



上海聲通信息科技股份有限公司  
Shanghai Voicecomm Information Technology Co., Ltd.\*

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 2495



2024 INTERIM  
REPORT

\* For Identification Purpose Only

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# DEFINITIONS

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

“AI”	artificial intelligence
“Articles of Association”	the articles of association of the Company
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	our board of Directors
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, for the purposes of this report only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Company”, “our Company”, or “the Company”	Shanghai Voicomm Information Technology Co., Ltd.* (上海聲通信息科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on May 7, 2015 and the H Shares of which are listed on the Main Board of the Stock Exchange on July 10, 2024 (Stock Code: 2495), or, where the context requires (as the case may be), its predecessor with the same English name (上海聲通信息科技有限公司), a limited liability company established in the PRC on December 5, 2005
“Concert Parties”	refer to Mr. Tang, Mr. Sun and Jiangfan Technology, and “Concert Party” means any one of them
“Concert Party Agreement”	the concert party agreement dated March 20, 2021 entered into by Mr. Tang, Mr. Sun and Jiangfan Technology, pursuant to which the parties agreed, inter alia, that they shall act in concert with respect to, inter alia, operation and business development related matters of the Company which are subject to approval in general meetings or board meetings of the Company since the date of the agreement and up until they cease to hold any shares of the Company
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and in the context of this report, refers to the controlling shareholders of our Company, being the Concert Parties, Ms. Xu, Voicomm Rongzhi, Jiageng Culture, Jiangcheng Asset Management, Mr. Yang and Mr. Jiang Haisheng (姜海生)
“Director(s)”	the director(s) of our Company or any one of them
“Global Offering”	the global offering of the H Shares in connection with the Listing

## DEFINITIONS

“Group”, “our Group”, “our”, “we”, or “us”	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“ICV(s)”	intelligent connected vehicle(s)
“IFRS”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by International Accounting Standards Board (IASB) and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
“INED(s)”	independent non-executive Director(s)
“Jiageng Culture”	Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), a limited liability company established under the laws of PRC and is wholly owned by Mr. Sun Qi. It is one of our Controlling Shareholders
“Jiangcheng Asset Management”	Shanghai Jiangcheng Asset Management Co., Ltd. (上海江程資產管理有限公司), a limited liability company established under the laws of PRC and is held as to 60% by Mr. Yang and 40% by Mr. Jiang Haisheng (姜海生). It is one of our Controlling Shareholders
“Jiangfan Technology”	Shanghai Jiangfan Technology Development Co., Ltd. (上海江泛科技發展有限公司), a limited liability company established under the laws of PRC and is wholly-owned by Shanghai Jiangcheng Asset Management Co., Ltd. (上海江程資產管理有限公司), which is in turn held as to 60% by Mr. Yang and 40% by Mr. Jiang Haisheng (姜海生). It is one of our Controlling Shareholders

# DEFINITIONS

“Jinxun Digital Intelligence”	Xian Jinxun Digital Intelligence Information Technology Co., Ltd. (西安金訊數智信息技術有限公司), a limited liability company established under the laws of PRC, being a non-wholly-owned subsidiary of our Company
“Latest Practicable Date”	September 10, 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this report prior to its publication
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	July 10, 2024, on which the H Shares were listed and dealings in the H Shares first commenced on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Mr. Sun”	Mr. Sun Qi (孫琪), the general manager of our Company, an executive Director and one of our Controlling Shareholders
“Mr. Tang”	Mr. Tang Jinghua (湯敬華), the chairman of the Board, an executive Director and one of our Controlling Shareholders
“Mr. Yang”	Mr. Yang Xiaoyuan (楊曉源), a non-executive Director and one of our Controlling Shareholders
“Ms. Xu”	Ms. Xu Xiangfeng (徐向鋒), the spouse of Mr. Tang and one of our Controlling Shareholders
“Nomination Committee”	the nomination committee of the Board
“Over-allotment Option”	the option granted by us to the International Underwriters exercisable by the Sole Overall Coordinator on behalf of the International Underwriters under the International Underwriting Agreement, to require us to allot and issue up to 654,840 additional H Shares at the Offer Price, representing up to 15% of the total number of Offer Shares initially available under the Global Offering to, among others, cover over-allocations in the International Offering

## DEFINITIONS

“Pre-IPO Investments”	the investment(s) in our Company undertaken by the Pre-IPO Investors pursuant to the respective capital injection agreement(s) and equity transfer agreement(s), details of which are set out in the section headed “History, Development and Corporate Structure” in the Prospectus
“Pre-IPO Investor(s)”	the investor(s) who participated in our Pre-IPO Investments, details of which are set out in the section headed “History, Development and Corporate Structure” in the Prospectus
“Prospectus”	the prospectus issued by the Company dated June 28, 2024
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the six months ended June 30, 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	member(s) of our board of supervisors of our Company
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Unlisted Shares”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States

