NEWLINK TECHNOLOGY INC.

新紐科技有限公司*

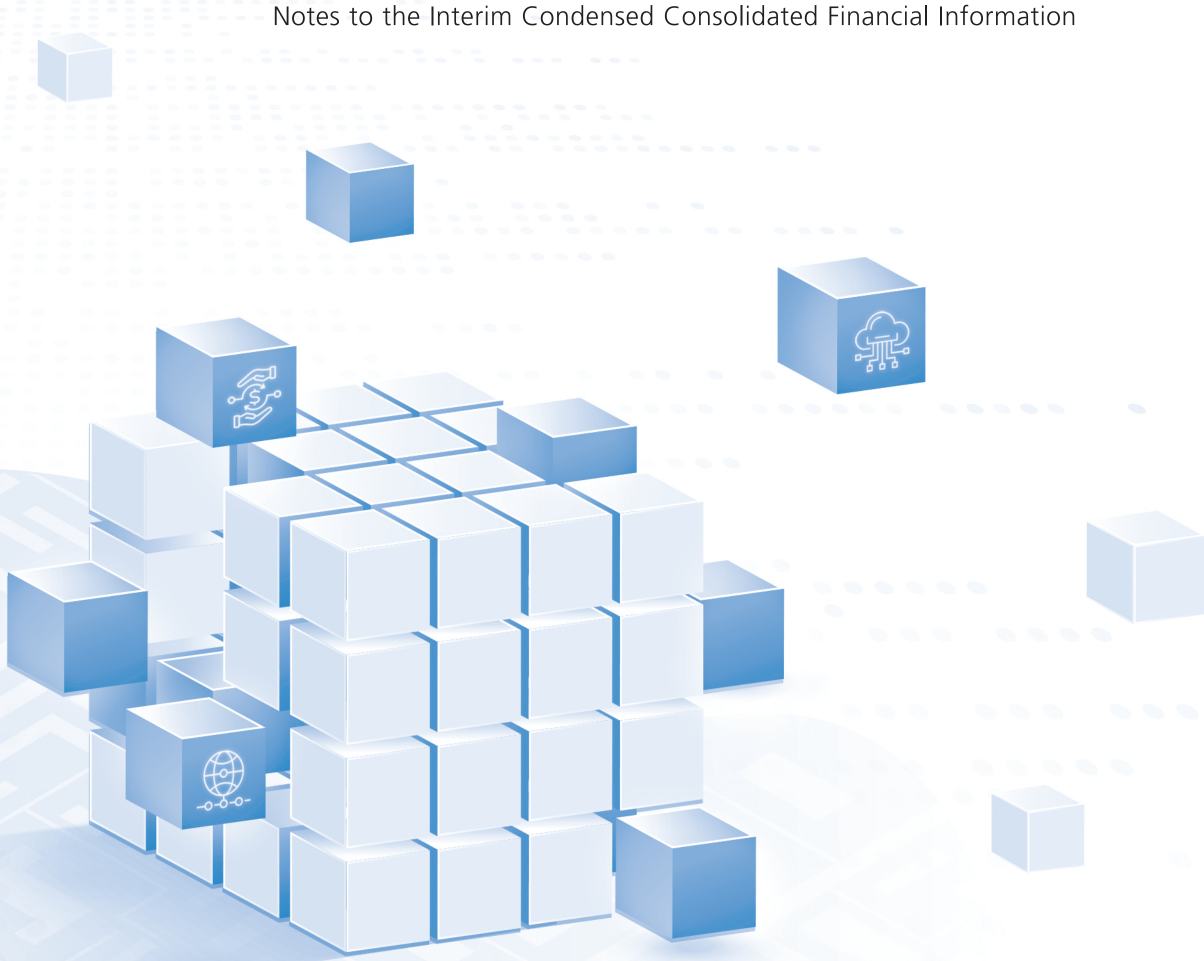
(Incorporated in the Cayman Islands with limited liability)

Stock Code : 9600

*For identification purpose only

2025 INTERIM REPORT

CONTENTS



DEFINITIONS

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings.

"Audit Committee"	the audit committee of the Board
"Beijing Newlink"	Beijing Newlink Technology Co., Ltd.* (北京新紐科技有限公司), a limited liability company established under the laws of the PRC on 15 August 2011 and an indirect wholly-owned subsidiary of the Company
"Board"	the board of Directors of the Company
"CEO"	chief executive officer of the Company
"CG Code"	the "Corporate Governance Code" set out in Appendix C1 to the Listing Rules
"Mainland China"	the People's Republic of China, which for the purpose of this interim report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Company", "Newlink Technology" or "Listed Company"	Newlink Technology Inc. (新紐科技有限公司*), an exempted company incorporated under the laws of Cayman Islands with limited liability on 8 November 2019 and where the context otherwise requires, the Group
"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Zhai and Nebula SC
"Director(s)"	the director(s) of the Company
"Global Offering"	the Hong Kong public offering and the international offering of shares in connection with the IPO
"Group" or "We"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IPO"	the Company's initial public offering of its Shares
"Listing Date"	6 January 2021, on which the Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules

DEFINITIONS

"Mr. Zhai"	Mr. ZHAI Shuchun (翟曙春), the chairman of the Board, executive Director, CEO and one of the Controlling Shareholders
"Nebula SC"	Nebula SC Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on 6 November 2019 and wholly-owned by Mr. Zhai
"Neusoft Yuetong"	Beijing Neusoft Yuetong Software Technology Co., Ltd.* (北京東軟越通軟件技術有限公司), a company established under the laws of the PRC with limited liability on 23 July 2009. In June 2022, Newlink Technology (Beijing) Co., Ltd.* (紐領科技(北京)有限公司) entered into an equity transfer and capital increase agreement with the shareholders of Neusoft Yuetong and Neusoft Yuetong to conditionally purchase 100% equity interest in Neusoft Yuetong
"Nomination Committee"	the nomination committee of the Board
"Post-IPO Share Option Scheme"	the post-IPO share option scheme conditionally adopted by the Company on 5 December 2020
"Prospectus"	the prospectus of the Company dated 21 December 2020
"Reporting Period"	the six months ended 30 June 2025
"Remuneration Committee"	the remuneration committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC
"RPA" or "Robotic Process Automation"	the application of technology that allows IT engineers to configure computer software or a robot to capture and interpret existing applications and data for processing a transaction, manipulating data, triggering responses and communicating with other systems
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of par value US$0.000001 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. ZHAI Shuchun *(Chairman and CEO)*
Ms. QIN Yi
Mr. LI Xiaodong

Independent Non-executive Directors

Mr. TANG Baoqi
Ms. YANG Juan
Mr. YOU Linfeng

COMPANY SECRETARY

Ms. ZHANG Xiushi

AUTHORISED REPRESENTATIVES UNDER THE LISTING RULES

Mr. ZHAI Shuchun
Ms. ZHANG Xiushi

AUDIT COMMITTEE

Mr. YOU Linfeng *(Chairman)*
Mr. TANG Baoqi
Ms. YANG Juan

REMUNERATION COMMITTEE

Ms. YANG Juan *(Chairwoman)*
Mr. ZHAI Shuchun
Mr. TANG Baoqi

NOMINATION COMMITTEE

Mr. TANG Baoqi *(Chairman)*
Mr. ZHAI Shuchun
Ms. YANG Juan

HONG KONG LEGAL ADVISOR

Jingtian & Gongcheng LLP
Suites 3203-3207, 32/F, Edinburgh Tower
The Landmark
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Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
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Cayman Islands

AUDITOR

Forvis Mazars CPA Limited
Registered Public Interest Entity Auditor
42nd Floor, Central Plaza
18 Harbour Road`
Wanchai
Hong Kong

REGISTERED OFFICE

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KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Haidian District, Beijing
the PRC

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 06 on 20th Floor of Harbour Centre
No. 25 Harbour Road
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Hong Kong

PRINCIPAL BANKS

China CITIC Bank
Beijing Guanhuguoji Sub-branch
1/F and 2/F
Building A-1, Yard 88
North East Fourth Ring Road
Chaoyang District, Beijing
the PRC

Huaxia Bank
Beijing Zhichun Sub-branch
Lixiang Building
No. 111 Zhichun Road
Haidian District, Beijing
the PRC

China Merchants Bank
Beijing Shangdi Sub-branch
South End of Xinxi Road, Shangdi, 1/F, Block B
Building 2, Guiguliangcheng, 1 Nongda Road
Haidian District, Beijing
the PRC

China Merchants Bank
Dalian Branch Xinghai Sub-branch
No. 700 Zhongshan Road, Shahekou District
Dalian City, Liaoning Province
the PRC
(next to Exit A of Heishijiao Metro Station)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Wan Chai
Hong Kong

STOCK CODE

Stock code: 9600

WEBSITE

www.newlinktech.com.cn

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June 2025 (RMB'000) (Unaudited)	For the six months ended 30 June 2024 (RMB'000) (Unaudited)
Revenue	**133,740**	122,905
Gross profit	**24,066**	24,725
Loss before tax	**(64,609)**	(55,403)
Income tax expense	**(24)**	(15)
Loss for the period	**(64,633)**	(55,418)

	As at 30 June 2025 (RMB'000) (Unaudited)	As at 31 December 2024 (RMB'000) (Audited)
Total assets	**815,909**	882,822
Total liabilities	**145,628**	143,384
Total equity	**670,281**	739,438

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Overview

As a leading technology-driven IT solution service provider in China, Newlink Technology has long been focusing on the development of proprietary software products and applying cutting-edge technologies such as artificial intelligence and big data analytics. The Group consistently delivers high-value IT solutions to customers across specific industries, including finance, healthcare, transportation, logistics, education and energy, as well as general industry customers.

