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ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the “**Director(s)**” or the “**Board**”) of Digital China Holdings Limited (神州數碼控股有限公司*) (the “**Company**” or “**DC Holdings**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2026 (the “**Reporting Period**”) together with the comparative figures for the corresponding period for 2025 as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Year-on-year change
	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>	
Revenue	6,640,831	7,865,449	-15.57%
Of which: Data Intelligence Services	1,185,288	2,458,195	-51.78%
Integrated Supply Chain Services	1,162,659	804,314	44.55%
Fintech Services and Others	4,292,884	4,602,940	-6.74%
(Loss) Profit attributable to equity holders of the parent	(52,145)	15,207	N/A

* For identification purpose only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2026

		Six months ended 30 June	
		(Unaudited)	
		2026	2025
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	<i>3</i>	6,640,831	7,865,449
Cost of sales and services		<u>(5,648,270)</u>	<u>(6,832,909)</u>
Gross profit		992,561	1,032,540
Other income and gains	<i>3</i>	56,399	63,780
Selling and distribution expenses		(391,314)	(403,865)
Administrative expenses		(193,906)	(192,969)
Other expenses, net	<i>4</i>	(768,057)	(471,895)
Finance costs	<i>4</i>	(42,556)	(88,264)
Share of losses of associates and joint ventures	<i>4</i>	<u>(13,799)</u>	<u>(24,867)</u>
Loss before tax	<i>4</i>	(360,672)	(85,540)
Income tax credit	<i>5</i>	<u>71,157</u>	<u>17,044</u>
Loss for the period		<u>(289,515)</u>	<u>(68,496)</u>
Attributable to:			
Equity holders of the parent		(52,145)	15,207
Non-controlling interests		<u>(237,370)</u>	<u>(83,703)</u>
		<u>(289,515)</u>	<u>(68,496)</u>
(Loss) earnings per share attributable to equity holders of the parent (expressed in RMB per share)	<i>7</i>		
Basic		<u>(0.0352)</u>	<u>0.0103</u>
Diluted		<u>(0.0352)</u>	<u>0.0102</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2026

	Six months ended 30 June	
	(Unaudited)	
	2026	2025
	RMB'000	RMB'000
Loss for the period	<u>(289,515)</u>	<u>(68,496)</u>
Other comprehensive (expense) income		
<i>Other comprehensive (expense) income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences arising on translation of financial statements of foreign operations	(8,797)	18,302
Share of other comprehensive income of associates	<u>–</u>	<u>345</u>
Net other comprehensive (expense) income that may be reclassified to profit or loss in subsequent periods	<u>(8,797)</u>	<u>18,647</u>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Net fair value changes on financial assets measured at fair value through other comprehensive income	77	41
Income tax effect	<u>(12)</u>	<u>(6)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>65</u>	<u>35</u>
Other comprehensive (expense) income for the period, net of tax	<u>(8,732)</u>	<u>18,682</u>
Total comprehensive expense for the period	<u>(298,247)</u>	<u>(49,814)</u>
Attributable to:		
Equity holders of the parent	(53,166)	27,409
Non-controlling interests	<u>(245,081)</u>	<u>(77,223)</u>
	<u>(298,247)</u>	<u>(49,814)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

		(Unaudited) 30 June 2026	(Audited) 31 December 2025
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		654,109	675,270
Right-of-use assets		81,887	101,181
Investment properties		4,585,306	4,585,336
Goodwill		1,011,104	1,011,104
Other intangible assets		183,478	219,718
Interests in joint ventures		51,677	55,823
Interests in associates		168,216	173,599
Financial assets at amortised cost		204,776	202,721
Financial assets at fair value through other comprehensive income		285,080	287,173
Financial assets at fair value through profit or loss		680	83,646
Accounts receivable	8	53,358	55,264
Finance lease receivables		7,876	7,876
Other receivables		420,000	420,000
Deferred tax assets		367,489	271,778
		<u>8,075,036</u>	<u>8,150,489</u>
Current assets			
Inventories		1,250,614	990,162
Completed properties held for sale		411,878	439,113
Accounts and bills receivable	8	2,867,682	2,952,098
Prepayments, deposits and other receivables		1,218,979	1,112,778
Contract assets		4,701,013	3,920,476
Financial assets at amortised cost		–	10,982
Financial assets at fair value through profit or loss		216,141	156,898
Finance lease receivables		5,549	5,549
Restricted bank balances		472,327	448,418
Cash and cash equivalents		1,800,154	3,488,418
		<u>12,944,337</u>	<u>13,524,892</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

As at 30 June 2026

		(Unaudited) 30 June 2026 <i>RMB'000</i>	(Audited) 31 December 2025 <i>RMB'000</i>
	<i>Notes</i>		
Current liabilities			
Accounts and bills payable	9	3,225,963	3,926,026
Other payables and accruals		1,208,438	1,358,716
Lease liabilities		32,678	42,396
Contract liabilities		2,244,278	1,914,077
Tax payable		76,003	45,051
Provision		306,091	–
Interest-bearing bank and other borrowings		2,678,307	2,070,763
Other financial liability	10	–	912,155
		<u>9,771,758</u>	<u>10,269,184</u>
Net current assets		<u>3,172,579</u>	<u>3,255,708</u>
Total assets less current liabilities		<u>11,247,615</u>	<u>11,406,197</u>
Non-current liabilities			
Interest-bearing bank and other borrowings		1,338,740	1,378,845
Deferred tax liabilities		530,395	522,067
Deferred income		21,524	23,115
Lease liabilities		8,447	17,485
		<u>1,899,106</u>	<u>1,941,512</u>
Net assets		<u><u>9,348,509</u></u>	<u><u>9,464,685</u></u>
Capital and reserves			
Share capital	11	163,826	163,826
Reserves		<u>5,685,648</u>	<u>5,587,110</u>
Equity attributable to equity holders of the parent		5,849,474	5,750,936
Non-controlling interests		<u>3,499,035</u>	<u>3,713,749</u>
Total equity		<u><u>9,348,509</u></u>	<u><u>9,464,685</u></u>

NOTES:

1. BASIS OF PREPARATION

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

The presentation basis, accounting policies and computation methods used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2026:

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

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

2. SEGMENT INFORMATION

In terms of resource allocation and departmental performance evaluation, relevant information on the categories of goods or services delivered or provided is centrally submitted to the Board of Directors (i.e., the CODM).

