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HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技（中國）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 818)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS			
	Unaudited		
	1H2025 HK\$'000	1H2024 HK\$'000	Change + / (-)
RESULTS			
Revenue	961,708	1,176,888	-18%
Gross profit	332,110	413,836	-20%
Segmental EBITDA# (before unallocated items)	8,839	75,379	-88%
Operating (loss)/profit	(140,575)	9,488	N/A
Share of results of associated companies	119,224	141,385	-16%
	<u> </u>	<u> </u>	
Adjusted net profit##	59,886	164,280	-64%
Impairment of investment in an associated company	–	(140,865)	N/A
Share-based payments under share option schemes of subsidiaries	(87,029)	–	N/A
	<u> </u>	<u> </u>	
(Loss)/profit for the period	<u>(27,143)</u>	<u>23,415</u>	N/A
(Loss)/profit attributable to:			
– Owners of the Company	(11,415)	3,397	N/A
– Non-controlling interests	(15,728)	20,018	N/A
	<u> </u>	<u> </u>	
	<u>(27,143)</u>	<u>23,415</u>	

EBITDA is calculated by excluding interest expense, taxes, depreciation, amortisation, fair value (losses)/gains on financial assets at FVPL, net and share-based payments under share option schemes of subsidiaries from segmental operating (loss)/profit

Excluding impairment of investment in an associated company and share-based payments under share option schemes of subsidiaries

* For identification purpose only

	1H2025 HK\$ per share	1H2024 HK\$ per share	Change + / (-)
(Losses)/earnings per share for			
(loss)/profit attributable to			
the owners of the Company:			
Basic	(0.004)	0.001	N/A
Diluted	(0.040)	(0.032)	N/A
	As at	As at	
	30 June	31 December	
	2025	2024	
	HK\$'000	HK\$'000	Change
			+ / (-)
HIGHLIGHTS OF			
FINANCIAL POSITION			
Total equity	7,915,882	7,722,876	+2%
Net current assets	3,948,578	3,844,654	+3%
Total assets	13,812,111	11,858,778	+16%
	HK\$	HK\$	
	per share	per share	Change
			+ / (-)
Net assets per share	2.851	2.781	+3%

The Board of Directors (the “Board”) of Hi Sun Technology (China) Limited (the “Company”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 together with the unaudited comparative figures for the corresponding period in 2024 and, for the interim condensed consolidated balance sheet only, the audited comparative figures as at 31 December 2024 as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4, 5	961,708	1,176,888
Cost of sales	6	(629,598)	(763,052)
Gross profit		332,110	413,836
Other income	4	68,040	89,322
Other (losses)/gains, net	4	(3,234)	269
Selling expenses	6	(82,173)	(55,452)
Administrative expenses	6	(373,843)	(404,664)
Share-based payments under share option schemes of subsidiaries	6	(87,029)	–
Reversal of credit impairment loss/ (credit impairment loss)	6	5,554	(33,823)
Operating (loss)/profit		(140,575)	9,488
Share of results of associated companies	11	119,224	141,385
Impairment of investment in an associated company	11	–	(140,865)
Gain/(loss) on deemed acquisition and dilution of interest in an associated company	11	2,256	(2,524)
Finance costs		(974)	(924)
(Loss)/profit before income tax		(20,069)	6,560
Income tax (expense)/credit	7	(7,074)	16,855
(Loss)/profit for the period		(27,143)	23,415
(Loss)/profit attributable to:			
– Owners of the Company		(11,415)	3,397
– Non-controlling interests		(15,728)	20,018
		(27,143)	23,415
		HK\$ per share	HK\$ per share
(Losses)/earnings per share for (loss)/profit attributable to the owners of the Company:			
Basic	9	(0.004)	0.001
Diluted	9	(0.040)	(0.032)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
(Loss)/profit for the period	(27,143)	23,415
Other comprehensive income/(loss), net of tax		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences on translation of foreign subsidiaries	91,700	(74,198)
Share of other comprehensive income/(loss) of associated companies	51,279	(61,012)
Release of reserve upon dilution of interest in an associated company	(366)	176
Total comprehensive income/(loss) for the period, net of tax	115,470	(111,619)
Total comprehensive income/(loss) for the period attributable to:		
– Owners of the Company	112,795	(116,962)
– Non-controlling interests	2,675	5,343
	115,470	(111,619)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
	Note		
Assets			
Non-current assets			
Investment properties		262	352
Property, plant and equipment		46,096	44,824
Right-of-use assets		54,213	55,986
Intangible assets		3,863	8,304
Investments in associated companies	11	3,525,119	3,442,562
Financial assets at fair value through profit or loss		67,744	68,537
Other financial assets at amortised cost		12,079	8,050
Long-term bank deposits		273,613	265,280
Total non-current assets		3,982,989	3,893,895
Current assets			
Inventories		2,526	872
Other current assets		45,388	36,247
Other financial assets at amortised cost		335,485	159,738
Amounts due from associated companies		6,751	6,273
Loan receivables	10	1,425,713	1,785,138
Trade receivables	12	118,722	185,722
Financial asset at fair value through profit or loss		540	878
Current income tax recoverable		3,214	7,613
Short-term bank deposits		165,104	177,207
Restricted bank balances		4,053,794	2,593,913
Cash and cash equivalents		3,671,885	3,011,282
Total current assets		9,829,122	7,964,883
Total assets		13,812,111	11,858,778
Equity			
Capital and reserves attributable to the owners of the Company			
Share capital		6,942	6,942
Reserves		7,313,991	7,124,249
		7,320,933	7,131,191
Non-controlling interests		594,949	591,685
Total equity		7,915,882	7,722,876

		Unaudited	Audited
		As at	As at
		30 June	31 December
		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Liabilities			
Non-current liabilities			
Lease liabilities		14,328	14,982
Other payables	<i>14</i>	1,357	691
Total non-current liabilities		15,685	15,673
Current liabilities			
Trade payables	<i>13</i>	386,640	427,433
Payables for payment and digital services business	<i>14</i>	4,178,198	2,623,537
Other payables and accruals	<i>14</i>	871,291	924,754
Amounts due to associated companies		6,752	4,160
Current income tax liabilities		35,748	37,327
Asset-backed securities	<i>15</i>	308,387	–
Bank borrowings		72,364	82,130
Lease liabilities		21,164	20,888
Total current liabilities		5,880,544	4,120,229
Total liabilities		5,896,229	4,135,902
Total equity and liabilities		13,812,111	11,858,778

Note:

1 GENERAL INFORMATION

Hi Sun Technology (China) Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the provision of payment and digital services, provision of fintech services, provision of platform operation solutions and provision of financial solutions.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This interim condensed consolidated financial information is presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated.

This interim condensed consolidated financial information was approved for issue on 18 August 2025.

This interim condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting as issued by the Hong Kong Institute of Certified Public Accountants. This interim condensed consolidated financial information does not include all of the notes of the type normally included in annual consolidated financial statements. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (“HKFRS”).

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2024, as described in those annual consolidated financial statements, except for the estimation of income tax and the adoption of new and amended standards as set out below. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3.1 New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

3.2 Impact of standards issued but not yet applied by the Group

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4 REVENUE, OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

Revenue, other income and other (losses)/gains, net, recognised during the period is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue from contracts with customers		
<i>Recognised over time</i>		
Provision of services	918,252	1,055,482
<i>Recognised at a point in time</i>		
Sales of goods	5,864	83,887
	924,116	1,139,369
Revenue from other source		
Provision of fintech services (<i>Note i</i>)	37,592	37,519
	961,708	1,176,888
Other income		
Interest income	58,064	80,755
Government grants (<i>Note ii</i>)	9,570	7,855
Rental income	173	437
Others	233	275
	68,040	89,322
Other (losses)/gains, net		
Fair value (losses)/gains on financial assets at FVPL		
– Unlisted investment fund	(2,896)	(2,165)
– Listed equity securities	(338)	(124)
– Investments at FVPL	–	2,558
	(3,234)	269

Note i: Revenue from provision of fintech services represented interest income recognised and accrued using the effective interest method.

Note ii: Government grants represented value-added tax refund from local tax bureau and grant from government in relation to sales and research and development of self-developed software products in the People's Republic of China (the "PRC") for the period ended 30 June 2025 (six months ended 30 June 2024: same). There were no unfulfilled condition and other contingencies attached to the receipts of those grants (six months ended 30 June 2024: same).

5 SEGMENT INFORMATION

Management has determined the operating segments based on the internal reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business of the Group from a product perspective.

The Group is organised into four main operating segments in these internal reports:

- (a) Payment and digital services – principally engaged in the provision of payment processing services and related digital products and solutions;
- (b) Fintech services – principally engaged in the provision of micro-lending, supply chain financing, factoring business, credit assessment services and related products and solutions;
- (c) Platform operation solutions – principally engaged in the provision of telecommunication and mobile payment platform operation services and operation value-added services; and
- (d) Financial solutions – principally engaged in the provision of information system consultancy, integration and operation services and sales of information technology products to financial institutions and banks.

The Board of Directors assesses the performance of the operating segments based on a measure of (losses)/earnings before interest expense, taxes, depreciation and amortisation (“EBITDA”), and segmental operating (loss)/profit. EBITDA is calculated by excluding interest expense, taxes, depreciation, amortisation, fair value (losses)/gains on financial assets at FVPL and share-based payments under share option schemes of subsidiaries from segmental operating (loss)/profit.

