

CAPINFO

Capinfo Company Limited

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(於中華人民共和國註冊成立之股份有限公司)

(Stock Code 股份代號：1075)

2023

Interim Report 中期報告





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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2023, faced with the challenges of the changing external environment and the further tightening of government spending on informatization, the Group pressed on with product transformation and nationwide industrial expansion, and steadily implemented various reform measures. In May 2023, the Company was included in the list of “Model Enterprises of Science and Technology Reform” by the State-owned Assets Supervision and Administration Commission of the State Council.

For the six months ended 30 June 2023, the Group recorded revenue from its principal business of RMB482.36 million, representing an increase of 1.36% as compared with the same period of last year; and profit attributable to owners of the Company of RMB37.07 million, representing an increase of 8.22% as compared with the same period of last year.

During the Reporting Period, the Group continuously improved the safe and stable operation of major government services and livelihood systems, and promoted the industrial expansion of four sectors based on the core principle of “creating value for customers”.

In the digital government sector, for the provident fund business, the Group further consolidated its core customer base in Beijing, Shanghai, Guangzhou and Chongqing with a focus on “digital” transformation, and adopted the strategy of diffusion from point to area in promoting the “new generation” of provident fund products in Beijing-Tianjin-Hebei, Yangtze River Delta, Pearl River Delta, and Yunnan-Guizhou-Sichuan regions. For the personnel management business, through branches in Hebei, Inner Mongolia and Jilin, the Group preliminarily established a nationwide footprint in the personnel management market, and signed new contracts with key users at the provincial and ministerial levels such as the Federation of Trade Unions, Liaoning, Jilin, Hebei, and Shanxi.

In the digital medical care sector, Beijing Medical Information Platform passed the inspection and acceptance of the National Healthcare Security Administration and operated in a stable manner. The medical insurance mobile payment system was launched, enabling appointments and online payment of consultation fees at 26 hospitals. The Group also promoted the development of credit medical treatment platforms in 29 hospitals in Haidian District, and completed the HIS transformation of Chaoyang Hospital.

MANAGEMENT DISCUSSION AND ANALYSIS

In the digital enterprises sector, the preliminary inspection of the investor supervision platform of the Municipal State-owned Assets Supervision and Administration Commission was completed. Based on such project, the Group has developed a business module of “online management and control of enterprises” and secured municipal state-owned enterprise projects from Bank of Beijing, Beijing Rural Commercial Bank, and Xianglong Assets.

In the digital governance sector, the Group secured the “relief, rectification and promotion” enhancement project from the Municipal Development and Reform Commission, completed the final inspection of immediate handling of complaint projects in Changping District and Xicheng District, and signed contracts for street businesses such as Songzhuang, and Tiantongyuan South.

Product Research and Development

During the Reporting Period, the Group accelerated the process of productization and furthered the research and development of common components and industry products. The Group continuously improved the cloud-native micro-service software development framework, and applied it to software products such as mobile payment for medical insurance, immediate handling of complaint, supervision on decision-making of “three major and one significant” matters and provident funds. In response to market demand, the Group designed three industry software products, including provident fund system, personnel management system, and system for immediate handling of complaint, and expanded the national market through product duplication.

Human Resources

As of 30 June 2023, the Group had 1,622 employees. During the Period, the expense of the employees was approximately RMB210.72 million. During the Reporting Period, the Group steadily promoted the reform of remuneration and appraisal, adjusted the fixed-float ratio of remuneration, and focused on incentives for core talents. Rating scales were mandatorily used in appraisal and the application of appraisal results was enhanced. The Group further intensified the customer-centric marketing concept, promoted the formation of an efficient coordination mechanism for the front, middle and back offices, and continuously improved customer service capability.

MANAGEMENT DISCUSSION AND ANALYSIS

Looking Forward

In the second half of the year, the Group will seize the opportunities of the new round of deepening and upgrading actions of state-owned enterprise reform, the development of the capital city in the new era, and digital transformation of enterprises to further deepen reform and development, focus on its main duties and responsibilities, and strengthen risk prevention and control, so as to realize high-quality development of enterprises.

FINANCIAL REVIEW

For the six months ended 30 June 2023, the Group recorded an operating revenue of RMB482.36 million, representing an increase of 1.36% as compared with the same period of last year; gross profit of RMB201.98 million, representing an increase of 15.98% as compared with the same period of last year; and profit attributable to owners of the Company of RMB37.07 million, representing an increase of 8.22% as compared with the same period of last year.

Other income of the Group amounted to RMB8.20 million, representing a decrease of 16.10% over the corresponding period of last year, mainly attributable to the rental income of Digital Beijing Building, which accounted for 1.70% of the total operating revenue of the Group.

In respect of the Group's business model, the main businesses included software development and service, data processing service, system integration and information professional service, of which revenue from software development and service amounted to RMB277.79 million, representing an increase of 5.39% as compared with the corresponding period of last year and accounting for 57.59% of the total operating revenue of the Group; revenue from data processing service amounted to RMB112.82 million, representing a decrease of 2.81% as compared with the corresponding period of last year and accounting for 23.39% of the total operating revenue of the Group; revenue from system integration amounted to RMB61.99 million, representing a decrease of 19.06% as compared with the corresponding period of last year and accounting for 12.85% of the total operating revenue of the Group; revenue from information professional service amounted to RMB21.56 million, representing an increase of 118.91% as compared with the corresponding period of last year and accounting for 4.47% of the total operating revenue of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition, in respect of the classification of industries which the clients of the Company are engaged in, government clients of the Group accounted for the largest share, with 81.32% of clients being the government clients. In respect of regions of business distribution, the operating revenue of the Group was still derived mainly from the Beijing region currently, which accounted for 97.11% of the total operating revenue.

Capital Expenditure, Liquidity and Financial Resources

As of 30 June 2023, the Group had total assets amounting to RMB2,488.14 million, representing a decrease of 2.20% as compared with the end of last year. Equity attributable to owners of the Company amounted to RMB1,249.28 million, representing a decrease of 1.06% as compared with the end of last year. The Group's current ratio, defined as total current assets over total current liabilities, was 1.44, which was basically the same as that of the corresponding period of last year. The gearing ratio (gearing ratio = interest-bearing debt/(interest-bearing debt + total equity)) was 5.00%. For the six months ended 30 June 2023, the Group had no pledged assets.

Bank deposits, bank balance and cash of the Group amounted to RMB720.51 million, representing a decrease of 3.74% as compared with the corresponding period of last year. There were also long-term bank large denomination certificate of deposits and interest thereon of RMB104.88 million shown under other non-current assets. As of the end of the current period, no structured bank deposits were purchased.

Equity Investments

In the first half of 2023, the Group's share of results of associates was RMB2.32 million.

Income Tax

In the first half of 2023, the Group's income tax expenses amounted to RMB4.51 million, representing a decrease of RMB2.44 million compared to the corresponding period of last year.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE CODE

Good corporate governance serves as a foundation for the Company to improve its management. The Company pursues sound corporate governance and believes that good corporate governance is in the best interest of the Company, shareholders and stakeholders. The Company considers excellent corporate governance as an important goal. With an aim to continuously improve its corporate governance level, the Company constantly improves its corporate governance practices and procedures, with a standardized and improved corporate governance structure. It also strictly complies with the state laws and regulations, relevant regulatory requirements and Listing Rules as well as closely observes trends in regulatory changes in China and abroad to improve the corporate governance level.

During the Reporting Period, the Company has established a set of regulated and transparent management system and has been in strict compliance with the code provisions of the corporate governance code as set out in Appendix 14 to the Listing Rules. Up to the date of this report, the Company has complied with all code provisions under the Corporate Governance Code.

CORPORATE GOVERNANCE FRAMEWORK

In accordance with the relevant provisions of the laws and regulations including the Companies Law and the Listing Rules as well as the Articles of Association, and with reference to the status of the Company, the Company constantly developed, improved and effectively implemented work systems and related work processes for the Board and its various specialized committees. The Company has established an effective corporate governance system with general meeting as the organ of highest authority, the Party Committee as the leading organ, the Board as the decision-making organ, the Board of Supervisors as the supervisory organ and the management as the implementation organ. During the Reporting Period, through the co-ordination and checks and balances among the general meeting, the Party Committee, the Board and its specialized committees, the Board of Supervisors and the management together with the effective operations of the internal control systems, the internal management operations of the Company have been further standardised and the level of its corporate governance has been continually enhanced.

BOARD OF DIRECTORS

The Board is responsible for managing the overall businesses of the Company. In accordance with Articles of Association and Rules of Procedures of the Board of Directors, the Board takes a conscientious and effective approach in leading and supervising the Company. All Directors are responsible for promoting the continuous business development of the Company in good faith and in the best interest of the Company. As an important part of good corporate governance, the Company established several specialized committees under the Board, including the audit committee, the remuneration and appraisal committee, the nomination committee, the strategy committee and the rule of law and compliance committee, which are delegated to perform certain function of the Board so as to improve efficiency of the Board.

The Company's Board of Directors comprises twelve Directors, including three Executive Directors (Mr. Yu Donghui (chairman), Mr. Zhang Yiqian and Mr. Yang Yongxin), five Non-executive Directors (Mr. Zhou Weihua, Mr. Shan Yuhu, Ms. Yan Yi, Mr. Xin Shuangbai and Mr. Feng Jianxun) and four Independent Non-executive Directors (Mr. Gong Zhiqiang, Mr. Cheung, Wai Hung Boswell, Mr. Su Zhongxing and Mr. Yang Xiaohui). The Company's Directors are professionals in finance, law, commerce, information services and human resources with extensive experience and expertise in various areas. In terms of the composition of the Board, the comprehensive professional backgrounds and the strong independent element of the Directors demonstrate significant importance in corporate governance. The Company has entered into service contracts with the Directors for a term expiring on 18 June 2024 and subject to re-election.

During the Reporting Period, the Board held two physical meetings and four video conferences. To enable the Directors to have a comprehensive knowledge of the Company's businesses, in addition to work report at the regular meetings of the Board, significant events are reported timely at the special meetings of the Board.

CORPORATE GOVERNANCE

The secretary of the Board and the Company Secretary assisted the Board to perform its responsibilities to the shareholders in accordance with the Listing Rules and provide professional advice to the Board regarding corporate governance, so as to maintain smooth information communication among the members of the Board, arrange induction training and professional development for the Directors, ensure the compliance of the procedures of the Board and improve the efficiency of the Board. The secretary of the Board and the Company Secretary will provide introduction materials on the operation of the major businesses of the Company as well as the duties and responsibilities of the Directors as conferred by the laws regulations and the Listing Rules to the Directors at the time of their appointment to assist them to achieve continuous professional development.