The Group remains committed to research and development of new products and new technologies and their application innovations, and has been promoting the integration of products and services. By doing so, the Group aims to provide customers in various industries with scenario-based comprehensive solutions that can satisfy needs of customers and enhance their competitiveness in their industries on the basis of Robotic Process Automation (RPA) solutions, smart park solutions, medical and health care big data intelligent management solutions, deep semantic analysis and risk prevention and control based on large models, and solution services powered by a series of technologies such as language parsing, data mining and analysis, cloud-based computing, distributed database management, intelligent control, knowledge graph and deep learning.

Business Review

In the first half of 2025, costs around the world inelastically escalated, debt risks and financial conditions tightened, and protectionism and geopolitical risks intensified. Domestically, the foundation for the recovery of effective demand remained fragile, consumer sentiment was influenced by multiple factors, investment confidence in certain industries needed to be boosted, and market competition became more intense. The global and Chinese economies continue to be confronted with complex and severe challenges, which have significantly impacted the Company's operating environment. We are also under multiple pressures, including uncertainty in external demand, rising overall costs, urgent need for investment in transformation and upgrading, and structural contradictions in the financing environment.

In the first half of 2025, despite the complex and dynamic external environment, the management of the Group took proactive measures, focusing on building core capabilities and risk management. In terms of actively expanding the market and optimising the revenue structure, the Group continued to develop the domestic market, closely tracking changes in domestic consumption trends, increasing efforts in new product R&D and marketing innovation, enhancing brand value and service experience, and tapping into the potential of niche markets. At the same time, the Group steadily expanded its presence in the Asia-Pacific region with Hong Kong as the focus, optimising its market positioning, actively addressing trade barriers, exploring opportunities in emerging markets, and enhancing its business resilience. While the Group continued to experience pressure in the sales segment due to industry seasonal fluctuations and slower-than-expected recovery in domestic market demand, it still achieved resilient business growth during the Reporting Period, with total revenue reaching RMB133.7 million, representing an increase of 8.8% compared to the same period last year, breaking through the constraints of the business off-season against the trend.

In the first half of 2025, the Group's revenue was entirely derived from its IT solutions services business. Among these, software development services served as the core revenue source, generating revenue of RMB118.7 million in the first half of 2025, representing a slight increase of 13.3% compared to the same period in 2024, thereby further consolidating the business foundation. Technical and maintenance services generated revenue of RMB12.8 million, representing a decrease of 7.2% compared to the same period in 2024. Standard software sales reached RMB2.2 million in the first half of 2025, accounting for a relatively low proportion of total revenue, representing a decrease from the same period in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2025, in order to intensify cost reduction and efficiency improvement efforts and enhance operational resilience, the Group strictly controlled all expenses and strengthened budgetary constraints. At the same time, it optimised procurement strategies, refined inventory management and strengthened supply chain diversification to offset rising cost pressures. However, due to factors such as the sustained rise in global supply chain costs, the Group's procurement and compliance costs increased, directly compressing the Company's gross margin. During the Reporting Period, the Group recorded a gross profit of RMB24.1 million, remaining largely stable with a slight decrease of 2.4% year-on-year. In the first half of 2025, the Group's net loss attributable to shareholders was RMB64.4 million, representing an increase of RMB9.2 million compared to the same period last year. This was primarily due to the combined effects of increased losses from changes in the fair value of equity investments recognised in profit or loss, increased selling and distribution expenses, and reduced research and development expenses.

In the first half of 2025, in terms of strengthening innovation and digital transformation, the Group placed emphasis on key technological breakthroughs and core product iteration and upgrades to consolidate its technological barriers. In addition, the Group applied advanced technologies to empower research and development, procurement, marketing, and management, thereby improving decision-making efficiency and customer response speed. In terms of prudent financial management and ensuring capital safety, the Group has prioritised cash flow forecasting and management, optimised its capital structure, and ensured liquidity safety. It has actively expanded diversified financing channels, maintained good bank-enterprise relationships, and endeavoured to reduce financing costs. In terms of optimising governance and risk management systems, the Group strengthens talent development to enhance organisational efficiency and adaptability; it continuously improves its Environmental, Social, and Governance ("**ESG**") management system to actively address green compliance requirements and integrate sustainability into its strategic planning. Additionally, through enhanced comprehensive risk management, the Group improves its ability to identify, assess, and respond to supply chain risks, market risks, compliance risks, and geopolitical risks.

In addition to continuing to focus on the domestic market in China, the Group launched a strategic plan in 2023 to establish a foothold in the Hong Kong Special Administrative Region and expand into the Asia-Pacific and Greater Bay Area markets. The Group has further established an operational centre in Hong Kong, actively developing related businesses in the region, and has participated in the Hong Kong FinTech Week for two consecutive years with innovative solutions, attracting widespread attention from industry peers and financial clients in Hong Kong. By far, the Group's business has been established in Hong Kong, successfully collaborating with numerous well-known local enterprises in the financial, energy, retail, trade, and tourism sectors, and signing strategic cooperation agreements. Our intelligent customer service system, virtual card system, and RPA (Robotic Process Automation) solutions have been widely recognised by clients for their localised deployment and implementation in Hong Kong. In the first half of 2025, the Company established a strategic partnership with the Hong Kong Polytechnic University in the areas of industry-academia-research collaboration, establishing a joint laboratory and setting up joint research projects. We aim to collaborate with Hong Kong universities to leverage the complementary strengths of academia and industry, fostering in-depth cooperation across research, education, industry, and application. This includes advancing the integration of scientific research and technology into industrialisation, nurturing fintech talent, and leveraging technology to drive the development of the financial industry. Our goal is to strengthen the synergy between "theoretical learning" and "technical application", accelerating the practical implementation and application of fintech across broader business applications.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2025, Newlink Technology, the Chairman of the Board of Newlink Technology, and Beijing Newlink, the primary operating entity under the Group, actively participated in industry exchanges and received numerous industry-related honours. Among these, Beijing Newlink was awarded the "Golden Ding Product Award(金鼎產品獎)" in the financial category of the 3rd "Dingxin Cup(鼎信杯)" Competition, hosted by the China Software Testing and Evaluation Centre (Ministry of Industry and Information Technology, Software and Integrated Circuit Promotion Centre) in January 2025, for its IT solution titled "IFR Financial Intelligent Process Robot Based on Newlink RPA V4.0(基於Newlink RPA V4.0的IFR財務智能流程機器人)". In June 2025, we were invited to deliver a keynote speech at the Sixth Public Hospital High-Quality Innovative Development Exchange Conference hosted by the Hospital Quality Management and Information Technology Development Branch of the National Association of Health Industry Enterprise Management. In June 2025, Newlink Technology and its Executive Director, Chairman of the Board, and Chief Executive Officer, Mr. Zhai Shuchun, were honoured with three awards: the "Hainuo Award – 2025 Service Innovation Model Enterprise(海諾獎－2025服務創新典範企業)", the "Hainuo Award – 2025 (Industry) Leading Brand(海諾獎－2025(行業)引領品牌)", and the "Hainuo Award – 2025 (Industry) Leading Figure(海諾獎－2025(行業)引領人物)".

Outlook

Looking ahead, the global economy remains complex, challenging, and uncertain, with cost pressures, geopolitical risks, and market demand fluctuations continuing to pose significant challenges to the Group's operations. However, the fundamental trend of China's economy remaining positive in the long term has not changed, and the trends of industrial upgrading and innovation-driven development continue to grow stronger. The Group remains cautiously optimistic about its future prospects. In the second half of 2025, the Group will continue to pursue a double innovation strategy focused on "technological R&D innovation" and "business model innovation". This will be achieved through key implementation pathways such as strengthening subsidiary synergy mechanisms, establishing cross-system resource exchange platforms, integrating internal and external technology supply chains to create an innovation hub, and constructing a customer experience monitoring matrix to enable real-time feedback from the demand side. These initiatives aim to build a long-term growth engine for the Group. At the same time, we will continue to strengthen the differentiated competitive advantages of our flagship products, establish a customer segmentation model, extend our range of technology innovation-related products, build a multi-scenario solution library, and implement a two-way expansion strategy of "core region penetration + emerging market cultivation" to comprehensively enhance our core competitiveness from the three dimensions of products, ecosystem, and market. Additionally, we will continue to advance the construction of localised operational centres, improve regional market response networks; develop differentiated promotion strategies to achieve cross-regional replication and specialised upgrades of products and solutions; and establish a channel partner capability empowerment system to enhance terminal market coverage density, thereby fully leveraging the potential of regional strategic deployment. We will adhere to a value-oriented approach focused on long-term, stable development, continuously enhancing operational resilience, improving risk-bearing capacity, and steadily improving operational quality through efforts to enhance operational performance, optimise asset allocation, and strengthen cash flow management. We are confident that by actively seizing opportunities arising from structural adjustments and transformation and upgrading, effectively addressing various risks and challenges, and striving to create sustainable value returns for all shareholders, we will achieve our strategic objectives.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the Reporting Period, the Group derived all revenue from the IT solution service business. The IT solution service business of the Group is to provide customers with various solutions comprising software development services, technical and maintenance services, sales of standard software and other services and products by applying IT technology according to their needs. Depending on the specific application of technology, the Group's IT solutions can be divided into traditional solutions and innovative solutions, among which innovative solutions are solutions powered by key technologies such as artificial intelligence and big data analysis. During the Reporting Period, the Group's innovative solutions not only provided tailored services to customers in specific fields such as finance, medical care and transportation based on customer needs, but also sold standard products and services to customers; while its traditional solutions were mainly used in the fields like finance and transportation.

