



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)

Interim Report 中期報告

2022



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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2022, China efficiently coordinated epidemic prevention and control and economic and social development, achieved positive effect on epidemic prevention and control, timely alleviated economic downturn with a gradual rebound in economy, continued its efforts in transformation and upgrade, strengthened livelihood security, maintained social stability and further promoted high-quality development. Capinfo adhered to the requirements of “epidemic prevention, economic stability and development security”, worked out a proper positioning in strengthening the development of the “Four Centers” and improving the standard of the “Four Services” of the capital, and attached equal importance to epidemic prevention and control and business development.

During the Reporting Period, with a focus on its annual operating targets and key tasks, the Group integrated Party building with operation, comprehensively adjusted the organizational structure, continuously increased R&D investment, and made effort on developing core products with market competitiveness, and successfully completed the service assurance tasks for the Winter Olympics and Paralympic Games and the 13th NCCCP in Beijing, and maintained stable operation of major systems, such as the government network, government cloud, medical insurance, provident fund, and 12345 hotline.

MANAGEMENT DISCUSSION AND ANALYSIS

One Core |

During the Reporting Period, the Group adhered to the core concept of “creating value for customers”, promoted the new business development of the “Two Platforms and Four Sectors” and accelerated the process for productization, and pressed on with brand building, which further improved the value of service. “Capinfo Connect (首信通)” was developed and launched in the sub-center of the city and applied to the office mobile terminal of state-owned enterprises, which effectively promoted the regional “smart park” construction. The Group developed “Yi An Xing (易安行)”, signed contracts with a number of corporate customers and achieved double breakthroughs in the market and field of self-developed products. The Group developed block chain products and applied to the directory block chain platform of Xicheng District, connected more than 120 interface data from nearly 20 business systems to the chain and generated more than 3 million data storage certificates.

Two Platforms |

During the Reporting Period, the integrated network platform operated smoothly with an availability rate of the backbone network of 99.99%, and provided government extranet services for nearly 16,000 units in the city, and wireless broadband and cluster scheduling services for nearly 20,000 1.4G private networks. The service capacity of Capinfo Cloud Platform continued to improve. The Group continuously expanded its customer base, developed the service markets for state-owned enterprise cloud and healthy cloud, and provided security services for nearly 150 government units and more than 600 systems in total.

MANAGEMENT DISCUSSION AND ANALYSIS

Four Sectors |

“Smart governmental service” supported the building of digital government. The personnel management business achieved new breakthroughs in the national market and won the bid for the national business statistics software project of the national archives. The Group signed contracts with 7 new important customers for the business, covering 40 ministries and commissions in 10 provinces. In terms of the business of immediate handling upon receipt of complaint, the Group expanded the market of government and enterprise and cooperated with Xicheng District, Changping District and BBMG Group. In terms of the business of provident fund, the Group expanded new operation market, achieved new results, and won the bid for the Beijing provident fund upgrading and transformation, operation services and government cloud leasing projects.

“Smart medical care” continued to play a role in benefiting the people. The medical insurance system maintained stable operation and provided effective support for the real-time settlement for more than 26 million insured persons. The Group steadily promoted the development of the new medical insurance platform processing system, and simultaneously promoted the development of personal account closure, medical assistance, major disease reimbursement, centralized payment for drug procurement, etc. There were nearly 90 hospitals on the commercial insurance settlement platform.

MANAGEMENT DISCUSSION AND ANALYSIS

“Smart governance” further developed the digital management system. The Group completed the revision of the digital Longfusi APP and launched it on various mainstream application markets to further enrich the experience of various user groups. The Group continued to promote the “Huitian Brain” project, through which Changping District commanded and coordinated flood control. IT application innovation project of the municipal SASAC passed the inspection.

“Smart enterprise” accelerated the digital transformation of state-owned enterprises. The Group acquired more than 200 new customers for enterprise cloud in total. Taking the opportunity from the municipal SASAC’s investor supervision information platform, the Group expanded the business of online management and control platform of state-owned enterprises, and achieved good results in the negotiation and cooperation on the “state-owned enterprise cloud” construction. The Group actively explored the development of business solutions for the digital transformation of state-owned enterprises, and accelerated the practical application on key users and projects such as Jilin Industry, Guangdong Tobacco, Guizhou Tobacco, etc.

MANAGEMENT DISCUSSION AND ANALYSIS

Human Resources

As of 30 June 2022, the Group had 1,833 employees. During the Period, the expense of the employees was approximately RMB221.02 million. During the Reporting Period, the Group adhered to the core concept of “creating value for customers”, encouraged product innovation and quality improvement, carried out reform in organizational structure, position system and resource allocation system, adjusted structure, controlled total volume, expanded talent introduction channels, established and improved “talent reserve” of the Company and stimulated the corporate endogenous power.

Looking Forward

In the second half of the year, the Group will seize the opportunities, face the challenges, keep an eye on the opportunities arising from the construction of a global digital economy benchmark city, serve the needs of the capital, and gather ecological forces. The Group will insist on innovation and empowerment, improve solution capacity building, and enhance business integration capability. The Group will strengthen communication and cooperation with upstream and downstream enterprises in the supply chain, integrate into the digital ecosystem, build a joint development model, and further enhance its ability to serve customers, and welcome the victory of the 20th National Congress with good performance.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30 June 2022, the Group recorded an operating revenue of RMB475.87 million, representing an increase of 11.35% as compared with the same period of last year; gross profit of RMB174.15 million, representing an increase of 10.74% as compared with the same period of last year; and profit attributable to owners of the Company of RMB34.25 million, representing an increase of 0.12% as compared with the same period of last year.

Other income of the Group amounted to RMB9.77 million, representing an increase of 10.51% over the corresponding period of last year, mainly attributable to the rental income of Digital Beijing Building, which accounted for 2.05% 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 RMB263.58 million, representing an increase of 3% as compared with the corresponding period of last year and accounting for 56.55% of the total operating revenue of the Group; revenue from data processing service amounted to RMB116.08 million, representing a decrease of 0.26% as compared with the corresponding period of last year and accounting for 24.90% of the total operating revenue of the Group; revenue from system integration amounted to RMB76.59 million, representing an increase of 87.70% as compared with the corresponding period of last year and accounting for 16.43% of the total operating revenue of the Group; revenue from information professional service amounted to RMB9.85 million, representing an increase of 81.47% as compared with the corresponding period of last year and accounting for 2.11% of the total operating revenue of the Group.