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

- (a) **Data Intelligence Services Business segment:** Provides a data intelligence decision-making platform and full-stack AI technical services centered on computing power, data, algorithm models and intelligent applications. It offers AI products and solutions for supply chain and other innovative scenarios.
- (b) **Integrated Supply Chain Services Business segment:** Provides data technology-making end-to-end supply chain services, focusing on warehousing, transportation, distribution, reverse logistics and intelligent operations across the entire value chain.
- (c) **Fintech Services and Others Business segment:** This segment mainly comprises the business of Digital China Information Service Group Co., Ltd. (DCITS), an indirect non-wholly-owned subsidiary of the Company and a company listed on the Shenzhen Stock Exchange (Stock Code: 000555.SZ). It also includes investments, property sales and leasing.

Segment information from the prior period has been re-presented to align with the current period's presentation.

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

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

The following table presents revenue and results for the Group's operating segments for the six months ended 30 June 2026 and 2025 (Unaudited):

	Data Intelligence Services		Integrated Supply Chain Services		Fintech Services and Others		Eliminations		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Represented)		(Represented)		(Represented)		(Represented)		(Represented)	
Segment revenue:										
External	1,185,288	2,458,195	1,162,659	804,314	4,292,884	4,602,940	-	-	6,640,831	7,865,449
Inter-segment	8,025	6,586	48,917	15,723	3,269	3,286	(60,211)	(25,595)	-	-
	<u>1,193,313</u>	<u>2,464,781</u>	<u>1,211,576</u>	<u>820,037</u>	<u>4,296,153</u>	<u>4,606,226</u>	<u>(60,211)</u>	<u>(25,595)</u>	<u>6,640,831</u>	<u>7,865,449</u>
Segment gross profit	<u>142,873</u>	<u>190,439</u>	<u>168,322</u>	<u>154,016</u>	<u>681,366</u>	<u>688,085</u>			<u>992,561</u>	<u>1,032,540</u>
Segment results	20,443	1,784	78,638	124,192	(359,341)	(53,358)			(260,260)	72,618
Unallocated										
Interest income									7,113	8,520
Income and gains									(4,661)	1,080
Unallocated expenses									(60,308)	(79,494)
(Loss) profit from operating activities									(318,116)	2,724
Finance costs									(42,556)	(88,264)
Loss before tax									<u>(360,672)</u>	<u>(85,540)</u>

3. REVENUE, OTHER INCOME AND GAINS

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

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

	(Unaudited)	
	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
<u>Revenue from contracts with customer within the scope of HKFRS 15</u>		
Disaggregated by major products or service lines:		
Sales of software products business	10,979	7,434
Software development and technical service business	3,148,688	2,914,169
Supply chain operation and maintenance business	1,541,638	950,340
System integration business	1,094,750	1,541,447
E-commerce business	497,248	2,093,480
Others	199,477	215,922
Total revenue from contracts with customers	6,492,780	7,722,792
Revenue from other sources		
Rental income from investment properties under operating lease	145,562	137,950
Financial services business	2,489	4,707
Total revenue from other sources	148,051	142,657
Total revenue	6,640,831	7,865,449

(i) **Revenue from contracts with customers**

Disaggregated of revenue by timing of recognition:

	(Unaudited)	
	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Timing of revenue recognition		
At a point in time	1,802,454	3,858,283
Over time	4,690,326	3,864,509
	6,492,780	7,722,792

(ii) **Other income and gains**

	(Unaudited)	
	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Other income		
Government grants	21,996	38,503
Interest on bank deposits	7,113	8,520
Income from wealth management financial products	8,662	7,280
Dividend income from financial assets at fair value through other comprehensive income	4,339	–
Others	4,157	2,097
	46,267	56,400
Gains		
Fair value gains on investment properties	–	4,280
Net foreign exchange gain	5,712	–
Gain on deemed partial disposal of equity interest in associates	4,420	3,100
	10,132	7,380
Total other income and gains	56,399	63,780

4. LOSS BEFORE TAX

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

	(Unaudited)	
	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Share of losses of associates	9,653	24,644
Share of losses of joint ventures	4,146	223
	13,799	24,867
Amount of inventories recognised as an expense	1,695,608	3,549,665
Depreciation of property, plant and equipment	32,378	30,058
Depreciation of right-of-use assets	26,346	36,807
Interest on discounted bills	6,804	13,713
Interest on bank loans and other loans	34,622	52,037
Interest on lease liabilities	1,130	1,687
Interest on other financial liabilities	–	20,827

- (ii) Other expenses, net

Research and development costs (excluding amortisation of other intangible assets)	245,840	258,242
Amortisation of other intangible assets	45,191	46,490
Written down (reversal of written down) of inventories	40,363	(5,734)
Impairment of accounts and bills receivable, other receivables and contract assets	129,857	141,847
Fair value loss on investment properties	31	–
Net foreign exchange loss	–	19,129
Fair value loss on financial assets at fair value through profit or loss	–	320
Provision for litigation (<i>Note</i>)	304,381	–
Others	2,394	11,601
Other expenses, net	768,057	471,895

Note:

As disclosed in the Company's announcement dated 28 June 2026 and the contingent liabilities section under the "Management Discussion and Analysis" chapter of this announcement, DCITS, an indirect non-wholly-owned subsidiary of the Group, obtained the first-instance judgment in the sales contract dispute case against Beijing Urban Construction Intelligent Control Technology Co., Ltd. ("UCIC"). Prior to the date of this announcement, UCIC as the plaintiff and DCITS as the defendant to the aforesaid case had filed appeals, and the second-instance trial and judgment are pending. In accordance with the relevant requirements under the HKFRS Accounting Standards, the Group has made a provision for the amount of goods consideration (excluding tax) and interest under the aforesaid case.

5. INCOME TAX CREDIT

	(Unaudited)	
	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current – People's Republic of China (“PRC”)		
Enterprise income tax (“EIT”)	10,190	8,293
Land appreciation tax (“LAT”)	567	1,026
	<u>10,757</u>	<u>9,319</u>
Current – Outside the PRC	5,480	–
Deferred tax	<u>(87,394)</u>	<u>(26,363)</u>
Total tax credit for the period	<u><u>(71,157)</u></u>	<u><u>(17,044)</u></u>

- (a) PRC EIT represents tax charged on the estimated assessable profits arising in Mainland China. In general, the Group's subsidiaries operating in Mainland China are subject to the PRC EIT rate of 25% except for certain subsidiaries which are entitled to preferential tax rates.
- (b) PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs and all property development expenditures.
- (c) Hong Kong Profits Tax is charged under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the six months ended 30 June 2026 and 2025, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5% of the estimated assessable profits.
- (d) The share of tax credit attributable to joint ventures of approximately RMB679,000 (six months ended 30 June 2025: tax credit of RMB2,000) and the share of tax charge attributable to the associates of approximately RMB69,000 (six months ended 30 June 2025: tax charge of RMB147,000) are included in “Share of losses of associates and joint ventures”, in the condensed consolidated statement of profit or loss.