During the Reporting Period, the Group recorded a revenue of RMB133.7 million, representing an increase of 8.8% from RMB122.9 million for the corresponding period of last year. The increase in the Group's revenue during the Reporting Period was mainly due to the increase in revenue from software development service, representing 88.8% of Group's total revenue.

The following analysis sets forth a breakdown of our revenue for the six months ended 30 June 2025 and the corresponding period in 2024, respectively:

Software development services

During the Reporting Period, our revenue from software development services increased by 13.3% from RMB104.8 million for the corresponding period of last year to RMB118.7 million for the Reporting Period. Among the revenue from software development services, revenue from innovative solutions amounted to RMB69.4 million, accounting for 58.5% of our revenue from software development services. The innovative software development service is a critical component of business revenue of the Group, encompassing a portfolio of advanced products, mainly including robotic process automation (RPA) solutions, medical and healthcare big data intelligent management solutions and others. These innovative products are developed through the application of a range of advanced technologies, including data mining and analysis, cloud-based computing, distributed database management, knowledge graphs, and deep learning, which have successfully served customers in industries such as financial institutions, medical establishments, and large-scale state-owned and privately-owned enterprises in the transportation and logistics industries.

MANAGEMENT DISCUSSION AND ANALYSIS

Technical and maintenance services

During the Reporting Period, our revenue from technical and maintenance services amounted to RMB12.8 million, representing a decrease of 7.2% from RMB13.8 million in the corresponding period of last year. During the Reporting Period, the revenue from technology and maintenance services accounted for a relatively low proportion of the Group's total revenue, at only 9.6%.

Sales of standard software

During the Reporting Period, our revenue from sales of standard software amounted to RMB2.2 million, only accounting for 1.6% of the total revenue of the Group. Revenue from the innovative solutions amounted to RMB2.1 million, accounting for 95.5% of our revenue from sales of standard software. During the Reporting Period, the Group's innovative solutions that generate revenue through the sales of standard software mainly include products such as the medical quality control and the intelligent healthcare platform.

Cost of sales and services rendered

Our cost of sales and services rendered increased by 11.7% from RMB98.2 million for the corresponding period of last year to RMB109.7 million for the Reporting Period, mainly due to greater implementation cost associated with the increased revenue of software development services business.

Gross profit and gross profit margin

Our gross profit decreased from RMB24.7 million in the corresponding period of last year to RMB24.1 million in the Reporting Period. Our gross profit margin decreased from 20.1% for the corresponding period last year to 18.0% for the Reporting Period. The decrease in gross profit and decline in gross profit margin were mainly due to that the increase in cost of sales from the software development services business which was greater than the increase in revenue therefrom.

Other income and gains

During the Reporting Period, the Group recorded other income and gains of RMB3.6 million, representing a decrease of 39.0% from RMB5.9 million in the corresponding period of last year, mainly due to the decrease in bank interest income.

Change in fair value of equity investments at fair value through profit or loss

During the Reporting Period, the Group recorded loss arising from change in fair value of equity investments at fair value through profit or loss of a total of RMB18.2 million, which was mainly due to fluctuations in the fair value of stocks purchased in the secondary market.

Change in fair value of contingent consideration

During the Reporting Period, the Group recorded change in fair value of contingent consideration of a total of RMB1.6 million in relation to the acquisition of the subsidiary Neusoft Yuetong.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and distribution expenses

Our selling and distribution expenses increased by 21.3% from RMB8.0 million for the six months ended 30 June 2024 to RMB9.7 million for the six months ended 30 June 2025. The increase in selling and distribution expenses was mainly due to elevated selling expenses tied to revenue-generating contracts.

Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB23.7 million, representing an increase of 5.3% as compared with RMB22.5 million in the corresponding period of last year, mainly due to the increase in employee compensation and the increase in amortization expenses.

Research and development expenses

During the Reporting Period, the Group's research and development expenses amounted to RMB27.6 million, representing a decrease of 26.6% as compared with RMB37.6 million in the corresponding period of last year, primarily due to decrease in the number of research employees and decrease in the amortisation of the Group's deferred development costs.

Since its listing, the Group has continuously invested heavily in research and development. On the one hand, it has invested in the research and development of corresponding solutions according to the utilization plan of the raised funds; and on the other hand, it has also accelerated in terms of investing heavily in the research and development of technologies related to artificial intelligence and big data analysis. As of 30 June 2025, the Group had a total of 245 items of software copyrights, including 7 items of software copyrights newly formed by developing or upgrading innovative solutions in the six months ended 30 June 2025, accounting for 63.6% of the total 11 items of software copyrights newly developed in the six months ended 30 June 2025.

Allowance for expected credit losses on trade receivables, contract assets and other receivables, net

The Group recorded allowance for expected credit losses on trade receivables, contract assets and other receivables, net of RMB10.5 million for the Reporting Period, which was mainly due to the increase in expected credit losses on trade receivables balances for more than three years.

Other expenses

During the Reporting Period, the Group's other expenses amounted to RMB2.0 million, primarily comprised of donation expense and impairment loss of inventories.

Finance costs

Our finance costs decreased from RMB1.1 million for the six months ended 30 June 2024 to RMB0.5 million for the Reporting Period, mainly due to a decrease of interest expense for banking borrowings and lease interest.

MANAGEMENT DISCUSSION AND ANALYSIS

Share of results of an associate

During the Reporting Period, the Company recorded share of investment loss of an associate of RMB1.6 million, which was due to the associate, Beijing Heshun Huikang Technology Co., Ltd.（北京和順慧康科技有限公司）, which is invested in by the Group's acquired subsidiary, Neusoft Yuetong, incurring losses during the Reporting Period.

Loss before tax

As a result of the foregoing, the Group recorded a loss before taxation of RMB64.6 million during the Reporting Period, which increased by RMB9.2 million as compared with the loss before taxation of RMB55.4 million in the corresponding period of last year.

Income tax expense

We recorded income tax expense of RMB0.024 million for the Reporting Period, an increase of RMB0.009 million as compared with the income tax expense of RMB0.015 million in the corresponding period of last year.

Loss for the six months ended 30 June 2025

Due to the above reasons, we recorded a loss of RMB64.6 million for the six months ended 30 June 2025, which increased by RMB9.2 million as compared with a loss of RMB55.4 million in the corresponding period of last year.

Liquidity, financial and capital resources

During the Reporting Period, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, bank borrowings and net proceeds from the Global Offering and the 2024 Placing. As of the end of the Reporting Period, the Group's total available cash and cash equivalents, including bank balances and time deposits, amounted to RMB279.5 million.

Our bank borrowings as of 30 June 2025 amounted to RMB10.0 million, of which RMB6.7 million, RMB2.1 million, RMB1.0 million and RMB0.2 million are due for repayment on 9 March 2026, 13 March 2026, 27 March 2026 and 14 April 2026 respectively, and bear a float rate of 3.5% to 3.6% per annum. The Group's bank borrowings were strategically deployed to support operational requirements and facilitate business expansion.

Net current assets as of 30 June 2025 were RMB483.7 million, compared to RMB534.5 million as at 31 December 2024, reflecting a decrease of 9.5%. This demonstrates the Group's prudent strategy of balancing liquidity needs with short-term debts while preserving sufficient resources for strategic growth initiatives.

As at the end of the Reporting Period, the Group did not use financial instruments for hedging purposes.

MANAGEMENT DISCUSSION AND ANALYSIS

Exposure to exchange rate fluctuation

For the six months ended 30 June 2025, the functional currency of companies operating in the PRC is Renminbi. Most of the Group's monetary assets were mainly denominated in US dollars and Renminbi. We manage foreign exchange risk by performing periodic reviews of our net foreign exchange exposures and try to minimise these exposures through natural hedges. We operate mainly in the PRC with most of the transactions settled in Renminbi. The management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities denominated in the currencies other than the respective functional currencies of our entities. During the Reporting Period, the Group did not enter into any hedging transaction against foreign currency risks.

Commitments

The Group has various contracted, but not provided short term lease commitments as of 30 June 2025. The future lease payments for these non-cancellable lease contracts are RMB0.7 million (2024: future lease payments of RMB0.5 million for such non-cancellable lease contracts) and due within one year.

Contingent liabilities

As of 30 June 2025, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

Future plans for material investments and capital assets

Save as disclosed in this report, the Group did not have future plans for material investments and capital assets as of 30 June 2025.

Material acquisitions and disposals of subsidiaries and affiliated companies

For the six months ended 30 June 2025, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Significant investments

As of 30 June 2025, we did not hold any significant investments representing 5% or more of the Group's total assets as of 30 June 2025.

Charge on Group's assets

As of 30 June 2025, the Group had no charges on our assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Customer credit risk

Our business operations are subject to the risk of payment deferrals and/or defaults by our customers. For our software development services, most of our contracts provide for periodic installments from our customers based on project milestones, such as delivery, installation and testing of our solutions. However, we incur costs associated with a project, primarily including staff costs relating to project execution and software development, electronic equipment and certain project implementation expenses, on an ongoing basis from the beginning. As a result, we are required to make prepayments for certain project costs and expenses before receiving sufficient payments from our customers.

During the track record period, we typically granted our customers a credit period depending on contract terms and our evaluation of customer's creditworthiness. In determining the actual length of credit terms granted to a specific customer, we consider various factors such as reputation, length of business relationship and past payment records. As of 30 June 2025, our trade receivables amounted to RMB227.5 million and we recorded impairment loss on trade receivables of RMB55.2 million. We are thus exposed to the risk that customers may delay or even be unable to pay when milestones are reached or upon completion of contracts. These may put our cash flow and working capital under pressure.