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 85.25% 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 96.60% of the total operating revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditure, Liquidity and Financial Resources

As of 30 June 2022, the Group had total assets amounting to RMB2,298.32 million, representing a decrease of 8.71% as compared with the corresponding period of last year. Equity attributable to owners of the Company amounted to RMB1,168.25 million, representing an increase of 0.88% as compared with the corresponding period of last year. The Group's current ratio, defined as total current assets over total current liabilities, was 1.54, which maintained at the same level as that of the corresponding period of last year. The gearing ratio (gearing ratio=interest-bearing borrowings (interest-bearing borrowings+total equity)) was 7.65%. For the six months ended 30 June 2022, the Group had no pledged assets.

Bank deposits, bank balance and cash of the Group amounted to RMB849.82 million (including long-term bank large denomination certificate of deposits and interest thereon of RMB101.32 million shown under other non-current assets), representing a decrease of 5.21% as compared with the corresponding period of last year. As of the end of the current period, no structured bank deposits were purchased.

Equity Investments

In the first half of 2022, the Group's share of results of associates was RMB0.23 million.

Income Tax

In the first half of 2022, the Group's income tax expenses amounted to RMB6.95 million, representing a decrease of RMB0.31 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.

CORPORATE GOVERNANCE

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. Zong Zhaoxing), five Non-executive Directors (Mr. Zhou Weihua, Mr. Shan Yuhu, Ms. Yan Yi, Ms. Liang Yi 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 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 and timely report of significant events at the special meetings of the Board, the Company also submits "Monthly Report" to the Directors every month, which contains industry information and latest developments of the Group, updating them on the business performance of the Company.

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 2022. 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.

CORPORATE GOVERNANCE

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 two video conference, and signed one meeting document in the form of circulation. The committee reviewed the Company's provision for impairment of goodwill for Rito Info for 2021, the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021, the internal audit report of the Company for the fourth quarter of 2021, appointment of Grant Thornton Hong Kong Limited as the auditor of the Company for 2022 and the audit report for 2021 and the plan for audit for 2022 of the Company, the operating performance and financial analysis of the Company and its subsidiaries for the first quarter ended 31 March 2022, the work plan of the audit committee of the Board of Directors of the Company for 2022, 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.

During the Reporting Period, the remuneration and appraisal committee signed one meeting document in the form of circulation, and considered the total wages for 2021, the remuneration of the senior management of the Company in 2021, the ordinary remuneration of senior management for 2022 and the work plan of remuneration and appraisal committee of the Board of Directors of the Company for 2022.

CORPORATE GOVERNANCE

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 one meeting document in the form of circulation to review the work plan of the nomination committee of the Board of Directors of the Company for 2022 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 two meeting documents in the form of circulation to review the "14th Five-Year" Strategic Development Plan of the Company and the work plan of the strategy committee of the Board of Directors of the Company for 2022.

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. Zong Zhaoxing and Mr. Gong Zhiqiang.

During the Reporting Period, the rule of law and compliance committee signed three meeting documents in the form of circulation to review the formulation of the Comprehensive Budget Management Regulations of the Company, the work report on the legal compliance of the Company for 2021, the work plan of the rule of law and compliance committee of the Board of Directors of the Company for 2022, revise the Administrative Regulation for Rules and Systems and publish the Basic System Catalogue and other proposals.

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. Yu Nan (chairman), Ms. Ma Xiaoping and Ms. Zhu Chenlan.

During the Reporting Period, the Board of Supervisors held two video conferences to review the Company's provision for impairment of goodwill for Rito Info for 2021, the audited consolidated financial report of the Company and its subsidiaries for the year ended 31 December 2021, the continuing connected transaction report and the Report of the Board of Supervisors for the year of 2021 and other proposals.

CORPORATE GOVERNANCE

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 2022, 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.

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Save as disclosed below, as at 30 June 2022, 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:

Name of Director	Number of shares	Nature of interests	Approximate percentage to the issued A shares
Mr. Zhang Yiqian	298,268	Beneficial owner	0.17%

Note: Beijing Certificate Authority Co., Ltd. increased its share capital on the basis of 5 shares for every 10 shares and completed business registration at the end of July 2022. The number of shares held by Mr. Zhang Yiqian increased from 298,268 shares to 447,402 shares, representing approximately 0.17% of the issued A shares.

CORPORATE GOVERNANCE

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 2022:

Name of shareholder	Number of shares	Nature of interests	Approximate percentage to the issued share capital
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 2022, 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 2022
Dispatch of interim report to shareholders	19 September 2022

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 16 September 2022

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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H shares
Hong Kong Registrars Limited

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REVIEW REPORT



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GTCSZ (2022) No. 110A024747

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 2022, the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for January to June 2022, 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 consolidated 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 as at 30 June 2022, and operating performance and cash flows for the period ended 30 June 2022.

Grant Thornton LLP
(Special General Partnership)

Certified Public
Accountant of China

Huang Zhibin

Certified Public
Accountant of China

Liu Yong

Beijing, China

30 August 2022

CONSOLIDATED BALANCE SHEET

30 June 2022

Prepared by: Capinfo Company Limited

Items	Notes	30 June 2022	31 December 2021
Current assets:			
Monetary fund	V.1	748,495,870.41	1,059,765,313.71
Held-for-trading financial assets		-	-
Derivative financial assets		-	-
Notes receivables		-	-
Accounts receivables	V.2	287,228,814.00	360,006,142.47
Financing receivables		3,520,255.80	3,520,255.80
Prepayments		163,929,900.40	114,030,504.63
Other receivables	V.3	74,189,118.68	67,822,877.72
Incl: Interest receivables		-	-
Dividend receivables		-	-
Inventories	V.4	297,692,076.87	227,464,816.77
Contractual assets	V.5	43,203,661.06	25,008,553.81
Held-for-sale assets		-	-
Non-current assets due within one year		-	-
Other current assets		11,293,565.15	10,054,291.65
Total current assets		1,629,553,262.37	1,867,672,756.56

