on the practice of projects such as Tangqi Ancient Town, the Company has formed a comprehensive capability system covering map entry points, scenario guidance, event operations, transaction payment, merchant onboarding and data analysis, laying the foundation for subsequent replication to more city culture and tourism, local consumption and regional commercial scenarios. Going forward, the Company will continue to deepen the “meta-services + local life + city ecosystem” model, driving the scaled application of HarmonyOS ecosystem capabilities in more industry scenarios.

5. The Two Wings: AI ERP

5.1 Upgrading the allmeta Enterprise Intelligent Operating System and Product System

During the Reporting Period, the Company continued to improve the product system of the allmeta enterprise intelligent operating system. It officially released the allmeta enterprise intelligent operating system in March 2026, and formally launched the enterprise AI ontology platform allmeta Ontology V1.0 in June, further improving the Company’s core enterprise AI technology architecture. As the semantic hub of enterprise AI, Ontology can rapidly transform enterprise business objects, rules, processes and knowledge into capabilities that AI can understand and execute, helping enterprises achieve intelligent execution in complex business scenarios. Combined with the Agent runtime platform and enterprise business systems, allmeta has formed a complete capability system covering the data foundation, ontology modelling, agent operation and on-site implementation, providing a unified platform for scaled enterprise AI deployment. It has completed practical verification in multiple scenarios such as power dispatching, recruitment automation and expense reimbursement, is compatible with mainstream domestic and international foundation models, and drives the continuous upgrade of enterprise AI from “intelligent Q&A” to “intelligent execution”. The Company continued to improve its total solution centred on the allmeta platform, Ontology, Agent intelligent agents and the FDE on-site delivery system, accelerating enterprise AI scenario development and industry replication by continuously accumulating industry knowledge as reusable AI business rules.

5.2 Creating a New AI-Native Penetrating Supervision Model for Central and State-Owned Enterprises

During the Reporting Period, based on the allmeta enterprise intelligent operating system and AI-native integration capabilities, the Company released a new-generation solution for enterprise intelligent governance. Through the Ecore connectivity foundation, the Ontology semantic hub and the Agentic Runtime intelligent execution system, the solution achieves deep integration of enterprise data, business rules and agent capabilities, driving the upgrade of enterprise digital capabilities from “systems of record” to “systems of execution”. Ecore connects core enterprise systems such as finance, treasury, contracts, supply chain and assets, achieving interoperability of heterogeneous data; through ontology modelling, Ontology transforms business objects, relationships, events, actions and rules into a semantic system that AI can understand and execute; and through multi-agent collaboration, Agentic Runtime enables business analysis, risk identification, process execution and continuous optimisation, driving the evolution of AI from passive querying to proactive supervision and intelligent decision-making.

In practical scenarios such as contract supervision, the Company has validated the ontology-driven intelligent supervision model. By building a business ontology and agent system, the system can automatically correlate business relationships among suppliers, contracts, payments, invoices and acceptance, and — combining the rules engine and AI agents — complete risk identification, compliance analysis and closed-loop management, forming traceable and auditable intelligent supervision capabilities. The significance of this model is that by transforming tacit enterprise business experience into AI-executable rules, it helps central and state-owned enterprises break through traditional system boundaries and achieve cross-department, cross-system penetrating business management. Meanwhile, the Company adopts a “rapid MVP validation” approach, using small-scale scenarios to quickly demonstrate AI value and accelerating customers’ transition from pilot verification to scaled application. The Company will continue to drive the implementation of “allmeta + AI-native integration” capabilities in key industries such as energy, manufacturing and finance, helping enterprises upgrade from enterprise business capability (EBC) to AI business capability (ABC) and building new infrastructure for the digital-intelligent governance of central and state-owned enterprises.

5.3 Reshaping the Delivery System with AI and Creating the “Human+AI” Collaboration Model

During the Reporting Period, based on the Agentic CDM delivery methodology system, the Company officially launched its core product carrier — A-CDM (allmeta’s intelligent delivery colleague) — and continued to deepen the “Human+AI” collaborative delivery model. With multi-agent collaboration at its core, A-CDM deeply integrates AI into the entire process of consulting, design, implementation and operations through three major capabilities — intelligent meetings, intelligent knowledge and intelligent operations — achieving intelligent collaboration in core work such as meeting minutes, knowledge management, business research, solution design and quality inspection. Meanwhile, the Company continued to accumulate the industry experience of senior consultants as reusable AI capabilities, driving the rapid replication of best practices and continuously improving project delivery quality and efficiency. With A-CDM as the standardised delivery platform, the Company will continue to promote the new “Human+AI Mate” model in key industries such as energy, manufacturing and finance, further improving project delivery efficiency, strengthening the scaled implementation capability of large projects and continuously optimising the delivery cost structure to create greater value for customers.

5.4 Continuously Improving the AI Native Ecosystem Layout

During the Reporting Period, the Company continued to improve its AI Native ecosystem layout. Relying on partners such as Huawei Cloud, it continued to advance the construction of an AI-native development toolchain and continuously improve the full-stack capability system of “computing power foundation – industry foundation models – Ontology – business agents – FDE on-site delivery”. Centred on domestic substitution, enterprise intelligent upgrades and industry AI application needs, the Company accelerated replication and promotion in key industries such as energy, manufacturing, finance and government affairs, and actively explored international market opportunities such as overseas clean energy. Meanwhile, the Company will continue to explore new business models such as AI operation services and high-value Token operations, continuously improving software reuse rates, customer lifetime value and continuous operation capabilities, providing new growth drivers for the Company’s long-term high-quality development.

5.5 Creating Benchmark Demonstrations in the Energy Industry

During the Reporting Period, the Company's AI capabilities continued to gain market validation, forming benchmark projects first in the energy industry. As the lead unit of a consortium, the Company won the bid for the weather forecasting and intelligent operation foundation model (phase I) project for hydro-wind-solar-storage of Yalong River Hydropower Development Co., Ltd., with a contract value of RMB44.155 million. Focusing on core business scenarios such as hydrological and meteorological forecasting, power dispatching, power station operation and maintenance, and power trading, the project relies on the allmeta platform, multi-agent collaboration and the FDE on-site delivery system to create industry-specific business agents and an industry foundation model. The project validates the market competitiveness of the Company's AI products and industry solutions, further accumulates capabilities in energy industry multi-agent collaboration, private deployment of industry foundation models and standardised delivery, and provides mature practice for subsequent industry replication.