1. The subsequent settlement is set out below in relation to the trade receivables as at 30 June 2025:

	Gross amount (RMB'000)	Subsequent settlement (RMB'000)
Within 180 days	60,492	7,394
181 days to 1 year	30,161	1,349
1 to 2 years	47,774	1,577
2 to 3 years	21,110	1,463
Over 3 years	67,988	62
Total	227,525	11,845

MANAGEMENT DISCUSSION AND ANALYSIS

2. Recoverability of long-aged receivables and reasons why the loss allowances were adequate

(1) *Customers with strong creditworthiness*

The trade receivable balance of the Group as of 30 June 2025 was mainly from large customers with good reputation and strong creditworthiness, the majority of which were Chinese state-owned enterprises and listed public companies, including top-tier banks, trust companies, asset management companies, Class III Grade A hospitals, railway bureaus, locomotive depots, railway information technology companies, railway bureau groups, airlines, aviation food companies, aviation materials companies, etc. Such customers are in good standing and have strong creditworthiness and bargaining power, and have stringent and extensive internal payment and settlement processes, which often require time-consuming internal approval processes before payments were made, resulting in further extension of their payment cycles. As of 30 June 2025, 67.8% of the trade receivable balance was recorded from Chinese state-owned enterprises and listed public companies.

In addition, the balance of trade receivables over 180 days as of 30 June 2025 was mainly recorded from Chinese state-owned enterprises and listed public companies with which the Group had longstanding cooperation, and there has been no recoverability issue in relation to trade receivables in previous years and both parties have maintained a good cooperation relationship.

(2) *The balance of trade receivables over 180 days remains in a trend of continuous collection of receivables*

As of 30 June 2025, the balance of trade receivables over 1 year amounted to RMB136.9 million, recorded from a total of 112 customers, among which 109 customers are still performing contracts with the Group so far, and the Group has continued to collect receivables since 30 June 2025.

(3) *The business model and customer base of the Group remain unchanged as disclosed before*

In relation to trade receivables, as disclosed in the prospectus of the Company dated 21 December 2020, the previous, current and future business model and the customer base of the Group have remained and are expected to remain substantially unchanged.

The Company considers that it has entered into normal business arrangements with these customers and has not identified any issues of the recoverability of trade receivables or insufficient provision for impairment to date.

MANAGEMENT DISCUSSION AND ANALYSIS

3. **Actions taken or to be taken to recover such long-outstanding receivables**

The Group has continued to (1) increase sales revenue from customers with short payment cycle and gradually reduce sales to customers with long payment cycle to achieve substantial improvements against the long payment cycle of trade receivables; (2) maintain strict control over its outstanding trade receivables and have a credit control department to minimise the credit risk. The Group has strictly followed its credit management policy and will continue to follow the steps and measures stipulated in the credit management policy to manage the trade receivables and maintain the working capital. As required by the credit management policy of the Group, the Group has instructed designated sales personnel to follow up directly with their responsible customers, and the sales and marketing staff of the Group make collection calls to customers whose bills have been overdue for less than 90 days; for customers whose bills have been overdue within 90 to 360 days, the sales and marketing staff escalate the matter to the business department and both the sales and marketing staff and the business department make collection calls to the customers; and for customers whose bills have been overdue for more than 360 days, the Group assigns the sales and marketing staff to visit the customers for face-to-face communication, and the sales and marketing staff and business departments continuously to follow up and make collection calls to customers. For customers with extended payment cycles or non-compliant repayment practices, the Company will initiate legal proceedings or arbitration procedures on a case-by-case basis. To manage the trade receivables, the Group has also strengthened the cooperation between the technical team and the sales and marketing team to conduct more efficient collection, and taken into account the collection speed in the performance assessment of the employees. In addition, the Group will continue to issue periodic written payment reminders to the customers. Overdue balances are also regularly reviewed by the senior management; and (3) regularly make enquiries on customers' ratings and make an analysis of the background, reputation, market position and the operating conditions of customers based on publicly available information.

Key Financial and Business Performance Indicators

The key financial and business performance indicator comprises return on equity.

The Group's return on equity decreased from -7.2% in the six months ended 30 June 2024 to -9.6% in the six months ended 30 June 2025, primarily due to increasing amount of loss recorded for the Reporting Period.

The Group's gearing ratio decreased from 2.7% as at 31 December 2024 to 1.5% as at 30 June 2025, primarily due to the decrease in bank borrowings. The calculation of gearing ratio is based on total borrowings divided by total equity as of the period end and multiplied by 100.0%.

MANAGEMENT DISCUSSION AND ANALYSIS

Employees, Training and Remuneration Policies

As of 30 June 2025, the Group had 664 employees, increased by 49 employees compared to the same period of last year. The staff costs including Directors' emoluments were approximately RMB80.1 million for the Reporting Period.

Remuneration of the Group's employees includes basic salary, bonuses and cash subsidies. We determine our employees' compensation based on each employee's performance, seniority, position and qualifications.

We adopted the Post-IPO Share Option Scheme on 5 December 2020, which falls within the ambit of, and is subject to, the regulations under Chapter 17 of the Listing Rules. The purpose of the Post-IPO Share Option Scheme is to provide incentives and rewards to eligible persons for their contribution to, and continuing efforts to promote the interest of the Group.

We recognize the importance of keeping the Directors updated with the latest information of duties and obligations of a director of a company whose shares are listed on the Stock Exchange and the general regulatory and environmental requirements for such listed company. To meet this goal, we are committed to our employees' continuing education and development. We provide preemployment and regular continuing trainings to our employees, which we believe are effective in equipping them with the skill set and work ethics that we require. Also, we continuously provide comprehensive trainings to our technical staff, equipping them with knowledge and skills to perform a variety of functions on different projects and allowing us to quickly find qualified and suitable replacement internally in the event of employee's demission.

OTHER INFORMATION

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As of 30 June 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) 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/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long position in Shares of the Company

Name of Director	Capacity/Nature of Interest	Number of Shares interested	Approximate percentage of the Company's issued share capital[(1)]
Mr. Zhai	Interest in a controlled corporation	304,500,800	32.26%
Ms. Qin Yi	Beneficial owner	1,604,800	0.17%

Note:

(1) The percentage represents the number of Shares interested as at 30 June 2025 divided by the number of the Company's issued Shares as at the end of the Reporting Period, being 943,817,280 Shares.

Save as disclosed above and to the best knowledge of the Directors, as of 30 June 2025, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions 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 Model Code, to be notified to the Company and the Stock Exchange.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As of 30 June 2025, to the best knowledge of the Directors, the following corporations/persons had interests of 5% or more in the Shares or underlying Shares of the Company according to the register of interests required to be kept under section 336 of the SFO:

Long position in Shares of the Company

Name	*Note*	Capacity/Nature of Interest	Number of Shares interested	Approximate percentage of the Company's issued share capital[(3)]
Nebula SC		Beneficial owner	304,500,800	32.26%
Mr. Zhai	*(1)*	Interest of a controlled corporation	304,500,800	32.26%
Earnest Kai Holdings Limited		Beneficial owner	138,400,000	14.66%
Mr. YUAN Yukai	*(2)*	Interest of a controlled corporation	138,400,000	14.66%
Mr. GUO Hao		Beneficial owner	80,000,000	8.48%

Notes:

(1) Mr. Zhai is deemed to be interested in the entire interests held by Nebula SC, a company wholly-owned by him. Mr. Zhai is the director of Nebula SC.

(2) Mr. YUAN Yukai is deemed to be interested in the entire interests held by Earnest Kai Holdings Limited, a company wholly owned by him.

(3) The percentage represents the number of Shares interested as at 30 June 2025 divided by the number of the Company's issued Shares as at the end of the Reporting Period, being 943,817,280 Shares.

(4) Pursuant to section 336 of the SFO, Shareholders are required to file forms of disclosure of interests (the "**Forms of Disclosure of Interests**") when certain criteria are fulfilled, and the full details of the requirements are available on the Stock Exchange's official website. When a Shareholder's shareholding in the Company changes, the Company and the Stock Exchange need not be notified unless certain conditions are met. Therefore, substantial Shareholders' latest shareholdings in the Company may differ from the shareholdings filed with the Company and the Stock Exchange. The above statements of substantial Shareholders' interests are prepared based on the information contained in the relevant Forms of Disclosure of Interests received by the Company as at 30 June 2025. The Company may not have sufficient information regarding the details of the relevant interests and is unable to verify the accuracy of information disclosed in the Forms of Disclosure of Interests.

Save as disclosed above and to the best knowledge of the Directors, as of 30 June 2025, no person had registered an interest or a short position in the Shares or underlying Shares as recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of its shareholders and corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

Compliance with Corporate Governance Code

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the principles and code provisions set out in the CG Code as the basis of the Company's corporate governance practices. During the Reporting Period, the Company has complied with the code provisions under the CG Code, save and except for the deviation from code provision C.2.1 of Part 2 of the CG Code below.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The roles of the Chairman and the Chief Executive Officer of the Company are held by Mr. Zhai. With extensive experience in the information technology industry, Mr. Zhai is responsible for the overall strategic planning and general management of the Group and is instrumental to our growth and business expansion. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group and ensures consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. In light of the above, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in the circumstances of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by Directors of the Company. Having made specific enquiries of all Directors, all Directors confirmed that he/she has complied with the requirements of the Model Code for the six months ended 30 June 2025.

The Group's employees, who are likely to be in possession of inside information of the Group, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the employees was noted by the Company for the six months ended 30 June 2025.