CONSOLIDATED BALANCE SHEET

30 June 2022

Items	Notes	30 June 2022	31 December 2021
Non-current assets:			
Debt investments		–	–
Other debt investments		–	–
Long-term receivables		–	–
Long-term equity investments	V.6	222,464,864.01	226,772,589.63
Other equity instrument investments		–	–
Other non-current financial assets		19,000,000.00	15,800,000.00
Investment properties	V.7	24,758,418.08	26,568,705.44
Fixed assets	V.8	113,776,330.05	79,241,213.04
Right-of-use assets	V.9	45,114,138.27	53,270,250.94
Construction in progress		–	–
Productive biological assets		–	–
Oil and gas assets		–	–
Intangible assets	V.10	20,940,509.17	24,122,190.48
Development expenditures		41,632,346.66	3,934,153.91
Goodwill		–	–
Long-term deferred expenses		21,089,468.54	24,362,677.03
Deferred income tax assets		58,672,617.91	56,756,984.92
Other non-current assets	V.11	101,321,388.89	–
Total non-current assets		668,770,081.58	510,828,765.39
Total assets		2,298,323,343.95	2,378,501,521.95

CONSOLIDATED BALANCE SHEET

30 June 2022

Items	Notes	30 June 2022	31 December 2021
Current Liabilities:			
Short-term borrowings		-	-
Held-for-trading financial liabilities		-	-
Derivative financial liabilities		-	-
Notes payables		-	-
Account payables	V.12	233,848,975.40	297,220,073.28
Advances received		-	-
Contractual liabilities	V.13	368,379,143.14	342,152,923.04
Payroll payables		42,392,335.91	90,579,508.43
Tax payables		37,592,933.69	42,291,770.03
Other payables	V.14	290,161,538.14	303,456,376.88
Incl: Interest payables		-	-
Dividend payables		8,404,449.66	23,980,284.28
Liabilities held for sale		-	-
Non-current liabilities due within one year	V.15	86,766,293.73	82,823,908.16
Other current liabilities		-	-
Total current liabilities		1,059,141,220.01	1,158,524,559.82

CONSOLIDATED BALANCE SHEET

30 June 2022

Items	Notes	30 June 2022	31 December 2021
Non-current liabilities:			
Long-term borrowings		-	-
Bonds payables		-	-
Incl: Preferred shares		-	-
Perpetual debts		-	-
Lease liabilities	V.16	14,225,064.08	25,905,792.85
Long-term payables		-	-
Long-term payroll payables		-	-
Accrued liabilities		-	-
Deferred income		2,069,790.28	2,069,790.28
Deferred income tax liabilities		3,018,093.69	3,248,391.92
Other non-current liabilities		-	-
Total non-current liabilities		19,312,948.05	31,223,975.05
Total liabilities		1,078,454,168.06	1,189,748,534.87

CONSOLIDATED BALANCE SHEET

30 June 2022

Items	Notes	30 June 2022	31 December 2021
Shareholders' equity:			
Share capital	V.17	289,808,609.10	289,808,609.10
Other equity instruments		-	-
Incl: Preferred shares		-	-
Perpetual debts		-	-
Capital reserves	V.18	299,066,449.02	298,879,714.63
Less: Treasury stock		-	-
Other comprehensive income		-8,443,166.86	-8,443,166.86
Special reserves		-	-
Surplus reserves		118,524,908.97	118,524,908.97
Unallocated profits	V.19	469,293,805.25	443,449,232.82
Total equity attributable to owners of the parent		1,168,250,605.48	1,142,219,298.66
Minority interests		51,618,570.41	46,533,688.42
Total shareholders' equity		1,219,869,175.89	1,188,752,987.08
Total liabilities and shareholders' equity		2,298,323,343.95	2,378,501,521.95

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-June 2022

Prepared by: Capinfo Company Limited

Items	Notes	Amount for current period	Amount for last period
I. Total operating income	V.20	475,874,384.65	427,369,174.41
Less: Operating costs	V.20	301,723,993.36	270,114,393.35
Business tax and surcharges		2,779,990.85	1,707,272.73
Selling expenses		53,743,942.80	53,171,987.54
Administrative expenses		45,532,604.68	35,836,985.11
R&D expenses		32,633,782.63	30,185,614.61
Financial expenses		-10,623,589.93	-5,041,957.69
Incl: Interest expenses		1,213,431.11	1,638,695.12
Interest income		8,893,201.68	7,441,062.10
Add: Other income		1,061,491.74	642,730.14
Investment gain (loss is marked by "-")		227,933.09	2,180,820.19
Incl: Gain from investment in associates and joint ventures		227,933.09	362,518.82
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 "-")		-	-
Impairment losses of credit (loss is marked by "-")		-4,144,577.10	4,243,989.88
Impairment losses of assets (loss is marked by "-")		233,428.40	-3,256,327.48
Gain from disposal of assets (loss is marked by "-")		-	-128.51

CONSOLIDATED INCOME STATEMENT

January-June 2022

Items	Notes	Amount for current period	Amount for last period
II. Operating profit (loss is marked by "-")		47,461,936.39	45,205,962.98
Add: Non-operating income		9,056.42	33,687.57
Less: Non-operating expenses		1,189,450.52	1,379,361.23
III. Total profit (total loss is marked by "-")		46,281,542.29	43,860,289.32
Less: Income tax expenses	V.21	6,947,638.21	7,257,894.25
IV. Net profit (net loss is marked by "-")		39,333,904.08	36,602,395.07
(I) Items classified by attribution of ownership			
1. Net profit attributable to owners of the parent		34,249,022.09	34,208,609.55
2. Minority interests		5,084,881.99	2,393,785.52
(II) Items classified by continued operations			
1. Net profit from continued operations (net loss is marked by "-")		39,333,904.08	36,602,395.07
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, 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 risks		-	-
5. Other		-	-