During the Reporting Period, the Company continued to deepen its strategic cooperation with the Nuclear Power Operation Research Institute of China National Nuclear Corporation, carrying out deep collaboration in directions such as AI joint innovation, ERP domestic upgrade, HarmonyOS IoT construction and overseas clean energy business expansion. The institute undertakes key tasks such as the R&D and promotion of standardised nuclear power systems and the domestic substitution of software, with high requirements for system security, stability and intelligence. Relying on the Company's "Dual Transcendence, One Body, Two Wings" strategic system, the two parties will jointly advance AI innovation and domestic upgrade in the nuclear power industry, with the intelligent computing cloud AI foundation as the core and HarmonyOS IoT physical AI and ERP domestication plus AI Agent digital AI as the two wings. The Company's on-site service team at the institute has expanded to 230 members and has cumulatively undertaken 11 framework projects covering multiple core business areas such as production operations, digital innovation, and fire protection and security, with multiple projects receiving written recognition from the customer.

5.6 Smart Finance

During the Reporting Period, centred on the three-layer full-stack architecture of “computing power – platform – application”, the Company achieved staged breakthroughs in the financial industry across intelligent marketing, the Agent engineering foundation, AI Coding and computing power services.

Scaled delivery of intelligent marketing solutions. Focusing on banks’ core retail marketing needs, the Company built an intelligent marketing hub integrating seven core capabilities, namely omni-channel intelligent recommendation, customer profiling and segmentation, intelligent marketing strategy, content generation, management and control, and intelligent analysis. The solution has completed benchmark full-domain intelligent marketing project deliveries at multiple banks, empowering operations staff to improve quality and efficiency throughout the entire process. In an intelligent marketing project for a large state-owned bank, the Company innovatively built a “foundation model + small model” dual-engine system, effectively resolving industry pain points such as imbalanced customer-group reach and mistimed marketing, significantly improving conversion rates, average transaction value and repurchase levels while reducing customer churn, and distilling a standardised and reusable intelligent delivery template for retail banking.

Architecture of the Agent engineering foundation and agent platform completed. The Company continued to advance the build-out of its enterprise-grade Agent engineering foundation and launched an agent platform covering multi-Agent collaboration, observability, security and permissions, retrieval memory and self-optimisation, providing a full-capability foundation spanning from low-code development to productised operation. On this basis, the Company completed the architectural design of a financial report agent platform, which adopts a multi-Agent collaborative orchestration model to achieve parallel generation and fusion of report chapters, and can automatically complete generation tasks for scenarios such as investment research reports and due diligence reports.

AI Coding solution validated in intranet security and compliance scenarios. In response to financial customers' compliance requirements that code, prompts and business documents must not leave the intranet, the Company completed the engineering implementation validation of AI Coding at banking customers. The platform-based path focuses on building an intranet AI Coding platform, connecting the R&D entry point, Agent scheduling, intranet models and engineering governance processes; the scenario-based path focuses on using AI Coding tools as the entry point, breaking down tasks around scenarios such as post-loan early warning, risk identification and automated testing, and producing draft code and test cases. Together, the two paths validated the real-world usability of AI Coding in complex financial projects and distilled reusable methodologies and practice assets.

Heterogeneous computing power services continued to expand customer coverage. The Company provides full-stack services ranging from computing power adaptation and computing cluster build-out to integrated computing power scheduling, covering multiple models such as computing power resale, leasing and Token sales. During the Reporting Period, the Company delivered computing power integration projects at several national joint-stock banks, leading insurance companies and rural commercial banks. Among them, an AI integration project for a national joint-stock bank focused on computing power challenges, successfully building a thousand-card-scale computing cluster, breaking through computing power bottlenecks through distributed training and inference technologies, and achieving a dual improvement in computing power independence and efficiency.

5.7 Smart Audit and Penetrating Supervision

During the Reporting Period, the Company continued to improve its audit corpus governance system and intelligent scenario solutions, advancing the implementation of audit foundation models, audit ontologies, knowledge graphs and multi-agent collaboration technologies in government audit and enterprise audit. In government audit, the Company successfully won the bids for the Shandong Provincial Audit Department phase II project and the Qinghai Province audit data analysis service project; a feasibility study is underway for the Shanghai Municipal Audit Bureau multi-agent collaboration project, continuously advancing government audit foundation model and data analysis capability building. In audit rectification, the Company continued to improve its integrated audit rectification platform, signing three prefecture-level city rectification projects in Foshan, Heyuan and Shanwei in the first half of the year,

further consolidating the replicability of its solutions for the “second half of the article” of audit. In enterprise audit, feasibility study support and external review have been completed for an integrated supervision platform project for an energy central SOE, with AI-native audit scenario verification and digital-intelligent employee design for integrated supervision carried out based on real data; an audit platform for a power generation central SOE completed research, solution exchanges and POC verification and entered the tendering stage; an audit foundation model project for a large energy central SOE completed multiple rounds of special presentations and is identifying AI efficiency-enhancement scenarios based on existing systems while advancing project approval; for an equipment manufacturing central SOE, penetrating supervision solution exchanges and POC verification were completed, with scenario design carried out around audit ontology, rectification agents, “three majors and one large” supervision and institutional review; meanwhile, AI engineering delivery practice continued to advance in projects such as a joint-stock bank. The Company also followed up on customer needs in nuclear power, electronic information and other industries, continuously improving its standard penetrating supervision solutions for energy central SOEs, gradually forming a business model of “standard solutions + AI-native scenarios + FDE on-site delivery” and accelerating the replication and promotion of benchmark cases.

5.8 Smart Medical Insurance/Social Security

During the Reporting Period, the Company continued to advance its medical insurance fund supervision and hospital-side medical insurance risk control businesses. On the medical insurance bureau supervision side, the Company continued project delivery around whole-process risk identification, suspicious-case screening and supervision services for medical insurance fund usage, with business progressing steadily. On the hospital side, the Company continued to promote its medical insurance risk control all-in-one machine, focusing on in-hospital medical insurance compliance with pre-event reminders, in-event control and post-event tracing. The product has been officially deployed at eight large hospitals and put into routine in-hospital compliance use. The Company will continue to improve its standard products and delivery models, promote coordination between the supervision side and the hospital side, and accelerate scaled replication of the medical insurance risk control all-in-one machine.