OTHER INFORMATION

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Audit Committee was established with written term of reference in compliance with the CG Code. The Audit Committee comprises three members, who are all independent non-executive directors, namely Mr. YOU Linfeng, Mr. TANG Baoqi and Ms. YANG Juan, with Mr. YOU Linfeng being the chairman of the Audit Committee.

The financial information for the six months ended 30 June 2025 set out in the interim report is unaudited but has been reviewed by the Company's external auditor, Forvis Mazars CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," and by the Audit Committee. The Audit Committee has reviewed the interim report and was satisfied that the Company's unaudited financial information contained in this report was prepared in accordance with applicable accounting standards.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group, and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group with management and the Company's external auditor. The Audit Committee is of the view that the interim financial results for the six months ended 30 June 2025 have complied with relevant accounting standards, rules and regulations, and have been officially and properly disclosed.

POST-IPO SHARE OPTION SCHEME

On 5 December 2020, the Company adopted the Post-IPO Share Option Scheme, which falls within the ambit of, and is subject to, the regulations under Chapter 17 of the Listing Rules.

The purpose of the Post-IPO Share Option Scheme is to attract, retain and motivate employees, Directors and other participants, and to provide a means of compensating them through the grant of options for their contribution to the growth and profits of the Group, and to allow such employees, Directors and other persons to participate in the growth and profitability of the Group.

Qualified participants of the Post-IPO Share Option Scheme include (i) any employee (whether full time or part time) of the Company or its subsidiaries, including any officer or executive Director, (ii) any independent non-executive Director, and (iii) any consultant of the Company or its subsidiaries as the Board may in its absolute discretion select.

The number of options available for grant under the Post-IPO Share Option Scheme at the beginning of the Reporting Period and at the end of the Reporting Period is 80,000,000 options. During the Reporting Period, the Company did not grant any share options. There is no service provider sublimit under the Post-IPO Option Scheme.

The Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme shall not exceed 80,000,000 Shares, representing 8.53% of the total issued shares of the Company (excluding treasury shares) at the date of this interim report.

The total number of Shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible person under the Post-IPO Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue.

OTHER INFORMATION

The Post-IPO Share Option Scheme will remain in force for a period of 10 years from 5 December 2020, with the remaining validity period of approximately 5 years 3 months (as at the date of this report), and the options granted have a 10-year exercise period. Options may be vested over such period(s) as determined by the Board in its absolute discretion subject to compliance with the requirements under any applicable laws, regulations or rules.

Participants are not required to pay any amount to apply for or accept a share option.

The exercise price of share options under the Post-IPO Share Option Scheme is determined by the Board, but shall not be less than the higher of (i) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

No share options have been granted under the Post-IPO Share Option Scheme since its adoption and up to the date of this report. A summary of the terms of the Post-IPO Share Option Scheme has been set out in the section headed "D. Post-IPO Share Option Scheme" in Appendix IV of the Prospectus.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares of the Company were listed on the Main Board of the Stock Exchange on 6 January 2021, whereby 200,000,000 new Shares were issued at the offer price of HK$4.36 per share by the Company. After deduction of the underwriting fees, commissions and other related costs and expenses, the net proceeds from the Global Offering of the Company amounted to approximately HK$790.4 million (with a surplus of HK$140.3 million) (representing net proceeds of HK$3.952 per new Share) (the "**IPO Proceeds**").

In order to better utilize the financial resources of the Group and to capture favourable investment opportunities, the Board has reviewed the utilization of the IPO Proceeds and resolved to reallocate not more than HK$71.0 million of the surplus to pay the equity transfer consideration, to make the capital increase payment and to fulfill or pay capital contribution obligations for the acquisition of Neusoft Yuetong (the "**Re-allocation**"). For further details, please refer to the announcement of the Company dated 20 June 2022.

On 23 September 2024, after due and careful consideration on the prevailing business environment and development needs of the Group, the Board resolved to change the use of the unutilized IPO Proceeds to (i) reallocate the unutilized surplus of approximately HK$49.2 million for working capital and other general corporate purposes; and (ii) build on the Group's long-standing accumulated capabilities in independent research and development, capabilities in technological innovation, industry insights and customer needs, the Company will further enhance the original plan for developing new solutions and upgrading existing solutions by increasing the related investment plans for the development of innovative universal products and the development of innovative financial products, and will further reallocate the original plan of IPO Proceeds for developing new solutions and upgrading existing solutions: (a) approximately HK$38.9 million will be utilized to develop innovative universal products; and (b) approximately HK$20.0 million will be utilized to develop innovative financial products (the "**Further Re-allocation**"). For further details, please refer to the announcement of the Company dated 23 September 2024.

OTHER INFORMATION

The following table sets forth the details of the use of the IPO Proceeds during the Reporting Period:

	Original allocation of the IPO Proceeds (approximate)		Allocation of IPO Proceeds after the Fist Re-allocation (approximate)		Further Re-allocation of the Unutilized IPO Proceeds (approximate)		Unutilized Amount as of the Beginning of the Reporting Period	Utilized Amount during the Reporting Period	Unutilized Amount as of the End of the Reporting Period	Expected timeline for the use of unutilized proceeds[1]
	Percentage	Amount HK$ million	Percentage	Amount HK$ million	Percentage	Amount HK$ million	HK$ million	HK$ million	HK$ million	
For developing new solutions and upgrading existing solutions	**80.0%**	**632.3**	**72.8%**	**575.5**	**69.4%**	**144.8**	**117.6**	**64.6**	**53.0**	
–to develop and upgrade the Group's medical quality control and safety warning system	20.0%	158.1	18.2%	143.9	11.7%	24.4	16.5	2.9	13.6	By December 2025
–to develop the Group's clinical pathway management system	20.0%	158.1	18.2%	143.9	11.6%	24.2	24.0	5.9	18.1	
–to develop the Group's telemedicine system	10.0%	79.0	9.1%	71.9	3.5%	7.3	4.3	0.1	4.2	
–to develop a new solution of intelligent healthcare platform	10.0%	79.0	9.1%	71.9	6.1%	12.7	10.7	3.5	7.2	
–to upgrade the Group's RPA solution	20.0%	158.1	18.2%	143.9	8.3%	17.3	12.6	12.6	0.0	
–to develop innovative universal products	–	–	–	–	18.6%	38.9	34.8	34.8	0.0	
–to develop innovative financial products	–	–	–	–	9.6%	20.0	14.7	4.8	9.9	
For enhancing the Group's sales and marketing efforts	**10%**	**79.1**	**9.1%**	**72.0**	**7.0%**	**14.7**	**9.5**	**9.2**	**0.3**	By December 2025
For working capital and other general corporate purposes	**10%**	**79.0**	**9.1%**	**71.9**	**23.6%**	**49.2**	**0.6**	**0.6**	**–**	By December 2027
Funds proposed to be used for the Neusoft Yuetong Acquisition	**–**	**–**	**9.0%**	**71.0**	**–**	**–**	**–**	**–**	**–**	–
Total	**100%**	**790.4**	**100%**	**790.4**	**100%**	**208.7**	**127.7**	**74.4**	**53.3**	

Notes:

(1) Due to the Further Re-allocation, the Company expects the Unutilized IPO Proceeds will be fully utilized by December 2025 except for the Unutilized IPO Proceeds re-allocated for working capital and other general corporate purposes, which are expected to be fully utilized by December 2027. The expected timeline for utilizing the unutilized funds is based on the best estimation of the future market condition made by the Group. It may be subject to change based on the current and future development of market conditions.

(2) Any discrepancy arising in the decimal figures in the table above is due to the effect of rounded figures.

(3) The utilization of IPO Proceeds for developing new solutions and upgrading existing solutions after the Further Re-allocation still includes the balance of the relevant unutilized IPO Proceeds of approximately HK$63.2 million originally planned for office lease, purchase and renovation for IT solutions as disclosed in the Prospectus.

The Company has utilized, and will continue to utilize the IPO Proceeds in accordance with the intended purposes as set out in the Prospectus and the announcements of the Company dated 20 June 2022 and 23 September 2024.

OTHER INFORMATION

USE OF PROCEEDS FROM THE 2024 PLACING

On 7 May 2024 (after trading hours), the Company entered into the placing agreement with the placing agent, pursuant to which the Company has agreed to place through the placing agent a maximum of 157,302,880 ordinary share(s) of par value of US$0.000001 each of the Company at the placing price of HK$0.28 per placing share (the "**2024 Placing**") to not less than six placees who and whose beneficial owners shall be independent third parties. On 7 May 2024, the closing price of the shares of the Company was HK$0.34 per share. On 14 May 2024, the Company completed the placement of 157,302,880 shares. The total proceeds and the net proceeds from the 2024 Placing, after deduction of the placing commission and other related expenses, amounted to approximately HK$44.04 million and HK$43.60 million, respectively, and the net price per Share was approximately HK$0.277. The net proceeds from the 2024 Placing will be applied to replenish general working capital of the Group.

Use of the net proceeds from the 2024 Placing during the Reporting Period is set out in the table below:

	The net proceeds from the 2024 Placing HK$ million	Unutilized amount as at the beginning of the Reporting Period HK$ million	Utilized amount during the Reporting Period HK$ million	Unutilized amount as at the end of the Reporting Period HK$ million	Expected timeline for the use of unutilized proceeds
Replenish general working capital of the Group	43.6	33.06	33.06	–	By December 2027

Note: The expected timeline for utilizing the unutilized funds is based on the best estimation of the future market condition made by the Group. It may be subject to change based on the current and future development of market conditions.