CONSOLIDATED INCOME STATEMENT

January-June 2022

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		39,333,904.08	36,602,395.07
Total comprehensive income attributable to the owners of parent		34,249,022.09	34,208,609.55
Total comprehensive income attributable to the minority shareholders		5,084,881.99	2,393,785.52
VII. Earnings per share:			
(I) Basic earnings per share		0.0118	0.0118
(II) Diluted earnings per share		0.0118	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 2022

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		670,605,624.31	631,637,908.24
Tax refunds received		-	-
Cash received relating to other operating activities		19,740,106.25	23,364,291.27
Sub-total of cash inflows from operating activities		690,345,730.56	655,002,199.51
Cash paid for purchase of goods and engagement of labor services		452,077,659.55	459,514,007.11
Cash paid to and on behalf of employees		269,117,917.90	246,658,425.30
Payments of all types of taxes		22,185,207.75	32,123,445.09
Cash paid relating to other operating activities		9,779,261.23	27,595,721.47
Sub-total of cash outflows from operating activities		753,160,046.43	765,891,598.97
Net cash flows from operating activities		-62,814,315.87	-110,889,399.46
II. Cash flows from investing activities:			
Cash received from return of investment		-	-
Cash received from investment gain		4,722,393.10	6,540,694.47
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		-	192.00
Net cash received from disposal of subsidiaries and other operating units		-	-
Cash received relating to other investing activities		-	240,000,000.00
Sub-total of cash inflows from investing activities		4,722,393.10	246,540,886.47
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		101,477,397.89	30,866,394.95
Cash paid for investment		-	-
Net cash paid for acquisition of subsidiaries and other operating units		-	-
Cash paid relating to other investing activities		100,000,000.00	40,000,000.00
Sub-total of cash outflows from investing activities		201,477,397.89	70,866,394.95
Net cash flows from investing activities		-196,755,004.79	175,674,491.52

CONSOLIDATED CASH FLOW STATEMENT

January to June 2022

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		23,980,284.28	-
Cash paid relating to other financing activities		15,578,656.98	13,426,017.32
Sub-total of cash outflows from financing activities		39,558,941.26	13,426,017.32
Net cash flows from financing activities		-39,558,941.26	-13,426,017.32
IV. Effect of changes in exchange rate on cash and cash equivalents			
		3,006,334.55	-592,849.43
V. Net increase in cash and cash equivalents			
		-296,121,927.37	50,766,225.31
Add: Cash and cash equivalents at beginning of period		1,037,397,070.00	827,104,162.78
VI. Cash and cash equivalents at end of period			
		741,275,142.63	877,870,388.09

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 2022

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. Closing balance of last 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
II. Opening balance of current 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) Profits distribution	-	-	-	-	-8,404,449.66	-	-8,404,449.66
1. Distributions to shareholders	-	-	-	-	-8,404,449.66	-	-8,404,449.66
(III) Others	-	186,734.39	-	-	-	-	186,734.39
IV. Closing balance of current 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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January to June 2022

Items	Amount for last period							Total shareholders' equity
	Equity attributable to shareholders of the parent							
	Share capital	Capital reserves	Others comprehensive income	Surplus reserves	Unallocated profits	Minority interests		
I. Closing balance of last year	289,808,609.10	298,879,714.63	-8,443,166.86	110,088,861.18	490,920,537.69	62,583,034.49	1,243,802,354.42	
II. Opening balance of current year	289,808,609.10	298,844,478.82	-8,443,166.86	110,088,861.18	490,920,537.69	62,583,034.49	1,243,802,354.42	
III. Increase/decrease for current year ("-" for decrease)	-	35,235.81	-	-	-23,173,454.78	2,393,785.52	-20,744,433.45	
(I) Total comprehensive income					34,208,609.55	2,393,785.52	36,602,395.07	
(II) Profits distribution	-	-	-	-	-57,382,064.33	-	-57,382,064.33	
1. Distributions to shareholders					-57,382,064.33		-57,382,064.33	
(III) Others		35,235.81					35,235.81	
IV. Closing balance of current year	289,808,609.10	298,879,714.63	-8,443,166.86	110,088,861.18	467,747,082.91	64,976,820.01	1,223,057,920.97	

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

For January to June 2022 (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 unified 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. During the reporting period, the Company adjusted its organizational structure to form 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 14 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, Anhui branch, Hebei branch and Jilin branch.

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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 2022 at the 13th meeting of the eighth session of board of directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

I. COMPANY GENERAL INFORMATION (CONTINUED)

2. Scope of consolidation of the financial statements

During the period, there are aggregately 7 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.

II. PREPARATION BASIS FOR FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the “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 (“MOF”).

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.

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

II. PREPARATION BASIS FOR FINANCIAL STATEMENTS (CONTINUED)

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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Changes in Significant Accounting Policies

Nil.

(2) Changes in Significant Accounting Estimates

Nil.

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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	25
Capinfo Cloud Technology	15

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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 Value-added Tax Policies for Software Products (Cain Shui [2011] No. 100) promulgated by the Ministry of Finance and the State Administration of Taxation, Rito Info, a subsidiary of the Company, 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

For January to June 2022 (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, a subsidiary of the Company, has no payable tax profit during the year.

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

Parking Management, a subsidiary of the Company, was entitled to the national income tax concessions for micro and small enterprises for the year.

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS

1. Monetary fund

Items	2022.6.30	2021.12.31
Cash on hand	31,828.71	37,609.35
Bank deposits	722,056,620.07	1,032,310,919.55
Other monetary fund	26,407,421.63	27,416,784.81
Total	748,495,870.41	1,059,765,313.71
Incl: total overseas deposits	60,265,163.47	57,274,668.61

Note:

- (1) 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

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

2. Accounts receivables

(1) 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	2022.6.30	
	Amount	Percentage %
0 – 6 months	129,870,356.09	28.98
6 months – 1 year	100,290,913.65	22.38
1 – 2 years	85,132,996.74	19.00
2 – 3 years	31,077,135.90	6.94
Over 3 years	101,689,295.21	22.70
Total original value	448,060,697.59	100.00
Less: Bad debts provisions	160,831,883.59	--
Total net value	287,228,814.00	--

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

2. Accounts receivables (Continued)

(1) Accounts receivables analysed by aging (Continued)