An analysis of the Group's revenue and results for the six months ended 30 June 2025 by operating segment is as follows:

	Unaudited					
	Payment and digital services <i>HK\$'000</i>	Fintech services <i>HK\$'000</i>	Platform operation solutions <i>HK\$'000</i>	Financial solutions <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total Group <i>HK\$'000</i>
Six months ended 30 June 2025						
Segment turnover	800,883	47,273	45,309	74,294	–	967,759
Inter-segment turnover	(349)	(1,041)	(3,969)	(692)	–	(6,051)
Turnover from external customers	<u>800,534</u>	<u>46,232</u>	<u>41,340</u>	<u>73,602</u>	<u>–</u>	<u>961,708</u>
Segmental EBITDA (excluding fair value losses on financial assets at FVPL and share-based payments under share option schemes of subsidiaries)	<u>26,555</u>	<u>28,242</u>	<u>(19,049)</u>	<u>(27,472)</u>	<u>563</u>	<u>8,839</u>
Depreciation	(20,029)	(2,796)	(1,948)	(2,842)	–	(27,615)
Amortisation	(4,622)	–	–	–	–	(4,622)
Fair value losses on financial asset at FVPL	–	–	(2,896)	–	–	(2,896)
Share-based payments under share option schemes of subsidiaries	<u>(85,234)</u>	<u>–</u>	<u>–</u>	<u>(1,795)</u>	<u>–</u>	<u>(87,029)</u>
Segmental operating (loss)/profit	<u>(83,330)</u>	<u>25,446</u>	<u>(23,893)</u>	<u>(32,109)</u>	<u>563</u>	<u>(113,323)</u>
Unallocated other income						15,260
Unallocated corporate expenses						(42,512)
Share of results of associated companies						119,224
Gain on deemed acquisition and dilution of interest in an associated company						2,256
Finance costs						<u>(974)</u>
Loss before income tax						(20,069)
Income tax expense						<u>(7,074)</u>
Loss for the period						<u><u>(27,143)</u></u>

An analysis of the Group's revenue and results for the six months ended 30 June 2024 by operating segment is as follows:

	Unaudited					
	Payment and digital services <i>HK\$'000</i>	Fintech services <i>HK\$'000</i>	Platform operation solutions <i>HK\$'000</i>	Financial solutions <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total Group <i>HK\$'000</i>
Six months ended 30 June 2024						
Segment turnover	892,681	46,697	57,057	99,810	83,887	1,180,132
Inter-segment turnover	(451)	(2,793)	–	–	–	(3,244)
Turnover from external customers	<u>892,230</u>	<u>43,904</u>	<u>57,057</u>	<u>99,810</u>	<u>83,887</u>	<u>1,176,888</u>
Segmental EBITDA (excluding fair value gains/(losses) on financial assets at FVPL)	<u>117,472</u>	<u>(20,372)</u>	<u>(16,080)</u>	<u>384</u>	<u>(6,025)</u>	<u>75,379</u>
Depreciation	(26,552)	(2,722)	(2,846)	(2,907)	(1,071)	(36,098)
Amortisation	(167)	–	–	–	(10)	(177)
Fair value gains/(losses) on financial assets at FVPL	<u>–</u>	<u>2,558</u>	<u>(2,165)</u>	<u>–</u>	<u>–</u>	<u>393</u>
Segmental operating profit/(loss)	<u>90,753</u>	<u>(20,536)</u>	<u>(21,091)</u>	<u>(2,523)</u>	<u>(7,106)</u>	<u>39,497</u>
Unallocated other income						12,582
Unallocated corporate expenses						(42,591)
Share of results of associated companies						141,385
Impairment of investment in an associated company						(140,865)
Loss on deemed acquisition and dilution of interest in an associated company						(2,524)
Finance costs						<u>(924)</u>
Profit before income tax						6,560
Income tax credit						<u>16,855</u>
Profit for the period						<u><u>23,415</u></u>

The segment assets and liabilities as at 30 June 2025 and additions to non-current assets for the six months ended 30 June 2025 are as follows:

	Unaudited							
	Payment and digital services <i>HK\$'000</i>	Fintech services <i>HK\$'000</i>	Platform operation solutions <i>HK\$'000</i>	Financial solutions <i>HK\$'000</i>	Others <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total Group <i>HK\$'000</i>
As at 30 June 2025								
Segment assets	<u>7,133,700</u>	<u>2,253,603</u>	<u>552,385</u>	<u>403,323</u>	<u>294,024</u>	<u>5,057,071</u>	<u>(1,881,995)</u>	<u>13,812,111</u>
Segment liabilities	<u>(5,527,427)</u>	<u>(787,007)</u>	<u>(330,499)</u>	<u>(565,158)</u>	<u>(110,340)</u>	<u>(457,793)</u>	<u>1,881,995</u>	<u>(5,896,229)</u>
Six months ended 30 June 2025								
Additions to non-current assets (excluding investments in associated companies, financial assets at FVPL, other financial assets at amortised cost and long-term bank deposits)	<u>17,748</u>	<u>–</u>	<u>3,513</u>	<u>6,918</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>28,179</u>

The segment assets and liabilities as at 31 December 2024 and additions to non-current assets for the six months ended 30 June 2024 are as follows:

	Audited							
	Payment and digital services <i>HK\$'000</i>	Fintech services <i>HK\$'000</i>	Platform operation solutions <i>HK\$'000</i>	Financial solutions <i>HK\$'000</i>	Others <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total Group <i>HK\$'000</i>
As at 31 December 2024								
Segment assets	<u>5,771,121</u>	<u>2,423,337</u>	<u>563,936</u>	<u>469,209</u>	<u>292,996</u>	<u>4,940,381</u>	<u>(2,602,202)</u>	<u>11,858,778</u>
Segment liabilities	<u>(3,984,151)</u>	<u>(1,239,640)</u>	<u>(334,301)</u>	<u>(589,867)</u>	<u>(107,744)</u>	<u>(482,401)</u>	<u>2,602,202</u>	<u>(4,135,902)</u>
Six months ended 30 June 2024								
Additions to non-current assets (excluding investments in associated companies, financial assets at FVPL, other financial assets at amortised cost and long-term bank deposits)	<u>22,702</u>	<u>–</u>	<u>21</u>	<u>9</u>	<u>271</u>	<u>15</u>	<u>–</u>	<u>23,018</u>

During the period, additions to non-current assets mainly comprise additions to property, plant and equipment and right-of-use assets (six months ended 30 June 2024: same).

Information provided to the Board of Directors is measured in a manner consistent with that of the interim condensed consolidated financial information. These assets and liabilities are allocated based on the operations of the segment.

Sales between segments are carried out on normal commercial terms. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the interim condensed consolidated income statement.

The Group is principally domiciled in Mainland China and Hong Kong (six months ended 30 June 2024: same).

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling expenses, administrative expenses and (reversal of credit impairment loss)/credit impairment loss, are analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Auditor's remuneration	2,000	2,029
Commission and incentives paid/payable to business channel partners	463,791	513,035
Interest expenses on asset-backed securities	1,908	–
Depreciation of property, plant and equipment	14,406	24,672
Depreciation of right-of-use assets	15,438	13,892
Depreciation of investment properties	90	86
Amortisation of intangible assets	4,622	177
Employee benefit expenses (including share-based payments under share option schemes of subsidiaries)	521,458	454,638
Costs of inventories sold (including reversal of provision for inventories)	5,491	61,776
Short-term lease of office premises	3,358	5,421
Research and development costs (including staff cost)	176,557	165,965
Gains on disposals of property, plant and equipment	(3)	(43)
(Reversal of credit impairment loss)/credit impairment loss		
– Trade and bills receivables	–	202
– Loan receivables	(5,554)	33,621
Net foreign exchange (gain)/loss	(6,894)	966

7 INCOME TAX (EXPENSE)/CREDIT

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax (<i>Note (a)</i>)	(4,577)	–
– PRC Corporate income tax (<i>Note (a)</i>)	(4,734)	(7,075)
– Over-provision in prior year (<i>Note (b)</i>)	2,237	23,924
Deferred income tax	–	6
Income tax (expense)/credit	<u>(7,074)</u>	<u>16,855</u>

Note (a)

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2025 (six months ended 30 June 2024: No Hong Kong profits tax has been provided as the Group has no assessable profit).

Subsidiaries in the PRC are subject to corporate income tax (“CIT”) in accordance with the PRC CIT Law. According to the PRC CIT Law and the relevant regulations, the CIT tax rate applicable is 25% unless preferential rates are applicable in the cities where the subsidiaries are located. If a subsidiary is qualified as High and New Technology Enterprise (“HNTE”), the applicable CIT tax rate is 15%. If a subsidiary is engaged in Encouraged Industries in the Western Region (“EIWR”), the applicable CIT tax rate is 15%. If a subsidiary is qualified as Software and Integrated Circuit Enterprise (“SICE”), the applicable CIT tax rate is 0% for the first two years of being qualified and 12.5% for the next three years.

Applicable corporate income tax rates of principal subsidiaries

	Applicable corporate income tax rate	
	Six months ended 30 June	
	2025	2024
Subsidiaries		
Beijing Hi Sun Advanced Business Solutions Information Technology Limited (“BJ ABS”)	15%	15%
隨行付支付有限公司 (“VBill OPCO”)	25%	25%
重慶鑫聯隨行科技有限公司 (“Chongqing Xinlian”)	15%	15%
北京結慧科技有限公司 (“Vintelligence Beijing”)	<u>15%</u>	<u>15%</u>

Note (b)

The over-provision of current income tax in prior year recognised during the periods ended 30 June 2024 and 2025 were mainly attributable to Vintelligence Beijing.

Pursuant to Caishui Circular 49 of 2016 jointly released by the Ministry of Finance, the State Administration of Taxation, the National Development and Reform Commission and the Ministry of Industry and Information Technology of the PRC and the amendments of the relevant tax rules and requirements of the eligibility for the tax incentives, management performed self-assessment for Vintelligence Beijing on the eligibility of tax incentives.

In May 2023, Vintelligence Beijing was accredited as SICE with the first effective period being the year ended 31 December 2022 and is entitled to a preferential tax rate of 0% for the first two years of being qualified and 12.5% for the next three years.