## DEFINITIONS

“VAT”	value-added tax
“Voicecomm Rongzhi”	Hubei Voicecomm Rongzhi Technology Group Co., Ltd. (湖北聲通融智技術集團有限公司), formerly known as Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司) and Shanghai Fengjing Information Consultation Co., Ltd. (上海蜂競信息諮詢有限公司), a limited liability company established under the laws of PRC and is owned as to 99.0% and 1.0% by Mr. Tang and Ms. Xu, respectively. It is one of our Controlling Shareholders
“Voicecomm Yilian”	Voicecomm Yilian (Shanghai) Software Technology Co., Ltd. (聲通一璉(上海)軟件科技有限公司), a limited liability company established under the laws of PRC, being a non wholly-owned subsidiary of our Company
“Yuanya Information”	Shanghai Yuanya Information Technology Co., Ltd. (上海淵雅信息科技有限公 司), a limited liability company established under the laws of PRC, being a non- wholly-owned subsidiary of our Company
“%”	per cent

\* *For identification purposes only*

In this report, the terms “associate,” “close associate,” “connected person,” “connected transaction,” “continuing connected transaction,” “controlling shareholder,” “core connected person,” “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Tang Jinghua (*Chairman*)  
Mr. Sun Qi

### Non-executive Directors

Mr. Yang Xiaoyuan  
Mr. Tan Xiaobo  
Mr. Chen Yulei  
Ms. Ma Tiantian

### Independent Non-executive Directors

Mr. Liu Rong  
Mr. Wu Haipeng  
Mr. Mu Binrui  
Mr. Sinn Wai Kin Derek  
(*resigned with effect from August 1, 2024*)  
Mr. Leung Kin Hong

## AUDIT COMMITTEE

Mr. Leung Kin Hong (*Chairman*)  
Mr. Sinn Wai Kin Derek (*Former chairman*)  
(*resigned with effect from August 1, 2024*)  
Mr. Wu Haipeng  
Mr. Yang Xiaoyuan

## REMUNERATION COMMITTEE

Mr. Liu Rong (*Chairman*)  
Mr. Tang Jinghua  
Mr. Leung Kin Hong  
Mr. Sinn Wai Kin Derek  
(*resigned with effect from August 1, 2024*)

## NOMINATION COMMITTEE

Mr. Mu Binrui (*Chairman*)  
Mr. Tang Jinghua  
Mr. Liu Rong

## STRATEGY COMMITTEE

Mr. Tang Jinghua (*Chairman*)  
Mr. Sun Qi  
Mr. Chen Yulei

## JOINT COMPANY SECRETARIES

Ms. Liu Yihan  
Mr. Cheung Kai Cheong Willie

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

7DEF, Building G, Weijing Center  
No. 2337 Gudai Road, Minhang District  
Shanghai, China

## AUTHORIZED REPRESENTATIVES

Mr. Tang Jinghua  
Ms. Liu Yihan

## HONG KONG LEGAL ADVISORS

Han Kun Law Offices LLP  
Rooms 4301-10, 43/F, Gloucester Tower  
The Landmark, 15 Queen's Road Central  
Hong Kong, China

## AUDITOR

KPMG  
*Certified Public Accountants*  
Public Interest Entity Auditor registered in accordance  
with the Accounting and Financial Reporting Council  
Ordinance  
8/F, Prince's Building  
10 Chater Road  
Central  
Hong Kong, China

## COMPLIANCE ADVISER

Maxa Capital Limited  
2602 Golden Centre  
188 Des Voeux Road Central  
Sheung Wan  
Hong Kong, China

## REGISTERED OFFICE

Unit 418, Building 2, No. 508, Chundong  
Road, Minhang District, Shanghai, PRC

## PRINCIPAL BANKS

Bank of China Limited,  
Shanghai Minhang Sub-branch  
  
Agricultural Bank of China Limited,  
Shanghai Minhang Sub-branch

# CORPORATE INFORMATION

## STOCK CODE

2495

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong, China

## COMPANY'S WEBSITE

[www.voicecomm.cn](http://www.voicecomm.cn)

## H SHARE REGISTRAR

Computershare Hong Kong Investor  
Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong, China

## KEY FINANCIAL DATA

The table below sets forth our key financial data for the Reporting Period together with the change (expressed in percentages) from the six months ended June 30, 2023 to the corresponding period in 2024.

	For the six months ended June 30,		Period-on-period change %
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	
Revenue	371,173	280,843	32.2
– Enterprise-level solutions	366,455	272,769	34.3
– Others <sup>(1)</sup>	4,718	8,074	(41.6)
Gross profit	162,366	138,055	17.6
Gross profit margin <sup>(2)</sup>	43.7%	49.2%	(5.5) percentage points
(Loss)/profit for the period	(589,774)	1,908	(31,010.6)
Adjusted net profit (a non-IFRS measure) <sup>(3)</sup>	43,046	70,795	(39.2)
Adjusted net margin (a non-IFRS measure) <sup>(4)</sup>	11.6%	25.2%	(13.6) percentage points

Notes:

- (1) Primarily related to promoting products empowered by our conversational AI technologies for our customers, from which we generated revenue.
- (2) Gross profit margin equals gross profit divided by revenue for the period and multiplied by 100%.
- (3) We define the adjusted net profit (a non-IFRS measure) as profit for the period by eliminating the impacts of changes in carrying amount of redeemable capital contributions.
- (4) Adjusted net margin (a non-IFRS measure) equals adjusted net profit (a non-IFRS measure) divided by revenue for the period and multiplied by 100%.