In social insurance fund supervision, the Company continued to consolidate its industry-leading position. During the Reporting Period, the Company successively won bids for the Xinjiang social insurance fund supervision localisation project, the Jiangxi and Yunnan social insurance fund supervision operation and maintenance projects, the Ministry of Human Resources and Social Security social insurance fund supervision project, and the Chengdu Railway Bureau social insurance Xinchuang transformation project, while advancing project approval applications for three provincial-level fund supervision localisation projects. Its business now covers more than 20 provincial-level human resources and social security departments, and localised upgrades of supervision systems have been completed in nine provinces. The Company promoted deep AI empowerment of fund supervision scenarios to create provincial-level intelligent supervision benchmarks; it led the completion of the Ministry of Human Resources and Social Security's intelligent supervision model research project and participated deeply in the national top-level design of intelligent supervision. Its teams implemented full-process AI empowerment and continued to accumulate a project delivery knowledge base, with standardised delivery capabilities steadily strengthening.

In public employment services, the Company continued to consolidate its core capabilities and expand the national market. Relying on the implementation practice of the Changping "Digital and Intelligent Human Resources and Social Security Integrated Platform", the Company built a standardised solution of "one station with twin engines, four-drive coordination and one-brain unified management", accumulating four benchmark employment digitalisation cases — integrated employment, AI employment services, big data services and the employment brain — and using AI technology to optimise business processes. It also built a project delivery knowledge base to enable the reuse and sharing of project experience. The Company actively expanded cross-regional business and conducted in-depth exchanges with human resources and social security departments in multiple cities, continuously consolidating its competitive advantage in the HR and social security digitalisation track.

5.9 Smart Manufacturing

During the Reporting Period, the Company continued to deepen its presence in “AI + manufacturing”. Relying on the JointPilot Enterprise Agent Platform, it advanced product capability upgrades and stable delivery across core scenarios such as R&D and design, supply chain, production operations and quality management, accelerating the scaled application of agents in production-grade environments of manufacturing enterprises. In R&D, design and supply chain, the Company continued to optimise core functions such as intelligent material selection, design specification parsing, and automatic BOM generation and review, improved its manufacturing knowledge engineering and industry semantic governance systems, and achieved continuous breakthroughs in key indicators such as material selection accuracy under complex working conditions and BOM review efficiency, with delivery stability validated by repeat purchases from leading customers. In production operations and quality management, the Company focused on building its “AI quality inspection” solution, successfully winning the bid for China Mobile IoT’s production line intelligentisation service framework project and successfully implementing benchmark projects for Huasheng Tire and Doublestar Tire, accumulating core business scenario knowledge and data assets, forming an industry-level standardised intelligent quality inspection solution, and greatly improving AI quality inspection capability and rapid adaptation to new product varieties. Meanwhile, the Company continued to explore the “AI + FDE” collaborative delivery model, deeply coupling industry knowledge accumulation, product iteration and project delivery processes to comprehensively improve the delivery efficiency and scaled replication of agent projects, fully safeguarding the efficient implementation of manufacturing digital-intelligent transformation and new quality productive forces.

5.10 Smart Pharmaceuticals

During the Reporting Period, the Company made deep deployments in AI + pharmaceuticals, systematically building a pharmaceutical agent platform and full-chain pharmaceutical intelligent solutions covering pharmaceutical R&D, registration and filing, clinical operations and quality management, comprehensively driving cost reduction, efficiency improvement and compliance enhancement for pharmaceutical customers.

In R&D and registration, the Company launched a pharmaceutical registration Agent that provides customers with intelligent drafting of pharmaceutical registration documents, automatic format compliance checks and eTMF document classification and quality inspection, supporting automatic filing and intelligent review of application materials, shortening registration document preparation cycles and improving first-pass rates. The supporting document translation Agent enables multilingual intelligent translation of pharmaceutical registration documents with professional terminology consistency checks. The patent analysis Agent supports drug patent retrieval and analysis, strengthening R&D innovation protection and intellectual property layout capabilities. The process retrieval and optimisation Agent provides drug synthesis route retrieval and process parameter optimisation, supporting R&D efficiency improvement and process quality stability.

In clinical operations, the Company implemented a clinical document Agent that completes full-lifecycle management of clinical documents, supporting intelligent scoping and assisted drafting of clinical documents and improving clinical operation efficiency. The diagnostic report Agent enables intelligent interpretation of diagnostic reports, automatic generation of health reports and quality inspection of imaging reports, providing efficient data support for clinical decision-making and patient management. Based on AI semantic recognition technology, the safety vigilance Agent accurately identifies and intelligently classifies adverse events (AE), strengthening drug safety monitoring and compliance reporting capabilities.

During the Reporting Period, the Company continued to deepen its strategic cooperation with Huawei, relying on the ecosystem of Huawei's Pharmaceuticals Legion to advance the implementation of the Chinasoft pharmaceutical agent platform, providing pharmaceutical customers with professional pre-sales support and POC verification services across pharmaceutical R&D, registration and clinical stages. The Company has completed delivery of agent POC solutions for leading pharmaceutical companies such as Guangzhou Pharmaceutical and

Hengrui, focusing on core scenarios of pharmaceutical registration document drafting and document quality inspection. The full-process POC verification successfully achieved its preset targets, and the solution's capabilities and implementation value were fully recognised by customers, laying a foundation for subsequent scaled implementation. The Company will continue to optimise the professional capabilities of its pharmaceutical agents and their integration with business, work with Huawei's Pharmaceuticals Legion to expand more pharmaceutical industry customers, and drive pharmaceutical enterprises towards digital-intelligent transformation and upgrading and the development of new quality productive forces.

5.11 Smart Security

During the Reporting Period, the Company made deep deployments in the AI + military-industrial customer integrated security track. Relying on its self-developed agent foundation, the Company created an integrated military-industrial security solution at LY Aviation covering six dimensions – facility security, fire control, production operations, environmental monitoring, classified-information protection and emergency command – achieving front-loaded security risk control and all-domain coordinated governance. The solution carries four industry agents: the chief security dispatcher Agent coordinates intelligent assessment of six-dimensional situational data; the patrol supervisor Agent connects security and fire-fighting equipment, using AI to identify risks and rapidly dispatch responses; the safety and environment inspector Agent monitors workshop operations and discharge indicators in real time; and the confidentiality guard Agent digitalises classified-information control processes, enabling full-process traceable auditing of personnel and visitors. The Company continued to iterate its security foundation model and agent products, deepened the integration of AI with military-industrial and intelligent manufacturing security businesses, helped military-industrial manufacturing enterprises and institutions build a solid integrated security defence line, and empowered the development of new quality productive forces in the industry through a digital-intelligent security system.

6. Overseas Services

The Company continued to advance its global strategic layout, taking Hong Kong as its regional business centre and improving its business expansion and delivery capabilities in the Asia-Pacific region. Meanwhile, the Company continued to deepen Huawei ecosystem collaboration, advancing project implementation and customer expansion in key markets such as Southeast Asia, Hong Kong and Macao, and consolidating its capability for scaled overseas business development.