In July 2023, the Chinese tax authority published the version 2.0 of the policy implementation guidelines for research and development (“R&D”) expenditures super deduction (“Guidelines 2.0”), which provided additional clarity on the different kinds of R&D expenses that are eligible for deductions, as well as more details on the types of activity that are deemed to be R&D. In view of the more stringent requirements and implementation measures in granting the preferential tax rate of SICE resulted from Guidelines 2.0, management applied the corporate income tax rate of 15% for the year ended 31 December 2023 when Vintelligence Beijing was qualified as HNTE.

In May 2024, Vintelligence Beijing continued to be accredited as SICE with the second effective period being the year ended 31 December 2023 and is entitled to a preferential tax rate of 0%. During the period ended 30 June 2024, Vintelligence Beijing received a tax refund in relation to corporate income tax paid during the year ended 31 December 2023 of HK\$20,460,000 and recognised an over-provision for income tax expense of HK\$22,932,000, which was calculated at the applicable tax rate of 15% when Vintelligence Beijing was qualified as HNTE during the year ended 31 December 2023, in the interim condensed consolidated income statement for the period ended 30 June 2024.

In May 2025, Vintelligence Beijing continued to be accredited as SICE with the third effective period being the year ended 31 December 2024 and is entitled to a preferential tax rate of 12.5%. During the period ended 30 June 2025, Vintelligence Beijing recognised an over-provision for income tax expense of HK\$2,355,000, which represents the excess of corporate income tax calculated at the applicable tax rate of 15% when Vintelligence Beijing was qualified as HNTE during the year ended 31 December 2024 over the income tax required to be paid based on the relevant final tax assessment, in the interim condensed consolidated income statement for the period ended 30 June 2025.

8 DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

9 (LOSSES)/EARNINGS PER SHARE

(a) Basic

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 June	
	2025	2024
(Loss)/profit attributable to the owners of the Company (HK\$'000)	<u>(11,415)</u>	<u>3,397</u>
Weighted average number of ordinary shares in issue less shares held for Share Award Scheme (thousands shares)	<u>2,729,410</u>	<u>2,758,406</u>
Basic (losses)/earnings per share attributable to the owners of the Company (HK\$ per share)	<u>(0.004)</u>	<u>0.001</u>

(b) Diluted

Diluted losses per share is calculated by adjusting the net losses and the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive shares.

For the six months ended 30 June 2025, the Group has three categories (six months ended 30 June 2024: three) of potentially dilutive shares: share options issued by an associated company – PAX Global Technology Limited (“PAX Global”), share options issued by a subsidiary – VBill Limited (“VBill Cayman”) and share options issued by a subsidiary – Shenzhen Hi Sun (six months ended 30 June 2024: share options issued by PAX Global, share options issued by a subsidiary – VBill OPCO and share options issued by Shenzhen Hi Sun).

For the six months ended 30 June 2025, the exercise of the outstanding share options in PAX Global (six months ended 30 June 2024: PAX Global and VBill OPCO) would have a dilutive effect. A calculation is performed to determine the number of shares that could have been acquired at fair value determined as the average annual fair value of the associated company’s shares (six months ended 30 June 2024: the associated company’s shares and subsidiary’s shares) based on the monetary value of the subscription rights attached to outstanding share options of PAX Global (six months ended 30 June 2024: PAX Global and VBill OPCO). The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options of PAX Global (six months ended 30 June 2024: PAX Global and VBill OPCO).

For the six months ended 30 June 2025, the calculation of diluted losses per share does not assume the exercise of the share options issued by Vbill Cayman and Shenzhen Hi Sun as they would have an anti-dilutive impact to the basic losses per share.

For the six months ended 30 June 2024, the conversion feature of share options issued by Shenzhen Hi Sun is considered to fall within contingently issuable ordinary shares. The triggering event of conversion did not occur for the six months ended 30 June 2024, therefore the conversion feature of this potential ordinary shares has no dilutive effect on earnings per share calculation (six months ended 30 June 2024: same).

	Unaudited	
	Six months ended 30 June	
	2025	2024
(Loss)/profit attributable to the owners of the Company (HK\$'000)	(11,415)	3,397
Assuming exercise of all outstanding dilutive share options issued by PAX Global (HK\$'000)		
– Decrease in share of profit of an associated company	(1,774)	(3,073)
– Loss on dilution of an associated company	(95,225)	(88,276)
Assuming exercise of all outstanding dilutive share options issued by VBill OPCO (HK\$'000)		
– Decrease in profit attributable to the owners of the Company	<u>–</u>	<u>(685)</u>
Adjusted loss attributable to the owners of the Company used to determine diluted losses per share (HK\$'000)	<u>(108,414)</u>	<u>(88,637)</u>
Weighted average number of ordinary shares for diluted losses per share (thousands shares)	<u>2,729,410</u>	<u>2,758,406</u>
Diluted losses per share attributable to the owners of the Company (HK\$ per share)	<u>(0.040)</u>	<u>(0.032)</u>

10 LOAN RECEIVABLES

Loan receivables are amounts due from customers in the ordinary course of the fintech services business and primarily denominated in RMB.

(i) Ageing analysis of loan receivables

The ageing analysis of loan receivables based on the payment due date is as follows:

	Unaudited	Audited
	At	At
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
Current	1,419,297	1,780,001
1 to 3 months past due	–	–
Over 3 months past due	<u>154,604</u>	<u>152,868</u>
Loan receivables, gross	1,573,901	1,932,869
Less: provision for impairment of loan receivables	<u>(148,188)</u>	<u>(147,731)</u>
	<u>1,425,713</u>	<u>1,785,138</u>

The analysis of changes in the gross carrying amount and the corresponding provision for impairment of loan receivables in relation to loan receivables are as follows:

	Unaudited			
	At 30 June 2025			
	Stage 1	Stage 2	Stage 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loan receivables	1,419,297	–	154,604	1,573,901
Less: Provision for impairment of loan receivables	(5,586)	–	(142,602)	(148,188)
Loan receivables, net	<u>1,413,711</u>	<u>–</u>	<u>12,002</u>	<u>1,425,713</u>
	Audited			
	At 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loan receivables	1,780,001	–	152,868	1,932,869
Less: Provision for impairment of loan receivables	(8,247)	–	(139,484)	(147,731)
Loan receivables, net	<u>1,771,754</u>	<u>–</u>	<u>13,384</u>	<u>1,785,138</u>

(ii) **Effective interest rates on loan receivables**

The effective interest rates on loan receivables are normally as follows:

	Six months ended 30 June	
	2025	2024
Loans to borrowers	<u>3% to 24% p.a.</u>	<u>4% to 24% p.a.</u>

11 INVESTMENTS IN ASSOCIATED COMPANIES

The balance recognised in the interim condensed consolidated balance sheet is as follows:

	Unaudited At 30 June 2025 HK\$'000	Audited At 31 December 2024 HK\$'000
Associated companies:		
– PAX Global (<i>Note (a)</i>)	3,176,133	3,090,237
– Megahunt Technologies Inc (“Megahunt”) (<i>Note (b)</i>)	319,005	322,878
– Beijing Fangyun Technology Co., Ltd (“Beijing Fangyun”) (<i>Note (c)</i>)	–	–
– Beijing Zhongjin Yunchuang Software., Ltd (“Beijing Zhongjin”) (<i>Note (d)</i>)	23,829	23,746
– Beijing Suiyun Technology Co., Ltd (“Beijing Suiyun”) (<i>Note (e)</i>)	1	2,549
– Shenzhen Guofu Yunlian Technology Co., Ltd (“Shenzhen Guofu”) (<i>Note (f)</i>)	3,262	3,152
– Cloopen Group Holding Limited (“Cloopen”) (<i>Note (g)</i>)	–	–
– Changsha Jiehang Diansansan Shuzi Technology Limited (“Diansansan”) (<i>Note (h)</i>)	–	–
– Beijing Chongxiang Technology Co., Ltd. (“Beijing Chongxiang”) (<i>Note (i)</i>)	–	–
– Chengdu Qiche Technology Co., Ltd (“Chengdu Qiche”) (<i>Note (j)</i>)	2,889	–
	<u>3,525,119</u>	<u>3,442,562</u>

The amount of share of results recognised in the interim condensed consolidated income statement is as follows:

	Unaudited Six months ended 30 June 2025 HK\$'000	2024 HK\$'000
Associated companies:		
– PAX Global (<i>Note (a)</i>)	134,085	154,525
– Megahunt	(13,778)	(12,349)
– Beijing Zhongjin	(651)	(758)
– Beijing Suiyun	(2)	(20)
– Shenzhen Guofu	11	(13)
– Beijing Chongxiang	(53)	–
– Chengdu Qiche	(388)	–
	<u>119,224</u>	<u>141,385</u>

The amount of gain/(loss) on deemed acquisition and dilution of interest recognised in the interim condensed consolidated income statement is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Associated company:		
– PAX Global (<i>Note (a)</i>)	2,256	(2,524)

(a) Investment in PAX Global

The movement on interest in PAX Global is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
At 1 January	3,090,237	3,046,010
Share of profit	134,085	154,525
Share of other comprehensive loss	40,921	(26,275)
Share of other reserve	–	(138)
Gain/(loss) on deemed acquisition and dilution of interest, net (<i>Note i</i>)	1,890	(2,348)
Dividend received	(91,000)	(83,720)
At 30 June	3,176,133	3,088,054

Note:

- (i) During the period, PAX Global repurchased a total of 2,162,000 ordinary shares (six months ended 30 June 2024: 638,000) on the Stock Exchange, of which 2,162,000 ordinary shares (six months ended 30 June 2024: 638,000) were subsequently cancelled during the period. Certain employees of PAX Global exercised share options granted to them pursuant to a share option scheme set up on 2 May 2019. A gain (six months ended 30 June 2024: loss) on deemed acquisition and dilution of interest of an associated company of HK\$2,256,000 (six months ended 30 June 2024: HK\$2,524,000) (which includes a release of reserve credited (six months ended 30 June 2024: debited) to the interim condensed consolidated income statement of HK\$366,000 (six months ended 30 June 2024: HK\$176,000)) were recognised in the interim condensed consolidated income statement. The Group's interest in PAX Global increased from 34.29% to 34.35% accordingly.