6. DIVIDENDS

During the six months ended 30 June 2026, the shareholders of the Company (“**Shareholders**”) approved the payment of a final dividend of HK3.6 cents per ordinary share of the Company in respect of the year ended 31 December 2025 (six months ended 30 June 2025: a final dividend of HK6.0 cents per ordinary share of the Company in respect of the year ended 31 December 2024) at the annual general meeting of the Company held on 26 June 2026. The final dividend of approximately HK\$60,250,000 (equivalent to approximately RMB52,191,000) was paid on 21 July 2026 (six months ended 30 June 2025: approximately HK\$100,416,000 (equivalent to approximately RMB91,590,000)).

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

7. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share is based on the (loss) profit for the six months ended 30 June 2026 attributable to equity holders of the parent, and the weighted average number of ordinary shares in issue less shares held under the restricted share award scheme (the “**RSA Scheme**”) of 1,481,712,933 (six months ended 30 June 2025:1,479,115,772) during the six months ended 30 June 2026.

The calculation of the diluted (loss) earnings per share is based on the (loss) profit for the six months ended 30 June 2026 attributable to equity holders of the parent with an adjustment on effect of dilutive potential ordinary shares of a subsidiary. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue less shares held under the RSA scheme during the six months ended 30 June 2026 as used in the basic (loss) earnings per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all the dilutive potential ordinary shares related to the Group’s share-based incentive schemes into ordinary shares.

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

	(Unaudited)	
	Six months ended 30 June	
	2026	2025
	RMB’000	RMB’000
(Loss) earnings		
(Loss) profit for the period attributable to equity holders of the parent, used in the basic (loss) earnings per share calculation	(52,145)	15,207
Effect of dilutive potential ordinary shares of a subsidiary	<u>—</u>	<u>—</u>
(Loss) earnings for the purpose of diluted (loss) earnings per share	<u>(52,145)</u>	<u>15,207</u>

(Unaudited)
Number of shares
Six months ended 30 June
2026 2025

Shares

Weighted average number of shares in issue less shares held under the RSA Scheme during the period, used in the basic (loss) earnings per share calculation	1,481,712,933	1,479,115,772
Effect of dilution potential ordinary shares:		
Share-based incentive schemes	<u>3,595,770</u>	<u>6,989,384</u>
Weighted average number of shares during the period used in the diluted (loss) earnings per share calculation	<u>1,485,308,703</u>	<u>1,486,105,156</u>

The computation of diluted (loss) earnings per share attributable to equity holders of the parent for the six months ended 30 June 2026 and 2025, does not assume the exercise of the share options issued by the Company as the respective exercise prices of those share options were higher than the respective average market prices for shares.

The computation of diluted loss per share attributable to equity holders of the parent for the six months ended 30 June 2026, did not assume the exercise of the potential ordinary shares under RSA Scheme issued by the Company since it would result in a decrease in loss per share.

8. ACCOUNTS AND BILLS RECEIVABLE

	(Unaudited) 30 June 2026 RMB'000	(Audited) 31 December 2025 RMB'000
Receivables at amortised cost comprise:		
Accounts and bills receivable	3,927,017	3,959,865
Less: loss allowance	<u>(1,005,977)</u>	<u>(952,503)</u>
Total	<u>2,921,040</u>	<u>3,007,362</u>
Analysis by:		
Current portion	2,867,682	2,952,098
Non-current portion	<u>53,358</u>	<u>55,264</u>
	<u>2,921,040</u>	<u>3,007,362</u>

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

The following is an aged analysis of accounts and bills receivable net of allowance for impairment of accounts and bills receivable presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the Reporting Period.

	(Unaudited) 30 June 2026 <i>RMB'000</i>	(Audited) 31 December 2025 <i>RMB'000</i>
Within 30 days	1,858,901	1,706,946
31 to 60 days	113,144	223,367
61 to 90 days	115,666	108,864
91 to 180 days	341,988	206,441
181 to 360 days	152,385	265,037
Over 360 days	338,956	496,707
	<u>2,921,040</u>	<u>3,007,362</u>

9. ACCOUNTS AND BILLS PAYABLE

The following is an aged analysis of the accounts and bills payable presented based on the invoice date at the end of the Reporting Period.

	(Unaudited) 30 June 2026 <i>RMB'000</i>	(Audited) 31 December 2025 <i>RMB'000</i>
Within 30 days	1,874,294	2,661,341
31 to 60 days	100,811	106,202
61 to 90 days	92,906	36,030
Over 90 days	1,157,952	1,122,453
	<u>3,225,963</u>	<u>3,926,026</u>

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

10. OTHER FINANCIAL LIABILITY

Pursuant to the capital contribution from non-controlling shareholders of Shengqi Digital Company Limited (“**Shengqi Digital**”) to the condensed consolidated financial statements, a put option had been granted by Digital China Software Co., Ltd. (“**DC Software**”) (being an indirect wholly-owned subsidiary of the Company), to Changchun Financial Holdings Group Co., Ltd. (“**Changchun Financial**”) and Changchun Jingyue High-Tech Industry Development Zone State-owned Assets Investment Management Co., Ltd. (“**Changchun Jingyue**”) (collectively the “**Investors**”).

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

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

The financial liability had been settled in January 2026, resulting in a decrease of RMB110,432,000 in non-controlling interests.

11. SHARE CAPITAL

	(Unaudited) 30 June 2026 <i>HK\$'000</i>	(Audited) 31 December 2025 <i>HK\$'000</i>
Authorised:		
2,500,000,000 (31 December 2025: 2,500,000,000) ordinary shares of HK\$0.1 (31 December 2025: HK\$0.1) each	<u>250,000</u>	<u>250,000</u>
	(Unaudited) 30 June 2026 <i>RMB'000</i>	(Audited) 31 December 2025 <i>RMB'000</i>
Issued and fully paid:		
1,673,607,386 (31 December 2025: 1,673,607,386) ordinary shares of HK\$0.1 (31 December 2025: HK\$0.1) each	<u>163,826</u>	<u>163,826</u>

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview

In the first half of 2026, the AI industry is accelerating its focus from foundational model capabilities to enterprise-level application deployment. Corporate demand for AI is no longer confined to discrete tools such as model invocation and knowledge solution; while extending into core processes including data governance, process re-engineering, intelligent decision-making and business operations. AI has moved into the real-world business workflows, generating measurable commercial value and becoming the decisive force behind the commercialisation of technology.