Age	2021.12.31	
	Amount	Percentage %
0 – 6 months	259,686,848.87	50.26
6 months – 1 year	43,087,605.41	8.34
1 – 2 years	71,309,667.87	13.80
2 – 3 years	35,548,097.47	6.88
Over 3 years	107,061,229.34	20.72
Total original value	516,693,448.96	100.00
Less: Bad debts provisions	156,687,306.49	--
Total net value	360,006,142.47	--

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

3. Other receivables

Items	2022.6.30	2021.12.31
Other receivables	74,189,118.68	67,822,877.72

(1) Other receivables analysed by aging

2022.6.30		
Age	Amount	Percentage %
Within 1 year	11,693,575.05	15.59
1 – 2 years	17,958,745.06	23.94
2 – 3 years	4,537,170.15	6.05
Over 3 years	40,820,520.13	54.42
Total original value	75,010,010.39	100.00
Less: Bad debts provisions	820,891.71	--
Total net value	74,189,118.68	--

2021.12.31		
Age	Amount	Percentage %
Within 1 year	23,800,330.38	34.67
1 – 2 years	5,639,376.53	8.21
2 – 3 years	10,582,150.04	15.42
Over 3 years	28,621,912.48	41.70
Total original value	68,643,769.43	100.00
Less: Bad debts provisions	820,891.71	--
Total net value	67,822,877.72	--

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

3. Other receivables

(2) Other receivables disclosed by nature of payment

Items	2022.6.30	2021.12.31
Margin	43,136,805.45	34,145,015.39
Contingency provision	2,825,820.78	3,067,013.23
Current accounts and others	29,047,384.16	31,431,740.81
Total	75,010,010.39	68,643,769.43

4. Inventories

(1) Classification of inventories

Types of inventories	2022.6.30			2021.12.31		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Cost of contract performance	278,445,616.48	-	278,445,616.48	215,117,351.99	-	215,117,351.99
Finished products	19,246,460.39	-	19,246,460.39	12,347,464.78	-	12,347,464.78
Total	297,692,076.87	-	297,692,076.87	227,464,816.77	-	227,464,816.77

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

5. Contractual assets

Items	2022.6.30	2021.12.31
Contractual assets	44,155,795.62	26,204,080.91
Less: Provisions for the impairment of contractual assets	952,134.56	1,195,527.10
Subtotal	43,203,661.06	25,008,553.81
Less: Contractual assets presented under other non-current assets	-	-
Total	43,203,661.06	25,008,553.81

6. Long-term equity investments

Investee	2021.12.31	Increase/decrease during the period							2022.6.30	Impairment provisions as at 2022.6.30
		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		
Associates										
Beijing Certificate Authority Co., Ltd	223,893,438.92	-	- 1,286,044.20	-	186,734.39	4,722,393.10	-	-	220,643,824.41	-
Beijing Culture and Sports Technology Co., Ltd. (北京文化體育科技有限公司)	2,879,150.71	-	- 1,058,111.11	-	-	-	-	-	1,821,039.60	-
Chongqing Hongxin Haoyu Network Technology Co., Ltd. (重慶宏信瀚宇網絡技術有限公司)	3,862,753.24	-	-	-	-	-	-	-	3,862,753.24	3,862,753.24
Total	230,635,342.87	-	- 227,933.09	-	186,734.39	4,722,393.10	-	-	226,327,617.25	3,862,753.24

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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. 2021.12.31	74,320,626.80
2. Increment for the period	–
3. Decrement for the period	–
4. 2022.6.30	74,320,626.80
II. Accumulated depreciation and accumulated amortisation	
1. 2021.12.31	47,751,921.36
2. Increment for the period	
(1) Provision or amortisation	1,810,287.36
3. Decrement for the period	–
4. 2022.6.30	49,562,208.72
III. Provision for impairment	
1. 2021.12.31	–
2. Increment for the period	–
3. Decrement for the period	–
4. 2022.6.30	–
IV. Book value	
1. Book value as at 2022.6.30	24,758,418.08
2. Book value as at 2021.12.31	26,568,705.44

Note: Details of certificate of title to be obtained

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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	24,758,418.08	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	2022.6.30	2021.12.31
Fixed assets	113,776,330.05	79,241,213.04
Disposal of fixed assets	-	-
Total	113,776,330.05	79,241,213.04

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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. 2021.12.31	636,868,668.12	49,441,583.82	686,310,251.94
2. Increment for the period			
(1) Purchase	57,548,171.85	697,705.96	58,245,877.81
(2) Transferred from construction in progress	-	-	-
3. Decrement for the period			
(1) Disposal or write-off	-	-	-
(2) Other decrement	-	-	-
4. 2022.6.30	694,416,839.97	50,139,289.78	744,556,129.75
II. Accumulated depreciation			
1. 2021.12.31	564,869,088.74	42,199,950.16	607,069,038.90
2. Increment for the period			
(1) Provision	18,018,595.69	5,692,165.11	23,710,760.80
(2) Other increment	-	-	-
3. Decrement for the period			
(1) Disposal or write-off	-	-	-
(2) Other decrement	-	-	-
4. 2022.6.30	582,887,684.43	47,892,115.27	630,779,799.70

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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. 2021.12.31	-	-	-
2. Increment for the period	-	-	-
3. Decrement for the period	-	-	-
4. 2022.6.30	-	-	-
IV. Book value			
1. Book value as at 2022.6.30	111,529,155.54	2,247,174.51	113,776,330.05
2. Book value as at 2021.12.31	71,999,579.38	7,241,633.66	79,241,213.04

Note: The Group has no fixed assets which have been pledged or secured during the period.

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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. 2021.12.31	77,488,352.60
2. Increment for the period	
(1) Additional lease	6,691,709.54
(2) Remeasurement	-
3. Decrement for the period	-
(1) Lease termination	-
4. 2022.6.30	84,180,062.14
II. Accumulated depreciation	
1. 2021.12.31	24,218,101.66
2. Increment for the period	
(1) Provision	14,847,822.21
3. Decrement for the period	-
(1) Lease termination	-
4. 2022.6.30	39,065,923.87
III. Provision for impairment	
1. 2021.12.31	-
2. Increment for the period	-
3. Decrement for the period	-
4. 2022.6.30	-
IV. Book value	
1. Book value as at 2022.6.30	45,114,138.27
2. Book value as at 2021.12.31	53,270,250.94

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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 RMB3,507,113.44 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 RMB23,907,068.87.