(b) Investment in Megahunt

The Group accounts for its interests in Megahunt as an investment in an associated company initially at fair value and will share the results of Megahunt as an investment in an associated company using the equity method.

As disclosed in the Company's announcement dated 24 June 2024, the application for listing of Megahunt on the Science and Technology Innovation Board of the Shanghai Stock Exchange had been withdrawn in light of the strategic planning of Megahunt and the recent capital market environment. In view of this, management prepared an impairment assessment on the investment in Megahunt as at 30 June 2024.

The recoverable amount of Megahunt had been determined based on the higher of the fair value less cost of disposal and value-in-use. The recoverable amount of Megahunt as at 30 June 2024 was approximately HK\$342,597,000 based on the fair value less costs of disposal calculation determined under a market approach performed by an independent professional valuer, which was lower than its carrying amount. The shortfall of HK\$140,865,000 was recognised as impairment of investment in an associated company in the interim condensed consolidated income statement for the period ended 30 June 2024. Management has determined the enterprise value to sales multiple of 2.56 and the discount for lack of marketability of 20.5% as at 30 June 2024 to be the key assumptions.

As at 30 June 2025, an impairment test is performed to determine the recoverable amount of the investment. The recoverable amount, which was assessed by an independent valuer on a value-in-use basis calculated by a discounted cash flow model, exceeds the carrying value as at 30 June 2025.

(c) Investment in Beijing Fangyun

As at 30 June 2025, the Group holds 23.1% (31 December 2024: 23.1%) equity interest in Beijing Fangyun, which is principally engaged in the provision of business analysis services. The interest in Beijing Fangyun was initially measured at cost. The interest in Beijing Fangyun was initially measured at cost. The carrying amount was increased or decreased to recognise the Group's share of the profit or loss and movements in other comprehensive income or loss of the interest in Beijing Fangyun to the extent the carrying amount of the interest in Beijing Fangyun reduced to zero due to losses, after the initial recognition. As at 30 June 2025, the Group's share of loss of Beijing Fangyun exceeded its interest in the ordinary shares of Beijing Fangyun (31 December 2024: same). As at 30 June 2025, the unrecognised share of loss of the interests in Beijing Fangyun is HK\$2,891,000 (31 December 2024: HK\$2,947,000).

(d) Investment in Beijing Zhongjin

As at 30 June 2025, the Group holds 20% (31 December 2024: 20%) equity interest in Beijing Zhongjin, which is principally engaged in the provision of fintech services. A representative from the Group has been appointed to serve on the board of directors of Beijing Zhongjin. The Group accounted for its interest in Beijing Zhongjin as an investment in an associated company using the equity method.

(e) Investment in Cloopen

As at 30 June 2025, the Group holds 55,677,341 (31 December 2024: 55,677,341) Class A ordinary shares of Cloopen, which is principally engaged in the provision of cloudbased communications solutions service. Two of the Group's representatives were appointed to serve on the board of directors of Cloopen. The Group accounted for its interest in Cloopen as an investment in an associated company using the equity method going forward.

(f) Investment in Diansansan

As at 30 June 2025, the Group holds 49% (31 December 2024: 49%) equity interest in Diansansan, which is principally engaged in the provision of retail and digital service. The interest in Diansansan was initially measured at fair value. The carrying amount was increased or decreased to recognise the Group's share of the profit or loss and movements in other comprehensive income or loss of the interest in Diansansan to the extent the carrying amount of the interest in Diansansan reduced to zero due to losses, after the initial recognition. As at 30 June 2025, the Group's share of loss of Diansansan exceeded its interest in the ordinary shares of Diansansan (31 December 2024: same). The unrecognised share of loss of the interests in Diansansan is HK\$3,857,000 (31 December 2024: HK\$2,583,000).

(g) Investment in Beijing Chongxiang

As at 30 June 2025, the Group holds 49% equity interest in Beijing Chongxiang, which is principally engaged in the provision of software and information technology services. The interest in Beijing Chongxiang was initially measured at fair value. The carrying amount was increased or decreased to recognise the Group's share of the profit or loss and movements in other comprehensive income or loss of the interest in Beijing Chongxiang to the extent the carrying amount of the interest in Beijing Chongxiang reduced to zero due to losses, after the initial recognition. As at 30 June 2025, the Group's share of loss of Beijing Chongxiang exceeded its interest in the ordinary shares of Beijing Chongxiang. The unrecognised share of loss of the interests in Beijing Chongxiang is HK\$530,000.

(h) Investment in Chengdu Qiche

As at 30 June 2025, the Group hold 30% equity interest in Chengdu Qiche, which is principally engaged in the provision of software and information technology services. A representative from the Group has been appointed to serve on the board of directors of Chengdu Qiche. The Group accounted for its interest in Chengdu Qiche as an investment in an associated company using the equity method.

12 TRADE RECEIVABLES

	Unaudited At 30 June 2025 HK\$'000	Audited At 31 December 2024 HK\$'000
Trade receivables (<i>Note</i>)	122,707	189,586
Less: provision for impairment of receivables	<u>(3,985)</u>	<u>(3,864)</u>
	<u>118,722</u>	<u>185,722</u>

Note:

The Group's credit terms to trade debtors range from 0 to 180 days. The ageing analysis of the trade receivables primarily based on invoice date was as follows:

	Unaudited At 30 June 2025 HK\$'000	Audited At 31 December 2024 HK\$'000
Current to 90 days	85,400	164,853
91 to 180 days	13,961	16,135
181 to 365 days	17,949	2,810
Over 365 days	<u>5,397</u>	<u>5,788</u>
	<u>122,707</u>	<u>189,586</u>

13 TRADE PAYABLES

	Unaudited At 30 June 2025 HK\$'000	Audited At 31 December 2024 HK\$'000
Trade payables	<u>386,640</u>	<u>427,433</u>

At 30 June 2025 and 31 December 2024, the ageing analysis of the trade payables primarily based on invoice date was as follows:

	Unaudited At 30 June 2025 <i>HK\$'000</i>	Audited At 31 December 2024 <i>HK\$'000</i>
Current to 90 days	380,096	422,633
91 to 180 days	214	148
181 to 365 days	3,215	14
Over 365 days	3,115	4,638
	<u>386,640</u>	<u>427,433</u>

The credit period granted by the suppliers ranges from 0 to 180 days.

14 PAYABLES FOR PAYMENT AND DIGITAL SERVICES BUSINESS AND OTHER PAYABLES AND ACCRUALS

	Unaudited At 30 June 2025 <i>HK\$'000</i>	Audited At 31 December 2024 <i>HK\$'000</i>
Payables for payment and digital services business (<i>Note (a)</i>)	4,178,198	2,623,537
Other payables and accruals (<i>Note (b)</i>)	872,648	925,445
	<u>5,050,846</u>	<u>3,548,982</u>

Notes:

(a) Payables for payment and digital services business

Payables for payment and digital services business mainly represent payment received from the relevant banks and financial institutions on behalf of the merchants. The amounts are required to be settled with merchants upon the respective contractual settlement clearance dates.

(b) Other payables and accruals

	Unaudited At 30 June 2025 HK\$'000	Audited At 31 December 2024 HK\$'000
Current portion		
Accrued staff costs and pension obligations	143,070	223,907
Deposits	34,517	33,667
Receipt in advance from customers (<i>Note i</i>)	40,295	27,382
Deposits from business channel partners	468,945	445,864
Others	184,464	193,934
	<hr/>	<hr/>
	871,291	924,754
Non-current portion		
Other payables	1,357	691
	<hr/>	<hr/>
Total	<u>872,648</u>	<u>925,445</u>

Note:

- (i) A contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. The Group recognised its contract liabilities under other payables and accruals as receipt in advance from customers in the interim condensed consolidated balance sheet.

Revenue recognised during the period ended 30 June 2025 that was included in the contract liability balance at the beginning of the period amounted to HK\$26,789,000 (six months ended 30 June 2024: HK\$22,010,000).

Unaudited
At
30 June
2025
HK\$'000

CurrentAsset – backed securities (*Note*)**308,387***Notes:*

The board of directors of Beijing Ronghui Zhida Commercial Factoring Co., Ltd. (“Ronghui Zhida Factoring”), an indirect partially-owned subsidiary of the Company, has approved the Suixin Cloud Chain-E Credit Supply Chain Financial Asset-backed Special Scheme (the “ABS Scheme”) and the issuance of asset-backed securities in the PRC, which are backed by factoring loan receivables repaid via electronic debt instruments as agreed in the contract. Pursuant to the no-objection letter of the ABS Scheme from the Shanghai Stock Exchange, the maximum issue size of the ABS Scheme is RMB2,000,000,000 (equivalent to HK\$2,151,926,000) (of which all are non-revolving ABS) and the ABS can be issued in multiple tranches within 24 months from the date of approval by 14 March 2027.

On 16 April 2025, the first phase of the ABS Scheme with an issue size of RMB335,000,000 (equivalent to approximately HK\$360,448,000) was established. The ABS are classified into (i) priority tranche with total principal of RMB280,000,000 (equivalent to HK\$301,270,000) which are listed and traded on the Shanghai Stock Exchange with expected maturity date on 31 March 2026 and with coupon rate of 3% per annum; and (ii) subordinated tranche with total principal of RMB55,000,000 (equivalent to HK\$59,178,000) with expected maturity date on 31 March 2026 and with no coupon rate.