Aligned with these industry shifts, the Group is steadfastly advancing its “AI for Process” philosophy and deepening the “Data × AI” strategy to further strengthen AI full-stack capabilities anchored by 「X^{AI}•Supply Chain」, while forging deep integration of data, technology and industry-specific scenarios. On the data intelligence front, our AIDC computing-power services have achieved significant breakthroughs, the Yanyun technology stack continues to evolve, and the AI First FDE delivery model is rapidly penetrating more than ten supply-chain scenarios. Across our integrated supply chain services, we maintain steady penetration in four advantaged sectors including intelligent communications, consumer electronics, fast-moving consumer goods and cosmetics, and durable consumer products. Meanwhile, we are proactively positioning ourselves in the embodied intelligence domain to secure first-mover technological advantages in human-machine collaboration.

During the Reporting Period, the Group’s operating revenue was RMB6.641 billion, reflecting a year-on-year decrease of approximately 16%; gross profit was RMB993 million, and gross profit margin recorded a year-on-year increase of 1.82 percentage points. Net loss attributable to the parent was RMB52.15 million, primarily reflecting the provision for litigation arising from contract disputes by DCITS, an indirect non-wholly-owned subsidiary of the Group. If excluding this item and related tax effects, net profit attributable to the parent was approximately RMB36.00 million. During the Reporting Period, the signed but undelivered contracts worth RMB7.484 billion, the newly signed contracts worth RMB6.427 billion, of which AI service-based new contracts worth RMB219 million.

2. Analysis of Principal Business Operations

Data Intelligence Services

The data intelligence services segment remains the core pillar of the Group's AI strategy, delivering a full-stack capability built around computing power infrastructure, data intelligence platforms and industry-specific intelligent applications. During the Reporting Period, revenue from this segment was RMB1.185 billion, representing a year-on-year decrease of 52%. The decline was driven by the sharp reduction in revenue recognised from goods due to shift in business model and service delivery during the Reporting Period. Gross profit was RMB143 million, reflecting a year-on-year increase of 4.3 percentage points in gross profit margin; and segment results were RMB20.44 million, representing a year-on-year increase of 1,046%.

At present, the Group has assembled an AI full-stack technology capability spanning the “computing power layer – data algorithm layer – application layer”. The computing power business has moved beyond basic operations and maintenance to AIDC full lifecycle services that enable AI workloads to run at scale. The data and algorithm business has continuously upgraded the Yanyun technical path to create a data intelligence decision-enabling platform that connects, governs, models, semanticises and invokes AI, ensuring AI delivers accurate insights. The AI First FDE, as the Group's unified software and AI application delivery model, integrates accumulated product, component and scenario capabilities across the AI + supply chain ecosystem. It enables deep collaboration with frontline operations to co-create authentic scenarios and delivers replicable, industry-grade AI capability packages that translate AI into tangible value.

AI service-based revenue refers to recurring service revenue derived from the AI full-stack capability spanning “computing power layer – data algorithm layer – application layer”, characterised by higher value-added content and recurring revenue attributes. During the Reporting Period, AI service-based revenue was RMB39.39 million, representing a year-on-year increase of 52%, propelled primarily by rapid growth in AIDC computing power services and the initial revenue contribution from AI intelligent applications, marking the early emergence of a strategic shift from AIDC services toward platforms and intelligent applications.

Computing Power Foundation: Building AIDC Full Lifecycle Service Capability

Leveraging more than 20 years of IT infrastructure construction, technical services and operation expertise, the Group has established a full lifecycle service ecosystem spanning “construction – maintenance – operation”, forming business segments including computing power construction, re-engineering, maintenance, green energy, spare parts warranty and intelligent management. We are among the few domestic computing power providers with AIDC full lifecycle services capabilities.

In computing power construction, we successfully completed the delivery and acceptance of an over RMB400 million AI data centre project in Suzhou, Anhui Province during the Reporting Period, validating our proven delivery capability for ten thousand-card-scale data centre. In response to robust demand in the computing power industry, we have accelerated our computing power re-engineering and recycling business, extending to non-disruptive migration of networks, hardware, data and applications, and more than 30 projects have been completed to date. We also hold a qualified permit for renewable resources recycling capable of providing agile residual computing power services for customers.

In computing power maintenance, we operate service networks anchored at key AIDC sites including Ulanqab, Hellingeer, Zhangbei, Langfang and Shaoguan, and maintain long-term, deep collaboration with multiple domestic leading AI server vendors. We deliver scaled computing power maintenance services including computing power maintenance, green energy, spare parts and intelligent management services to over ten computing power centres serving major internet enterprises in Inner Mongolia. The team comprises about 300 on-site, repair and implementation specialists, supporting maintenance for approximately 60,000 servers. During the Reporting Period, we secured a new gigawatt-scale liquid-cooled AIDC maintenance contract with a leading internet client; we also provide high-value-added green-energy offerings such as integrated computing power facilities and liquid-cooling deployments to optimise PUE metrics of data-centres. Furthermore, the “Digital China Zhiliao Intelligent Management Platform” dynamically oversees computing power assets, it performs fault detection, intelligent fault reporting and reuse of expert experience through AI agents, reducing repair duration by 40%, second-visit rates by 20%, and spare parts mismatch rates by 50%.

In computing power operations, we are collaborating with industry, academic and research partners to pioneer heterogeneous resource management, scheduling optimisation and backend services such as token consumption. With the State’s “15th Five-Year Plan” designating AIDC computing power infrastructure as a core engine of new quality productive forces, the Group’s AIDC computing power service business is well positioned for scaled volume growth.

Data Platform: Yanyun Technology Architecture Forges Core Advantages to AI Implementation

To address the core issues such as dispersed enterprise data, closed existing systems, implicit business rules and the inability of large models to understand real business contexts, the Group has continued to upgrade its data intelligence and decision-making enablement platform centred on “Yanyun DaaS, Yanyun Infinity and Yanyun Cortex”, forming a closed-loop technology framework covering “data ingestion – data governance – semantic parsing – intelligent decision-making”.

