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CAPINFO COMPANY LIMITED*
首都信息發展股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1075)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2022

FINANCIAL SUMMARY OF THE GROUP

- During the current interim period, revenue increased by 11.35% to RMB475.87 million as compared with the same period of last year.
- Profit attributable to owners of the Company increased by 0.12% to RMB34.25 million as compared with the same period of last year.
- Basic earnings per share was RMB1.18 cents.
- The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (same period of 2021: Nil).

The board of directors (the “**Board**”) of Capinfo Company Limited (the “**Company**”) is pleased to announce the interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2022.

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET

30 June 2022

Prepared by: Capinfo Company Limited

Unit: RMB

Items	Notes	30 June 2022	31 December 2021
Current assets:			
Monetary fund		748,495,870.41	1,059,765,313.71
Held-for-trading financial assets		-	-
Derivative financial assets		-	-
Notes receivables		-	-
Accounts receivables	6	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		74,189,118.68	67,822,877.72
Incl: Interest receivables		-	-
Dividend receivables		-	-
Inventories		297,692,076.87	227,464,816.77
Contractual assets	7	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
Non-current assets:			
Debt investments		-	-
Other debt investments		-	-
Long-term receivables		-	-
Long-term equity investments		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		24,758,418.08	26,568,705.44
Fixed assets		113,776,330.05	79,241,213.04
Right-of-use assets		45,114,138.27	53,270,250.94
Construction in progress		-	-
Productive biological assets		-	-
Oil and gas assets		-	-
Intangible assets		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		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
Current Liabilities:			
Short-term borrowings		-	-
Held-for-trading financial liabilities		-	-
Derivative financial liabilities		-	-

Items	Notes	30 June 2022	31 December 2021
Notes payables		-	-
Account payables	8	233,848,975.40	297,220,073.28
Advances received		-	-
Contractual liabilities	9	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		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		86,766,293.73	82,823,908.16
Other current liabilities		-	-
Total current liabilities		<u>1,059,141,220.01</u>	<u>1,158,524,559.82</u>
Non-current liabilities:			
Long-term borrowings		-	-
Bonds payables		-	-
Incl: Preferred shares		-	-
Perpetual debts		-	-
Lease liabilities		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		<u>19,312,948.05</u>	<u>31,223,975.05</u>
Total liabilities		<u>1,078,454,168.06</u>	<u>1,189,748,534.87</u>
Shareholders' equity:			
Share capital		289,808,609.10	289,808,609.10
Other equity instruments		-	-
Incl: Preferred shares		-	-
Perpetual debts		-	-
Capital reserves		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	10	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		<u>1,219,869,175.89</u>	<u>1,188,752,987.08</u>
Total liabilities and shareholders' equity		<u><u>2,298,323,343.95</u></u>	<u><u>2,378,501,521.95</u></u>

CONSOLIDATED INCOME STATEMENTS

January-June 2022

Prepared by: Capinfo Company Limited

Unit: RMB

Items	Notes	Amount for current period	Amount for last period
I. Total operating income	11	475,874,384.65	427,369,174.41
Less: Operating costs	11	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
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	12	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 “-”)		—	—

Items	<i>Notes</i>	Amount for current period	Amount for last period
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		-	-
1. Fair value changes of other equity investments		-	-
(II) Other comprehensive income to be reclassified to profits and loss		-	-
1. Other comprehensive income to be reclassified into the profit or loss under the equity method		-	-
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	<i>13</i>	0.0118	0.0118
(II) Diluted earnings per share	<i>13</i>	0.0118	0.0118

1. COMPANY PROFILE

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

The Company has established the corporate governance structure consisting of the General Meeting, Party Committee, Board of Directors and Supervisory Committee. 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.

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.)

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.

2. PREPARATION BASIS FOR FINANCIAL STATEMENTS

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

The financial statements are presented on a going concern basis.

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

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

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Changes in Significant Accounting Policies

Nil.

(2) Changes in Significant Accounting Estimates

Nil.

4. 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.