10. Intangible assets

Items	Software	Customer relationship	Total
I. Original book value			
1. 2021.12.31	205,065,149.13	2,328,003.18	207,393,152.31
2. Increment for the period			
(1) Purchase	5,420,937.94	–	5,420,937.94
(2) Internal R & D	–	–	–
3. Decrement for the period			
(1) Disposal	–	–	–
(2) Other decrement	–	–	–
4. 2022.6.30	210,486,087.07	2,328,003.18	212,814,090.25

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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. 2021.12.31	180,942,958.65	2,328,003.18	183,270,961.83
2. Increment for the period			
(1) Provision	8,602,619.25	-	8,602,619.25
(2) Other increment	-	-	-
3. Decrement for the period			
(1) Disposal	-	-	-
(2) Other decrement	-	-	-
4. 2022.6.30	189,545,577.90	2,328,003.18	191,873,581.08
III. Provision for impairment			
1. 2021.12.31	-	-	-
2. Increment for the period			
	-	-	-
3. Decrement for the period			
	-	-	-
4. 2022.6.30	-	-	-
IV. Book value			
1. Book value as at 2022.6.30	20,940,509.17	-	20,940,509.17
2. Book value as at 2021.12.31	24,122,190.48	-	24,122,190.48

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

11. Other non-current assets

<u>Items</u>	<u>2022.6.30</u>	<u>2021.12.31</u>
Term deposits	101,321,388.89	–

Note: The term deposits included accrued interest of RMB1,321,388.89 not yet due.

12. Other payables

(1) Accounts payables disclosed by types

<u>Items</u>	<u>2022.6.30</u>	<u>2021.12.31</u>
Payment for goods	233,848,975.40	297,220,073.28

(2) Accounts payables disclosed by aging

<u>Items</u>	<u>2022.6.30</u>	<u>2021.12.31</u>
Within 1 year	34,555,311.65	148,568,086.71
1-2 years	73,251,880.09	90,165,759.43
2-3 years	77,652,899.10	22,926,772.66
Over 3 years	48,388,884.56	35,559,454.48
Total	233,848,975.40	297,220,073.28

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

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

13. Contractual liabilities

Items	2022.6.30	2021.12.31
Project receipt	368,379,143.14	342,152,923.04

Note: Contractual liabilities at the beginning of the year of 2022 was RMB342,152,923.04, of which, RMB122,601,831.91 were recognised in January to June 2022.

14. Other payables

Items	2022.6.30	2021.12.31
Dividend payables	8,404,449.66	23,980,284.28
Other payables	281,757,088.48	279,476,092.60
Total	290,161,538.14	303,456,376.88

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

14. Other payables (Continued)

(1) Dividend payables

Items	2022.6.30	2021.12.31
Dividends for ordinary shares	8,404,449.66	23,980,284.28

(2) Other payables

Items	2022.6.30	2021.12.31
Project bills payable	228,727,957.86	237,999,804.29
Current account	26,788,097.95	18,941,638.90
Non-operating current accounts of related parties	12,000,000.00	12,000,000.00
Margin and deposits, quality guarantee deposit	7,214,275.19	6,017,431.63
Others	7,026,757.48	4,517,217.78
Total	281,757,088.48	279,476,092.60

Of which, important other payables aged over 1 year

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

14. Other payables (Continued)

(2) Other payables

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	9,536,025.27	Settlement conditions are unsatisfied
GDS Holdings Ltd	2,935,778.12	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	26,811,803.39	—

15. Non-current liabilities due within one year

Items	2022.6.30	2021.12.31
Lease liabilities due within one year	31,054,991.35	28,191,967.01
Long-term payables due within one year	55,711,302.38	54,631,941.15
Total	86,766,293.73	82,823,908.16

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

15. Non-current liabilities due within one year (Continued)

(1) Lease liabilities due within one year

Items	2022.6.30	2021.12.31
Lease liabilities due within one year	31,054,991.35	28,191,967.01

(2) Long-term payables due within one year

Items	2022.6.30	2021.12.31
Contingent consideration of Rito Info	55,711,302.38	54,631,941.15

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

16. Lease liabilities

Items	2022.6.30	2021.12.31
Original value of lease payables	46,873,221.60	56,904,357.14
Interest adjustment for lease payments	1,593,166.17	2,806,597.28
Net value of lease payables	45,280,055.43	54,097,759.86
Less: Lease liabilities due within one year	31,054,991.35	28,191,967.01
Total	14,225,064.08	25,905,792.85

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 RMB1,213,431.11.

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS
(CONTINUED)

17. Share capital (unit: ten thousand shares)

Items	2021.12.31	2021.12.31				Sub total	2022.6.30
		New shares issued	Stock dividend	Reserve to shares	Others		
Total shares	289,808.61	-	-	-	-	-	289,808.61

18. Capital reserves

Items	2021.12.31	Increase for the period	Decrease for the period	2022.6.30
Share capital premium	259,229,641.55	-	-	259,229,641.55
Other capital reserves	39,650,073.08	186,734.39	-	39,836,807.47
Total	298,879,714.63	186,734.39	-	299,066,449.02

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

19. Unallocated profits

Items	Amount
Unallocated profits at the end of last period before adjustment	443,449,232.82
Total amount of adjustment for unallocated profits at the beginning of period ("+" for plus; "-" for less)	-
Unallocated profits at the beginning of period after adjustment	443,449,232.82
Add: Net profit attributable to shareholders during the period	34,249,022.09
Less: Dividend payable on ordinary shares	8,404,449.66
Unallocated profits at the end of period	469,293,805.25

Notes:

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

For January to June 2022 (All amounts in RMB unless otherwise stated)

V. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ITEMS (CONTINUED)