The Company has utilized the net proceeds from the 2024 Placing in accordance with the intended purposes as set out in the announcement of the Company dated 7 May 2024.

AMENDMENTS TO ARTICLES OF ASSOCIATION

During the Reporting Period, the Company has not amended its articles of association.

INTERIM DIVIDENDS

The Board has resolved not to declare the payment of interim dividends for the six months ended 30 June 2025 to the shareholders.

OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

As of 30 June 2025, the Company held 5,952,800 treasury shares (as defined in the Listing Rules), which are intended to be utilized for purposes such as employee incentives, sale or transfer to obtain liquid funds, with the specific use subject to the actual decision of the Board of Directors.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

SUBSEQUENT EVENTS

No significant event of the Group has occurred subsequent to 30 June 2025 and up to the date of this report.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of Newlink Technology Inc.
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 28 to 52, which comprise the interim condensed consolidated statement of financial position of Newlink Technology Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2025 and the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("HKSRE 2410") issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with HKAS 34.

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong, 25 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	3	**133,740**	122,905
Cost of sales and services rendered	6	**(109,674)**	(98,180)
Gross profit		**24,066**	24,725
Other income and gains	4	**3,645**	5,868
Change in fair value of equity investments at fair value through profit or loss		**(18,218)**	(4,262)
Change in fair value of contingent consideration		**1,576**	–
Selling and distribution expenses		**(9,672)**	(8,002)
Administrative expenses		**(23,728)**	(22,476)
Research and development expenses		**(27,627)**	(37,648)
Allowance for expected credit losses on trade receivables, contract assets and other receivables, net		**(10,472)**	(11,261)
Other expenses		**(2,012)**	(12)
Finance costs	5	**(539)**	(1,067)
Share of results of an associate		**(1,628)**	(1,268)
Loss before taxation	6	**(64,609)**	(55,403)
Income tax expense	7	**(24)**	(15)
Loss for the period		**(64,633)**	(55,418)
Other comprehensive (loss) income:			
Item that will not be reclassified to profit or loss:			
Revaluation surplus on transfer of owned properties to investment properties		**–**	9
Exchange differences arising on translation from functional currency to presentation currency		**(3,958)**	(1,398)
		(3,958)	(1,389)
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(566)**	(200)
Other comprehensive loss for the period, net of tax		**(4,524)**	(1,589)
Total comprehensive loss for the period		**(69,157)**	(57,007)
Loss for the period attributable to:			
Owners of the Company		**(64,378)**	(55,226)
Non-controlling interests		**(255)**	(192)
		(64,633)	(55,418)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(68,902)**	(56,815)
Non-controlling interests		**(255)**	(192)
		(69,157)	(57,007)
		RMB cents	RMB cents
Loss per share			
Basic and diluted	*9*	**(6.86)**	(6.67)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current assets			
Investment properties		11,264	11,264
Property and equipment	*10*	14,324	15,280
Right-of-use assets		12,308	12,160
Intangible assets	*12*	89,297	100,169
Goodwill	*11*	36,724	36,724
Investment in an associate		4,741	6,369
Equity investments at fair value through profit or loss		17,600	23,438
Contract assets	*14*	676	676
Long-term deposits and prepayments	*15*	7,787	7,849
Deferred tax assets		507	505
		195,228	214,434
Current assets			
Inventories		192	1,831
Trade receivables	*13*	172,333	159,087
Contract assets	*14*	130,503	108,479
Equity investments at fair value through profit or loss		15,370	28,157
Prepayments, deposits and other receivables	*15*	13,672	12,435
Amounts due from related parties	*22(b)*	6,842	6,842
Pledged deposits		829	3,317
Restricted bank balance		1,435	1,435
Bank balances and cash		279,505	346,805
		620,681	668,388
Current liabilities			
Trade payables	*16*	81,406	60,856
Contract liabilities		14,739	15,656
Other payables and accruals	*17*	6,821	12,835
Dividends payable	*8*	6	7
Interest-bearing bank borrowings	*18*	10,000	20,000
Lease liabilities		4,621	3,505
Consideration payable	*21*	19,424	–
Contingent consideration	*21*	–	21,000
Tax payable		–	2
		137,017	133,861
Net current assets		483,664	534,527
Total assets less current liabilities		678,892	748,961

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	**30 June 2025 RMB'000 (Unaudited)**	31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities		**7,996**	9,033
Deferred tax liabilities		**615**	490
		8,611	9,523
Net assets		**670,281**	739,438
Capital and reserves			
Share capital	*19*	**7**	7
Reserves		**670,359**	739,261
Equity attributable to owners of the Company		**670,366**	739,268
Non-controlling interests		**(85)**	170
Total equity		**670,281**	739,438

The interim condensed consolidated financial information on pages 28 to 52 were approved and authorised for issue by the board of directors on 25 August 2025 and are signed on its behalf by:

Zhai Shuchun
Director

Qin Yi
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company												
	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Property revaluation reserve RMB'000	Treasury share RMB'000	Transaction with non-controlling interest reserve RMB'000	Retained profits (loss) RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024 (audited)	5	710,081	27,468	(4,847)	14,043	26,139	420	–	–	13,662	786,971	1,933	788,904
Loss for the period	–	–	–	–	–	–	–	–	–	(55,226)	(55,226)	(192)	(55,418)
Other comprehensive (loss) income:													
Revaluation surplus on transfer of owned properties to investment properties	–	–	–	–	–	–	9	–	–	–	9	–	9
Exchange differences arising on translation from functional currency to presentation currency	–	–	–	–	–	(1,398)	–	–	–	–	(1,398)	–	(1,398)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(200)	–	–	–	–	(200)	–	(200)
Total comprehensive (loss) income for the period	–	–	–	–	–	(1,598)	9	–	–	(55,226)	(56,815)	(192)	(57,007)
Transactions with owners:													
Contributions and distributions													
Issue of share capital	2	39,659	–	–	–	–	–	–	–	–	39,661	–	39,661
	2	39,659	–	–	–	–	–	–	–	–	39,661	–	39,661
Changes in ownership interests													
Capital contribution from non-controlling interests of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	200	200
Change in ownership interest in a subsidiary without change in control	–	–	–	–	3	–	–	–	–	–	3	(1,506)	(1,503)
	–	–	–	–	3	–	–	–	–	–	3	(1,306)	(1,303)
Total transactions with owners	2	39,659	–	–	3	–	–	–	–	–	39,664	(1,306)	38,358
At 30 June 2024 (unaudited)	7	749,740*	27,468*	(4,847)*	14,046*	24,541*	429*	–	–	(41,564)*	769,820	435	770,255
At 1 January 2025 (audited)	**7**	**749,740**	**27,468**	**(4,847)**	**16,434**	**33,539**	**429**	**(2,317)**	**7**	**(81,192)**	**739,268**	**170**	**739,438**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(64,378)**	**(64,378)**	**(255)**	**(64,633)**
Other comprehensive loss:													
Exchange differences arising on translation from functional currency to presentation currency	**–**	**–**	**–**	**–**	**–**	**(3,958)**	**–**	**–**	**–**	**–**	**(3,958)**	**–**	**(3,958)**
Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**(566)**	**–**	**–**	**–**	**–**	**(566)**	**–**	**(566)**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**–**	**(4,524)**	**–**	**–**	**–**	**(64,378)**	**(68,902)**	**(255)**	**(69,157)**
At 30 June 2025 (unaudited)	**7**	**749,740***	**27,468***	**(4,847)***	**16,434***	**29,015***	**429***	**(2,317)***	**7***	**(145,570)***	**670,366**	**(85)**	**670,281**

* These reserve accounts comprise the reserves of approximately RMB670,359,000 (2024: RMB769,813,000) in the interim condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Operating activities		
Net cash used in operating activities	**(38,968)**	(34,291)
Investing activities		
Purchase of property, plant and equipment	**(298)**	(15)
Interest received	**1,822**	4,674
Addition of intangible assets	**(12,826)**	(14,078)
Purchase of equity instruments at fair value through profit or loss	**–**	(32,113)
Net cash used in investing activities	**(11,302)**	(41,532)
Financing activities		
Interest element of rental payments	**(345)**	(715)
Repayment of principal portion of lease liabilities	**(2,417)**	(3,149)
Repayment of bank borrowings	**(20,000)**	–
New bank borrowings raised	**10,000**	11,995
Interest paid	**(194)**	(352)
Dividend paid	**–**	(22)
Issue of share capital, net of issue costs	**–**	39,661
Capital contribution from non-controlling interests of a subsidiary	**–**	200
Net cash (used in) from financing activities	**(12,956)**	47,618
Net decrease in cash and cash equivalents	**(63,226)**	(28,205)
Cash and cash equivalents at beginning of period	**346,805**	330,458
Effect on exchange rate changes	**(4,074)**	1,318
Cash and cash equivalents at end of period	**279,505**	303,571

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. GENERAL INFORMATION

Newlink Technology Inc. (the "Company") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 8 November 2019 with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 6 January 2021. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of the Company's principal place of business in Hong Kong was changed from room 2910, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong to Unit 06 on 20th Floor of Harbour Centre, No.25 Harbour Road, Wan Chai, Hong Kong with effect from 31 March 2025, and the headquarters and principal place of business in the People's Republic of China (hereafter, the "PRC") is 5/F., Tower A, Xueqing Jiachuang Building, Xueqing Road, Haidian District, Beijing, the PRC.

The Company is an investment holding company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the business of software development and maintenance in the PRC.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Nebula SC Holdings Limited, a company incorporated in British Virgin Islands, while the ultimate beneficial owner of the Company is Mr. Zhai Shuchun ("Mr. Zhai"), the executive director of the Company.