During the Reporting Period, all Directors have participated in various forms of training programmes to continuously improve their knowledge and skills so as to ensure that they contribute to the Board on the premise of having comprehensive professionalism. Directors should also ensure that they have enough time to handle the business of the Company. Liability insurance for Directors is maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties, so as to mitigate the liabilities of the Directors and enhance the effectiveness of decision-making.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a Code of Securities Transactions regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors confirm that they have complied with the required standard of dealings and the Company's Code of Securities Transactions regarding securities transactions by the Directors for the six months ended 30 June 2023. The senior managements and employees, who may have access to unpublished inside information because of their duties, have been requested to comply with the required standard of dealings.

AUDIT COMMITTEE

The audit committee usually holds four meetings every year, and is responsible for monitoring the financial, accounting policies and practices of the Company and assessing the effectiveness of the internal control and risk management systems. The Company established the audit committee in accordance with Rule 3.21 of the Listing Rules, and formulated the Articles of Audit Committee to specify its written terms of reference, so as to regulate the operation of the audit committee. The audit committee of the Company comprises four members, including Mr. Yang Xiaohui (chairman), Mr. Gong Zhiqiang, Mr. Cheung, Wai Hung Boswell and Mr. Su Zhongxing.

During the Reporting Period, the audit committee held one video conference, and signed two meeting documents in the form of circulation. The committee reviewed the Company's revision to the Terms of Reference of the Audit Committee, the audited consolidated financial report of the Company and its subsidiaries for the year ended 31 December 2022, the internal audit report of the Company for the fourth quarter of 2022, the appointment of Grant Thornton Hong Kong Limited as the auditor of the Company for 2023, the work plan of the audit committee of the Board of Directors of the Company for 2023, the operating performance and financial analysis of the Company and its subsidiaries for the first quarter of 2023, the overview report of the internal audit for the first quarter of 2023 of the Company, the overview report of the internal audit for 2022 and the work plan for 2023 of the Company and other proposals.

REMUNERATION AND APPRAISAL COMMITTEE

The remuneration and appraisal committee holds at least one meeting every year to consider remuneration and other matters. The Company established the remuneration and appraisal committee in accordance with Rule 3.25 of the Listing Rules, and formulated the Articles of Remuneration and Appraisal Committee to specify its written terms of reference, so as to regulate the operation of the remuneration and appraisal committee. The remuneration and appraisal committee of the Company comprises three members, including Mr. Gong Zhiqiang (chairman), Mr. Yang Xiaohui and Ms. Yan Yi.

CORPORATE GOVERNANCE

During the Reporting Period, the remuneration and appraisal committee signed two meeting documents in the form of circulation, and considered the revisions to the Terms of Reference of the Remuneration and Appraisal Committee and the Remuneration Management System, the work plan of the remuneration and appraisal committee of the Board of Directors of the Company for 2023, the total wages of the Company for 2022, the remuneration and appraisal in 2022 and the remuneration plan of the senior management of the Company for 2023 and other proposals.

NOMINATION COMMITTEE

The nomination committee holds at least one meeting every year, and is responsible for nominating and recommending candidates to fill the vacancies of members of the Board. The Company established the nomination committee in accordance with the then code provision A.5.1 of Appendix 14 to the Listing Rules, and formulated the Articles of Nomination Committee in accordance with the requirements of the then code provision A.5.2 of Appendix 14 to the Listing Rules to specify its written terms of reference, so as to regulate the operation of the nomination committee. The nomination committee of the Company comprises three members, including Mr. Yu Donghui (chairman), Mr. Gong Zhiqiang and Mr. Cheung, Wai Hung Boswell.

During the Reporting Period, the nomination committee signed two meeting documents in the form of circulation to review the appointment of Mr. Yang Yongxin as an executive Director, the appointment of Mr. Xin Shuangbai as a non-executive Director and the work plan of the nomination committee of the Board of Directors of the Company for 2023 and confirm the compliance of the existing structure, scale and composition of the Board of Directors of the Company with the provisions of the Listing Rules and the Articles of Association as well as its conformity with the corporate strategy and development of the Company.

STRATEGY COMMITTEE

The strategy committee holds at least one meeting every year, and is responsible for making recommendations on the Company's long-term development strategies, major investment and financing plans, capital operations and other matters to the Board and supervising on the implementation of the said matters. The Company established the strategy committee and formulated the Articles of Strategy Committee to specify its written terms of reference, so as to regulate the operation of the strategy committee. The strategy committee of the Company comprises three members, including Mr. Yu Donghui (chairman), Mr. Zhang Yiqian and Mr. Su Zhongxing.

During the Reporting Period, the strategy committee signed one meeting document in the form of circulation to review the work plan of the strategy committee of the Board of Directors of the Company for 2023.

RULE OF LAW AND COMPLIANCE COMMITTEE

The rule of law and compliance committee holds at least one meeting every year, and is responsible for reviewing the legal and compliance management of the Company, and supervising and evaluating the implementation of related work. The Company established the rule of law and compliance committee and formulated the Articles of the Rule of Law and Compliance Committee to specify its written terms of reference, so as to regulate the operation of the rule of law and compliance committee. The rule of law and compliance committee of the Company comprises three members, including Mr. Yu Donghui (chairman), Mr. Yang Yongxin and Mr. Gong Zhiqiang.

During the Reporting Period, the rule of law and compliance committee signed one meeting document in the form of circulation to review the formulation of the work plan of the rule of law and compliance committee of the Company for 2023.

CORPORATE GOVERNANCE

BOARD OF SUPERVISORS

The Board of Supervisors holds at least two meetings every year, and is responsible for examining the financial affairs of the Company and supervising the legality and legitimacy of the performance of duties by the Directors and senior management and the decision-making procedures of the Company's meetings as well as the implementation of the solutions of the meetings. The Company established the Board of Supervisors in accordance with Article 117 of the Companies Law, and formulated the Rules of Procedures of the Board of Supervisors to specify its written terms of reference, so as to regulate the operation of the Board of Supervisors. The Board of Supervisors of the Company comprises three members, including Ms. Ge Li (chairman), Ms. Ma Xiaoping and Ms. Zhu Chenlan.

During the Reporting Period, the Board of Supervisors held one physical meeting, and two conferences by way of circulation for signature to review the audited consolidated financial report and the continuing connected transaction report of the Company and its subsidiaries for the year ended 31 December 2022, the Report of the Board of Supervisors for 2022, the appointment of Ms. Ge Li as a supervisor of the Company, the election of the chairman of the eighth session of the Board of Supervisors of the Company and other proposals.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Board of the Company conducts review on the internal control and risk management systems of the Company regularly to ensure the relevant systems are effectively and adequately implemented. The internal control and risk management systems are risk control procedure provided by the Board, management and the persons concerned to enhance operating effectiveness and efficiency and the reliability of financial reporting, covering management on internal environment, risk assessment, control activities, information communication and supervision procedures, so as to identify and assess the risks to which the Company is exposed and allocate resources to control these risks based on their severity, with an aim to improve operating results.

INTERNAL CONTROL ACTIVITIES

In view of the adjustment of national macroeconomic policies, domestic and overseas monitoring laws and regulations and the Company's business development strategy, the Company included the function of compliance management into the legal compliance department, clarified related work responsibilities and authorities, and further improved the Company's compliance management mechanism. The legal compliance department is responsible for the effective assessment and supervision of corporate compliance and other activities. Under the leadership of the audit committee, the auditing department of the Company carries out independent internal audit and assessment on operation management, internal control management and economic events of the Company in accordance with the principle of independence, objectivity and authority of internal audit, to check the effectiveness of internal control procedures, and to ensure that each business and operating unit can comply with the established policies and standards.

The audit committee assessed the effectiveness of the internal control and risk management systems of the Company on behalf of the Board, covering the operating effectiveness and efficiency, the reliability of financial reporting and other matters. The audit committee is of the opinion that, as of 30 June 2023, adequate and effective internal control and risk management systems were maintained to safeguard the investments of the shareholders and the assets of the Company.

CONTINUOUS DISCLOSURE OBLIGATIONS REGARDING INSIDE INFORMATION

The Company has developed a system with established policies, process and procedure across all relevant divisions and departments for complying with the disclosure obligations regarding inside information. The Company will further improve the mechanism based on the operation and development of business and the new rules and regulations. During the Reporting Period, there was no divulgence of inside information, and none of the Directors, supervisors or senior management of the Company made use of any inside information to deal with the shares of the Company. No investigation or rectification was conducted or required by the regulatory authorities in this regard.

CORPORATE GOVERNANCE

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Save as disclosed below, as at 30 June 2023, none of the Directors, supervisors and chief executive of the Company had any interest and short position in shares, underlying shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) (Cap. 571 of the Laws of Hong Kong)) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred in Appendix 10 of the Listing Rules.

Long positions held in the issued A shares of Beijing Certificate Authority Co., Ltd., an associated corporation of the Company:

<u>Name of Director</u>	<u>Number of shares</u>	<u>Nature of interests</u>	<u>Approximate percentage to the issued A shares</u>
Mr. Zhang Yiqian	419,502	Beneficial owner	0.16%

INTEREST OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, the Directors are not aware of any other interests and short positions in shares and underlying shares of the Company of any person (other than Directors, Supervisors or chief executive of the Company) as recorded in the register required to be kept under section 336 of the SFO as at 30 June 2023:

<u>Name of shareholder</u>	<u>Number of shares</u>	<u>Nature of interests</u>	<u>Approximate percentage to the issued share capital</u>
Beijing State-owned Assets Management Co., Ltd.	1,834,541,756 domestic shares	Beneficial owner	63.31%

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

During the six months ended 30 June 2023, the Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities.

INFORMATION FOR INVESTORS

Financial Calendar

Announcement of interim results	30 August 2023
Dispatch of interim report to shareholders	22 September 2023

Interim Report

The Chinese and English versions of the interim report will be posted on the website of the Company (www.capinfo.com.cn) on 21 September 2023

SHARE REGISTRAR AND TRANSFER OFFICE

Domestic shares
China Securities Depository and Clearing Corporation Limited

Address: No. 17 Taipingqiao Street,
Xicheng District, Beijing
Post Code: 100033
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Fax: (8610) 5859 8977

H shares
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GTCSZ (2023) No. 110A027070

To the Shareholders of Capinfo Company Limited,

We have reviewed the accompanied financial statements of Capinfo Company Limited (“Capinfo”) which comprise the consolidated balance sheet as at 30 June 2023, the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for January to June 2023, and notes to the financial statements. The management of the Capinfo is responsible for the preparation of these financial statements in accordance with the requirements of Accounting Standards for Business Enterprises. Our responsibility is to issue our review report on these financial statements based on our review.