The Group has continued to advance the technological evolution of Yanyun system. Yanyun DaaS targets enterprises' existing systems to achieve access to multi-source heterogeneous data and interface generation. Yanyun Infinity can build a unified foundation of business semantics and data ontology, making data understandable and callable. During the Reporting Period, the Yanyun technology stack was further upgraded with the addition of Yanyun Cortex, which can build an enterprise AI semantic layer and transform data, knowledge, business rules and system capabilities into standard capabilities that large models and intelligent agents can understand, invoke and execute.

With Yanyun as its core technology foundation, “Houxi”, the government services AI agent in Zhangzhou City, was successfully selected as a national best practice outcome at the 2026 World Artificial Intelligence Conference (WAIC 2026). The Group has continued to advance the standardisation and replicable promotion of relevant solutions, and has expanded into other provincial, municipal, district and county-level government service scenarios.

Yanyun effectively resolves the core pain points of enterprise-level AI implementation where “data is unusable, systems are unreadable and scenarios are inaccessible”, and provides a unified technology foundation for the Group's software products, intelligent agents and scenario-based applications. As AI First FDE projects continue to be delivered and rapidly implemented, the platform's accumulated data models, business ontology, decision rules, knowledge bases and standardised components can be reused across customers and scenarios. Data adaptation for expansion into similar scenarios can already be completed within one week, and delivery costs are expected to continue declining as the business achieves scaled expansion.

Scenario Applications: Pioneering AI First FDE Accelerates Commercial Implementation of AI

The Group pioneered the “AI First FDE” (AI First Forward Deployed Engineer) model to advance enterprise-level AI implementation through a path of “one to three days of scenario diagnosis, one to two weeks of prototype validation, and scaled promotion after validation”. The overall delivery cycle has been reduced from several months under traditional models to several weeks, and the time for customers to obtain the first usable result has been reduced by more than 80%.

During the Reporting Period, AI First FDE recorded continued growth in business opportunities on hand, new successful bids and contract conversion. To date, scenario validation has been completed for more than 20 customers; 12 reusable pan-supply chain scenario cases have been delivered; and the average successful bid and contract amount has rapidly risen to the million-RMB level. Customer demands have extended from data governance and business analysis to core areas such as production scheduling, process optimisation, inventory decision-making and channel operations. Some projects have been delivered, launched for trial use or accepted.

Substantive progress was also made in customer repurchases. Following delivery of a phase I data governance project for a tobacco industry enterprise, which integrated equipment and production process data, the Group further advanced a phase II AI business decision-making project during the Reporting Period. The scope of cooperation was extended to material balance, process parameter optimisation, production forecasting and decision support, facilitating the customer's upgrade from data governance to intelligent decision-making. Cooperation with a gas group customer continued to deepen, with a single project amount exceeding RMB3 million, validating the business path of "building trust through initial delivery and achieving continuous incremental purchases through multi-phase expansion".

Other pan-supply chain scenarios were advanced in parallel: a steel manufacturing project extended from risk identification to production scheduling and decision support; a semiconductor warehousing project enhanced batch, inventory ageing and full-process traceability capabilities and was connected to real-time business data; an e-commerce operation project embedded multi-platform data, anomaly identification and action recommendations into daily operations; and a customer operation project supported refined operations through user identification, risk analysis and effectiveness evaluation. Validated product components and industry knowledge are accelerating migration and replication to similar customers and scenarios. Meanwhile, some customers have adopted a commercial cooperation model featuring quarterly subscription combined with outcome-based payment.

Leveraging on more than two decades of supply chain data and operational experience, the Group has established an intelligent application system covering business execution, operational decision-making and customer operations. During the Reporting Period, the Group's intelligent agent cluster, "Xiao Jin", further developed enterprise-level AI Cowork capability, and can invoke enterprise data, knowledge and system tools according to business tasks to collaboratively complete cross-role and cross-system processes. It currently covers more than 300 business process functional modules in supply chain scenarios, and has accumulated over 200 reusable management rules, over 90 standardised components and ontology assets, and 87 supply chain domain Skills. Average monthly token call volume was approximately 50,000 million; across more than 40 visual workbenches, data query efficiency improved by 90% and complex decision-making efficiency improved by 80%.

In the next stage, the Group will accelerate the evolution of AI First FDE from one-off project delivery to productised replication and continuous operation, converting its engineering capabilities and accumulated industry know-how into the quality and sustainability of business growth.

Integrated Supply Chain Services

The Group remains committed to its “Client and Ecosystem” strategy, leveraging its nationwide warehousing and transportation network and cross-border supply chain integration capabilities, provides integrated supply chain services to brand customers and drives intelligent upgrades across the entire operational process through AI technologies. During the Reporting Period, the segment generated revenue of RMB1.163 billion, representing an increase of 45% as compared to the same period last year. Gross profit reached RMB168 million, representing an increase of 9% as compared to the same period last year. Segment results amounted to RMB78.64 million, representing a decrease of 37% as compared to the same period last year. The short-term pressure was mainly attributable to increased investment during the ramp-up period for new customers and new businesses, as well as industry competition.

During the Reporting Period, the Group continued to deepen customer penetration across advantageous industries, including consumer electronics, intelligent communications, fast-moving consumer goods and cosmetics and durable consumer goods. In the intelligent communications industry, the Group continued to secure the national logistics centralized service procurement project of a domestic operator, with an overall scale exceeding RMB700 million. Several brand customers in the intelligent communications and fast-moving consumer goods and cosmetics industries achieved increases in the Group’s share of their business. The Group newly secured 10 brand customers, each contributing over RMB1 million in revenue, while its cloud warehouse ecosystem partner network continuing to expand, with business from incremental customers currently in the onboarding and ramp-up stage.

Benefiting from the accelerated localization of the domestic semiconductor industry, the Group’s semiconductor import and export business achieved rapid growth in both revenue and profit. With a focus on customs clearance, cross-border transportation and solution design, the Group continued to expand its high-margin cross-border routes and complex customs clearance services, further strengthening its differentiated advantages in the semiconductor supply chain.

In terms of embodied intelligence ecosystem cooperation, during the Reporting Period, the Group officially delivered supply chain AI and autonomous picking vehicle applications to customers, enabling human-machine collaboration, intelligent decision-making and enhanced efficiency across thousand-acre large-scale industrial parks. During WAIC 2026, the Group entered into a strategic cooperation agreement with DAX Robotics (大咖機器人) and took the lead in achieving the world’s first autonomous collaborative picking by a cluster of embodied intelligence, with intelligent picking orders accounting for 10% of the total orders at the warehouse. The two parties will collaborate on the opening up of real-world logistics scenarios, technology integration, joint validation and commercialization.