During the Reporting Period, the Company achieved a strategic breakthrough in the Southeast Asian market. For Indonesia's digital communications and digital services market, the Company advanced cooperation with PT Indosat Tbk (Indosat Ooredoo Hutchison, "IOH"), taking digital transformation services as the entry point to expand collaboration opportunities such as AI platforms and explore a joint delivery model of "platform + application + services". Drawing on the IOH project experience, the Company continued to refine the "operator + cloud + AI" cooperation model and promote the replication of mature capabilities in Southeast Asia, Hong Kong and Macao markets. In Hong Kong and Macao, the Company cultivated the market intensively and continuously consolidated its regional market foundation. It continued to advance projects for Hong Kong government and enterprise customers and continued to participate in digital solutions and operation and maintenance support related to the Kai Tak Sports Park in Hong Kong.

During the Reporting Period, the Company continued to deepen regional ecosystem collaboration with Huawei. In response to customer needs in Hong Kong, Macao, Southeast Asia and other markets, and relying on the technology and resource advantages of both parties, the Company continued to advance joint expansion and delivery of full-stack digital solutions. Meanwhile, the Company serves as a vice-chairman unit of the Hong Kong Software Industry Association and participates in the development of industry organisations related to technology going global.

II. SOFTWARE AND TECHNOLOGY SERVICES

1. Accelerating the AI Transformation of Traditional Businesses

During the Reporting Period, the Company accelerated the transformation of its traditional businesses towards being “efficiency-driven”, focusing on fully embedding AI capabilities across the entire business chain and systematically driving cost reduction, efficiency improvement and productivity upgrades in traditional businesses.

AI Coding drove a leap in delivery efficiency. The Company comprehensively promoted the scaled application of tools such as the AI Coding programming assistant, low-code platforms and AIOps across the entire chain of development, delivery and operations, building AI engineering capabilities from the individual level to the engineering level. In Huawei Cloud R&D TM business, AI tools were promoted and used in depth, achieving efficiency improvements and quality optimisation over the traditional model and effectively offsetting the scale contraction pressure brought by job structure differentiation.

AI Agents comprehensively improved operating efficiency. The AI recruitment Agent handles the full process of requirement generation, resume parsing, matching, interview evaluation and rule verification, with AI driving the process and humans responsible for key decisions; the number of successful hires doubled, and HR staff saved an average of 69 minutes of daily working time per person. A full-process project service Agent pilot was launched, building a multi-agent collaboration system around stages such as business opportunity and pre-sales, contract performance, project delivery, quality assurance and settlement collection, achieving a balance between efficiency improvement and risk control through a tiered human-machine collaboration mechanism.

The talent system transformed towards AI capabilities. With the BootCamp as the core carrier, the Company shifted from “classroom training” to “project practice + certification”, driving the directional transformation of existing engineers: Java/Python developers transforming into Agent engineers, ERP/integration personnel into platform integration engineers, data/BI personnel into data knowledge engineers, testing/SRE personnel into operations evaluation engineers, and business consultants into industry delivery leads. The Company brought in high-end talent such as MaaS solution architects and complex multi-agent leads to raise its capability ceiling, and established a five-dimensional certification standard (product usage, business analysis, engineering delivery, operational capability and asset accumulation) to ensure trained talent has independent delivery capabilities.

2. Business Progress by Major Customers and Industries

2.1 Huawei

During the Reporting Period, the Company deeply practised strategic synergy with Huawei. Positioned as a “core ecosystem co-builder, technology implementation enabler and scenario innovation pioneer”, the Company comprehensively deepened cooperation across multiple fields including AI infrastructure, delivery model transformation, ecosystem co-building and enterprise services, building full-stack collaborative digital-intelligent service capabilities.

In AI empowerment and delivery model transformation, the Company comprehensively promoted the systematic application of AI tools on the delivery side, formed a “Golden Seed” dedicated team, and built AI engineering capabilities from the individual level to the engineering level. Relying on agent tools such as Huawei Cloud Madao and CodeAgent, the Company achieved efficiency improvement and quality optimisation over the traditional model. In Huawei Cloud R&D TM business, AI tools were promoted and used in depth, helping the business rapidly improve quality and efficiency, and the Company was honoured as the sole “Yuntu Outstanding Partner”. In ecosystem co-building and supplier capability, the Company actively participated in Huawei’s supplier capability assessments, building core competitive barriers with differentiated advantages such as its AI application platform. The Company achieved in-depth breakthroughs in enterprise service scenarios. In human resources digitalisation, it continued to deepen the AI-enablement of the HR supply chain and comprehensively advanced employee profiling and intelligent deployment, optimising organisational effectiveness and resource allocation efficiency. The Company continued to deepen cooperation with Huawei’s Ascend ecosystem, maintained the pace of promoting Huawei’s foundational technologies, and continuously matured the capabilities of its AI technology expert and solution teams. The Company supported Huawei in advancing flexible employment model innovation and improved its employment structure optimisation and personnel risk management and control systems, continuously consolidating the strategic partnership through all-domain deep collaboration and innovative practices.

During the Reporting Period, the Company continued to deepen its strategic partnership with Huawei Device. Relying on its full-stack technical capabilities and scaled delivery system, the Company provided comprehensive R&D support for Huawei Device's full range of products and ecosystem development. In operating systems, the Company participated deeply in the full-chain R&D and adaptation of the new-generation HarmonyOS commercial version and the OpenHarmony community version, focusing on core directions such as system performance optimisation, distributed capability upgrades and on-device AI engine refinement, safeguarding the version iteration cadence and user experience upgrades and continuously consolidating the technical foundation of the HarmonyOS ecosystem. In hardware products, the Company fully supported the launch and delivery of multiple strategic new Huawei Device products, covering flagship and mainstream phone categories such as the HUAWEI Pura 90 series, the nova 16 series and the Mate 80 Pro Max Fengchi Edition, as well as smart office terminals such as the MateBook 14 HarmonyOS Edition and the MatePad Pro Max, while supporting the iteration of smart wearables and audio devices such as the WATCH FIT 5 series and the FreeClip 2 Collector's Edition ear-clip earphones. The Company participated throughout the entire process of product R&D, adaptation testing and mass-production verification, ensuring the high-quality on-schedule release of new products. In device cloud services, the Company continued to deepen its work around core services such as Huawei Cloud Space, the intelligent assistant, AppGallery and Huawei Pay, optimising service experience in combination with AI foundation model technology, helping device cloud services achieve continuous upgrades in data security, application ecosystem and intelligent interaction, and further enriching the device service scenarios of the HarmonyOS ecosystem.