We conducted our review in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. This Standard requires us to plan and perform the review to obtain limited assurance about whether the financial statements are free from material misstatements. A review is limited primarily to procedures as enquiry of the Company’s personnel and analytical review procedures applied to the financial information and thus provides less assurance than an audit. We have not performed an audit and therefore, we do not express an audit opinion.

REVIEW REPORT

Based on our review, we are not aware of any matter to cause us believe that the financial statements are not prepared in accordance with the requirements of Accounting Standards for Business Enterprises and do not present fairly, in all material respects, the consolidated financial position, and consolidated operating performance and consolidated cash flows.

Grant Thornton LLP
(Special General Partnership)

Certified Public
Accountant of China

Liang Yinan

Certified Public
Accountant of China

Zhang Qiuling

Beijing, China

30 August 2023

CONSOLIDATED BALANCE SHEET

30 June 2023

Prepared by: Capinfo Company Limited

Items	Notes	Balance as at the end of the period	Balance as at the end of the previous year
Current assets:			
Monetary fund	V.1	720,512,623.16	923,417,020.76
Held-for-trading financial assets			
Derivative financial assets			
Notes receivables		58,343.75	58,293.75
Accounts receivables	V.2	304,689,041.85	452,027,020.14
Financing receivables		1,000,000.00	
Prepayments		104,912,263.58	75,130,905.31
Other receivables	V.3	65,907,368.32	66,761,546.95
Incl: Interest receivables			
Dividend receivables			
Inventories	V.4	400,847,181.69	217,310,713.94
Contractual assets	V.5	81,096,566.79	25,335,457.12
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		1,947,693.32	1,954,319.76
Total current assets		1,680,971,082.46	1,761,995,277.73

CONSOLIDATED BALANCE SHEET

30 June 2023

Items	Notes	Balance as at the end of the period	Balance as at the end of the previous year
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	V.6	246,019,279.50	246,485,219.16
Other equity instrument investments			
Other non-current financial assets			
		54,803,668.24	37,133,667.59
Investment properties	V.7	21,137,843.36	22,948,130.72
Fixed assets	V.8	125,817,458.67	136,104,319.03
Right-of-use assets	V.9	15,639,046.85	31,784,060.40
Construction in progress			
Productive biological assets			
Oil and gas assets			
Intangible assets	V.10	154,495,935.25	46,720,998.23
Development expenditures			
		14,137,452.29	78,642,530.16
Goodwill			
Long-term deferred expenses			
		7,925,614.97	13,194,805.16
Deferred income tax assets			
		62,319,767.78	65,975,549.61
Other non-current assets			
	V.11	104,877,602.74	103,102,602.74
Total non-current assets		807,173,669.65	782,091,882.80
Total assets		2,488,144,752.11	2,544,087,160.53

CONSOLIDATED BALANCE SHEET

30 June 2023

Items	Notes	Balance as at the end of the period	Balance as at the end of the previous year
Current Liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payables			
Account payables	V.12	348,363,729.14	348,072,086.81
Advances received			
Contractual liabilities	V.13	364,174,664.07	335,630,190.76
Payroll payables		37,988,447.04	98,526,115.17
Tax payables		32,180,594.81	53,200,129.74
Other payables	V.14	316,142,609.97	292,583,177.67
Incl: Interest payables			
Dividend payables		50,716,506.59	
Liabilities held for sale			
Non-current liabilities due within one year	V.15	67,146,881.90	83,229,021.20
Other current liabilities			
Total current liabilities		1,165,996,926.93	1,211,240,721.35

CONSOLIDATED BALANCE SHEET

30 June 2023

Items	Notes	Balance as at the end of the period	Balance as at the end of the previous year
Non-current liabilities:			
Long-term borrowings			
Bonds payables			
Incl: Preferred shares			
Perpetual debts			
Lease liabilities	V.16	2,006,706.97	3,575,081.98
Long-term payables			
Long-term payroll payables			
Accrued liabilities			
Deferred income		1,790,598.29	1,826,923.08
Deferred income tax liabilities		4,560,946.29	6,085,101.54
Other non-current liabilities			
Total non-current liabilities		8,358,251.55	11,487,106.60
Total liabilities		1,174,355,178.48	1,222,727,827.95

CONSOLIDATED BALANCE SHEET

30 June 2023

Items	Notes	Balance as at the end of the period	Balance as at the end of the previous year
Shareholders' equity:			
Share capital	V.17	289,808,609.10	289,808,609.10
Capital reserves	V.18	299,287,463.92	299,080,505.71
Less: Treasury stock			
Other comprehensive income		-8,443,166.86	-8,443,166.86
Special reserves			
Surplus reserves		129,526,259.95	129,526,259.95
Unallocated profits	V.19	539,104,383.10	552,755,669.88
Total equity attributable to owners of the parent company			
		1,249,283,549.21	1,262,727,877.78
Minority interests		64,506,024.42	58,631,454.80
Total shareholders' equity			
		1,313,789,573.63	1,321,359,332.58
Total liabilities and shareholders' equity			
		2,488,144,752.11	2,544,087,160.53

Person in charge
of the Company:
Yu Donghui

Person in charge
of accounting:
Du Xiaoling

Person in charge
of the accounting department:
Jia Ruixin

CONSOLIDATED INCOME STATEMENT

January to June 2023

Prepared by: Capinfo Company Limited

Items	Notes	Amount for current period	Amount for last period
I. Total operating income	V.20	482,364,292.15	475,874,384.65
Less: Operating costs	V.20	280,383,491.79	301,723,993.36
Business tax and surcharges		1,549,507.39	2,779,990.85
Selling expenses		56,452,415.07	53,743,942.80
Administrative expenses		59,728,495.54	45,532,604.68
R&D expenses		42,647,414.82	32,633,782.63
Financial expenses		-7,208,828.98	-10,623,589.93
Incl: Interest expenses		597,535.36	1,213,431.11
Interest income		5,718,128.09	8,893,201.68
Add: Other income		835,919.27	1,061,491.74
Investment gain (loss is marked by "-")		3,912,119.09	227,933.09
Incl: Gain from investment in associates and joint ventures		2,325,033.93	227,933.09
Gain on derecognition of financial assets at amortised cost (loss is marked by "-")			
Net gains on hedging exposure (loss is marked by "-")			
Gain on changes in fair value (loss is marked by "-")		1,870,000.65	
Impairment losses of credit (loss is marked by "-")		-7,997,049.59	-4,144,577.10
Impairment losses of assets (loss is marked by "-")		-176,303.71	233,428.40
Gain from disposal of assets (loss is marked by "-")		59,549.53	

CONSOLIDATED INCOME STATEMENT

January-June 2023

Items	Notes	Amount for current period	Amount for last period
II. Operating profit (loss is marked by "-")		47,316,031.76	47,461,936.39
Add: Non-operating income		133,121.72	9,056.42
Less: Non-operating expenses		846.27	1,189,450.52
III. Total profit (total loss is marked by "-")		47,448,307.21	46,281,542.29
Less: Income tax expenses	V.21	4,508,517.78	6,947,638.21
IV. Net profit (net loss is marked by "-")		42,939,789.43	39,333,904.08
(I) Items classified by attribution of ownership			
1. Net profit attributable to owners of the parent company		37,065,219.81	34,249,022.09
2. Minority interests		5,874,569.62	5,084,881.99
(II) Items classified by continued operations			
1. Net profit from continued operations (net loss is marked by "-")		42,939,789.43	39,333,904.08
2. Net profit from discontinued operation (net loss is marked by "-")			
V. Other comprehensive income after taxation, net			
Other comprehensive income after taxation attributable to the owners of parent company, net			
(I) Other comprehensive income not subject to reclassification to profit or loss			
Incl: 1. Changes arising on remeasurement of defined benefit plans			
2. Share in the other comprehensive income not to be reclassified into the profit or loss under the equity method			
3. Fair value changes of other equity instrument investments			
4. Fair value changes of credit risk			
5. Other			

CONSOLIDATED INCOME STATEMENT

January-June 2023

Items	Notes	Amount for current period	Amount for last period
(II) Other comprehensive income to be reclassified to profits and loss			
Incl: 1. Share in the other comprehensive income to be reclassified into the profit or loss under the equity method			
2. Fair value changes of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for the credit impairment of other debt investments			
5. Cash flows hedging reserve (Effective part of profits or losses on cash flow hedge)			
6. Conversion difference of foreign currency statement			
7. Other			
Other comprehensive income attributable to the minority shareholders after taxation, net			
VI. Total comprehensive income		42,939,789.43	39,333,904.08
Total comprehensive income attributable to the owners of parent company		37,065,219.81	34,249,022.09
Total comprehensive income attributable to the minority shareholders		5,874,569.62	5,084,881.99
VII. Earnings per share:			
(I) Basic earnings per share		0.0128	0.0118

Person in charge
of the Company:
Yu Donghui

Person in charge
of accounting:
Du Xiaoling

Person in charge
of the accounting department:
Jia Ruixin

CONSOLIDATED CASH FLOW STATEMENT

January to June 2023

Prepared by: Capinfo Company Limited

Items	Notes	Amount for current period	Amount for last period
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of labor services		639,707,185.43	670,605,624.31
Tax refunds received			
Cash received relating to other operating activities		7,541,347.71	19,740,106.25
Sub-total of cash inflows from operating activities		647,248,533.14	690,345,730.56
Cash paid for purchase of goods and engagement of labor services		393,530,551.22	452,077,659.55
Cash paid to and on behalf of employees		284,786,261.10	269,117,917.90
Payments of all types of taxes		21,508,783.15	22,185,207.75
Cash paid relating to other operating activities		98,679,644.73	9,779,261.23
Sub-total of cash outflows from operating activities		798,505,240.20	753,160,046.43
Net cash flows from operating activities		-151,256,707.06	-62,814,315.87
II. Cash flows from investing activities:			
Cash received from return of investment			
Cash received from investment gain		2,491,402.09	4,722,393.10
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other operating units		330,760.60	
Cash received relating to other investing activities			
Sub-total of cash inflows from investing activities		2,822,162.69	4,722,393.10
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		85,872,440.20	101,477,397.89
Cash paid for investment		15,800,000.00	
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid relating to other investing activities			100,000,000.00
Sub-total of cash outflows from investing activities		101,672,440.20	201,477,397.89
Net cash flows from investing activities		-98,850,277.51	-196,755,004.79