The operational experience and industry insights accumulated through the Group's integrated supply chain services also provide high-quality data assets and operational scenarios for the AI First FDE model of its data intelligence services. Scenario-based data continues to support knowledge accumulation and capability evolution. The full-stack closed loop of "computing power – data – scenarios" formed through the synergy between the two segments is becoming a core competitive barrier underpinning the Group's AI strategy.

Fintech Services and Others

The Group has long been deeply engaged in the fintech sector. Leveraging abundant real-world business scenario data and deep industry insight, the Group has continued to refine and deploy financial AI solutions, providing integrated digital and intelligent transformation services to financial institutions and customers across a broad range of industries. The Group has cumulatively served more than 2,000 financial institutions of various types. During the Reporting Period, the segment generated revenue of RMB4.293 billion, representing a decrease of 7% as compared to the same period last year; gross profit was RMB681 million, representing a decrease of 1% as compared to the same period last year; and segment results recorded a loss of RMB359 million, primarily reflecting the provision for litigation arising from contract disputes.

The Group continued to advance the deep integration of AI into core financial business processes. Building on banking ontology to consolidate the foundation for trustworthy AI decision-making, the Group provided CBOT full-chain services covering consulting, construction, operation and delivery. During the Reporting Period, the Group completed the research and development of more than 30 intelligent solutions across nine major categories, covering over 100 banking business scenarios and delivering over 50 intelligent agents. Their application scope spans the front, middle and back offices of financial institutions, as well as key functions including business, operations and technology, supporting financial institutions in upgrading their business systems and enhancing operational effectiveness.

3. Future Outlook

Looking ahead to the second half of 2026, the national "15th Five-Year Plan" will continue to unleash policy benefits for the industrialization of artificial intelligence and the digital and intelligent transformation of industries, while computing infrastructure development and the implementation of enterprise-level AI applications are both in a period of strong growth. The Group will continue to pursue its "Data × AI" strategy, integrating data intelligence services throughout the core scenarios of its integrated supply chain, fully leveraging its core competitiveness in "data + scenarios", and accelerating the scalable replication and commercialization of its full-stack AI capabilities across "computing power – data – applications" through the AI First FDE model, thereby creating sustainable long-term value for shareholders.

4. Status on the Settlement Plans Regarding Certain Wealth Management Products Purchased by the Group (the “WMP”)

As of 30 June 2026, the total net book value of the WMP was approximately RMB668 million. Leveraging the acquired right to proactively dispose of the ultimate underlying assets associated with the WMP (which comprise a real estate residential project and a market and commercial complex), the Group is implementing the disposal plans and specific action plans in relation thereto, with the following progress:

- Regarding the real estate residential project (the net book value of which was approximately RMB76 million as of 30 June 2026), benefiting from the court’s ruling finalising the restructuring plan, the project is now fully ready for marketing and disposal. However, due to the prevailing economic environment, market prices have declined slightly. The Group is currently pursuing a multi-dimensional marketing strategy to drive the conversion of assets into cash.
- Regarding the market and commercial complex (the net book value of which was approximately RMB592 million as of 30 June 2026), the Group has adopted a strategy of “stable operation and timely disposal”. The market section is operating stably. The commercial complex section is currently undergoing divestment into a new corporate entity in accordance with the final restructuring plan approved by the court. The Group is expected to acquire a controlling interest in this new corporate entity, so as to ensure efficient control of the disposal process. The asset divestiture is progressing smoothly, and a well-known professional institution has been engaged to carry out operational and brand promotion activities, with a view to accelerating the recovery of funds while enhancing asset value.

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

5. Reconciliation of Non-HKFRS Accounting Standards Measures to the Nearest HKFRS Accounting Standards Measures

To supplement our consolidated results which are prepared and presented in accordance with HKFRS Accounting Standards, we also use adjusted EBITDA and adjusted net loss as additional financial measures, which are not required by, or presented in accordance with HKFRS Accounting Standards. We believe that these Non-HKFRS Accounting Standards measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance such as certain non-cash or one-off items and certain impact of investment transactions. The use of these Non-HKFRS Accounting Standards measures has limitations as an analytical tool, and one should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under HKFRS Accounting Standards. In addition, these Non-HKFRS Accounting Standards measures may be defined differently from similar terms used by other companies.

Adjusted net loss represents loss (Non-HKFRS Accounting Standards) for the period adjusted for (i) certain non cash or one-off items, consisting of share-based compensation expenses, provision for litigation and certain impairment reversal (provision); (ii) net gains or losses from certain investments; (iii) fair value changes of investment properties; and (iv) related income tax effects.

Adjusted EBITDA represents adjusted net profit (Non-HKFRS Accounting Standards) for the period adjusted for (i) Gain on deemed partial disposal of equity interest in associates, fair value changes of investment properties, certain items in other income and gains, certain items in other expenses, net, finance costs, share of losses of associates and joint ventures and income tax expenses; and (ii) certain non-cash or one-off items, consisting of share-based compensation expenses, amortisation of intangible assets, depreciation of property, plant and equipment, depreciation of right-of-use assets and certain impairment reversal (provision).

The following tables set forth the reconciliations of our Non-HKFRS Accounting Standards measures for the periods ended 30 June, 2026 and 2025, to the nearest measures prepared in accordance with HKFRS Accounting Standards.

	(Unaudited)	
	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Loss for the period	(289,515)	(68,496)
Adjusted for:		
Share-based payments	4,164	4,123
Provision for litigation	304,381	–
Gain on deemed partial disposal of equity interest in associates	(4,420)	(3,100)
Net losses on investees (<i>Note (i)</i>)	12,005	24,445
Fair value loss (gain) of investment properties	31	(4,280)
Income tax effects on Non-HKFRS adjustments	(76,103)	1,070
Adjusted net loss (Non-HKFRS Accounting Standards measures)	(49,457)	(46,238)
Income tax expenses not adjusted for adjusted net profit	4,946	(18,114)
Share of profits of investments accounted for using the equity method not adjusted for adjusted net profit	5,955	422
Interest on bank deposits	(7,113)	(8,520)
Finance costs	42,556	88,264
Amortisation of intangible assets	45,191	46,490
Depreciation of property, plant and equipment and right-of-use assets	58,724	66,865
Adjusted EBITDA (Non-HKFRS Accounting Standards measures)	100,802	129,169

Note (i) Mainly include fair value changes related to certain investments, gains or losses on deregistration or disposal of investees or subsidiaries, dilution gains or losses, and certain share of profits or losses of investments accounted for using the equity method.