The principal and interest of the priority tranche ABS shall be repaid monthly in six instalments. The holders of the priority tranche of the ABS shall have priority in receiving coupon interest and repayment of the principal amount of the ABS over the holders of the subordinated tranche of the ABS. The subordinated tranche is not listed and was subscribed by Ronghui Zhida Factoring.

Since the Group holds all the subordinated tranches of the ABS, substantially all the risks and rewards of ownership of the loan receivables are retained, the Group continues to recognise the loan receivables in its entirety and recognises a financial liability for the consideration received.

As at 30 June 2025, the Group’s asset-backed securities with carrying amount of approximately HK\$308,387,000 were collateralised by the loan receivables of the Group with an aggregate carrying amount of approximately HK\$363,259,000.

INTERIM CONDENSED SEGMENT RESULT ANALYSIS

	<i>Notes</i>	Turnover Unaudited		EBITDA [#] Unaudited	
		1H2025 <i>HK\$'000</i>	1H2024 <i>HK\$'000</i>	1H2025 <i>HK\$'000</i>	1H2024 <i>HK\$'000</i>
Payment and digital services	<i>1</i>	800,883	892,681	26,555	117,472
Fintech services	<i>2</i>	47,273	46,697	28,242	(20,372)
Platform operation solutions	<i>3</i>	45,309	57,057	(19,049)	(16,080)
Financial solutions	<i>4</i>	74,294	99,810	(27,472)	384
Others	<i>5</i>	–	83,887	563	(6,025)
Segmental results		967,759	1,180,132	8,839	75,379
Less: Inter-segment turnover		(6,051)	(3,244)	–	–
Total		961,708	1,176,888	8,839	75,379
Depreciation				(27,615)	(36,098)
Amortisation				(4,622)	(177)
Fair value (losses)/gains on financial assets at fair value through profit or loss (“FVPL”), net				(2,896)	393
Share-based payments under share option schemes of subsidiaries	<i>C</i>			(87,029)	–
Segmental operating (loss)/profit				(113,323)	39,497
Unallocated other income				15,260	12,582
Unallocated corporate expenses				(42,512)	(42,591)
Operating (loss)/profit				(140,575)	9,488

[#] EBITDA is calculated by excluding interest expense, taxes, depreciation, amortisation, fair value (losses)/gains on financial assets at FVPL, net and share-based payments under share option schemes of subsidiaries from segmental operating (loss)/profit.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		1H2025	1H2024
	Notes	HK\$'000	HK\$'000
Revenue	A	961,708	1,176,888
Cost of sales	C	(629,598)	(763,052)
Gross profit		332,110	413,836
Other income	B	68,040	89,322
Other (losses)/gains, net		(3,234)	269
Selling expenses	C	(82,173)	(55,452)
Administrative expenses	C	(373,843)	(404,664)
Share-based payments under share option schemes of subsidiaries	C	(87,029)	–
Reversal of credit impairment loss/ (credit impairment loss)		5,554	(33,823)
Operating (loss)/profit		(140,575)	9,488
Share of results of associated companies	D	119,224	141,385
Impairment of investment an associated company		–	(140,865)
Gain/(loss) on deemed acquisition and dilution of interest in an associated company		2,256	(2,524)
Finance costs		(974)	(924)
(Loss)/profit before income tax		(20,069)	6,560
Income tax (expense)/credit	L	(7,074)	16,855
(Loss)/profit for the period		(27,143)	23,415
(Loss)/profit attributable to:			
– Owners of the Company		(11,415)	3,397
– Non-controlling interests		(15,728)	20,018
		(27,143)	23,415
(Losses)/earnings per share for (loss)/profit attributable to the owners of the Company:		HK\$ per share	HK\$ per share
Basic		(0.004)	0.001
Diluted		(0.040)	(0.032)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
	Notes		
ASSETS			
Investment properties and property, plant and equipment		46,358	45,176
Right-of-use assets		54,213	55,986
Intangible assets		3,863	8,304
Investments in associated companies	E	3,525,119	3,442,562
Financial assets at fair value through profit or loss	F	68,284	69,415
Inventories		2,526	872
Trade receivables	G	118,722	185,722
Other financial assets at amortised cost and other current assets	G	392,952	204,035
Loan receivables	H	1,425,713	1,785,138
Amounts due from associated companies		6,751	6,273
Current income tax recoverable		3,214	7,613
Time deposits	I	438,717	442,487
Restricted bank balances	I	4,053,794	2,593,913
Cash and cash equivalents	I	3,671,885	3,011,282
Total assets		13,812,111	11,858,778
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		6,942	6,942
Reserves		7,313,991	7,124,249
		7,320,933	7,131,191
Non-controlling interests		594,949	591,685
Total equity		7,915,882	7,722,876

		Unaudited As at 30 June 2025 <i>HK\$'000</i>	Audited As at 31 December 2024 <i>HK\$'000</i>
	<i>Notes</i>		
LIABILITIES			
Trade payables	<i>J</i>	386,640	427,433
Payables for payment and digital services business	<i>J</i>	4,178,198	2,623,537
Other payables and accruals	<i>J</i>	872,648	925,445
Amounts due to associated companies		6,752	4,160
Current income tax liabilities		35,748	37,327
Lease liabilities		35,492	35,870
Asset-backed securities	<i>K</i>	308,387	—
Bank borrowings		72,364	82,130
Total liabilities		5,896,229	4,135,902
Total equity and liabilities		13,812,111	11,858,778
		As at 30 June 2025 <i>HK\$</i> <i>per share</i>	As at 31 December 2024 <i>HK\$</i> <i>per share</i>
Net assets per share		2.851	2.781

During the six months ended 30 June 2025 (“1H2025”), the consolidated turnover of Hi Sun Technology (China) Limited (the “Company”) and its subsidiaries (collectively, the “Group”) amounted to HK\$961.7 million, representing a decrease of approximately 18% when compared with the six months ended 30 June 2024 (“1H2024”). Loss for the period totalled HK\$27.1 million as compared to profit of HK\$23.4 million in 1H2024.

With regard to the balance sheet, the total assets as at 30 June 2025 amounted to HK\$13,812.1 million as compared to HK\$11,858.8 million as at 31 December 2024. As at 30 June 2025, net current assets amounted to HK\$3,948.6 million, as compared to HK\$3,844.7 million as at 31 December 2024.

SEGMENT PERFORMANCE REVIEW

(1) Payment and digital services

Key performance indicators

	Unaudited		
	1H2025	1H2024	Change
	HK\$'000	HK\$'000	+ / (-)
Turnover*	800,534	892,230	-10%
EBITDA [#]	26,555	117,472	-77%
Share-based payments under share option scheme of a subsidiary	(85,234)	—	N/A
Operating (loss)/profit	(83,330)	90,753	N/A

* Turnover from external customers

[#] EBITDA is calculated by excluding interest expense, taxes, depreciation, amortisation and share-based payments under share option scheme of a subsidiary from segmental operating (loss)/profit

Segmental turnover for 1H2025 amounted to HK\$800.5 million as compared to HK\$892.2 million in 1H2024. Segmental operating loss amounted to HK\$83.3 million, as compared to a profit of HK\$90.8 million in 1H2024.

The decrease in segmental turnover and segmental operating profit was primarily attributable to (i) the non-cash share option expenses of approximately HK\$85.2 million under the payment and digital services segment for the share options granted by a subsidiary of the Company in March 2025 (Please refer to the circular and the announcement of the Company dated 7 March 2025 for further details); and (ii) further replacement of the traditional payment market by digital payments and additional resources allocated to the overseas and cross-border businesses. The Group firmly believes that this strategic adjustment will lay the cornerstone for more stable development in the long run.

(2) Fintech services

Key performance indicators

	Unaudited		
	1H2025	1H2024	Change
	HK\$'000	HK\$'000	+ / (-)
Turnover*	46,232	43,904	+5%
EBITDA#	28,242	(20,372)	N/A
– including reversals of credit impairment loss/(credit impairment loss)	5,554	(33,621)	N/A
Operating profit/(loss)	25,446	(20,536)	N/A

* Turnover from external customers

EBITDA is calculated by excluding interest expense, taxes, depreciation and amortisation from segmental operating profit/(loss)

During 1H2025, segmental turnover amounted to HK\$46.2 million as compared to HK\$43.9 million in 1H2024. Increase in segmental turnover was mainly due to the increase in volume of loans granted during the period. Segmental operating profit for 1H2025 amounted to HK\$25.4 million as compared to loss of HK\$20.5 million in 1H2024. The segmental operating profit was mainly contributed by a decrease in credit impairment loss incurred during the period.

(3) Platform operation solutions

Key performance indicators

	Unaudited		
	1H2025	1H2024	Change
	HK\$'000	HK\$'000	+ / (-)
Turnover*	41,340	57,057	-28%
EBITDA#	(19,049)	(16,080)	N/A
Fair value loss on a financial asset at FVPL	(2,896)	(2,165)	N/A
Operating loss	(23,893)	(21,091)	N/A

* Turnover from external customers

EBITDA is calculated by excluding interest expense, taxes, depreciation, amortisation and fair value loss on a financial asset at FVPL from segmental operating loss

In 1H2025, we continued to provide high-quality and efficient supporting services, such as product development, business operation and system maintenance, to China Mobile Fintech, the IVR Base of China Mobile and the Animation Base of China Mobile. Segmental turnover for 1H2025 amounted to HK\$41.3 million as compared to HK\$57.1 million in 1H2024. Segmental operating loss for 1H2025 amounted to HK\$23.9 million as compared to HK\$21.1 million in 1H2024, which was primarily attributable to the fair value loss on a financial asset through profit or loss amounting to HK\$2.9 million in 1H2025 as compared to HK\$2.2 million in 1H2024.