CONSOLIDATED CASH FLOW STATEMENT

January to June 2023

Items	Notes	Amount for current period	Amount for last period
III. Cash flows from financing activities:			
Cash received from investors			
Incl: Cash received from minority shareholders' investment by subsidiaries			
Cash received from obtaining borrowings			
Cash received relating to other financing activities			
Sub-total of cash inflows from financing activities			
Cash paid for repayment of debts			
Cash paid for distribution of dividends, profits or payment of interests			23,980,284.28
Incl: Dividends and profits paid to minority shareholders by subsidiaries			
Cash paid relating to other financing activities		19,491,573.02	15,578,656.98
Sub-total of cash outflows from financing activities		19,491,573.02	39,558,941.26
Net cash flows from financing activities		-19,491,573.02	-39,558,941.26
IV. Effect of changes in exchange rate on cash and cash equivalents			
		2,169,996.49	3,006,334.55
V. Net increase in cash and cash equivalents			
		-267,428,561.10	-296,121,927.37
Add: Cash and cash equivalents at beginning of period		901,387,759.73	1,037,397,070.00
VI. Cash and cash equivalents at end of period			
		633,959,198.63	741,275,142.63

Person in charge
of the Company:
Yu Donghui

Person in charge
of accounting:
Du Xiaoling

Person in charge
of the accounting department:
Jia Ruixin

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January to June 2023

Prepared by: Capinfo Company Limited

Unit: RMB

Items	Amount for current period						
	Equity attributable to shareholders of the parent						
	Share capital	Capital reserves	Others comprehensive income	Surplus reserves	Unallocated profits	Minority interests	Total shareholders' equity
I. Balance at the end of the previous year	289,808,609.10	299,080,505.71	-8,443,166.86	129,512,206.34	552,609,587.82	58,651,054.36	1,321,218,796.47
Add: changes in accounting policies				14,053.61	146,082.06	-19,599.56	140,536.11
Correction for error in the prior period							
Business combination under common control							
Others							
II. Balance at the beginning of the year	289,808,609.10	299,080,505.71	-8,443,166.86	129,526,259.95	552,755,669.88	58,631,454.80	1,321,359,332.58
III. Increase/decrease for current year ("-" for decrease)		206,958.21			-13,651,286.78	5,874,569.62	-7,569,758.95
(I) Total comprehensive income					37,065,219.81	5,874,569.62	42,939,789.43
(II) Shareholders' contributions and withdrawal of capital							
1. Ordinary shares invested by shareholders							
2. Capital invested by other equity instrument holders							
3. Amount of share-based payment credited to shareholders' equity							
4. Others							

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January to June 2023

Items	Amount for current period						
	Equity attributable to shareholders of the parent						
	Share capital	Capital reserves	Others comprehensive income	Surplus reserves	Unallocated profits	Minority interests	Total shareholders' equity
(II) Profits distribution					-50,716,506.59		-50,716,506.59
1. Withdrawal of surplus reserve							
2. Distributions to shareholders					-50,716,506.59		-50,716,506.59
3. Others							
(IV) Internal carryover of shareholders' equity							
1. Conversion of capital reserve to share capital							
2. Conversion of surplus reserve to share capital							
3. Covering loss with surplus reserve							
4. Change of defined benefit plan carried forward to retained earning							
5. Other comprehensive income carried forward to retained earnings							
6. Others							
(V) Special reserves							
1. Withdrawal during the period							
2. Used during the period							
(VI) Others		206,958.21					206,958.21
IV. Balance at the end of the year	289,808,609.10	299,287,463.92	-8,443,166.86	129,526,259.95	539,104,383.10	64,506,024.42	1,313,789,573.63

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January to June 2023

Items	Amount for last period						
	Equity attributable to shareholders of the parent						
	Share capital	Capital reserves	Others comprehensive income	Surplus reserves	Unallocated profits	Minority interests	Total shareholders' equity
I. Balance at the end of the previous year	289,808,609.10	298,879,714.63	-8,443,166.86	118,524,908.97	443,449,232.82	46,533,688.42	1,188,752,987.08
Add: changes in accounting policies							
Correction for error in the prior period							
Business combination under common control							
Others							
II. Balance at the beginning of the year	289,808,609.10	298,879,714.63	-8,443,166.86	118,524,908.97	443,449,232.82	46,533,688.42	1,188,752,987.08
III. Increase/decrease for current year ("-" for decrease)		186,734.39			25,844,572.43	5,084,881.99	31,116,188.81
(I) Total comprehensive income					34,249,022.09	5,084,881.99	39,333,904.08
(II) Shareholders' contributions and withdrawal of capital							
1. Ordinary shares invested by shareholders							
2. Capital invested by other equity instrument holders							
3. Amount of share-based payment credited to shareholders' equity							
4. Others							
(III) Profits distribution					-8,404,449.66		-8,404,449.66
1. Withdrawal of surplus reserve							
2. Distributions to shareholders					-8,404,449.66		-8,404,449.66
3. Others							

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January to June 2023

Items	Amount for last period						
	Equity attributable to shareholders of the parent						
	Share capital	Capital reserves	Others comprehensive income	Surplus reserves	Unallocated profits	Minority interests	Total shareholders' equity
(IV) Internal carryover of shareholders' equity							
1. Conversion of capital reserve to share capital							
2. Conversion of surplus reserve to share capital							
3. Covering loss with surplus reserve							
4. Change of defined benefit plan carried forward to retained earnings							
5. Other comprehensive income carried forward to retained earnings							
6. Others							
(V) Special reserves							
1. Withdrawal during the period							
2. Used during the period							
(VI) Others		186,734.39					186,734.39
IV. Balance at the end of the year	289,808,609.10	299,066,449.02	-8,443,166.86	118,524,908.97	469,293,805.25	51,618,570.41	1,219,869,175.89

Person in charge
of the Company:
Yu Donghui

Person in charge
of accounting:
Du Xiaoling

Person in charge
of the accounting department:
Jia Ruixin

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

I. COMPANY GENERAL INFORMATION

1. Company Profile

Capinfo Company Limited (hereinafter referred to as the “Company”) is a joint stock limited company incorporated in Beijing, approved by the “Notice on Approval of Establishment of Capinfo Company Limited” of the Beijing Municipal People’s Government (J.Z.H.Z. [2000] No.74) and approved to register with Beijing Administration for Industry and Commerce on 14 July 2000. The uniform social credit code is 911100006336972074. All H shares issued by the Company have been listed for trading on Hong Kong Stock Exchange. The Company is headquartered at No. 11 Xi San Huan Zhong Road, Haidian District (The north gate of the central television tower), Beijing.

The Company has established the corporate governance structure consisting of the General Meeting, Party Committee, Board of Directors and Supervisory Committee, and formed an organizational structure comprising of three major sectors: business front office, technical middle-office, and management back-office. At present, the business front-office consists of four mature business divisions (Social Security Division, Housing Provident Fund Division, Organization Division and Governance Division), two key departments (Business Development Department and Network Business Department) and coverage expansion. The technical middle-office consists of five centers (Product Center, Network Center, Innovation Center, Big Data Center and Operation Center) and two departments (Technical Management Department and Comprehensive Management Department). The management back-office consists of fourteen functional departments. The Company has thirteen branches, namely Beijing Yanqing Branch, Shunyi Branch, Daxing Branch, Tongzhou Branch, Dongcheng Branch, Guangzhou Branch, Chongqing Branch, Hebei Xiong’an Branch, Shanghai Hengyue Information Service branch, Hubei branch, Hebei branch, Jilin branch and Inner Mongolia Autonomous Region branch.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

I. COMPANY GENERAL INFORMATION (CONTINUED)

1. Company Profile (Continued)

The Company and its subsidiaries (hereinafter referred to as the “Group”) belong to software industry and are principally engaged in online application service and system integration. The business scope includes the provision of information source service, e-commerce service, network interconnection, computer equipment and hardware and software, technical development, technical consulting, technical service and technical training of inter-networking, communication hardware and software products, integration and agency of information and network system, sales of computer peripheral equipment, proprietary and agency of all kinds of goods and technologies import and export business (excluding those restricted or prohibited by the state from import and export), professional contracting and sale agency of entrance tickets. (Enterprises can independently choose their own business projects and carry out business activities under the laws; for the above items subject to the administrative approval, relevant approval must be obtained prior to operation; enterprises shall not carry out business activities prohibited and restricted by the city’s industrial policy.)

The financial statements and notes to the financial statements have been approved on 30 August 2023 at the 24th meeting of the eighth session of board of directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

I. COMPANY GENERAL INFORMATION (CONTINUED)

2. Scope of consolidated financial statements

During the period, there are aggregately seven accounting units consolidated into financial statements, including the Company, Capinfo (Hong Kong) Co., Ltd (hereinafter referred to as "Capinfo Hong Kong"), Capinfo Technology Development Co., Ltd (hereinafter referred to as "Capinfo Technology"), Beijing Parking Management Centre Co., Ltd (hereinafter referred to as "Parking Management"), Xiamen Rito Info Technology Co. Ltd (hereinafter referred to as "Rito Info"), Capinfo Medical United Information Technology Company Limited* (hereinafter referred to as "Capinfo Medical United") and Capinfo Cloud Technology Co., Ltd.* (hereinafter referred to as "Capinfo Cloud Technology").

During the period, there were no change in accounting units consolidated into financial statements as compared with the end of last year.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

II. PREPARATION BASIS FOR FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the “China Accounting Standards for Business Enterprises” and their application guidelines, interpretations and other relevant requirements (collectively, “CASBE”) issued by the Ministry of Finance of the PRC.

The financial statements are presented on a going concern basis.

The Group’s accounting is measured on an accrual accounting basis. Except for certain financial instruments, the financial statements are measured based on historical cost. In case of asset impairment, impairment provisions shall be made accordingly under relevant regulations.

New Hong Kong Companies Ordinance took effect in 2015. The financial statements have been adjusted according to the requirements of the Hong Kong Companies Ordinance.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

III. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Changes in Significant Accounting Policies

Interpretation No. 16 of Accounting Standards for Business Enterprises

The Ministry of Finance issued the Interpretation No. 16 of Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) ("Interpretation No. 16") in November 2022.