Capital Expenditure, Liquidity and Financial Resources

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

The Group had total assets of approximately RMB21,019 million as at 30 June 2026 which were financed by total liabilities of approximately RMB11,671 million, non-controlling interests of approximately RMB3,499 million and equity attributable to equity holders of the parent of approximately RMB5,849 million. The Group's current ratio as at 30 June 2026 was 1.32 as compared to 1.32 as at 31 December 2025.

During the six months ended 30 June 2026, capital expenditure of approximately RMB24 million was incurred mainly for the additions of property, plant and equipment and other intangible assets.

As at 30 June 2026, the Group had cash and cash equivalents of approximately RMB1,800 million, of which approximately RMB1,622 million were denominated in RMB.

The gearing ratio, being aggregate borrowings of the Group as a ratio of equity attributable to equity holders of the parent was 0.69 at 30 June 2026 (as at 31 December 2025: 0.60). The computation of the said ratio was based on the total interest-bearing bank and other borrowings of approximately RMB4,017 million (31 December 2025: approximately RMB3,450 million) and equity attributable to equity holders of the parent of approximately RMB5,849 million (31 December 2025: approximately RMB5,751 million).

As at 30 June 2026, the interest-bearing bank and other borrowings of the Group were shown as follows:

RMB'000

Current

Interest-bearing bank borrowings, unsecured	2,128,996
Interest-bearing bank borrowings, secured	505,811
Other borrowings	43,500
	2,678,307

Non-current

Interest-bearing bank borrowings, secured	1,320,440
Interest-bearing bank borrowings, unsecured	18,300
	1,338,740

Total	4,017,047
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Certain of the Group's bank borrowings of:

1. Approximately RMB1,600 million extended by financial institutions to certain subsidiaries of the Group were secured by mortgages over the Group's buildings, investment properties and land use rights with an aggregate carrying amount of approximately RMB3,421 million as at 30 June 2026; and
2. Approximately RMB170 million extended by financial institutions to certain subsidiaries of the Group were secured by pledge of 32,921,000 issued shares of DCITS, directly held by a wholly-owned subsidiary of the Company, with an aggregate fair value of approximately RMB339 million as at 30 June 2026.

Included in the Group's current and non-current bank borrowings of approximately RMB137 million and RMB1,339 million respectively are long-term loans repayable between 2026 and 2037. As at 30 June 2026, approximately RMB2,080 million and RMB1,937 million of the Group's bank borrowing were charged at fixed interest rates and floating interest rates, respectively.

The total available bank credit facilities for the Group as at 30 June 2026 amounted to approximately RMB13,862 million, of which approximately RMB2,676 million were in long-term loan facilities and approximately RMB11,186 million were in trade lines, short-term loans and cash advance. As at 30 June 2026, the total amount drawn down by the Group was approximately RMB1,914 million in long-term loan facilities and approximately RMB3,603 million in trade lines, short-term loans and cash advance.

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

Contingent Liabilities

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

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

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

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

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

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

As at 30 June 2026, the case has not yet been adjudicated. Based on the advice from the legal advisor, no material loss will be borne by DC Jinxin.

Dispute over Sales Contract between Digital China System Integration Services Co., Ltd. and Beijing Urban Construction Intelligent Control Technology Co., Ltd.

In June 2025, Beijing Urban Construction Intelligent Control Technology Co., Ltd. (“UCIC”) instituted legal proceedings against Digital China System Integration Services Co., Ltd. (“DC System Integration”), a wholly-owned subsidiary of DCITS, in the Third Intermediate People’s Court of Beijing and the People’s Court of Shunyi District, Beijing.

UCIC claimed that it entered into procurement contracts with DC System Integration in December 2023 and January 2024, with contract amounts of RMB333.6 million and RMB42.7 million respectively, totalling RMB376.3 million. UCIC alleged that it had delivered the goods in accordance with the contract, but DC System Integration failed to make payment accordingly.

UCIC requested the court to order DC System Integration to pay the contract sum of RMB376.3 million under the relevant procurement contracts, liquidated damages for overdue payment of RMB36.5 million, legal fees of RMB500,000 and other expenses, and sought an order that DCITS be held jointly and severally liable for the aforesaid debts.

UCIC applied to the courts for property preservation in the aggregate amount of RMB413.3 million. As at 30 June 2026, bank accounts of DCITS with an aggregate balance of RMB413.3 million had been frozen.

In June 2026, the Third Intermediate People’s Court of Beijing rendered its first-instance judgment; in July 2026, the People’s Court of Shunyi District, Beijing rendered its first-instance judgment. In the cases before the Third Intermediate People’s Court of Beijing, both DC System Integration and UCIC have filed appeals. In the cases before the People’s Court of Shunyi District, Beijing, both DC System Integration and UCIC have filed appeals. All the aforesaid cases are pending second-instance hearing and judgment.

As a result, the Company recognised provision of RMB304.4 million for the Reporting Period in accordance with the relevant requirements under HKFRS Accounting Standards.

Save as disclosed above, the Group had no other material contingent liabilities as at 30 June 2026.

Commitments

As at 30 June 2026, the Group had the following commitments:

RMB'000

Contracted, but not provided for, in the condensed consolidated financial statements:

Land and buildings	22,171
Capital contributions payable to joint ventures	48,450
	70,621

Foreign Currency Exposure

The Group is exposed to foreign exchange risk arising from net monetary liabilities in currencies other than the functional currencies of approximately RMB273,872,000 as at 30 June 2026 (31 December 2025: RMB240,384,000).

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange should the need arise.

Significant Investments, Material Acquisitions And Disposals Of Subsidiaries, associates and joint ventures

Reference is made to the announcements of the Company dated 15 September 2020, 14 January 2026 and 16 January 2026 in relation to, among others, the grant by DC Software, and exercise by Changchun Financial and Changchun Jingyue of put options (“**Put Options**”) in Shenqi Digital. As Shenqi Digital was not listed before 31 December 2025, the Investors were entitled under the relevant agreement to exercise, and did separately exercise, their respective Put Options on 14 January 2026 and 16 January 2026 respectively, pursuant to which DC Software was required to purchase all of the equity interests respectively held by the Investors in Shenqi Digital at an aggregated consideration of 914 million. As at 30 June 2026, the relevant share transfers had been completed. For further information about the exercise of the Put Options, please refer to the announcements of the Company dated 14 January 2026 and 16 January 2026.