2. BASIS OF PREPARATION

The Directors are responsible for the preparation of the Group's interim condensed consolidated financial information. These interim condensed consolidated financial information have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix D2 to the Rule Governing the Listing of Securities on the Stock Exchange. These interim condensed consolidated financial information should be read in conjunction with the 2024 annual financial statement (the "2024 Annual Report"). The accounting policies adopted in preparing the interim condensed consolidated financial information for the six months ended 30 June 2025 are consistent with those in the preparation of the Group's 2024 Annual Report, except for the adoption of the new/revised HKFRS Accounting Standards which are relevant to the Group's operation and are effective for the Group's financial year beginning on 1 January 2025 as described below.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

2. BASIS OF PREPARATION (CONTINUED)

Adoption of new/revised HKFRS Accounting Standards

Amendments to HKAS 21	Lack of Exchangeability

The adoption of these amendments to HKFRS Accounting Standards did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior years.

Future changes in HKFRS Accounting Standards

At the date of authorisation of the Group's interim condensed consolidated financial information, the HKICPA has issued a number of new/revised HKFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted.

The directors have assessed the possible impact on the future adoption of the new/revised HKFRS Accounting Standards and estimate that the future adoption do not have any significant impact on the Group's financial position and performance.

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating and reporting segment primarily on the provision of IT solution services in the PRC. This operating segment has been identified on the basis of internal management reports reviewed by the chief operating decision-makers (the "CODM"), being the executive directors of the Company. The CODM mainly reviews revenue derived from provision of software development services, technical and maintenance services and sale of standard software, which are measured in accordance with the Group's accounting policies. The financial information reported to the CODM is reflected through the overall operating performance of the Group for resource allocation and performance evaluation. Accordingly, no segment information is presented.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information about major customers

Aggregated revenue of approximately RMB65,310,000 (30 June 2024: approximately RMB60,993,000) was derived from the following single customers, which individually accounted for more than 10% of the Group's total revenue.

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer 1	*	26,294
Customer 2	*	20,909
Customer 3	**18,519**	13,790
Customer 4	**16,920**	*
Customer 5	**15,053**	*
Customer 6	**14,818**	*

* The correspondence revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue for the respective period.

Revenue from contracts with customers

Disaggregated revenue information

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Software development services	**118,661**	104,769
Technical and maintenance services	**12,839**	13,839
Sale of standard software	**2,240**	4,297
Total revenue from contracts with customers	**133,740**	122,905
Timing of revenue recognition		
Goods transferred at a point in time	**2,240**	4,297
Services transferred over time	**131,500**	118,608
Total revenue from contracts with customers	**133,740**	122,905

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

4. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income	**1,822**	4,674
Value Added Tax ("VAT") refunds and other tax subsidies (Note)	**1,018**	787
Others	**805**	407
	3,645	5,868

Note: Refunds of VAT on software products represent the refund upon payment of VAT with respect to the portion of any effective VAT rate in excess of 3% in respect of software product sales of the Group pursuant to the principles of the State Council document entitled "Certain Policies to Encourage the Development of Software Enterprise and the IC Industry" and the approval of the state taxation authorities.

5. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense on interest-bearing bank borrowings	**194**	352
Interest on lease liabilities	**345**	715
	539	1,067

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

6. LOSS BEFORE TAXATION

The Group's loss before taxation has been arrived at after charging (crediting):

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	**2,017**	3,952
Cost of sales and services rendered	**107,657**	94,228
	109,674	98,180
Research and development expenses:		
Amortisation of deferred development costs (Note (i))	**16,218**	18,690
Current year expenditure	**11,409**	18,958
	27,627	37,648
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**66,798**	64,040
Pension scheme contributions (defined contribution scheme)	**11,667**	11,449
Termination benefits	**1,618**	1,733
	80,083	77,222
Depreciation of property and equipment	**1,203**	1,040
Depreciation of right-of-use assets	**2,483**	3,768
Amortisation of intangible assets (Note (i))	**23,698**	25,871
Allowance for expected credit losses ("ECL") on trade receivables	**10,314**	11,128
Allowance for ECL on contract assets	**163**	133
Reversal of allowance for ECL of other receivables	**(5)**	–
Foreign exchange difference, net	**124**	17

Note:

(i) The amortisation of deferred development costs classified under research and development expenses in included in the amortisation of intangible assets. The amortisation of intangible assets for the period is included in cost of sales, selling and distribution expenses, administrative expenses and research and development expenses in the interim condensed consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

7. INCOME TAX EXPENSE

The amount of taxation in the interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax: PRC enterprise income tax ("EIT")	**24**	15
Income tax expense	**24**	15

(i) Cayman Islands

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

(ii) Hong Kong

Hong Kong Profits Tax has been provided at the rate of 16.5% (30 June 2024: 16.5%) on the Group's estimated assessable profits arising from Hong Kong during the period. The Group had no assessable profits for the periods ended 30 June 2025 and 2024.

(iii) PRC

The income tax provision of the Group in respect of its operations in the PRC was subject to statutory tax rate of 25% on the assessable profits for the six months ended 30 June 2025 (30 June 2024: 25%), except for certain subsidiaries which obtained the "High and New Technology Enterprise" qualification with preferential tax rate of 15% (30 June 2024: 15%).

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends distributed to foreign investors by the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings accumulated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and jurisdiction of the foreign investors. For the Group's PRC subsidiaries, the applicable rate is 10% (30 June 2024: 10%). Deferred tax liability is provided on the basis that the undistributed earnings of the Group's entities are expected to be distributed in the foreseeable future. At 30 June 2025 and 30 June 2024, no deferred tax liability has been recognised as the remaining net earnings of the Group's PRC subsidiaries are not expected to be distributed in the foreseeable future.

(iv) Singapore

Singapore Corporate Income Tax is charged at 17% on the Group's estimated assessable profits arising from Singapore during the period. The Group had no assessable profits for the period ended 30 June 2025.

(v) USA

US corporation is subject to two level of taxes. Corporation is taxed on its earnings, and when the corporate earnings are distributed to the shareholders as dividend, the shareholders need to pay tax on the dividend received. Corporate income tax is imposed at the federal and state level on all entities treated as corporation. The federal corporate tax rate is 21% while the state corporate tax rate is varied by states.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

8. DIVIDENDS

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

9. LOSS PER SHARE

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares issued during the six months ended 30 June 2025.

The Company has no potential dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2024.

The calculations of basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	**(64,378)**	(55,226)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**937,864,480**	827,361,004
Basic and diluted loss per share	**RMB cents (6.86)**	RMB cents (6.67)

10. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property and equipment with a cost of approximately RMB298,000 (30 June 2024: approximately RMB15,000), including electronic equipment and furniture and leasehold improvements (30 June 2024: electronic equipment and furniture).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

11. GOODWILL

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
COST AND NET CARRYING AMOUNT		
At the beginning and the end of the period/year	**36,724**	36,724

12. INTANGIBLE ASSETS

During the six months ended 30 June 2025, additions and amortisation of intangible assets were approximately RMB12,826,000 (30 June 2024: approximately RMB14,078,000) and approximately RMB23,698,000 (30 June 2024: approximately RMB25,871,000) respectively. As at 30 June 2025, the carrying amount of the intangible assets of the Group included deferred development costs that are not yet available for use of approximately RMB25,284,000 (31 December 2024: approximately RMB22,008,000). The directors of the Company have not identified any significant adverse change in the projects related to the intangible assets included deferred development costs that are not yet available for use for the six months ended 30 June 2025 as compared to the year ended 31 December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	**227,525**	203,965
Less: allowance for ECL	**(55,192)**	(44,878)
	172,333	159,087

The Group's trading terms with its customers are mainly on credit. For software development services, the credit period granted to the customers is normally 30 to 180 days upon issuance of invoice and receipt of acceptance from customers during the course of contracts. The forms of acceptance evidenced the satisfaction from the customers of the progress of completion. For the sale of standard software, the credit period granted to the customers is normally 30 to 180 days after the goods were accepted by the customers, except for new customers where payment in advance is normally required. For technical and maintenance services, the credit period granted to the customers is normally due upon completion of the service or 30 to 180 days from the date of billing.

The following is an ageing analysis of the trade receivables as at the end of reporting periods, based on the recognition date of gross trade receivables and net of allowance for ECL:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 90 days	**50,746**	28,412
91 days to 180 days	**9,361**	9,475
181 days to 365 days	**29,936**	38,490
1 year to 2 years	**46,994**	39,232
2 years to 3 years	**20,576**	31,737
Over 3 years	**14,720**	11,741
	172,333	159,087

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. TRADE RECEIVABLES (CONTINUED)

An impairment analysis is performed at each reporting date using a loss rate approach to measure ECL under simplified approach. The Group develops loss-rate statistics on the basis of the amount expected to be written off over the life of the financial assets by reference to the credit rating of the customers, and also adjusted these loss trends for current conditions and expectations about the future. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of future recovery.