According to the Interpretation No. 16, regarding single transactions that are not business combinations and do not affect either accounting profit or taxable income (or deductible losses) at the time of the transactions, and single transactions whose assets and liabilities initially recognized result in taxable temporary differences and deductible temporary differences of equal amounts, for the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities of the transactions, enterprises shall respectively recognize the corresponding deferred income tax liabilities and deferred income tax assets upon the occurrence of the transactions in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 18 – Income Tax and other relevant regulations. For the above transactions that occurred between the beginning of the earliest period as shown in financial statements in which the above provisions were first applied and the date of application of this interpretation, enterprises shall adjust the opening retained income and other related items in financial statements for the earliest period as shown in financial statements by the accumulated affected amounts according to the above interpretation and the above provisions. The above accounting treatment provisions shall be effective from 1 January 2023.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

III. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

1. Changes in Significant Accounting Policies (Continued)

Interpretation No. 16 of Accounting Standards for Business Enterprises (Continued)

The impact of the above accounting policies on the consolidated balance sheet as at 30 June 2023 and the consolidated income statements for January to June 2023 is as follows:

Items of consolidated balance sheet	Affected amount
Deferred income tax assets	1,576,896.16
Deferred income tax liabilities	1,744,673.39
Surplus reserves	14,053.61
Undistributed profit	-133,072.76
Minority interests	-48,758.08

Items of consolidated income statements	Affected amount January-June 2023
Income tax expenses	308,313.34
Net profit	-308,313.34
Incl: net profit attributable to shareholders of the parent company	-279,154.82
Minority interests	-29,158.52

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

III. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

1. Changes in Significant Accounting Policies (Continued)

Interpretation No. 16 of Accounting Standards for Business Enterprises (Continued)

The impact of the above changes in accounting policies on the consolidated balance sheet as at 31 December 2022 and the consolidated income statements for January to June 2022 is as follows:

Items of consolidated balance sheet	Before adjustment	Adjusted amount	After Adjustment
Deferred income tax assets	62,531,772.56	3,443,777.05	65,975,549.61
Deferred income tax liabilities	2,781,860.60	3,303,240.94	6,085,101.54
Surplus reserves	129,512,206.34	14,053.61	129,526,259.95
Undistributed profit	552,609,587.82	146,082.06	552,755,669.88
Minority interests	58,651,054.36	-19,599.56	58,631,454.80

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

III. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

1. Changes in Significant Accounting Policies (Continued)

Interpretation No. 16 of Accounting Standards for Business Enterprises
(Continued)

Items of consolidated income statements (January-June 2022)	Before adjustment	Adjusted amount	After Adjustment
Income tax expenses	6,947,638.21	72,528.71	7,020,166.92
Net profit attributable to shareholders of the parent company	34,249,022.09	86,970.54	34,335,992.63
Minority interests	5,084,881.99	-14,441.83	5,070,440.16

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

III. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

1. Changes in Significant Accounting Policies (Continued)

Interpretation No. 16 of Accounting Standards for Business Enterprises (Continued)

The impact of the above changes in accounting policies on the consolidated balance sheet as at 1 January 2022 is as follows:

Items of consolidated balance sheet	Before adjustment	Adjusted amount	After Adjustment
Deferred income tax assets	448,733,295.33	5,740,398.01	454,473,693.34
Deferred income tax liabilities	22,009,837.59	5,687,299.92	27,697,137.51
Surplus reserves	118,524,908.97	5,309.81	118,530,218.78
Undistributed profit	308,198,548.77	58,111.29	308,256,660.06
Minority interests	443,449,232.82	-10,323.01	443,438,909.81

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

III. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

1. Changes in Significant Accounting Policies (Continued)

Interpretation No. 16 of Accounting Standards for Business Enterprises
(Continued)

The cumulative impact of the above accounting policies is as follows:

Affected items	2023.6.30	2022.12.31
Net assets at the beginning of period	—	140,536.11
Incl: Retained earnings	—	160,135.67
Net assets at the end of period	-167,777.23	—
Incl: Retained earnings	-119,019.15	—

The above changes in accounting policies resulted in a decrease of RMB308,300 in net profit for January to June 2023; and a decrease of RMB72,500 in net profit for January to June 2022.

2. Changes in critical accounting estimates

Nil.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

IV. TAX

1. Main taxes and tax rates

Taxes	Tax basis	Statutory Tax Rate %
Value-added tax	Taxable income	5, 6, 9, 13
Urban maintenance and construction tax	Commodity turnover tax payable	7
Corporate income tax	Taxable income	25

Name of Taxpayer	Income Tax Rate %
The Company	10
Capinfo Hong Kong	–
Capinfo Technology	15
Parking Management	20
Rito Info	15
Capinfo Medical United	15
Capinfo Cloud Technology	15

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

IV. TAX (CONTINUED)

2. Tax preference and approvals

(1) Value-added tax

In accordance with the requirements of the Notice of Valued-added Tax Policies for Software Products (Cai Shui [2011] No. 100) promulgated by the Ministry of Finance and the State Administration of Taxation, Rito Info sells its own-developed and produced software. After levitation of value-added tax at a rate of 13%, the part over 3% will be refundable as soon as it is imposed.

According to the requirements of the Notice of Inclusion of Railway Transportation and Post Industry into the Pilot Proposals for the Change from Business Tax to Value-added Tax (Cai Shui [2015] No. 118) promulgated by the Ministry of Finance and the State Administration of Taxation, contracts of provision of technological transfer, development and related technological consulting or technological services are exempt from value-added tax upon recognition by the Municipal Competent Department of Science & Technology and reported to the Competent State Administration of Taxation for file.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

IV. TAX (CONTINUED)

2. Tax preference and approvals (Continued)

(2) Corporate income tax

According to the Notice on the Requirements for the Preparation of List of Integrated Circuit Enterprises or Projects and Software Enterprises Eligible for Preferential Tax Policies (Fa Gai Gao Ji [2021] No. 413), enterprises included in the list of preferential income tax treatment upon review are entitled to 10% discount of corporate income tax.

Capinfo Hong Kong has no payable tax profit during the reporting period.

Capinfo Technology obtained its Certificate of Hi-tech Enterprise, No. GR202011000486 on 31 July 2020 and is entitled to the corporate income tax preference of 15% for a period of three years.

Rito Info obtained its Certificate of Hi-tech Enterprise, No. GR202135101116 on 14 December 2021 and is entitled to 15% discount of corporate income tax for a period of three years.

Capinfo Cloud Technology obtained its Certificate of Hi-tech Enterprise, No. GR202011009034 on 2 December 2020 and is entitled to 15% discount of corporate income tax for a period of three years.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

IV. TAX (CONTINUED)

2. Tax preference and approvals (Continued)

(2) Corporate income tax (Continued)

Capinfo Medical United obtained its Certificate of Hi-tech Enterprise, No. GR202211004422 on 1 December 2022 and is entitled to the corporate income tax preference of 15% for a period of three years.

Parking Management was entitled to the preferential income tax as national small and micro enterprises during the current period. The policies are as follows:

According to relevant provisions of the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (《財政部稅務總局關於進一步實施小微企業所得稅優惠政策的公告》) (Announcement No. 13 [2022] of the MOF and the SAT), from 1 January 2022 to 31 December 2024, the portion of annual taxable income of a small low-profit enterprise which exceeds RMB1 million but does not exceed RMB3 million shall be calculated at a reduced rate of 25% as taxable income amount and shall be subject to corporate income tax at 20%.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS**1. Monetary fund**

Items	2023.6.30	2022.12.31
Cash on hand	34,271.58	33,031.42
Bank deposits	684,514,042.07	891,870,113.10
Other monetary fund	35,964,309.51	31,513,876.24
Total	720,512,623.16	923,417,020.76
Incl: total overseas deposits	65,045,421.92	62,570,849.92

Note: Other monetary fund is mainly the amount deposited in the performance guarantees account and the stock dividend amount deposited in the stock investment account by the Company at the end of the period.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

2. Accounts receivables

Accounts receivables analysed by aging

Account receivables are recognised when the customer obtains control of goods or services and the Group has an unconditional right to consideration. The Group provides customers with an average credit period of 180 days, and the accounts receivables are non-interest bearing.

Age	2023.6.30	2022.12.31
Within 1 year	210,750,260.44	343,997,914.26
Incl:		
0-6 months (inclusive)	82,001,791.88	326,206,862.30
7 months-1 year	128,748,468.56	17,791,051.96
1 – 2 years	101,486,810.00	134,761,287.00
2 – 3 years	73,036,804.88	47,849,420.79
Over 3 years	116,005,083.00	114,011,214.97
Subtotal	501,278,958.32	640,619,837.02
Less: Provision for bad debts	196,589,916.47	188,592,816.88
Total	304,689,041.85	452,027,020.14

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

3. Other receivables

Items	2023.6.30	2022.12.31
Other receivables	65,907,368.32	66,761,546.95

(1) Other receivables analysed by aging

Age	2023.6.30	2022.12.31
Within 1 year	5,434,206.11	14,141,626.98
1 – 2 years	12,480,637.06	15,831,762.10
2 – 3 years	12,987,880.53	3,037,893.99
Over 3 years	35,825,536.33	34,571,155.59
Subtotal	66,728,260.03	67,582,438.66
Less: Provision for bad debts	820,891.71	820,891.71
Total	65,907,368.32	66,761,546.95

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

3. Other receivables (Continued)

(2) Other receivables disclosed by nature of payment

Items	2023.6.30			2022.12.31		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Margin	35,457,595.34	627,200.00	34,830,395.34	35,999,433.86	627,200.00	35,372,233.86
Contingency provision	2,420,998.62	-	2,420,998.62	2,010,120.81	-	2,010,120.81
Current accounts and others	28,849,666.07	193,691.71	28,655,974.36	29,572,883.99	193,691.71	29,379,192.28
Total	66,728,260.03	820,891.71	65,907,368.32	67,582,438.66	820,891.71	66,761,546.95

4. Inventories

Classification of inventories

Types of inventories	2023.6.30			2022.12.31		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Cost of contract performance	381,294,622.66	-	381,294,622.66	201,533,939.75	-	201,533,939.75
Finished products	19,552,559.03	-	19,552,559.03	15,776,774.19	-	15,776,774.19
Total	400,847,181.69	-	400,847,181.69	217,310,713.94	-	217,310,713.94

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

5. Contractual assets

Items	2023.6.30	2022.12.31
Contractual assets	82,004,930.62	26,067,517.24
Less: Provisions for the impairment of contractual assets	908,363.83	732,060.12
Subtotal	81,096,566.79	25,335,457.12
Less: Contractual assets presented under other non-current assets	-	-
Total	81,096,566.79	25,335,457.12