20. Operating income and operating cost

Items	January – June 2022		January – June 2021	
	Income	Cost	Income	Cost
Main businesses	466,098,028.24	299,776,002.00	418,522,521.60	268,262,719.00
Other businesses	9,776,356.41	1,947,991.36	8,846,652.81	1,851,674.35
Total	475,874,384.65	301,723,993.36	427,369,174.41	270,114,393.35

(1) Main businesses (sub-businesses)

Name of business	January – June 2022		January – June 2021	
	Operating income	Operating cost	Operating income	Operating cost
Software development and service	263,581,256.69	161,005,375.42	255,906,099.82	158,378,635.47
System integration	76,592,117.74	57,110,486.94	40,805,412.58	30,046,185.44
Data processing service	116,075,320.02	76,666,692.19	116,383,455.60	77,104,039.34
Information professional service	9,849,333.79	4,993,447.45	5,427,553.60	2,733,858.75
Total	466,098,028.24	299,776,002.00	418,522,521.60	268,262,719.00

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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 2022		January – June 2021	
	Operating income	Operating cost	Operating income	Operating cost
Rental from investment property	9,776,356.41	1,947,991.36	8,846,652.81	1,851,674.35

(3) Timing of revenue recognition

Revenue recognition method	January – June 2022
At a certain point of time	95,339,789.93
Over a period of time	370,758,238.31
Total	466,098,028.24

21. Income tax expense

Items	January – June 2022	January – June 2021
Current income tax calculated in accordance with the tax law and relevant provisions	10,198,363.92	18,344,066.88
Deferred income tax expense	-3,250,725.71	-11,086,172.63
Total	6,947,638.21	7,257,894.25

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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.

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

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
Beijing Culture & Sports Technology Co., Ltd. (hereinafter referred to as BST)	associate

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

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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 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 Huayu Energy Technology Holdings Co., Ltd. (hereinafter referred to as Beijing Huayu Energy Technology)	The same ultimate controlling party
Beijing IC Design Park 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
Beijing Crystal Digital Co., Ltd. (hereinafter referred to as Beijing Crystal Digital)	The same ultimate controlling party
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

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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
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
Beijing BeiAo Group Co., Ltd. (hereinafter referred to as BeiAo Group)	The same ultimate controlling party
Beijing International Trust Co., Ltd. (hereinafter referred to as Beijing International Trust)	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

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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 Jizhi Future Artificial Intelligence Industry Innovation Base Co., Ltd. (hereinafter referred to as Jizhi Intelligence)	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 Jinguosheng Investment Fund (Limited Partnership) (hereinafter referred to as Jinguosheng Investment)	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
Beijing Bird's Nest Culture Creative Co., Ltd. (hereinafter referred to as Bird's Nest Culture)	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

For January to June 2022 (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 2022 (RMB ten thousand)	January – June 2021 (RMB ten thousand)
BJCA and its subsidiaries	Purchase of network security system and service	54.98	100.03
BSAM	Purchase of hardware and relevant service	49.37	–
Capnet	Purchase of hardware and relevant service	–	622.68
Xinlongfu Culture	Fees for property management	–	109.68
Software and Information Service Exchange	Purchase of hardware and relevant service	–	0.19

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

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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 labor service

Related parties	Subjects of connected transactions	January – June 2022 (RMB ten thousand)	January – June 2021 (RMB ten thousand)
BSAM	Provision of network system and relevant technical service	306.83	38.49
Capnet	Purchase of network system and relevant operation and maintenance service	235.85	533.02
BJCA and its subsidiaries	Provision of network system and relevant technical service	95.85	11.45
Science Park Development	Provision of network system and relevant technical service	7.70	8.15
National Stadium	Provision of network system and relevant technical service	–	18.36
Beijing International Trust	Provision of network system and relevant technical service	–	13.84
National Swimming Centre	Provision of network system and relevant technical service	–	2.23
Equity Exchange	Provision of network security system and service	–	2.10

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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 labor service (Continued)

Related parties	Subjects of connected transactions	January – June 2022 (RMB ten thousand)	January – June 2021 (RMB ten thousand)
Guohua Wenke Finance Guarantee	Provision of network system and relevant technical service	-	1.57
Dynagreen Group	Provision of network system and relevant technical service	-	0.92
Beijing Guotong Asset	Provision of network system and relevant technical service	-	0.63
Industrial Development	Provision of network system and relevant technical service	-	0.50
BIDP	Provision of network system and relevant technical service	-	0.30

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

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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

Lessor	Subjects of related party transactions	Method of pricing and procedure for decision-making in respect of related party transactions	January - June 2022 (RMB ten thousand)	January - June 2021 (RMB ten thousand)
Xinlongfu Culture	Leasing of office	Based on prevailing market price	869.99	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 2022 are approximately RMB1,871,307.60 (for the six months ended 30 June 2021: approximately RMB1,959,919.34).

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 2022 are approximately RMB167,632.92 (for the six months ended 30 June 2021: approximately RMB159,564.60).

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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 2022, the Company did not provide loans to directors, legal entities controlled by these directors, or entities connected to such directors (as at 30 June 2021: 0).

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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	2022.6.30		2021.12.31	
		Balance in the account	Provision for bad debts	Balance in the account	Provision for bad debts
Accounts receivable	BSAM	3,391,796.21	161,133.63	505,456.58	23,030.26
Accounts receivable	BJCA and its subsidiaries	2,295,000.00	229,500.00	-	-
Accounts receivable	Beijing International Trust	156,374.00	39,093.50	1,521,374.00	1,380,637.40
Accounts receivable	National Stadium	368,702.00	97,569.13	368,702.00	55,856.38
Accounts receivable	BeiAo Group	230,538.50	35,134.63	230,538.50	9,553.85
Accounts receivable	BFAE	67,500.00	67,500.00	67,500.00	67,500.00
Accounts receivable	Beijing Huayu Energy Technology	27,150.00	27,150.00	27,150.00	27,150.00
Accounts receivable	Industrial Development	12,843.60	12,843.60	16,443.60	12,879.60
Accounts receivable	Beijing Guotong Asset	10,328.40	10,328.40	10,328.40	10,328.40
Accounts receivable	Guoyuan Sports & Culture	7,015.84	856.00	3,600.00	36.00
Accounts receivable	Jizhi Intelligence	3,600.00	4.58	-	-
Accounts receivable	Xinlongfu Culture	3,600.00	4.58	3,600.00	36.00
Accounts receivable	Beijing Industrial Development	3,515.09	35.15	62,100.00	621.00
Accounts receivable	Capnet	-	-	16,200,000.00	1,674,000.00