(4) Financial solutions

Key performance indicators

	Unaudited		
	1H2025	1H2024	Change
	HK\$'000	HK\$'000	+ / (-)
Turnover*	73,602	99,810	-26%
EBITDA [#]	(27,472)	384	N/A
Operating loss	(32,109)	(2,523)	N/A

* Turnover from external customers

[#] EBITDA is calculated by excluding interest expense, taxes, depreciation and amortisation from segmental operating loss

During 1H2025, segmental turnover amounted to HK\$73.6 million as compared to HK\$99.8 million in 1H2024. Segmental operating loss for 1H2025 totalled HK\$32.1 million as compared to HK\$2.5 million in 1H2024. The segmental operating loss was mainly due to the upfront costs on various projects incurred during 1H2025.

(5) Others

Other business operations mainly included results of subsidiaries under our electronic power meters and solutions business, which were disposed in July and August 2024 respectively.

OVERALL FINANCIAL RESULTS AND POSITION

(A) Revenue

The consolidated turnover amounted to HK\$961.7 million in 1H2025, representing a decrease of approximately 18% over 1H2024. Such decrease was mainly attributable to a decrease in segmental turnover of the payment and digital services segment and the electronic power meter and solutions business. Please also refer to Notes (1) to (5) above on segmental performance.

(B) Other income

Other income mainly consisted of interest income and government subsidies.

(C) Cost of sales and operating expenses

During 1H2025, cost of sales decreased due to decline in total turnover.

Decrease in administrative expenses was mainly due to decline in staff costs, and partially net off by increase in research and development costs during 1H2025.

Increase in selling expense was primarily attributable to the additional selling effort placed for our digital business products.

Share option expenses of approximately HK\$87.0 million during 1H2025 mainly attributed to the share options granted by a subsidiary under the payment and digital services segment.

Reversal of credit impairment loss was primarily due to recovery of aged loan receivable balances under the fintech services segment, which had been previously provided for.

(D) Share of results of associated companies

Amounts mainly represented share of the results of the associated companies of the Company, including PAX Global Technology Limited (“PAX Global”), the shares of which are listed on the Stock Exchange, as well as Megahunt Technologies Inc. (“Megahunt”).

(E) Investments in associated companies

Balance mainly represented the Group’s interests in PAX Global and Megahunt. The Group is optimistic about the future prospects and will continue to demonstrate prudence and resilience in assessing its investment strategy towards the enhancement of shareholders’ value.

(i) Pax Global

As at 30 June 2025, the Group held 364,000,000 ordinary shares of PAX Global and the fair value of the Group’s approximately 34.4% effective interest in PAX Global was approximately HK\$2,202.2 million and the fair value of the investment was lower than its carrying value. The recoverable amount, based on discounted cashflow model, exceeded the carrying value as at 30 June 2025. The interest in PAX Global of HK\$3,176.1 million represented approximately 23% of the Group’s unaudited total assets as at 30 June 2025 and the cost of investment as at 30 June 2025 was HK\$259.8 million.

PAX Global, together with its subsidiaries, is principally engaged in the development and sales of electronic funds transfer point-of-sale products and provision of maintenance and installation and payment solution services.

PAX Global is one of the global leading suppliers of E-payment Terminals solutions business. The continuous progress in payment technology, coupled with the growing consumer preference for convenient and secure payment options, along with global cashless initiatives, has opened up new opportunities for PAX Global’s products and solutions. Despite facing challenging macroeconomic conditions, PAX Global has showcased resilience to risks and adaptability to volatile environments. PAX Global remains at the forefront of market trends and actively drives the enhancement of payment terminal technology.

In 1H2025, the decrease in unaudited net profit of PAX Global was primarily due to the decline in revenue recorded. The decline in revenue was primarily due to the drop in purchase orders in certain markets during the period, which is attributed to the global economic uncertainty.

Looking forward, the shift toward cashless and digital economies remains an irreversible trend. We are optimistic about PAX Global maintaining a positive outlook on the market demand for its payment terminals and being well-prepared to capitalise on the vast opportunities within the global payments industry.

(ii) Megahunt

As at 30 June 2025, the Group held approximately 45.73% of the issued shares of Megahunt. Based on the impairment test performed as at 30 June 2025, the recoverable amount of Megahunt, which was assessed by an independent valuer on a value-in-use basis using the discounted cash flow model exceeds the carrying value. The recoverable amount had been determined based on the higher of the fair value less cost of disposal and value-in-use. The interest in Megahunt of HK\$319.0 million represented approximately 2% of the Group's unaudited total assets as at 30 June 2025.

In 1H2025, due to the impact of the global economic conditions and the tightened global semiconductor supply chain, the growth of the information security chip industry tended to slow down and competition became more intense. As at 31 December 2024, the interest in Megahunt reflected the financial impact attributable to its withdrawal of the proposed listing on the Shanghai Stock Exchange in June 2024. The information security chip market is generally expected to develop steadily in 2025, subject to changes due to the policy impact on the payment market. Other research and development projects are progressing smoothly and the cost reduction initiatives of various products are also rolling out in an orderly manner.

(F) Financial assets at fair value through profit or loss

Amount mainly represented an unlisted investment fund outside Hong Kong.

(G) Trade receivables, other financial assets at amortised cost and other current assets

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Trade receivables (<i>Note (i)</i>)	122,707	189,586
Less: provision for impairment of receivables	(3,985)	(3,864)
	118,722	185,722
Other financial assets at amortised cost and other current assets (<i>Note (ii)</i>)	392,952	204,035
Total	511,674	389,757

Note (i):

The Group's credit terms to trade debtors normally range from 0 to 180 days. The ageing analysis of the trade receivables primarily based on the relevant invoice dates is as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Current to 90 days	85,400	164,853
91 to 180 days	13,961	16,135
181 to 365 days	17,949	2,810
Over 365 days	5,397	5,788
	<u>122,707</u>	<u>189,586</u>

- Changes in trade receivables aged from current to 90 days and 181-365 days were mainly due to changes in outstanding balances under the financial solutions and the platform operation solutions segments.

Note (ii):

The increase in balance was mainly due to increase in other receivables from cross-border businesses.

(H) Loan receivables

Loan receivables are amounts due from customers under the fintech services segment in the ordinary course of business and primarily denominated in RMB.

The decline in balance was due to the decrease in the volume of loans granted during the period.

(I) Time deposits, restricted bank balances and cash and cash equivalents

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Non-current assets		
Long-term bank deposits	273,613	265,280
Current assets		
Short-term bank deposits	<u>165,104</u>	<u>177,207</u>
Total time deposits	<u>438,717</u>	<u>442,487</u>
Restricted bank balances (Note)	4,053,794	2,593,913
Cash and cash equivalents	<u>3,671,885</u>	<u>3,011,282</u>
Restricted bank balances and cash and cash equivalents	<u>7,725,679</u>	<u>5,605,195</u>

Note:

In accordance with the notice issued by the Payment and Settlement Department of the People's Bank of China ("PBOC") from 14 January 2019, all customer reserve accounts held by third-party payment institutions should be cancelled and the customer reserves should be deposited in a dedicated deposit account maintained centrally by a designated agency. Since the transfer of fund of the dedicated deposit account is subject to measures imposed by PBOC, the customer reserves maintained therein are restricted in nature.

As at 30 June 2025, the amount comprised (i) the customer reserves deposited in the abovesaid dedicated deposit account which was denominated in RMB; and (ii) the funds deposited in designated bank accounts for the operation of the Group's cross-border payment business.

(J) Trade payables, payables for payment and digital services business and other payables and accruals

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
Trade payables (<i>Note (i)</i>)	386,640	427,433
Payables for payment and digital services business (<i>Note (ii)</i>)	4,178,198	2,623,537
Other payables and accruals (<i>Note (iii)</i>)	872,648	925,445
	<hr/>	<hr/>
Total	5,437,486	3,976,415
	<hr/> <hr/>	<hr/> <hr/>

Note (i):

The credit period granted by the suppliers ranges from 0 to 180 days. The ageing analysis of the trade payables primarily based on invoice date was as follows:

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
Current to 90 days	380,096	422,633
91 to 180 days	214	148
181 to 365 days	3,215	14
Over 365 days	3,115	4,638
	<hr/>	<hr/>
	386,640	427,433
	<hr/> <hr/>	<hr/> <hr/>

- Change in trade payables aged between current to 90 days was mainly due to changes in outstanding balances under the payment and digital services segment.

Note (ii):

This balance represents payables to merchants for the payment and digital services business.

Note (iii):

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Accrued staff costs and pension obligations*	143,070	223,907
Deposits	34,517	33,667
Receipt in advance from customers**	40,295	27,382
Deposits from business channel partners**	468,945	445,864
Others***	185,821	194,625
	872,648	925,445

* The decrease in accrued staff costs and pension obligations was mainly due to the payment of year 2024 year-end bonus during 1H2025.

** Receipt in advance from customers and deposits from business channel partners represented advances and guarantees received from merchants and partners under the payment and digital services segment.

*** Balance mainly represented accrued subcontracting costs and other accrued handling fees payable under the payment and digital services segment.

(K) Asset-backed securities

Balance represents carrying amount of outstanding priority tranche of asset-backed securities (“ABS”).

Issuance of asset-backed securities

Ronghui Zhida Factoring, accounted for as an 80.04% owned indirect subsidiary of the Company, approved the Suixin Cloud Chain-E Credit Supply Chain Financial Asset-backed Special Scheme (the “ABS Scheme”) and the issuance of asset-backed securities (“ABS”) thereunder. The ABS are backed by factoring loan receivables repaid via electronic debt instruments. Pursuant to the no-objection letter from the Shanghai Stock Exchange, the maximum issue size of the ABS Scheme is RMB2,000 million, under which non-revolving ABS can be issued in multiple tranches within 24 months from the date of approval by 14 March 2027. The ABS are classified into priority and subordinated tranches according to their risks, earnings and duration. The priority tranche of the ABS is traded on the Shanghai Stock Exchange.