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

6. Long-term equity investments

Investee	2022.12.31	Increase/decrease during the period							2023.6.30	Impairment provisions as at 2023.6.30	
		Increase in investment	Decrease in investment	Investment gain or loss recognised under equity method	Adjustment to other comprehensive income	Change in other equity	Cash dividend or profit declared	Provision for impairment			Others
Associates											
Beijing Certificate Authority Co., Ltd.	245,966,541.61	-	-	2,325,036.04	-	206,958.21	2,479,256.36	-	-	246,019,279.50	-
Beijing Culture and Sports Technology Co., Ltd. (北京文化体育科技有限公司)	518,677.55	-	518,677.55	-	-	-	-	-	-	-	-
Chongqing Hongxin Haoyu Network Technology Co., Ltd. (重庆宏信瀚宇网络技术有限公司)	-	-	-	-	-	-	-	-	-	-	3,862,753.24
Total	246,485,219.16	-	518,677.55	2,325,036.04	-	206,958.21	2,479,256.36	-	-	246,019,279.50	3,862,753.24

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

7. Investment properties

Items	Buildings and structures
I. Original book value	
1. 2022.12.31	74,320,626.80
2. Increment for the period	–
3. Decrement for the period	–
4. 2023.6.30	74,320,626.80
II. Accumulated depreciation and accumulated amortisation	
1. 2022.12.31	51,372,496.08
2. Increment for the period	1,810,287.36
(1) Provision or amortisation	1,810,287.36
3. Decrement for the period	–
4. 2023.6.30	53,182,783.44
III. Provision for impairment	
1. 2022.12.31	–
2. Increment for the period	–
3. Decrement for the period	–
4. 2023.6.30	–
IV. Book value	
1. Book value as at 2023.6.30	21,137,843.36
2. Book value as at 2022.12.31	22,948,130.72

Note: Details of certificate of title to be obtained

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

7. Investment properties (Continued)

Items	Carrying amount	Reason for no certificate of title
Digital Beijing Building	21,137,843.36	Yet to be obtained

The above investment properties depreciation is calculated on the straight-line basis at an annual rate of 5%.

8. Fixed assets

Items	2023.6.30	2022.12.31
Fixed assets	125,817,458.67	136,104,319.03
Disposal of fixed assets	-	-
Total	125,817,458.67	136,104,319.03

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

8. Fixed assets (Continued)

Details of fixed assets

Items	Machinery & equipment	Others	Total
I. Original book value			
1. 2022.12.31	739,582,251.69	52,443,295.10	792,025,546.79
2. Increment for the period	11,166,212.35	4,535,608.74	15,701,821.09
(1) Purchase	11,166,212.35	4,535,608.74	15,701,821.09
(2) Transferred from construction in progress	-	-	-
3. Decrement for the period	-	-	-
(1) Disposal or write-off	-	-	-
(2) Other decrement	-	-	-
4. 2023.6.30	750,748,464.04	56,978,903.84	807,727,367.88
II. Accumulated depreciation			
1.2022.12.31	604,385,999.36	51,535,228.40	655,921,227.76
2. Increment for the period	23,717,482.93	2,271,198.52	25,988,681.45
(1) Provision	23,717,482.93	2,271,198.52	25,988,681.45
(2) Other increment	-	-	-
3. Decrement for the period	-	-	-
(1) Disposal or write-off	-	-	-
(2) Other decrement	-	-	-
4. 2023.6.30	628,103,482.29	53,806,426.92	681,909,909.21

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

8. Fixed assets (Continued)

Details of fixed assets (Continued)

Items	Machinery & equipment	Others	Total
III. Provision for impairment			
1. 2022.12.31	-	-	-
2. Increment for the period	-	-	-
3. Decrement for the period	-	-	-
4. 2023.6.30	-	-	-
IV. Book value			
1. Book value as at 2023.6.30	122,644,981.75	3,172,476.92	125,817,458.67
2. Book value as at 2022.12.31	135,196,252.33	908,066.70	136,104,319.03

Note: The Group had no fixed assets which have been pledged or secured as at the end of the period.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

9. Right-of-use assets

Items	Buildings and structures
I. Original book value	
1. 2022.12.31	85,321,072.53
2. Increment for the period	–
(1) Additional lease	–
(2) Remeasurement	–
3. Decrement for the period	4,433,134.34
(1) Lease termination	4,433,134.34
4. 2023.6.30	80,887,938.19
II. Accumulated depreciation	
1. 2022.12.31	53,537,012.13
2. Increment for the period	14,705,790.35
(1) Provision	14,705,790.35
3. Decrement for the period	2,993,911.14
(1) Lease termination	2,993,911.14
4. 2023.6.30	65,248,891.34
III. Provision for impairment	
1. 2022.12.31	–
2. Increment for the period	–
3. Decrement for the period	–
4. 2023.6.30	–
IV. Book value	
1. Book value as at 2023.6.30	15,639,046.85
2. Book value as at 2022.12.31	31,784,060.40

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

9. Right-of-use assets (Continued)

- (1) The Group adopted a simplified method for the lease of short-term leased assets, and the amount of RMB1,917,200.10 was charged into the profit and loss for the current period.
- (2) The total cash outflow in relation to the lease for the period was RMB21,245,814.59.

10. Intangible assets

Items	Software	Customer relationship	Total
I. Original book value			
1. 2022.12.31	244,813,844.82	2,328,003.18	247,141,848.00
2. Increment for the period	118,864,129.68	-	118,864,129.68
(1) Purchase	4,409,646.12	-	4,409,646.12
(2) Internal R & D	114,454,483.56	-	114,454,483.56
3. Decrement for the period			
(1) Disposal	-	-	-
(2) Other decrement	-	-	-
4. 2023.6.30	363,677,974.50	2,328,003.18	366,005,977.68

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

10. Intangible assets (Continued)

Items	Software	Customer relationship	Total
II. Accumulated amortisation			
1. 2022.12.31	198,092,846.59	2,328,003.18	200,420,849.77
2. Increment for the period	11,089,192.66	-	11,089,192.66
(1) Provision	11,089,192.66	-	11,089,192.66
(2) Other increment	-	-	-
3. Decrement for the period	-	-	-
(1) Disposal	-	-	-
(2) Other decrement	-	-	-
4. 2023.6.30	209,182,039.25	2,328,003.18	211,510,042.43
III. Provision for impairment			
1. 2022.12.31	-	-	-
2. Increment for the period	-	-	-
3. Decrement for the period	-	-	-
4. 2023.6.30	-	-	-
IV. Book value			
1. Book value as at 2023.6.30	154,495,935.25	-	154,495,935.25
2. Book value as at 2022.12.31	46,720,998.23	-	46,720,998.23

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

11. Other non-current assets

Items	2023.6.30	2022.12.31
Term deposits	104,877,602.74	103,102,602.74

Note: The term deposits included accrued interest of RMB4,877,602.74 not yet due.

12. Other payables

(1) Accounts payables disclosed by types

Items	2023.6.30	2022.12.31
Payment for goods	348,363,729.14	348,072,086.81

(2) Accounts payables disclosed by aging

Items	2023.6.30	2022.12.31
Within 1 year	127,105,955.06	160,571,264.40
1 – 2 years	85,373,883.17	71,198,150.09
2 – 3 years	46,510,794.09	70,537,113.22
Over 3 years	89,373,096.82	45,765,559.10
Total	348,363,729.14	348,072,086.81

Note: Aging of accounts payable is presented according to the date of receipt of goods and acceptance of labour.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

13. Contractual liabilities

Items	2023.6.30	2022.12.31
Project receipt	364,174,664.07	335,630,190.76

Note: Contractual liabilities as at the beginning of the year of 2023 was RMB335,630,190.76, of which, RMB186,549,750.12 were recognised in January to June 2023.

14. Other payables

Items	2023.6.30	2022.12.31
Dividend payables	50,716,506.59	–
Other payables	265,426,103.38	292,583,177.67
Total	316,142,609.97	292,583,177.67

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

14. Other payables (Continued)

(1) Dividend payables

Items	2023.6.30	2022.12.31
Dividends for ordinary shares	50,716,506.59	–

(2) Other payables

Items	2023.6.30	2022.12.31
Project bills payable	225,610,386.94	243,273,759.12
Current account	18,524,992.23	27,826,320.86
Non-operating current accounts of related parties	12,000,000.00	12,000,000.00
Margin and deposits, quality guarantee deposit	7,055,401.19	7,353,275.19
Others	2,235,323.02	2,129,822.50
Total	265,426,103.38	292,583,177.67

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

14. Other payables (Continued)

(2) Other payables (Continued)

Of which, important other payables aged over 1 year

Items	Amount	Reasons for not settled or not transferred
Beijing State-owned Assets Management Co., Ltd.	12,000,000.00	Settlement conditions are unsatisfied
Capnet Company Limited	4,987,337.32	Settlement conditions are unsatisfied
GDS Holdings Ltd.	3,584,533.00	Settlement conditions are unsatisfied
Beijing Chinese Cultural Development – Culture Investment and Management Company Limited (北京中文發文化投資管理有限公司)	2,340,000.00	Settlement conditions are unsatisfied
Total	22,911,870.32	—

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

15. Non-current liabilities due within one year

Items	2023.6.30	2022.12.31
Lease liabilities due within one year	12,514,940.75	28,597,080.05
Long-term payables due within one year	54,631,941.15	54,631,941.15
Total	67,146,881.90	83,229,021.20

(1) Lease liabilities due within one year

Items	2023.6.30	2022.12.31
Lease liabilities due within one year	12,514,940.75	28,597,080.05

(2) Long-term payables due within one year

Items	2023.6.30	2022.12.31
Contingent consideration of Rito Info	54,631,941.15	54,631,941.15

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

16. Lease liabilities

Items	2023.6.30	2022.12.31
Lease payments of buildings and structures	14,913,490.91	33,194,363.45
Less: unrecognized finance expense	391,843.19	1,022,201.42
Subtotal	14,521,647.72	32,172,162.03
Less: Lease liabilities due within one year	12,514,940.75	28,597,080.05
Total	2,006,706.97	3,575,081.98

The Group adopted incremental borrowing rate as discount rate when calculating the present value of the lease payments. The incremental borrowing rate determined by the Group was 4.75% per annum. The interest expenses of lease liabilities for the current period was RMB588,102.85.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

17. Share capital (unit: ten thousand shares)

Items	2022.12.31	Increase/decrease for the current period (+, -)				Subtotal	2023.6.30
		New shares issued	Stock dividend	Reserve to shares	Others		
Total number of shares	28,980.86	-	-	-	-	-	28,980.86

18. Capital reserves

Items	2022.12.31	Increase for the period	Decrease for the period	2023.6.30
Share capital premium	259,229,641.55	-	-	259,229,641.55
Other capital reserves	39,850,864.16	206,958.21	-	40,057,822.37
Total	299,080,505.71	206,958.21	-	299,287,463.92

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

19. Unallocated profits

Items	January – June 2023	2022
Unallocated profits at the end of last period before adjustment	552,609,587.82	443,449,232.82
Total amount of adjustment for unallocated profits at the beginning of period (“+” for plus; “-” for less)	146,082.06	–
Unallocated profits at the beginning of period after adjustment	552,755,669.88	443,449,232.82
Add: Net profit attributable to shareholders during the period	37,065,219.81	128,492,464.52
Less: Withdrawal of statutory surplus reserves	–	10,987,297.37
Dividend payable on ordinary shares	50,716,506.59	8,344,812.15
Unallocated profits at the end of period	539,104,383.10	552,609,587.82

Notes:

Due to the changes in accounting policies, affected undistributed profits at the beginning of the period was RMB146,082.06.