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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	2022.6.30		2021.12.31	
		Balance in the account	Provision for bad debts	Balance in the account	Provision for bad debts
Accounts receivable	BIDP	-	-	3,600.00	36.00
Prepayments	Xinlongfu Culture	1,648,861.01	-	-	-
Prepayments	Xinlongfu Property	136,957.54	-	136,957.54	-
Prepayments	Bird's Nest Culture	1,448.00	-	5,000.00	-
Prepayments	Capnet	150.00	-	-	-
Prepayments	BJCA and its subsidiaries	-	-	4,399,415.65	-
Other receivables	Capnet	10,317,963.76	-	10,315,813.61	-
Other receivables	Xinlongfu Culture	5,018,464.29	-	5,018,464.29	-
Other receivables	BSAM	305,999.51	-	100,000.00	-
Other receivables	BST	190,780.86	-	190,178.06	-
Other receivables	Xinlongfu Property	130,354.00	-	148,051.66	-
Other receivables	Software and Information Service Exchange	68,127.00	-	-	-
Other receivables	Equity Exchange	5,798.13	-	5,798.13	-
Other receivables	BeiAo Group	400.00	-	400.00	-

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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	2022.6.30	2021.12.31
Amount payables	BJCA and its subsidiaries	6,689,951.50	8,076,876.43
Amount payables	Capnet	481,400.00	481,400.00
Amount payables	Software and Information Service Exchange	24,000.00	24,000.00
Contractual liabilities	Xinlongfu Culture	2,173,036.32	3,396.23
Contractual liabilities	BSAM	965,739.43	942,736.83
Contractual liabilities	Finance Re-guarantee	497,725.55	365,339.23
Contractual liabilities	Industrial Development	356,348.13	356,348.13
Contractual liabilities	Kekong Land	295,287.01	-
Contractual liabilities	Beike TEDA	260,377.36	-
Contractual liabilities	Beijing Industrial Development	161,320.38	90,751.89
Contractual liabilities	BST	130,179.03	130,179.03
Contractual liabilities	Beijing International Trust	81,645.01	81,645.01
Contractual liabilities	Science Park Development	81,318.11	-
Contractual liabilities	BJCA and its subsidiaries	74,692.45	-
Contractual liabilities	Guohua Wenke Finance Guarantee	70,754.72	-
Contractual liabilities	BeiAo Group	67,033.02	67,033.02
Contractual liabilities	Equity Exchange	62,862.26	62,862.26

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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	2022.6.30	2021.12.31
Contractual liabilities	Beijing Guotong Asset	53,188.69	18,866.04
Contractual liabilities	Artists Corporation	38,109.44	19,054.72
Contractual liabilities	Beijing State-owned Financial Leasing	29,072.63	17,932.54
Contractual liabilities	Beijing Crystal Digital	24,147.16	24,147.16
Contractual liabilities	Jizhi Intelligence	13,705.66	-
Contractual liabilities	Beijing Huayu Energy Technology	10,566.04	10,566.04
Contractual liabilities	Dynagreen Group	9,243.40	9,243.40
Contractual liabilities	National Stadium	5,189.69	5,189.69
Contractual liabilities	Guoyuan Sports & Culture	3,141.51	3,141.51
Contractual liabilities	Beike TEDA	-	43,396.23
Contractual liabilities	BIDP	-	13,705.66
Other payables	Capnet	13,499,867.00	11,405,984.75
Other payables	BSAM	12,000,000.00	12,000,000.00
Other payables	Science Park Development	84,000.00	84,000.00
Other payables	BJCA and its subsidiaries	38,000.01	-
Other payables	BST	2,240.00	2,240.00

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (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	2022.6.30	2021.12.31
Commitment to acquisition and construction of long-term assets	-	-
- Contracted but not executed	15,128,145.83	13,406,796.55
- Authorized but not contracted	72,706,434.56	49,417,929.57
Total	87,834,580.39	62,824,726.12

(2) Other commitments

As of 30 June 2022, the Group had no other discloseable commitments.

2. Contingencies

As of 30 June 2022, 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

For January to June 2022 (All amounts in RMB unless otherwise stated)

VIII. EVENTS AFTER BALANCE SHEET DATE

As of 30 August 2022, the Group did not have other 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 the ground of suspected contract fraud by the former shareholders of an acquired company, Rito Info, in order to protect the interest of the Company's shareholders, the Company reported the case to the Haidian Branch of the Beijing Public Security Bureau on 5 June 2018. On 6 August 2018, the Company received the Case Filing Notice issued by the Haidian Branch of the Beijing Public Security Bureau. On 24 August 2018, an announcement was published by the Company in this regard. As of the date of approval of the report, the case is still under investigation.

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

X. SUPPLEMENTARY INFORMATION

1. Earnings per share

Items	January – June 2022	January – June 2021
Consolidated net profit attributable to ordinary shareholders of the Company	34,249,022.09	34,208,609.55
Weighted average number of ordinary shares outstanding of the Company	2,898,086,091.00	2,898,086,091.00
Basic earnings per share	0.0118	0.0118
Diluted earnings per share	0.0118	0.0118

Note: As of 30 June 2022 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.

(2) Diluted earnings per share

The diluted earnings per share are the same as the basic earnings per share, because the Company did not have any potential dilutive ordinary shares during the period.

NOTES TO THE FINANCIAL STATEMENTS

For January to June 2022 (All amounts in RMB unless otherwise stated)

X. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Dividends

The Company approved a final dividend of RMB0.29 cents per share for the year ended 31 December 2021 (before tax) at the annual general meeting convened on 17 June 2022. Final dividend for 2021 approved during the year amounted to RMB8,404,449.66 (final dividend for 2020 approved during 2021: RMB1.98 cents per share (before tax), totaling RMB57,382,104.60).

Capinfo Company Limited
30 August 2022

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 2022 to 30 June 2022

* For identification purposes only

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