2.2 Finance

During the Reporting Period, the Company's financial AI business continued to achieve breakthroughs, with important progress across multiple directions including AI scenario applications, computing power infrastructure, financial Xinchuang and overseas markets. The Company successively implemented multiple AI benchmark projects at several city commercial banks, covering core scenarios such as corporate-banking foundation models and post-loan early warning agents, while actively expanding into the AI market of the insurance industry; a regional bank big-data Xinchuang project jointly pursued with ecosystem partners was successfully implemented, providing a demonstration case for

Xinchuang transformation in the industry. In terms of overseas market expansion, the Company signed a mobile application development project for a well-known digital bank in Southeast Asia, achieving another breakthrough following its cooperation with the first digital bank in the region and laying the foundation for deeper cultivation of the regional market. Meanwhile, important breakthroughs were also made in software-hardware integration and data solution services for foreign-invested financial customers.

During the Reporting Period, multiple solutions of the Company, such as retail credit risk control and financial industry foundation model agents, were selected for inclusion in authoritative IDC market insight reports, with its professional technology and service strength continuing to gain industry recognition.

2.3 Central and State-Owned Enterprises

During the Reporting Period, closely aligned with the national strategies of autonomy and controllability in key domains and digital economy development, the Company achieved a systematic elevation of its customer structure and business coverage in the energy and infrastructure tracks. It deepened long-term strategic cooperation with Kunlun Digital, participating in the construction of PipeChina's pipeline foundation model digital foundation and the customised development of settlement systems, and undertook benchmark projects such as BeiDou informatisation operations for oil and gas central SOEs and supporting energy digitalisation, enriching its energy digitalisation implementation scenarios. In electric power and infrastructure, the Company continued to deepen its presence with China Huadian and POWERCHINA, newly expanded into Gezhouba Group's digital infrastructure projects, completed business anchoring at key nodes of the full industry chain of oil and gas and electric power central SOEs, and continuously improved its comprehensive delivery capability for large and complex projects. In embodied AI and frontier robotics, the Company successively worked with CNPC's digital-intelligence research institute and the International Digital Economy Academy (IDEA) of the Guangdong-Hong Kong-Macao Greater Bay Area on practices such as integrated management and control of embodied intelligence and industrial robots and embodied data pipelines, and worked with a leading internet enterprise to advance engineering collaboration on perception and control algorithms,

gradually building a full-chain AI technology service closed loop of “data governance – algorithm verification – engineering implementation”. Meanwhile, relying on its mature delivery capability for high-concurrency, computing-intensive projects, the Company smoothly entered the core digital business scenarios of transportation and high-end manufacturing leaders such as China Eastern Airlines and GAC Group, completing the strategic extension from deep cultivation of vertical tracks to multi-format all-domain digital services.

2.4 Internet

During the Reporting Period, relying on its accumulated scaled AI engineering implementation experience, the Company continued to expand digital operation services for the internet industry and drove the upgrade of its core delivery capabilities, achieving a deep transformation from scaled manpower delivery to intelligent content governance and AI ecosystem services. Its service system covers high-value-added segments such as compliance consulting, risk assessment and content ecosystem governance, while incubating new supporting service forms adapted to AI model training, algorithm result verification and optimisation, and refined review. Its delivery scale and quality on leading platforms such as Meituan and Xiaohongshu currently rank first in the industry. For the long-term opportunities of the agent industry, the Company conducted forward-looking technical exchanges with leading enterprises such as ByteDance, Tencent and Alibaba, exploring paths for commercial implementation of agents and positioning early for the next-generation AI industry ecosystem. In embodied AI and frontier robotics, the Company worked with Tencent’s Robotics X Lab to advance engineering collaboration on perception and control algorithms, gradually building a full-chain AI technology service closed loop of “data governance – algorithm verification – engineering implementation”.

2.5 Device Manufacturing

During the Reporting Period, in device manufacturing, the Company continued to consolidate strategic synergy with leading technology enterprises, achieving in-depth breakthroughs across multiple brands, categories and scenarios. For Honor, the Company continued to deepen comprehensive strategic cooperation, supporting the iterative launches of Honor's new-generation Magic8 Pro Air, the Magic V6 foldable flagship, the 600 series and all-scenario IoT products. It participated deeply in MagicOS version R&D and cross-device collaboration capability upgrades, strengthened on-device AI feature adaptation and scenario implementation, and escorted the steady progress of Honor's all-scenario ecosystem strategy. For Xiaomi, as a group-level supplier, the Company continued to extend its cooperation scope to all categories, covering diverse fields such as smartphones, AIoT smart hardware and multi-device system adaptation, providing full-chain technical support from R&D and design to testing and verification, continuously supporting the implementation of Xiaomi's "Human x Car x Home" smart ecosystem strategy. For OPPO, the Company maintained close technical collaboration, focusing on core directions such as system framework automation, joint development of gallery and intelligent applications, and desktop system development and maintenance, stably delivering multiple phases of FP projects and ensuring underlying compatibility and interaction experience optimisation for key products. In the broader device ecosystem, the Company maintained long-term stable cooperation with leading ODM vendors such as Huaqin and Longcheer, continuously providing R&D testing and technology adaptation services; established in-depth cooperation with TD Tech in customised software development and joint expansion of public security and broad emergency-response solutions; and deepened collaboration with home appliance leaders such as Hisense in intelligent connectivity and all-scenario access, further broadening the boundaries of the broader device industry ecosystem.

2.6 Automotive

During the Reporting Period, the Company participated deeply in Huawei's "Human – Car – Home" all-scenario intelligent connectivity strategy, providing full-chain technical support for the full range of Huawei Smart Selection vehicle models including AITO, Luxeed, Stelato and Maextro, covering core domains such as intelligent cockpits, in-vehicle connectivity and integrated perception. The Company participated throughout the R&D, adaptation and mass-production delivery of multiple new models in the first half of 2026, ensuring model launch cadence and feature experience implementation. Meanwhile, the Company continued to deepen its strategic cooperation with leading automakers such as Changan Automobile, GAC Group, Great Wall Motor, Chery Automobile, JAC Motors, Dongfeng M-Hero and Leapmotor, focusing on key areas including intelligent driving, connected vehicles, intelligent cockpits and digital and intelligent transformation, and continuously participating in the development of customers' core technology systems and digital capabilities. In particular, the Company provided deep support for Changan Automobile's "Beidou Tianshu 2.0" strategy, jointly advancing the implementation of the SDA Tianshu platform and supporting the continuous upgrade of its intelligent, platform-based and digital-intelligent capabilities. Through the deep co-development of strategic-level projects with leading customers, the Company further strengthened its technological capabilities, platform capabilities and scaled delivery capabilities in the automotive industry, continuously elevating its strategic cooperation level and industry influence in the automotive digital and intelligent domain.