Please refer to Note III. 1 for the impact of the changes in accounting policies on the undistributed profits at the beginning of the period.

According to the requirements of the Company’s Articles of Association, available-for-distribution profits for the Company’s shareholders refer to amounts in the statements prepared in accordance with the Chinese Accounting Standards and Regulations.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

20. Operating income and operating cost

Items	January – June 2023		January – June 2022	
	Income	Cost	Income	Cost
Main businesses	474,161,441.70	278,573,204.43	466,098,028.24	299,776,002.00
Other businesses	8,202,850.45	1,810,287.36	9,776,356.41	1,947,991.36
Total	482,364,292.15	280,383,491.79	475,874,384.65	301,723,993.36

(1) Main businesses (sub-businesses)

Name of business	January – June 2023		January – June 2022	
	Operating income	Operating cost	Operating income	Operating cost
Software				
development and service	277,787,735.50	157,598,834.47	263,581,256.69	161,005,375.42
System integration	61,994,722.26	43,755,874.97	76,592,117.74	57,110,486.94
Data processing				
service	112,817,710.02	66,355,622.14	116,075,320.02	76,666,692.19
Information				
professional service	21,561,273.92	10,862,872.85	9,849,333.79	4,993,447.45
Total	474,161,441.70	278,573,204.43	466,098,028.24	299,776,002.00

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

20. Operating income and operating cost (Continued)

(2) Other businesses (sub-businesses)

Name of business	January – June 2023		January – June 2022	
	Operating income	Operating cost	Operating income	Operating cost
Rental income from investment property	8,202,850.45	1,810,287.36	9,776,356.41	1,947,991.36

(3) Timing of revenue recognition

Revenue recognition method	January – June 2023
At a certain point of time	107,607,300.33
Over a period of time	374,756,991.82
Total	482,364,292.15

21. Income tax expense

Items	January – June 2023	January – June 2022
Current income tax calculated in accordance with the tax law and relevant provisions	2,376,891.20	10,198,363.92
Deferred income tax expense	2,131,626.58	-3,250,725.71
Total	4,508,517.78	6,947,638.21

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on the parent company of the Company

Name of parent company	Place of registration	Nature of business	Registered capital (RMB0'000)	Parent company's shareholding percentage to the Company %	Parent company's percentage of voting rights to the Company %
Beijing State-owned Assets Management Corporation Limited (hereinafter referred to as BSAM)	Beijing	Investment management	1,000,000.00	63.31	63.31

The ultimate controlling party of the Company is: the People's Government of Beijing Municipality.

2. Information on the joint ventures and associates of the Group

Set out below are other joint ventures or affiliates which were involved in related party transactions with the Group during the period, or for which balances were formed due to their involvement in related party transactions with the Group during previous periods:

Name of joint ventures or associates	Relationship with the Group
Beijing Certificate Authority Co., Ltd. (hereinafter referred to as BJCA, BJCA and its subsidiaries)	associate

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Information on other related parties of the Group

Name of related parties	Relationship with the Group
Beijing Anxintianxing Science Co., Ltd. (hereinafter referred to as Anxintianxing, BJCA and its subsidiaries)	A subsidiary of BJCA, which is an associate of the Company
China Beijing Equity Exchange Limited (hereinafter referred to as Beijing Equity Exchange)	The same ultimate controlling party
Beijing Guoyuan Sports & Culture Investment Co., Ltd. (hereinafter referred to as Guoyuan Sports & Culture)	The same ultimate controlling party
Beijing Science Park Development (Group) Co., Ltd. (hereinafter referred to as Science Park Development)	The same ultimate controlling party
Beijing Software and Information Service Exchange Co., Ltd. (hereinafter referred to as Software and Information Service Exchange)	The same ultimate controlling party
Beijing Industrial Development Investment Management Co., Ltd. (hereinafter referred to as Industrial Development)	The same ultimate controlling party
Beijing National Swimming Centre Co., Ltd. (hereinafter referred to as National Swimming Centre)	The same ultimate controlling party
Beijing Jizhi Future Artificial Intelligence Industry Innovation Base Co., Ltd. (hereinafter referred to as BIDP)	The same ultimate controlling party
Capnet Company Limited (hereinafter referred to as Capnet)	The same ultimate controlling party

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS
(CONTINUED)

3. Information on other related parties of the Group (Continued)

Name of related parties	Relationship with the Group
Beijing Xinlongfu Culture Investment Co., Ltd. (hereinafter referred to as Xinlongfu Culture)	The same ultimate controlling party
Beijing Xinlongfu Property Management Co., Ltd. (hereinafter referred to as Xinlongfu Property)	The same ultimate controlling party
National Sport Stadium Co., Ltd. (hereinafter referred to as National Stadium)	The same ultimate controlling party
Beijing Guorongchuangyin Investment Management Co., Ltd. (hereinafter referred to as Guorong Chuangyin)	The same ultimate controlling party
Beijing Guotong Asset Management Co., Ltd. (hereinafter referred to as Beijing Guotong Asset)	The same ultimate controlling party
Beijing State-owned Financial Leasing Co., Ltd. (hereinafter referred to as Beijing State-owned Financial Leasing)	The same ultimate controlling party
Beijing Artists Management Corp., Ltd. (hereinafter referred to as Artists Corporation)	The same ultimate controlling party
Dynagreen Environmental Protection Group Co., Ltd. (hereinafter referred to as Dynagreen Group)	The same ultimate controlling party
Beijing Financial Assets Exchange Co., Ltd. (hereinafter referred to as BFAE)	The same ultimate controlling party

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Information on other related parties of the Group (Continued)

Name of related parties	Relationship with the Group
Beijing BeiAo Group Co., Ltd. (hereinafter referred to as BeiAo Group)	The same ultimate controlling party
Beijing Guohua Wenke Finance Guarantee Co., Ltd. (hereinafter referred to as Guohua Wenke Finance Guarantee)	The same ultimate controlling party
Beijing Industrial Development Investment Financial Management Co., Ltd. (hereinafter referred to as Beijing Industrial Development)	The same ultimate controlling party
Beijing Huayu Energy Technology Holdings Co., Ltd. (hereinafter referred to as Beijing Huayu Energy Technology)	The same ultimate controlling party
Beijing Kekong Land Co., Ltd. (hereinafter referred to as Kekong Land)	The same ultimate controlling party
Beike TEDA Investment Development Company Limited (hereinafter referred to as Beike TEDA)	The same ultimate controlling party
Changchun Beihu Science and Technology Park Development Co., Ltd. (hereinafter referred to as Changchun Beihu Science Park)	The same ultimate controlling party
Jiaying Innovation Park Development Co., Ltd. (hereinafter referred to as Jiaying Innovation Park)	The same ultimate controlling party
Beijing SME Finance Re-guarantee Co., Ltd. (hereinafter referred to as Beijing SME Finance Re-guarantee)	The same ultimate controlling party

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS
(CONTINUED)

4. Information on related party transactions

(1) Information on related party purchases and sales

① Purchase of goods and receipt of labor service

Related parties	Subjects of related party transactions	January – June 2023 (RMB0'000)	January – June 2022 (RMB0'000)
BJCA and its subsidiaries	Purchase of network security system and service	200.19	54.98
Xinlongfu Culture	Fees for property management	101.86	109.68
Capnet	Purchase of hardware and relevant service	42.48	–
BSAM	Purchase of hardware and relevant service	–	49.37

The prices of the Group's transactions with related parties are determined at market prices.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information on related party transactions (Continued)

(1) Information on related party purchases and sales (Continued)

② Sale of goods and provision of labour service

Related parties	Subjects of related party transactions	January – June 2023 (RMB0'000)	January – June 2022 (RMB0'000)
Capnet	Purchase of network system and relevant operation and maintenance service	471.70	235.85
Science Park Development	Provision of network system and relevant technical service	127.20	7.70
BSAM	Provision of network system and relevant technical service	91.17	306.83
Beijing SME Finance Re-guarantee	Provision of network system and relevant technical service	53.17	–
BJCA and its subsidiaries	Provision of network system and relevant technical service	50.24	95.85
BIDP	Provision of network system and relevant technical service	37.15	–

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS
(CONTINUED)

4. Information on related party transactions (Continued)

(1) Information on related party purchases and sales (Continued)

② Sale of goods and provision of labour service (Continued)

Related parties	Subjects of related party transactions	January – June 2023 (RMB0'000)	January – June 2022 (RMB0'000)
Beijing State-owned Financial Leasing	Provision of network system and relevant technical service	15.34	–
Beijing Industrial Development	Provision of network system and relevant technical service	13.88	–
Dynagreen Group	Provision of network system and relevant technical service	13.85	–
National Stadium	Provision of network system and relevant technical service	9.36	–
Guohua Wenke Finance Guarantee	Provision of network system and relevant technical service	8.39	–
Beijing Guotong Asset	Provision of network system and relevant technical service	5.84	–

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information on related party transactions (Continued)

(1) Information on related party purchases and sales (Continued)

② Sale of goods and provision of labour service (Continued)

Related parties	Subjects of related party transactions	January – June 2023 (RMB0'000)	January – June 2022 (RMB0'000)
Industrial Development	Provision of network system and relevant technical service	5.40	–
Beijing Equity Exchange	Provision of network security system and service	4.16	–
BeiAo Group	Provision of network system and relevant technical service	2.30	–
National Swimming Centre	Provision of network system and relevant technical service	2.14	–

The prices of the Group's transactions with related parties are determined at market prices.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information on related party transactions (Continued)

(2) Other related party transactions

Leasing

		Method of pricing and procedure for decision-making	January – June 2023 (RMB0'000)	January – June 2022 (RMB0'000)
Lessor	Subjects of related party transactions	in respect of related party transactions		
Xinlongfu Culture	Leasing of office	Based on prevailing market price	747.53	800.97

(3) Compensation of key management personnel

The short-term benefits paid or payable by the Group to the Directors of the Company and other key management personnel for the six months ended 30 June 2023 are approximately RMB2,422,222.00 (for the six months ended 30 June 2022: approximately RMB1,871,307.60).