The first phase of the ABS Scheme with an issue size of RMB335 million was established on 16 April 2025. The priority tranche is issued to qualified institutional investors in the PRC and the subordinated tranche is issued to Ronghui Zhida Factoring or its designated affiliates. The proceeds from the issuance are principally used as general working capital of the fintech services segment. The issuance of the ABS will widen the fund-raising channels of the Group to access low-cost capital, which in turn will be used to improve the financing structure of the Company and promote its operating activities and investments.

Further details are set out in the Company’s announcements dated 16 April 2025.

(L) Income tax (expense)/credit

The income tax credit in 1H2024 was mainly due to a subsidiary under payment and digital services segment being qualified as a Software and Integrated Circuit Enterprise (“SICE”).

KEY INVESTING AND FINANCING ACTIVITIES

Grant of options under the VBill (Cayman) Share Options Scheme

On 7 March 2025, the board of directors of VBill (Cayman) resolved to conditionally grant options (the “VBill (Cayman) Options”) to 9 eligible participants (the “Grantees”) pursuant to the VBill (Cayman) Share Option Scheme (the “Grant”), subject to the Shareholders’ approval at a general meeting of the Company.

A total of 2,401 VBill (Cayman) Options, if exercised in full, representing approximately 29.998% of the issued share capital of VBill (Cayman) as at the adoption date of the VBill (Cayman) Share Options Scheme and also the date of Grant, were conditionally granted to the Grantees, including (i) Mr. Xu Wensheng, Mr. Li Wenjin, Mr. Xu Changjun and Ms. Hui Lok Yan, each an executive Director; (ii) Mr. Chen Dong, the senior vice president of the Company; and (iii) Mr. Shen Zheng, Mr. Li Bing, Mr. Xue Guanyu and Ms. Ge Xiaoxia (collectively the “Relevant Grantees”), being the directors and/or supervisors of members of VBill (Cayman) Group and/or the Group.

Each VBill (Cayman) Option shall entitle the Grantees to subscribe for one share of VBill (Cayman) at a subscription price (i.e. exercise price) of HK\$235,000, representing a premium of approximately 0.4% over the unaudited consolidated net asset value of VBill (Cayman) as at 30 September 2024 (excluding the amount attributable to the non-controlling interest in the VBill (Cayman) Group)).

Approximately 40%, 30% and 30% of the VBill (Cayman) Options shall vest on the first, second and third anniversary of the date of grant respectively, and are exercisable immediately upon vesting and until 7 March 2034 in single or multiple tranches.

Although there is no performance target attached to the VBill (Cayman) Options, the VBill (Cayman) Options (to the extent unvested or vested but not exercised) granted shall be subject to the clawback mechanism stipulated in the scheme rules, including but not limited to events such as fraud, misconduct and termination of employment of the Grantee.

The Grant, to each Grantee exceeds the 1% individual limit (as defined in the Listing Rules) and to the Grantees in aggregate exceeds the 10% scheme mandate limit (as defined in the Listing Rules), was approved by the Shareholders at the special general meeting of the company held on 28 March 2025.

Pursuant to the Listing Rules, options granted under a share scheme must be personal to the grantee and may not be transferred or assigned. To facilitate a compliant structure for the Relevant Grantees, all being PRC nationals, to exercise the options and subsequently hold the shares of VBill (Cayman), the Company has applied for and the Stock Exchange has granted a waiver pursuant to the note to Rule 17.03(17) of the Listing Rules in respect of the Relevant Grantees’ assignment of their VBill (Cayman) Options to their respective companies incorporated in the British Virgin Islands (the “BVI Cos”).

To uphold the integrity of the VBill (Cayman) Share Option Scheme and ensure that it continues to meet its purpose while allowing the aforesaid assignment such that the Relevant Grantees can obtain the benefits of their equity interest in VBill (Cayman), the Company has imposed and adopted the following special conditions and measures to safeguard the interest of the Shareholders, including without limitation, restricting the legal and beneficial ownership of the BVI Cos throughout the exercise period, requiring the Relevant Grantees to prove their legal and beneficial ownership, and issuing announcement to update the Shareholders in the event of change of legal and beneficial ownership of the BVI Cos.

Further details can be found in the Company's announcement and circular both dated 7 March 2025.

Issuance of asset-backed securities

Ronghui Zhida Factoring, accounted for as an 80.04% owned indirect subsidiary of the Company, approved the Suixin Cloud Chain-E Credit Supply Chain Financial Asset-backed Special Scheme (the "ABS Scheme") and the issuance of asset-backed securities ("ABS") thereunder. The ABS are backed by factoring loan receivables repaid via electronic debt instruments. Pursuant to the no-objection letter from the Shanghai Stock Exchange, the maximum issue size of the ABS Scheme is RMB2,000 million, under which non-revolving ABS can be issued in multiple tranches within 24 months from the date of approval by 14 March 2027. The ABS are classified into priority and subordinated tranches according to their risks, earnings and duration. The priority tranche of the ABS is traded on the Shanghai Stock Exchange.

The first phase of the ABS Scheme with an issue size of RMB335 million was established on 16 April 2025. The priority tranche is issued to qualified institutional investors in the PRC and the subordinated tranche is issued to Ronghui Zhida Factoring or its designated affiliates. The proceeds from the issuance are principally used as general working capital of the fintech services segment. The issuance of the ABS will widen the fund-raising channels of the Group to access low-cost capital, which in turn will be used to improve the financing structure of the Company and promote its operating activities and investments.

Further details are set out in the Company's announcements dated 16 April 2025.

BUSINESS OUTLOOK

In 2025, as the combined effects of policies continued to be unleashed in China, the effect of stabilizing the economy and facilitating development was evident, and China's national economy maintained an overall stable and steady development trend. However, a number of external unstable and uncertain factors exist, the expansion of domestic demand still needs to be strengthened and the foundation for sustained economic recovery still needed to be stabilized. Looking ahead to the second half of the year, China will accelerate the establishment of a new development pattern, coordinate the domestic and international economic and trade affairs, expand domestic demand, enhance the domestic circulation and promote the sustained, healthy and high-quality development of the economy.

PAYMENT AND DIGITAL SERVICES

In 2025, we remained committed to the guiding principle of “payment for the people” by focusing on serving frequent small-value payment transactions. We continued to advance our digital strategy, and the number of our payment transactions maintained steady growth, increasing by 8% year-on-year. As the chain rate across various domestic industries continued to rise, customers' demand for efficient fund management became increasingly urgent. The timely launch of our fund management products, integrated with our established payment and clearing capabilities, has assisted our customers to realize rapid circulation of information and funds, thus significantly enhancing the operational and decision-making efficiency of chain enterprises.

Our cross-border business continued to accelerate the establishment of overseas service capabilities, providing global funding services to the growing number of companies launching their businesses globally, with transaction volume increasing by more than 150% year-on-year. During the period, while increasing investment in services trading, we continued to establish our capabilities in providing differentiated services overseas regions, such as South America, the Middle East and Southeast Asia, thereby recording a growth of more than four times. Meanwhile, the application of stablecoins gradually demonstrated their revolutionary potential in the field of cross-border payments. With the regulatory frameworks in major markets around the world coming into place, we are enhancing our research and investment in this area by taking into account our customers' scenarios and technological strengths, in an attempt to complement traditional payment systems and build a more comprehensive, efficient and secure payment service infrastructure in an effective manner.

During the period, we also delved into the “Easier Payment for Visitors in China” initiative led by the People's Bank of China, and spared no effort to create a better inbound payment experience for overseas visitors and eliminate payment blockages. With respect to sectors that accept foreign cards, we continued to deepen our cooperation with international payment card services organizations in the domestic acquiring area and actively explored innovative models with the aim of enhancing the convenience of payment for overseas visitors in China in every aspect. We also successfully obtained CNP (Card-Not-Present) business licenses from the three major international payment card organizations. As an acquirer of these organizations, we focus on serving overseas visitors coming to China, and at the same time, we actively assisted e-commerce platforms in China to serve their overseas customers.

Through our outstanding offline acquiring capabilities, foreign card acceptance abilities, cross-border payment capabilities and the expanding overseas billing services, we are building a global fund management infrastructure to serve customers in China. In addition to leveraging the PaaS platform and collaborating with software service providers to offer digital operational services to our offline customers, we continued to launch self-developed products to enhance our customers' digital business strategies. Our digital business products covered the retail industry, the used car dealership industry and the catering industry. The digital business products for the catering industry that we launched in 2024 served more than 20 countries in North America, Europe, Southeast Asia and Mainland China. Our products have secured their global footholds since their launching and served a global catering clientele, including renowned catering brands in China and abroad.

FINTECH SERVICES

Suixin Cloud Chain, our fintech service platform, has consistently upheld to the concept of “technology empowers finance, and finance drives industries”. Through deepening strategic cooperation with financial institutions and advancing innovation in financial products, we established a distinctive “dual-wheel drive” funding supply system. On one hand, we leveraged strategic collaboration with traditional banking and financial institutions through structured credit and trade background transparency so as to create a closed-loop ecological financing system based on the credit endorsement of core enterprise. On the other hand, we utilized asset securitization tools in an innovative way to standardize and securitize supply chain assets, opened up direct financing channels in the capital market and achieved efficient transformation of non-standard asset processes. The two models complemented each other and advanced in synergy, thus jointly building a multi-tiered structure that precisely matched the financing needs of customer groups at different levels and accurately solved the problems and difficulties faced by micro, small and medium-sized enterprises in securing financing.