2.7 Telecommunications

During the Reporting Period, the Company continued to consolidate its customer base with the three major telecom operators and made significant progress in existing business operations, customer deepening and AI capability implementation. In existing business, the Company successfully renewed all existing R&D projects of Migu Culture with a 100% renewal success rate, consolidating its core R&D business base; it maintained stable and deep cooperation with China Telecom and China Unicom, with core projects smoothly renewed and delivered, keeping the overall operator business base stable. In deepening existing customers and expanding into new domains, the Company won China Mobile IoT's 2026 framework and entered the contract signing stage; the 5G private network AI framework production line intelligentisation service, the OneNet framework and operation and maintenance project, and the Tianyi IoT R&D and operation and maintenance project were successively won or shortlisted; meanwhile, the Company successfully won the Zhongdian Zhike R&D project and the Zhongyou Xinke project, and contract signing for the BOE Hospital project progressed smoothly, achieving two-way extension of customer coverage and business domains. In AI service capability implementation, the Company strategically won the OneCyber AI tire quality inspection framework and IoT AI projects, deeply integrating AI Agent service capabilities into operator and industry customer service scenarios, marking a key breakthrough for the Company in AI outsourcing for telecommunications and vertical industries. In telecom equipment vendors, the Company maintained stable cooperation with leading equipment vendors such as TD Tech and Ruijie, with its share firmly in the industry's first tier and its technical strength and delivery quality continuously recognised by customers.

KEY OPERATING DATA

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

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

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

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

GENERAL OVERVIEW

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

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

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

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

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

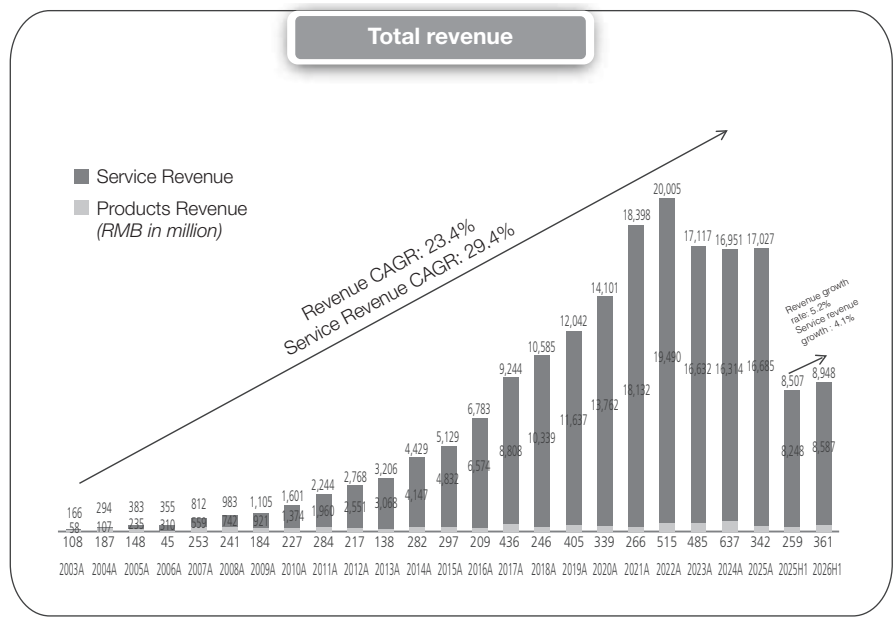
Leveraging its mature technology foundation and industrial carriers, the Company completed the R&D of multiple categories of HarmonyOS software-hardware integrated terminals and replicated benchmark scenarios across multiple cities and industries nationwide. The product matrix covers software-hardware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

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

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

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

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



CUSTOMERS

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

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

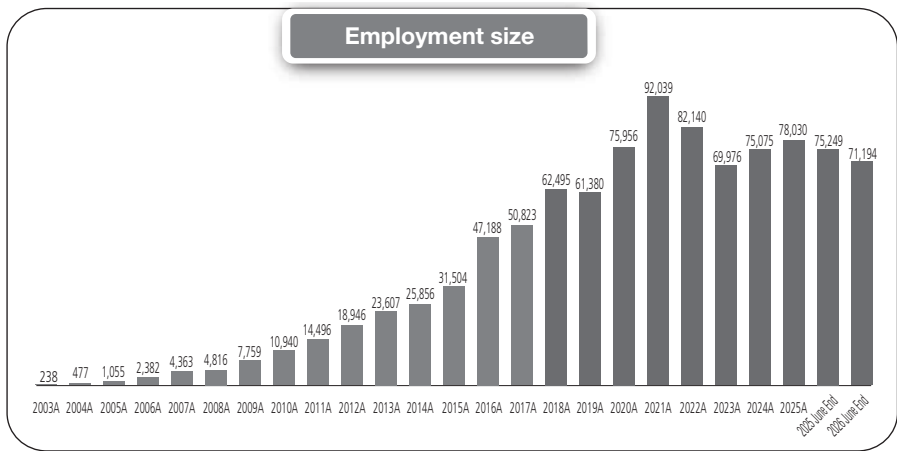
MARKET

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

HUMAN RESOURCES

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

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



EMPLOYEE COMPENSATION POLICY

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

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

OPERATING RESULTS

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

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

REVENUE

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

GROSS PROFIT

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

OPERATING EXPENSES

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

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

OTHER INCOME

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

OTHER GAINS OR LOSSES

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

FINANCE COSTS AND INCOME TAX

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

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

OTHER NON-CASH EXPENSES

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

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

PROFIT FOR THE PERIOD AND EARNINGS PER SHARE (EPS)

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

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

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

Adjusted Profit before Taxation

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

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

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

WORKING CAPITAL, FINANCIAL RESOURCE AND CAPITAL STRUCTURE

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

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

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

FOREIGN CURRENCY EXPOSURE

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

CAPITAL COMMITMENTS

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

CONTINGENT LIABILITIES

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

PLEDGE OF ASSETS

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

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS

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

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

FUND RAISING ACTIVITIES

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

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

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

Net proceeds allocation	Percentage of total net proceeds	Original intended use of the net proceeds	Revised intended use of the net proceeds	Actual use of the net proceeds	The amount of the remaining net proceeds as at 30 June 2026	Expected time of utilisation (Note 1)
Approximately HK\$788 million	40%	For the research and development of full-stack cloud smart products and solutions, as well as investments and mergers and acquisitions related to the Company's main business	N/A	Approximately HK\$788 million were used for the original intended use	–	N/A