As set out in the announcements of the Company dated 30 January 2026 and 30 March 2026, DC Software, an indirect wholly-owned subsidiary of the Company, disposed of an aggregate of 11,364,026 DCITS shares during the Reporting Period, representing approximately 1.16% of the entire share capital of DCITS, at an aggregated consideration of 195 million. Following the disposal of the abovementioned DCITS shares, DCITS remains as a subsidiary of the Company. For further information about the said disposal of DCITS shares, please refer to the announcements of the Company dated 9 December 2025, 11 January 2026, 30 January 2026 and 30 March 2026.

As disclosed in the announcement of the Company dated 27 April 2026, DCITS proposed to conduct a non-public issuance of not more than 195,154,887 DCITS shares to not more than 35 specific target subscribers (the “**Private Placement**”). The issue and allotment of a maximum of 195,154,887 DCITS shares pursuant to the Private Placement will result in a reduction of the Company’s percentage of equity interest in DCITS by approximately 6.44%, and therefore constituted a deemed disposal of the Company. The Private Placement also constituted a major transaction of the Company pursuant to the Listing Rules and was subject to, among others, shareholders’ approval. A special general meeting was held on 24 June 2026 where Shareholders considered and did approve, among others, the Private Placement and the transactions and other matters contemplated thereunder. For further details, please refer to the announcements of the Company dated 27 April 2026 and 24 June 2026, and the circular of the Company dated 21 May 2026.

Save as disclosed above, there was no other significant investment and material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

Events After The Reporting Period

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

Human Resources and Remuneration Policy

As at 30 June 2026, the Group had 23,319 (30 June 2025: 20,254) full-time employees, of whom 1,202 were full-time employees other than those of DCITS (30 June 2025: 1,085). The majority of these employees work in the PRC. The Group offers remuneration packages in line with industry practice. Employees’ remuneration includes basic salaries and bonuses. The Group has recorded an increase by 11.11% in staff costs of approximately RMB2,261 million for the six months ended 30 June 2026 as compared to approximately RMB2,035 million for the corresponding period of the last financial year. In order to attract and retain a high caliber of capable and motivated workforce, the Company offers share-based incentive schemes to staff based on the individual performance and the achievements of the Company’s targets. The Group is committed to providing its staff with various in-house and external training and development programs.

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

Update on the use of proceeds from the Rights Issue

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

Intended use of the net proceeds from the Rights Issue	Net proceeds RMB'million	Utilised amount as at 1 January 2026 RMB'million	Actual application during the six months ended 30 June 2026 RMB'million	Un-utilised amount as at 30 June 2026 RMB'million	Expected to be utilised by 30 June 2027 RMB'million
(i) Financing the Healthcare Big Data Investment or any other potential investments and acquisitions as and when any suitable opportunity is identified	664	(454)	–	210	210
(ii) Repayment of debt and interest expenses					
(a) Repayment of principal and interest expenses to Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司) due in October 2017	160	(160)	–	–	–
(b) Repayment of principal and interest expenses to Western Securities Co., Ltd. (西部證券股份有限公司) due in October 2017	250	(250)	–	–	–
(iii) General working capital purposes	75	(75)	–	–	–
Total	1,149	(939)	–	210	210

The Company does not have any intention to change the purposes of the Net Proceeds as set out in the rights issue prospectus dated 23 August 2017, and will gradually utilise the un-utilised amount of the Net Proceeds in accordance with the intended purpose mentioned above. As at 30 June 2026, an aggregate of approximately RMB939 million of the Net Proceeds has been utilised.

As at 30 June 2026, the un-utilised Net Proceeds from the Rights Issue amounted to approximately RMB210 million. During the Reporting Period, due to the slow pace of macroeconomic recovery, the investment atmosphere was relatively sluggish, and the management of the Company became more cautious in investing in mergers and acquisitions. Therefore, the un-utilised Net Proceeds had not been utilised in full as at 30 June 2026.

Given the lingering market uncertainties and the time required for the restoration of investment confidence, it is expected that the un-utilised Net Proceeds would not be fully utilised by 31 December 2026. All of such un-utilised Net Proceeds will be utilised for financing the Healthcare Big Data Investment or any other potential investments and acquisitions as and when any suitable opportunity is identified. It is expected that the un-utilised Net Proceeds will be fully utilised by 30 June 2027.

For further details of the Rights Issue, please refer to the announcements dated 21 July 2017, 24 August 2017 and 15 September 2017, the rights issue prospectus dated 23 August 2017 and the annual report for the year ended 31 December 2017 and 31 December 2018 and 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 of the Company.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil)

REVIEW BY AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. CHAN Wai Hong, Michael (who is the Chairman of the Audit Committee), Mr. KING William and Dr. LI Jing. The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026 and have discussed with the senior management of the Company on their respective findings, the accounting treatment, principles and practices adopted by the Group, legal and regulatory compliance, as well as other auditing, internal control, risk management and financial reporting matters. The Audit Committee did not have any disagreement on the accounting treatment adopted by the Group in its unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026.

CORPORATE GOVERNANCE

The Company has complied with the code provisions (the “**Code Provision(s)**”) set out in the “Corporate Governance Code” (the “**Code**”) contained in Part 2 of Appendix C1 to the Rules (“**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) throughout the six months ended 30 June 2026, except the following deviations from certain Code Provisions with considered reasons as given below:

Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

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

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

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

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

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

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct for Directors’ securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2026.

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 had purchased, sold or redeemed any of the Company’s listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the six months ended 30 June 2026.

By Order of the Board
Digital China Holdings Limited
(神州數碼控股有限公司*)
GUO Wei
Chairman and Chief Executive Officer

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises nine Directors, namely:

Executive Directors: Mr. GUO Wei (Chairman and Chief Executive Officer), Mr. LIN Yang (Vice Chairman) and Mr. CAI Yinghua (President and Chief Operating Officer)

Non-executive Director: Ms. CONG Shan

Independent Non-executive Directors: Dr. LIU Yun, John, Mr. KING William, Dr. GUO Song, Mr. CHAN Wai Hong, Michael and Dr. LI Jing

Website: www.dcholdings.com

** For identification purpose only*