Trade receivables

As at 30 June 2025	**ECL rate**	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**	**Credit-impaired**
Sovereign and public finance	**37%**	**2,892**	**1,061**	**No**
High tech industry	**28%**	**162,411**	**44,926**	**No**
Finance	**13%**	**4,715**	**598**	**No**
Transportation and consumer	**77%**	**2,512**	**1,940**	**No**
Healthcare and pharmaceuticals	**20%**	**1,207**	**241**	**No**
Bank	**12%**	**53,788**	**6,426**	**No**
		227,525	**55,192**	

As at 31 December 2024	ECL rate	Gross carrying amount RMB'000	Loss allowance RMB'000	Credit-impaired
Sovereign and public finance	35%	2,950	1,032	No
High tech industry	23%	145,487	33,549	No
Finance	10%	4,894	501	No
Transportation and consumer	78%	5,607	4,370	No
Healthcare and pharmaceuticals	19%	3,390	643	No
Bank	11%	41,637	4,783	No
		203,965	44,878	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

14. CONTRACT ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contract assets	132,196	110,009
Less: allowance for ECL	(1,017)	(854)
	131,179	109,155
Classified as:		
Current assets	130,503	108,479
Non-current assets	676	676
	131,179	109,155

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Prepayments	9,477	9,622
Rental deposits	1,305	1,580
Deposits and other receivables*	10,722	9,132
Less: allowance for ECL*	(45)	(50)
	21,459	20,284
Classified as:		
Current assets	13,672	12,435
Non-current assets	7,787	7,849
	21,459	20,284

* The comparative figure was represented to align with the current period presentation.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. TRADE PAYABLES

The aging analysis of trade payables at the end of reporting periods presented based on the invoice date is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 90 days	51,035	18,959
91 days to 180 days	384	286
181 days to 365 days	4,412	16,396
1 year to 2 years	7,125	7,995
Over 2 years	18,450	17,220
	81,406	60,856

The trade payables are non-interest-bearing and are normally settled on 180-day terms.

17. OTHER PAYABLES AND ACCRUALS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Other payables	42	1,795
Accrued staff costs	286	924
Other tax payables	6,493	10,116
	6,821	12,835

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

18. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate (%)	Maturity	30 June 2025 RMB'000 (Unaudited)	Effective interest rate (%)	Maturity	31 December 2024 RMB'000 (Audited)
Current:						
Bank loans – unsecured	**3.5-3.6**	**2026**	**10,000**	3.85	2025	20,000

19. SHARE CAPITAL

	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	No. of shares	**US$**	**Equivalent to RMB'000**	No. of shares	US$	Equivalent to RMB'000
Authorised:						
Ordinary shares of US$0.000001 each	**50,000,000,000**	**50,000**		50,000,000,000	50,000	
Issued and fully paid:						
At the beginning of the period/year	**943,817,280**	**944**	**7**	786,514,400	787	5
New shares issued	**–**	**–**	**–**	157,302,880	157	2
At the end of the reporting period	**943,817,280**	**944**	**7**	943,817,280	944	7

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

20. COMMITMENTS

Lease commitments

At the end of the reporting period, the lease commitments for short-term lease are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	**737**	483

21. CONSIDERATION PAYABLE/CONTINGENT CONSIDERATION

On 14 July 2022, the Group acquired 100% equity interest in Beijing Neusoft Yuetong Software Technology Co., Ltd. ("Neusoft Yuetong").

The consideration payables represents the balance arising from the acquisition of Neusoft Yuetong which requires the Group to pay the sellers on the remaining consideration up to RMB31,515,000 in cash.

The final amount of consideration depends on whether the actual net profit and revenue from principal business of Neusoft Yuetong and its subsidiary (collectively known as "Neusoft Yuetong Group") for the calendar years 2022, 2023 and 2024 ("Guarantee Year") meet specified targets and is payable following the end of the Guarantee Year of 2024.

The financial performance of Neusoft Yuetong Group were not met the specified targets during the Guarantee Year. On 13 June 2025, a shareholders meeting of Neusoft Yuetong was held and the performance compensation amounting to RMB12,091,000 was agreed (the "Final Performance Compensation Amount"). The final consideration payable is determined and agreed to be RMB19,424,000, being the difference of RMB31,515,000 and the Final Performance Compensation Amount. The contingent consideration was written down to RMB19,424,000 by recognising a change in fair value of RMB1,576,000 to profit or loss and was reclassified as consideration payable. The final amount of consideration payable was settled in August 2025.

22. RELATED PARTY TRANSACTIONS

Name of related party	**Relationship with the Group**
Mr. Zhai	Ultimate beneficial owner of the Company and the executive director of the Company
Mr. Zhai Guanhua	Chief financial officer of the Company and a close member of Mr. Zhai
Beijing Guanruitong E-Commerce Technology Company Limited ("Guanruitong")	Controlled by the Mr. Zhai
Beijing Heshun Huikang Technology Company Limited ("Beijing Heshun")	Associate

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

22. RELATED PARTY TRANSACTIONS (CONTINUED)

In addition to the balances and transactions detailed elsewhere in this report, the Group had the following material related party transactions during the six months ended 30 June 2025 and 2024:

(a) Transaction with a related party

Related party	Nature of transactions	30 June 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Beijing Heshun	Software development services	–	415

(b) Amounts due from related parties

	30 June 2025 RMB'000 (Unaudited)	Maximum amount outstanding during the period RMB'000	31 December 2024 RMB'000 (Audited)
Guanruitong	6,842	6,842	6,842

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	3,074	1,529
Pension scheme contributions	129	127
	3,203	1,656

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table presents the assets and liabilities measured at fair value or required to disclose their fair value in these financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13, *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Assets and liabilities measured at fair value

30 June 2025 (Unaudited)	**Level 1 RMB'000**	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
Assets measured at fair value				
Financial assets at fair value through profit or loss ("FVPL")				
Listed equity investments	**15,370**	**–**	**–**	**15,370**
Unlisted equity investments	**–**	**–**	**17,600**	**17,600**
	15,370	**–**	**17,600**	**32,970**
Liabilities measured at fair value				
Financial liabilities at FVPL				
Contingent consideration	**–**	**–**	**–**	**–**

31 December 2024 (Audited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value				
Financial assets at FVPL				
Listed equity investments	28,157	–	–	28,157
Unlisted equity investments	–	–	23,438	23,438
	28,157	–	23,438	51,595
Liabilities measured at fair value				
Financial liabilities at FVPL				
Contingent consideration	–	–	21,000	21,000

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Assets and liabilities measured at fair value (continued)

For the six months ended 30 June 2025 and 30 June 2024, there were no transfers between Level 1 and Level 2 fair value measurements. The movement in the Level 3 equity shares since 1 January 2025 was a fair value decrease of RMB1,576,000 (2024: Nil) and the transfers of the unlisted equity investments out from Level 3 to Level 1 as result of the success of the listing on the Nasdaq Capital Market.

Reconciliation of Level 3 fair value measurements of financial instruments:

As at 30 June 2025 (unaudited)

	Financial assets at FVPL RMB'000	Financial liabilities at FVPL RMB'000
At 1 January 2024	30,100	21,000
Fair value changes recognised in profit or loss	(6,873)	–
Exchange adjustments	211	–
At 31 December 2024 and 1 January 2025	**23,438**	**21,000**
Fair value changes recognised in profit or loss	**–**	**(1,576)**
Transfer out of Level 3	**(5,838)**	**(19,424)**
At 30 June 2025	**17,600**	**–**

As at 30 June 2024 (unaudited)

	Financial assets at FVPL RMB'000	Financial liabilities at FVPL RMB'000
At 1 January 2023	25,700	21,810
Fair value changes recognised in profit or loss	4,271	(810)
Exchange adjustments	129	–
At 31 December 2023 and 1 January 2024	30,100	21,000
Exchange adjustments	53	–
At 30 June 2024	**30,153**	**21,000**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Assets and liabilities measured at fair value (Continued)

The quantitative information of the significant unobservable input and description of valuation techniques used in Level 3 fair value measurement are as follows:

Financial Instruments	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000			
Financial assets at FVPL					
Unlisted equity investments – Beijing Fuhuajiaxin Business Incubator Company Limited	**17,600**	17,600	Level 3	Market approach-in this approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparable.	Price-to-sales ratio, taking into account management's experience and knowledge of market conditions of the comparable companies with their revenue from the same or similar industry, ranging from 3.23x to 7.01x as at 30 June 2025 and 31 December 2024. Discount for lack of marketability of 15.6% as at 30 June 2025 and 31 December 2024.
Financial assets at FVPL					
Unlisted equity investments – Advanced Biomed Inc.* ("Biomed")	**–**	5,838	Level 3	Market approach – in this approach considers public offering price which is to be listed on Nasdaq Capital Market.	The initial public offering ("IPO") price of US$4.00 per share.
Financial liabilities at FVPL					
Contingent consideration (Note 21)	**–**	21,000	Level 3	Performance compensation calculation method – based on the financial performance during all Guarantee Years.	Net assets and total actual net profits for the Guarantee Years.

* On 6 March 2025, the common stock of Biomed approved for listing on the Nasdaq Capital Market at a public offering price of US$4 per share. The fair value measurement was transferred from Level 3 to Level 1 under HKFRS 13 when the quoted prices in active markets for Biomed can be obtained through Nasdaq Capital Market upon successful Listing.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED) (CONTINUED)

(a) Assets and liabilities measured at fair value (Continued)

In the opinion of the directors of the Company, the fair value change on the unlisted equity investments and contingent considerations are considered to be insignificant for the six months ended 30 June 2025 because there is no significant change in the financial projections of the investments, unobservable input and assumptions.

(b) Assets and liabilities not measured at fair value

In the opinion of the directors, no other financial assets and liabilities of the Group are carried at amount materially different from their fair values as at 30 June 2025 and 31 December 2024.

24. COMPARATIVE FIGURES

Conforming to the current year's presentation, the balances of RMB1,435,000 that was included in bank balance and cash have been reclassified to restricted bank balance at 31 December 2024. The revised presentation reflects more appropriately the nature of this item. This reclassification has no effect on the reported financial position, results or cash flows of the Group.