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

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

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

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

INTERIM RESULTS

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

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

		For the six months ended 30 June	
		2026 RMB'000	2025 RMB'000
Revenue	4	8,947,968	8,506,642
Cost of sales and services		(7,012,331)	(6,631,744)
Gross profit		1,935,637	1,874,898
Other income		64,248	97,907
Other gains or losses		(12,580)	85,785
Selling and distribution costs		(443,136)	(426,462)
Other expenses		(41,069)	(52,363)
Administrative expenses		(1,088,703)	(1,118,980)
Finance costs	5	(45,185)	(61,329)
Impairment losses (including reversals of impairment losses) on financial assets and contract assets		(14,873)	(19,017)
Share of results of investments accounted for using the equity method		45,120	(29,964)
Loss from derecognition of financial assets measured at amortised cost		(449)	(1,529)
Profit before taxation		399,010	348,946
Income tax expense	6	(49,091)	(33,915)
Profit for the period		349,919	315,031
Other comprehensive income/(expense)			
Exchange differences arising on translation of foreign operations		1,440	9,056
Total comprehensive income/(expense) for the period		351,359	324,087
Profit/(loss) for the period attributable to:			
Owners of the Company		350,383	315,563
Non-controlling interests		(464)	(532)
		349,919	315,031
Total comprehensive income/(expense) attributable to:			
Owners of the Company		351,823	324,619
Non-controlling interests		(464)	(532)
		351,359	324,087
Earnings per share	8		
– Basic (cents)		13.87	12.64
– Diluted (cents)		13.39	12.05

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

70 CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

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

	Attributable to the owners of the Company													
	Fair value through other comprehensive income					Equity-settled share-based payment reserve	General reserve fund	Statutory enterprise expansion fund	Statutory surplus reserve fund	Accumulated profits	Total	Non-controlling interests	Total	
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Reserve income RMB'000	Transition reserve RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	123,434	4,435,962	(991,060)	(122,769)	(13,834)	(32,609)	303,439	15,793	26,749	397,121	7,273,749	11,415,975	22,519	11,438,494
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive (expenses) income for the period	-	-	-	-	-	9,056	-	-	-	-	315,593	315,593	(532)	315,061
	-	-	-	-	-	-	-	-	-	-	-	9,056	-	9,056
Total comprehensive income (expenses) for the period	-	-	-	-	-	9,056	-	-	-	-	315,593	324,619	(532)	324,087
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	-	92,656	-	-	-	-	92,656	-	92,656
Vesting of award shares	-	(17,061)	126,660	-	-	-	(109,599)	-	-	-	-	-	-	-
Dividends paid to ordinary shareholders	-	(122,196)	-	-	-	-	-	-	-	-	-	(122,196)	-	(122,196)
At 30 June 2025	123,434	4,296,705	(864,400)	(122,769)	(13,834)	(23,553)	286,496	15,793	26,749	397,121	7,589,312	11,711,054	21,987	11,733,041
At 1 January 2026	123,434	4,301,117	(820,633)	(122,769)	(13,834)	(27,133)	316,107	15,793	26,749	450,359	7,541,960	11,791,125	23,110	11,814,235
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive (expenses) income for the period	-	-	-	-	-	1,440	-	-	-	-	350,383	350,383	(464)	349,919
	-	-	-	-	-	-	-	-	-	-	-	1,440	-	1,440
Total comprehensive income (expenses) for the period	-	-	-	-	-	1,440	-	-	-	-	350,383	351,823	(464)	351,359
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	-	73,076	-	-	-	-	73,076	-	73,076
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	3,000	3,000
Vesting of award shares	-	(10,712)	79,528	-	-	-	(68,816)	-	-	-	-	-	-	-
Purchase of shares under share award scheme	-	-	(264,985)	-	-	-	-	-	-	-	-	(264,985)	-	(264,985)
Cancellation of subsidiaries	-	-	-	-	-	(6,251)	-	-	-	-	-	(6,251)	(4,492)	(10,743)
Dividends paid to ordinary shareholders	-	(99,802)	-	-	-	-	-	-	-	-	-	(99,802)	-	(99,802)
At 30 June 2026	123,434	4,190,603	(1,006,115)	(122,769)	(13,834)	(31,944)	320,867	15,793	26,749	450,359	7,992,243	11,844,986	21,154	11,866,140

72 CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

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

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PRESENTATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

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

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

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

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

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

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

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

Segment information

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

5. FINANCE COSTS

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

6. TAXATION

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

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

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

7. DIVIDEND

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

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

8. EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Earnings for the purposes of calculating basic earnings per share and diluted earnings per share	350,383	315,563
	Number of shares	
	2026	2025
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,526,734,033	2,497,482,058
Effect of dilutive potential ordinary shares: Share awards	90,772,592	120,893,564
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	2,617,506,625	2,618,375,622

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

9. TRADE AND OTHER RECEIVABLES

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

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

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

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

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

10. TRADE AND OTHER PAYABLES

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

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

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

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

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

11. BORROWINGS

	(Unaudited) 30 June 2026 RMB'000	(Audited) 31 December 2025 RMB'000
Unsecured bank loans (Note (i) and (ii))	5,232,373	4,166,207
Secured bank loans (Note (iii) and (iv))	696,474	547,221
	5,928,847	4,713,428
	(Unaudited) 30 June 2026 RMB'000	(Audited) 31 December 2025 RMB'000
Carrying amount repayable:		
Within one year	3,991,326	3,440,290
Within a period of more than one year but not more than two years	593,556	603,317
Within a period of more than two years but not more than five years	705,500	122,600
Within a period of more than five years	638,465	547,221
	5,928,847	4,713,428
Less: Amounts due within one year shown under current liabilities	(3,991,326)	(3,440,290)
Amounts shown under non-current liabilities	1,937,521	1,273,138
	(Unaudited) 30 June 2026 RMB'000	(Audited) 31 December 2025 RMB'000
Total borrowings		
At floating interest rates – under an instalment loan facility (Note (i) and (ii))	431,856	451,117
At floating interest rates – secured bank loans (Note (iii) and (v))	638,465	547,221
At floating interest rates – others (Note (i) and (v))	889,901	185,000
At fixed interest rates – others (Note (i) and (vi))	3,910,616	3,530,090
At fixed interest rates – secured bank loans (Note (iv) and (vi))	58,009	–
	5,928,847	4,713,428