We continued to promote business innovation. In 2024, we introduced innovative note products, including the “1+N” model, “N+N” model and “E finance N+N” model. In April 2025, we successfully obtained the no-objection letter from the Shanghai Stock Exchange for the RMB2 billion shelf-type bill ABS, and pioneered the first issuance of the “N+N” model bill ABS in China.

PLATFORM OPERATION SOLUTIONS

In the first half of 2025, we successfully signed contracts with our major clients for product development, business operations and other related matters for the coming year, maintaining stable business scale. In addition to advancing the development of our operator business, we also intensified efforts to expand new customer base and explore new business models. At the same time, we focused on cost reduction and efficiency enhancement to cope with current market dynamics, resulting in improved per capita efficiency. In respect of production and research, we continued to invest in maintaining the advancement and stability of our technologies, with sustained resource allocation in areas such as stablecoins, digital RMB and artificial intelligence. A number of applications have been developed and implemented as a result.

FINANCIAL SOLUTIONS

BJ ABS has always been committed to providing system services to domestic financial institutions. In the first half of 2025, due to the impact of the general financial environment, the willingness for business innovation at the customer side diminished significantly, resulting in the demand for system construction and transformation decreased to a certain extent as compared with the previous years. The ABS team is dedicated to low-cost financial innovation and proactively promotes digital innovation for clients in key business areas, including asset management, cross-border payments, risk monitoring and compliance auditing. Meanwhile, BJ ABS also focused on the IT application innovation market, enabling customers in replacing key technologies in their business systems with domestic alternatives. In the first half of 2025, we collaborated with ecosystem partners to optimize IBS products on Loong Arch architecture servers and supported customers in launching core systems on Loongson servers, setting a pioneering benchmark in the industry. IT application innovation remained the focus of the IT service industry. In the second half of the year, we will continue to expand our business by relying on the three major downshifting strategies and nine downshifting techniques at play.

For overseas business, Hi Sun FinTech Global established various overseas offices. In addition to supporting existing customer projects deliveries, we were actively engaged in market expansion and research and development of new product solutions. In respect of improving our overseas services, Hi Sun FinTech Global continued to recruit local employees in overseas offices to enhance local service support capabilities. In response to the market demand, we planned to establish local offices in Bangladesh and Myanmar respectively. Furthermore, in terms of market expansion, we entered into contracts with three new customers in Bangladesh, Hong Kong and the United States respectively during the period, among which Bangladesh is a new market that the Company has entered for the first time. Regarding the research and development of new product technologies, Hi Sun FinTech Global categorized its products/services into three directions for ongoing improvement. Among them, core banking business products are our principal products, which undergo continuous research and development and repeated calculation in response to market demand. Internet products include e-banking, wallets, payment and other products, are currently in high demand overseas, and are subject to continuous optimization and enhancement in terms of technology and business functions. The host migration project is currently in communication with a number of banks and tools and processes for host migration are being continuously refined according to the needs of different customers.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group reported total assets of HK\$13,812.1 million (31 December 2024: HK\$11,858.8 million), which were financed by total liabilities of HK\$5,896.2 million (31 December 2024: HK\$4,135.9 million) and equity of HK\$7,915.9 million (31 December 2024: HK\$7,722.9 million). The net asset value was HK\$7,915.9 million (31 December 2024: HK\$7,722.9 million). Net assets per share amounted to HK\$2.851 per share as compared to HK\$2.781 per share as at 31 December 2024.

As at 30 June 2025, the Group had restricted bank balances of HK\$4,053.8 million (31 December 2024: HK\$2,593.9 million), cash and cash equivalents of HK\$3,671.9 million (31 December 2024: HK\$3,011.3 million), time deposit of HK\$438.7 million (31 December 2024: HK\$442.5 million) and short-term borrowings of HK\$72.4 million (31 December 2024: HK\$82.1 million). The net cash position as at 30 June 2025 was HK\$4,038.2 million (31 December 2024: HK\$3,371.7 million). The gearing ratio was calculated as total debt divided by total capital, while total debt included bank borrowings, lease liabilities and asset-backed securities of the Group. The gearing ratio as at 30 June 2025 was 5.0% (31 December 2024: 1.5%). The gearing ratio is considered healthy and suitable for the continuing growth of the Group's business.

CAPITAL STRUCTURE AND DETAILS OF CHARGES

As at 30 June 2025, the Group had bank borrowings of HK\$72.4 million (31 December 2024: HK\$82.1 million) carrying fixed interest rates (31 December 2024: same) and banking facilities of approximately HK\$217.3 million (31 December 2024: HK\$213.8 million).

The Group's restricted bank balances and cash and cash equivalents were principally denominated in Renminbi, Hong Kong dollar, US dollar, Euro, Japanese Yen, British Pound, Singapore dollar and Canadian dollar in the respective amounts of approximately HK\$5,630.3 million, HK\$755.0 million, HK\$1,266.6 million, HK\$46.9 million, HK\$17.1 million, HK\$1.5 million, HK\$3.1 million and HK\$2.9 million as at 30 June 2025.

The Group's restricted bank balances and cash and cash equivalents were principally denominated in Renminbi, Hong Kong dollar, US dollar, Euro, Japanese Yen, British Pound, Singapore dollar and Canadian dollar in the respective amount of approximately HK\$3,916.2 million, HK\$654.0 million, HK\$983.3 million, HK\$34.0 million, HK\$5.2 million, HK\$5.0 million, HK\$3.2 million and HK\$2.8 million as at 31 December 2024.

SIGNIFICANT INVESTMENT

Save as disclosed in note E under the section titled "Overall Financial Results and Position" on pages 34 to 35, the Group held no other significant investment as at 30 June 2025.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 30 June 2025.

EXCHANGE RATES EXPOSURE

The Group derives its revenue, makes purchases and incurs expenses denominated mainly in US dollar, Renminbi, Euro, Japanese Yen, British Pound, Singapore dollar, Canadian dollar and Hong Kong dollar. During the current period, the Group has not entered into any agreements or purchased any instruments to hedge the Group's exchange rate risks. Any material fluctuation in the exchange rates of Hong Kong dollar or Renminbi may have an impact on the operating results of the Group.

FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

Guarantee Agreements with associates of the Company

- (i) In 2019, the Company entered into a guarantee agreement (the “2019 Manufacturer Guarantee Agreement”) with 3 then subsidiaries of the Company (two of which have become associates of the Company since May 2022), pursuant to which the Company shall guarantee to repay the due and unsettled debts of the said associates individually and/or collectively of up to US\$10 million (equivalent to approximately HK\$78 million) incurred in relation to manufacturing orders placed against a named manufacturer, should any of the said subsidiary/associates individually and/or collectively cease or fail to honour its payment obligations.

In respect of the further expansion of order scale, the Company entered into another guarantee agreement in 2021 (the “2021 Manufacturer Guarantee Agreement”) with the same counterparties, pursuant to which the amount of guarantee was increased to up to US\$20 million (equivalent to approximately HK\$156 million) and the 2019 Manufacturer Guarantee Agreement was terminated and the entirety of the Company's obligations and liability thereunder, if any, was effectively transferred to the 2021 Manufacturer Guarantee Agreement.

- (ii) In 2020, the Company entered into a guarantee agreement (the “2020 OEM Guarantee Agreement”) with a then subsidiary of the Company (an associate of the Company since May 2022) and an independent manufacturer (“OEM”), pursuant to which the Company shall guarantee to repay the said associate's due and unsettled debts of up to US\$10 million (equivalent to approximately HK\$78 million) owed to the OEM incurred in relation to manufacturing orders placed against the OEM should the associate cease or fail to honour its payment obligations.

As at 30 June 2025, the provision for the 2021 Manufacturer Guarantee Agreement and the 2020 OEM Guarantee Agreement was assessed to be immaterial.

Save as disclosed above, the Group had no material financial guarantee or contingent liability as at 30 June 2025.

Disclaimer:

Non-GAAP measures

Certain non-GAAP (generally accepted accounting principles) measures, such as EBITDA, are used for assessing the Group's performance. These non-GAAP measures are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally, as the Group has historically reported certain non-GAAP results to investors, the Group considers the inclusion of non-GAAP measures provides consistency in our financial reporting.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares (including sale of treasury shares) during the period.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles of good corporate governance (the "Principles") and code provisions (the "Code Provisions") in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules.

In formulating and implementing its corporate governance practices and standards, the Company has applied the Principles and complied with all applicable Code Provisions for the six months ended 30 June 2025.

The Board periodically reviews and monitors the Company's policies and practices on corporate governance or compliance with legal and regulatory requirements and employees' compliance manual to ensure that the Group's operations are conducted in accordance with the standards of the Corporate Governance Code and applicable disclosure requirements. Directors and senior management are provided with appropriate ongoing training, continuing professional development for regular updates of the legal and regulatory requirements relevant to their duties.

REVIEW OF 2025 INTERIM RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited interim condensed consolidated results for the six months ended 30 June 2025.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This 2025 interim results announcement is published on the Company's website at www.hisun.com.hk and the website of the Stock Exchange at www.hkexnews.hk. The Company's 2025 interim report will be available on the aforesaid websites and despatched to the shareholders of the Company in due course.

The 2025 interim financial information set out above does not constitute the Group's statutory financial statements for the six months ended 30 June 2025. Instead, it has been derived from the Group's unaudited interim condensed consolidated financial information for the six months ended 30 June 2025, which will be included in the Company's 2025 interim report.

By Order of the Board
Hi Sun Technology (China) Limited
Hui Lok Yan
Executive Director and Company Secretary

Hong Kong, 18 August 2025

As at the date of this announcement, the Board comprises five executive Directors namely Mr. Xu Wensheng, Mr. Kui Man Chun, Mr. Li Wenjin, Mr. Xu Changjun and Ms. Hui Lok Yan; and three independent non-executive Directors, namely Mr. Tam Chun Fai, Mr. Leung Wai Man, Roger and Mr. Li Heguo.