5. 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

(2) Tax preference and approvals

(1) *Value-added tax*

In accordance with the requirements of the Notice of Valued-added Tax Policies for Software Products (Cai Shui [2011] No. 100) promulgated by the Ministry of Finance and the State Administration of Taxation, Rito Info, 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.

(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 reporting period.

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 during the reporting period.

6. ACCOUNTS RECEIVABLES

(1) Accounts receivables analysed by aging

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
Subtotal	<u>448,060,697.59</u>	<u>100.00</u>
Less: Bad debts provisions	<u>160,831,883.59</u>	
Total	<u><u>287,228,814.00</u></u>	

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	<u>107,061,229.34</u>	<u>20.72</u>
Subtotal	<u>516,693,448.96</u>	<u>100.00</u>
Less: Bad debts provisions	<u>156,687,306.49</u>	
Total	<u><u>360,006,142.47</u></u>	

7. 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	<u>952,134.56</u>	<u>1,195,527.10</u>
Subtotal	43,203,661.06	25,008,553.81
Less: Contractual assets presented under other non-current assets	<u>—</u>	<u>—</u>
Total	<u><u>43,203,661.06</u></u>	<u><u>25,008,553.81</u></u>

8. ACCOUNTS PAYABLES

(1) Accounts payables disclosed by types

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

(2) Accounts payables disclosed by aging

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

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

9. CONTRACTUAL LIABILITIES

Items	2022.6.30	2021.12.31
Project receipt	<u>368,379,143.14</u>	<u>342,152,923.04</u>

10. 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: Withdrawal of statutory surplus reserves	–
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.

11. 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 business	<u>9,776,356.41</u>	<u>1,947,991.36</u>	<u>8,846,652.81</u>	<u>1,851,674.35</u>

(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	<u>9,849,333.79</u>	<u>4,993,447.45</u>	<u>5,427,553.60</u>	<u>2,733,858.75</u>
Total	<u>466,098,028.24</u>	<u>299,776,002.00</u>	<u>418,522,521.60</u>	<u>268,262,719.00</u>

(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	<u>9,776,356.41</u>	<u>1,947,991.36</u>	<u>8,846,652.81</u>	<u>1,851,674.35</u>

(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	<u>370,758,238.31</u>
Total	<u>466,098,028.24</u>

12. 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	<u>-3,250,725.71</u>	<u>-11,086,172.63</u>
Total	<u>6,947,638.21</u>	<u>7,257,894.25</u>

13. 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	<u>2,898,086,091.00</u>	<u>2,898,086,091</u>
Basic earnings per share	<u>0.0118</u>	<u>0.0118</u>
Diluted earnings per share	<u>0.0118</u>	<u>0.0118</u>

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.

14. DIVIDEND

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).

15. OTHER IMPORTANT MATTERS

On the ground of suspected contract fraud by the former shareholders of an acquired company, 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 this announcement, the case is still under investigation.

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.

One Core | 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.

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.

“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.

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.

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.

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. 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.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Having made specific enquiry with the Directors and supervisors, all the Directors and supervisors confirmed that they have complied with the required standard as set out in the Company's Code of Securities Transactions and the Model Code of the Stock Exchange throughout the six months ended 30 June 2022.

AUDIT COMMITTEE

The audit committee has discussed auditing, internal control, risk management and financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2022 with the senior management of the Company. The committee is of the view that the financial statements were prepared in accordance with applicable accounting policies, the Listing Rules and other applicable legal requirements.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2022.

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

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board of
CAPINFO COMPANY LIMITED*
YU Donghui
Chairman

Beijing, the People's Republic of China
30 August 2022

As of the date of this announcement, the executive directors of the Company are Mr. Yu Donghui, Mr. Zhang Yiqian and Mr. Zong Zhaoxing; the non-executive directors of the Company are Mr. Zhou Weihua, Mr. Shan Yuhu, Mr. Feng Jianxun, Ms. Yan Yi and Ms. Liang Yi; and the independent non-executive directors of the Company are Mr. Gong Zhiqiang, Mr. Cheung, Wai Hung Boswell, Mr. Yang Xiaohui and Mr. Su Zhongxing.

* *For identification purpose only*