11. BORROWINGS (CONTINUED)

Notes:

- (i) Guaranteed by the Company and certain subsidiaries of the Company.
- (ii) During 2022 and 2023, the Company raised loans of HK\$3,000 million in two tranches from its loan facility with a group of financial institutions. The total loans represent 100% of commitments under the facility agreement and are repayable by instalments as to 5%, 10%, 15% and 70%, respectively, in June 2024, December 2024, June 2025, and December 2025. The contracted interest rate is the applicable Hong Kong Interbank Offered Rate ("HIBOR") plus 1.3% per annum. Under the terms of the facility agreement, the Company is required to comply with financial covenants to maintain a consolidated tangible net worth of no less than RMB3,800 million, and certain ratios of (1) consolidated EBITDA to consolidated financial expenses, (2) consolidated total net debt to consolidated EBITDA, and (3) cash dividend to distributable profits of the Company. The Group has complied with the relevant covenants during the reporting period. The first two instalments representing 15% of the loans, or HK\$450 million has been repaid in 2024. The third instalment and partial of the residual one instalment representing 40% of the loans, or HK\$1,200 million has been early repaid in 2024. Of the residual instalment of HK\$1,350 million, HK\$850 million was repaid in 2025 and the repayment term of HK\$500 million has been extended to December 2027. The interest rate for the balance is the applicable HIBOR plus 1.0% per annum. In addition, the certain ratio for financial covenants have been updated to (1) consolidated EBITDA to consolidated financial expenses and (2) consolidated total net debt to consolidated EBITDA. The Group has complied with the relevant covenants as of 30 June 2026.
- (iii) In 2024, a subsidiary of the Group entered into a loan facility agreement with a total amount of RMB660 million with a commercial bank. In 2025, the facility amount has been increased to RMB720 million pursuant to a supplemental agreement. As of 30 June 2026, the subsidiary has raised RMB638 million (31 December 2025: RMB547 million). The loans are repayable in October 2034 and were secured by a leasehold land amounting to approximately RMB124,072,000 (2025: RMB126,545,000).
- (iv) Bill receivables with a net carrying value of RMB58,009,000 (2025: RMBNil) are pledged to secure certain bank loans granted to the Group.
- (v) Interests on floating interest rates borrowings are charged at interest rates announced by the People's Bank of China. The average interest rate is 1.60% (2025: 1.67%) per annum as at 30 June 2026.
- (vi) Interests on fixed interest rates borrowings are charged at interest rate from 0.40% to 2.27% (2025: 0.90%-2.27%) per annum as at 30 June 2026.

12. SHARE CAPITAL

Ordinary shares of HK\$0.05 each:

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

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

13. CAPITAL COMMITMENTS

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

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

14. RELATED PARTY TRANSACTIONS

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

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

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

15. EMPLOYEE AND OTHER INFORMATION

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

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

THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

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

Code Provision C.1.5

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

Code Provision C.2.1

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

Code Provision F.1.3

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

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

DIRECTORS' SECURITIES TRANSACTIONS

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

DIRECTORS' INTERESTS IN SHARES

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

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

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

Notes:

- (1) Pursuant to the 2018 Share Award Scheme (as defined hereinbelow), on 1 June 2020, there were 16,600,000 awarded shares granted to Dr. Chen Yuhong and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited, of which 5,600,000 awarded shares were vested and transferred to Dr. Chen during the year 2021, 5,500,000 awarded shares were vested and transferred to Dr. Chen during the year 2022, 1,650,000 awarded shares were vested and transferred to Dr. Chen during the year 2023, 2,200,000 awarded shares were vested and transferred to Dr. Chen during the year 2024, and 1,650,000 awarded shares were vested and transferred to Dr. Chen during the year 2025. In addition, on 30 August 2023, there were 9,996,000 awarded shares granted to Dr. Chen Yuhong and held by the same trustee, of which 749,700 awarded shares were vested during the year 2025 and transferred to Dr. Chen during the reporting period. The remaining awarded shares will be vested by period based on future performance.
- (2) Pursuant to the 2018 Share Award Scheme, on 1 June 2020, there were 7,200,000 awarded shares granted to Dr. Tang Zhenming and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited, of which 1,440,000 awarded shares were vested and transferred to Dr. Tang during the year 2021, 1,440,000 awarded shares were vested and transferred to Dr. Tang during the year 2022, 432,000 awarded shares were vested and transferred to Dr. Tang during the year 2023, 1,008,000 awarded shares were vested and transferred to Dr. Tang during the year 2024, 1,440,000 awarded shares were vested and transferred to Dr. Tang during the year 2025 and 1,008,000 awarded shares were vested and transferred during the reporting period. In addition, on 30 August 2023, there were 5,000,000 awarded shares granted to Dr. Tang Zhenming and held by the same trustee, of which 375,000 awarded shares were vested during the year 2025 and transferred to Dr. Tang during the reporting period. The remaining awarded shares will be vested by period based on future performance.
- (3) Pursuant to the 2018 Share Award Scheme, on 30 August 2023, there are 1,000,000 awarded shares granted to Mr. Yeung Tak Bun J.P. and held by the trustee to the Share Award Scheme – Bank of Communications Trustee Limited, of which 200,000 awarded shares were vested and transferred to Mr. Yeung during the year 2024 and 200,000 awarded shares were vested and transferred to Mr. Yeung during the year 2025. The remaining awarded shares will be vested by period based on future performance.

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

SHARE AWARD SCHEME

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

2018 Share Award Scheme

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

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

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

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

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

2026 Share Award Scheme

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

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

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

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

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

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

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

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES

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

REQUIRED STANDARD OF SECURITIES DEALINGS BY DIRECTORS

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

SUBSTANTIAL SHAREHOLDERS

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

Long positions in Shares

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

Notes:

- (1) On 10 December 2018, the Company entered into a trust deed to appoint Bank of Communications Trustee Limited as trustee of the trust and to manage the trust fund and administer the Share Award Schemes of the Company, the shares held by Bank of Communications Trustee Limited do not have voting rights. Details of the Share Award Schemes are set out in the section headed "Other Information" of this report.
- (2) Dr. Chen Yuhong is deemed to be interested in 140,572,725 Ordinary Shares through Prime Partners Development Limited, which is wholly owned by Dr. Chen Yuhong.

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

COMPETING INTERESTS

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

AUDIT COMMITTEE

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

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

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

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

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

SUFFICIENCY OF PUBLIC FLOAT

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

On behalf of the Board

Dr. Chen Yuhong

Chairman and Chief Executive Officer

20 August 2026, Hong Kong