The retirement benefits paid or payable by the Group to the Directors of the Company and other key management personnel for the six months ended 30 June 2023 are approximately RMB430,085.10 (for the six months ended 30 June 2022: approximately RMB167,632.92).

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information on related party transactions (Continued)

(3) Compensation of key management personnel (Continued)

Retirement benefit scheme: The employees of the Company and its subsidiaries participate in a fund operated by the government of the Mainland China and managed by the state. The Company and its subsidiaries calculate and contribute to the retirement fund in accordance with relevant laws and regulations. The local government of the Mainland China is responsible for paying all pensions to retired employees. No forfeited contributions (by employees who leave the scheme prior to vesting fully in such contributions) shall be used by the Company to reduce the existing contribution level.

(4) Loans to directors, legal entities controlled by these directors or entities connected to these directors

As at 30 June 2023, the Company did not provide loans to directors, legal entities controlled by these directors, or entities connected to such directors (as at 30 June 2022: 0).

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS
(CONTINUED)

5. Amounts receivable from and payable to related parties

(1) Amounts receivable from related parties

Names of subjects	Related parties	2023.6.30		2022.12.31	
		Balance in the account	Provision for bad debts	Balance in the account	Provision for bad debts
Accounts receivable	Changchun BeiHu Science Park	1,680,268.76	14,786.37	-	-
Accounts receivable	Kekong Land	1,602,116.48	106,540.75	2,160,489.41	21,604.89
Accounts receivable	International Trust	1,521,374.00	1,442,905.53	1,521,374.00	1,404,093.50
Accounts receivable	BJCA and its subsidiaries	694,000.00	6,107.20	50,884.00	8,881.00
Accounts receivable	Beijing Science Development	627,178.70	29,002.05	-	-
Accounts receivable	BSAM	360,047.16	8,175.31	-	-
Accounts receivable	BeiAo Group	285,593.50	41,755.63	230,538.50	23,053.85
Accounts receivable	BFAE	67,500.00	67,500.00	67,500.00	67,500.00
Accounts receivable	Industrial Development	62,843.60	16,168.60	13,047.37	12,894.54
Accounts receivable	Dynagreen Group	48,499.99	286.15	39,989.00	399.89
Accounts receivable	National Stadium	35,000.00	35,000.00	168,480.80	68,370.20
Accounts receivable	Beijing Guotong Asset	10,328.40	10,328.40	10,328.40	10,328.40

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Amounts receivable from and payable to related parties (Continued)

(1) Amounts receivable from related parties (Continued)

Names of subjects	Related parties	2023.6.30		2022.12.31	
		Balance in the account	Provision for bad debts	Balance in the account	Provision for bad debts
Accounts receivable	Beijing Industrial Development	3,311.32	796.37	62,100.00	15,525.00
Accounts receivable	Jiaxing Innovation Park	502.72	4.42	-	-
Accounts receivable	Guoyuan Sports & Culture	-	-	7,015.84	1,753.96
Accounts receivable	BIDP	-	-	3,600.00	900.00
Accounts receivable	Capnet	-	-	9,116,981.13	91,169.81
Prepayments	BJCA and its subsidiaries	2,254,232.15	-	1,473,794.65	-
Other receivables	Capnet	10,317,963.76	-	10,317,963.76	-
Other receivables	Xinlongfu Culture	5,524,889.58	-	5,524,889.58	-
Other receivables	BSAM	137,211.19	-	137,211.19	-
Other receivables	BXLE Property	130,354.00	-	130,354.00	-
Other receivables	Beijing Equity Exchange	5,798.13	-	5,798.13	-
Other receivables	BeiAo Group	-	-	400.00	-

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS
(CONTINUED)

5. Amounts receivable from and payable to related parties (Continued)

(2) Amounts payable to related parties

Names of subjects	Related parties	2023.6.30	2022.12.31
Amount payables	BJCA and its subsidiaries	6,950,733.38	9,367,651.96
Amount payables	Capnet	481,850.00	481,850.00
Amount payables	Software and Information Service Exchange	24,000.00	24,000.00
Contractual liabilities	BSAM	2,196,364.42	1,920,612.40
Contractual liabilities	Finance Re-guarantee	1,095,043.90	2,151,568.48
Contractual liabilities	Beijing Science Development	462,888.72	307,563.76
Contractual liabilities	BJCA and its subsidiaries	188,916.02	-
Contractual liabilities	BIDP	167,262.98	275,590.66
Contractual liabilities	Industrial Development	165,092.37	90,651.09
Contractual liabilities	Beike TEDA	92,729.97	373,246.45
Contractual liabilities	Guohua Wenke Finance Guarantee	66,996.68	70,754.72
Contractual liabilities	Artists Corporation	57,164.16	38,109.44
Contractual liabilities	Beijing State-owned Financial Leasing	38,718.12	198,883.95
Contractual liabilities	Beijing Guotong Asset	23,958.50	86,860.39
Contractual liabilities	BeiAo Group	23,041.51	67,033.02
Contractual liabilities	National Stadium	22,283.11	205,410.89

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Amounts receivable from and payable to related parties (Continued)

(2) Amounts payable to related parties (Continued)

Names of subjects	Related parties	2023.6.30	2022.12.31
Contractual liabilities	Beijing Equity Exchange	21,241.91	62,862.26
Contractual liabilities	Dynagreen Group	14,150.94	61,119.81
Contractual liabilities	Guoyuan Sports & Culture	12,245.43	3,141.51
Contractual liabilities	Beijing Industrial Development	-	139,095.75
Contractual liabilities	International Trust	-	81,645.01
Contractual liabilities	National Swimming Centre	-	21,423.11
Contractual liabilities	Beijing Huayu Energy Technology	-	10,566.04
Other payables	BSAM	12,000,000.00	12,000,000.00
Other payables	Capnet	4,987,337.32	4,438,555.89
Other payables	Beijing Science Development	84,000.00	84,000.00
Other payables	BJCA and its subsidiaries	19,000.00	-

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VII. COMMITMENTS AND CONTINGENCIES

1. Principal commitments

(1) Capital commitments

Capital commitments contracted but not yet confirmed in the financial statements	2023.6.30	2022.12.31
Commitment to acquisition and construction of long-term assets	–	–
– Contracted but not executed	26,629,820.19	17,088,947.31
– Authorised but not contracted	63,081,591.34	55,618,397.19
Total	89,711,411.53	72,707,344.50

(2) Other commitments

As of 30 June 2023, the Group had no other discloseable commitments.

2. Contingencies

As of 30 June 2023, save as disclosed in Note IX.2, the Group has no pending lawsuits, external guarantees and other contingencies that should be disclosed.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

VIII. EVENTS AFTER BALANCE SHEET DATE

As of 30 August 2023, the Group did not have any discloseable post-balance sheet date events.

IX. OTHER SIGNIFICANT EVENTS

1. Segment reporting

The Group does not have a variety of operations that have a significant impact on its operating results. At the same time, as the Group only operates in one geographical area, its revenue mainly comes from China, and its major assets are also located within China. Therefore, it's not necessary for the Group to disclose the segment data.

2. Progress of cases

On 21 July 2014, the Company entered into a share transfer agreement with Xiamen Ruitailong Investment Development Company Limited* (廈門銳泰隆投資發展有限公司) and other transferors (the "Former Shareholders") to acquire the equity interest of Rito Info. On the ground that the Former Shareholders were suspected of exaggeration of financial performance for the period under assessment, in order to protect the interests of the Company and its Shareholders, a new legal proceeding was instituted by the Company in the Beijing First Intermediate People's Court (北京市第一中級人民法院) on 3 April 2023, to seek legal action against the Former Shareholders according to law. At present, the case is still in the process of hearing.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

X. SUPPLEMENTARY INFORMATION

1. Earnings per share

Items	January – June 2023	January – June 2022
Consolidated net profit attributable to ordinary shareholders of the Company	37,065,219.81	34,249,022.09
Weighted average number of ordinary shares outstanding of the Company	2,898,086,091.00	2,898,086,091.00
Basic earnings per share	0.0128	0.0118

Note: As of 30 June 2023 to the date of approval of the financial report, there was no change in the number of ordinary shares outstanding of the Company.

(1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding.

NOTES TO THE FINANCIAL STATEMENTS

January to June 2023 (All amounts in RMB unless otherwise stated)

X. SUPPLEMENTARY INFORMATION (CONTINUED)**2. Dividends**

The Company approved a final dividend of RMB1.75 cents per share for the year ended 31 December 2022 (before tax) at the annual general meeting convened on 16 June 2023. Final dividend for 2022 approved during the year amounted to RMB50,716,506.59 (final dividend for 2021 approved during 2022: RMB0.29 cents per share (before tax), totaling RMB8,404,449.66).

Capinfo Company Limited

30 August 2023

DEFINITION

Abbreviation	Full Name
Group	the Company and its subsidiaries
Capinfo/the Company	Capinfo Company Limited
Capinfo Hong Kong	Capinfo (Hong Kong) Co., Ltd.
Capinfo Technology	Capinfo Technology Development Co., Ltd.*
Rito Info	Xiamen Rito Info Technology Co. Ltd.*
BST	Beijing Culture & Sports Technology Co., Ltd.*
BJCA	Beijing Certificate Authority Co., Ltd.*
Anxintianxing	Beijing Anxintianxing Science Co., Ltd.* (北京安信天行科技有限公司)
BSAM	Beijing State-owned Assets Management Co., Ltd.*
Capnet	Capnet Company Limited*
Capinfo Medical United	Capinfo Medical United Information Technology Company Limited*
Capinfo Cloud Technology	Capinfo Cloud Technology Co., Ltd.*
Parking Management	Beijing Parking Management Centre Co., Ltd.*
Xinlongfu Culture	Beijing Xinlongfu Cultural Investment Co., Ltd.* (北京新隆福文化投資有限公司)
Xinlongfu Property	Beijing Xinlongfu Property Management Co., Ltd.* (北京新隆福物業管理有限公司)
Grant Thornton	Grant Thornton LLP (special general partnership)
Companies Law	the Companies Law of the People's Republic of China
Articles of Association	the Articles of Association of Capinfo Company Limited
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
Securities and Futures Ordinance	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
Stock Exchange	The Stock Exchange of Hong Kong Limited
Reporting Period	the period from 1 January 2023 to 30 June 2023

* For identification purposes only

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