## REVENUE

For the Reporting Period, we recorded a total revenue of RMB371.2 million, representing an increase of RMB90.3 million or 32.2% from RMB280.8 million for the corresponding period in 2023, primarily due to efforts of maintaining existing customers, continuous exploration of new business channels and customers, and expansion of the Company's business scale and customer base. Among which, revenue generated from enterprise-level solutions approximately amounted to RMB366.5 million, representing a period-on-period increase of 34.3%.

## GROSS PROFIT AND GROSS PROFIT MARGIN

For the Reporting Period, we recorded a consolidated gross profit of RMB162.4 million, representing an increase of RMB24.3 million or 17.6% from RMB138.1 million for the corresponding period in 2023, primarily due to the overall growth of our revenue.

## HIGHLIGHTS

Our gross profit margin decreased from 49.2% for the corresponding period in 2023 to 43.7% for the Reporting Period primarily due to a number of new large-scale projects consisting of both software and hardware solutions, in which the customers typically purchase hardware at the early stage in preparation for the subsequent construction of interactive AI capabilities, and will purchase software systems at the later stage of the projects. As a result, the hardware delivered upfront contributes to a larger portion of our revenue, which in turn impacts our gross profit margin. We expect that the gross profit margin will recover in the second half of 2024 when the projects continue to progress and the software systems are delivered.

### ADJUSTED NET PROFIT AND NET MARGIN (NON-IFRS MEASURES)

For the Reporting Period, our adjusted net profit (a non-IFRS measure) amounted to RMB43.0 million, representing a period-on-period decrease of 39.2%. Our adjusted net margin (a non-IFRS measure) was 11.6%, representing a decrease of 13.6 percentage points compared to the corresponding period in 2023. The main reasons for the fluctuation of the net profit and net margin (non-IFRS measures) were significant increases in research and development expenses and other expenses.

### KEY OPERATING DATA

The following table sets forth the number of our projects and the rolling backlog of our projects by outstanding contract sum at the end in each period presented.

	For the six months ended June 30,		Period-on-period change %
	2024	2023	
Number of ongoing projects at the beginning of the period	150	84	78.6
Add: Number of newly awarded projects	160	106	50.9
Less: Number of projects completed	132	92	43.5
Number of ongoing projects at the end of the period	178	98	81.6
	(RMB'000)	(RMB'000)	
Outstanding balance at the beginning of the period	500,850	388,564	28.9
Add: Contract value of newly awarded projects	545,816	417,396	30.8
Less: Revenue (VAT inclusive) recognized during the period <sup>(1)</sup>	405,234	298,594	35.7
Outstanding contract sum at the end of the period	641,432	507,366	26.4

Note:

- (1) As the contract value according to the agreement is inclusive of VAT, for the purposes of calculating the project backlog, the revenue recognized during the relevant year/period also includes VAT.

# BUSINESS REVIEW AND OUTLOOK

## I. BUSINESS REVIEW

We, an IT solution provider in China, are committed to providing services for enterprise-level users to improve the level of convenience and intelligence for their information exchanges and business interactions. Based on unified communication technologies, core conversational AI technologies and product engine technologies, we are capable of addressing enterprise-level users' demand of "communication", "thinking" and "execution", respectively, thus facilitating a complete enterprise-level conversational AI experience.

Amid the global trend of digitalization and intelligent transformation, AI has been widely used and integrated across different industries, leading towards global technological innovations and development of new application scenarios. Being the "next-generation infrastructure", AI is widely applied in areas including city management and administrative services, transportation, telecommunications, finance, healthcare and education.

The Chinese government has laid a solid foundation for the prosperous development of AI enterprises in China through favourable policies such as the "Plan for the Overall Layout of Building a Digital China 《數字中國建設整體佈局規劃》" issued by the Central Committee of the Communist Party of China and the State Council of the PRC and the "Notice on Supporting the Construction of a New Generation of AI Exemplary Application Scenarios 《關於支持建設新一代人工智能示範應用場景的通知》" issued by the Ministry of Science and Technology of the PRC. These policy documents set out the overall strategic blueprint for digital transformation in China and provide important institutional guidance and policy support for the innovative development and commercialization of AI technology. The issuance of these documents not only reflects the government's attention and support for the field of artificial intelligence, but also provides strong guidance and incentives for enterprises in technological innovation and commercial applications.

Against the backdrop of favourable policies support and rapid technological advancements, we continued to show strong performance growth momentum during the Reporting Period. During the Reporting Period, we recorded a total revenue of RMB371.2 million, representing an increase of 32.2% as compared with the same period in 2023. At the same time, we recorded a gross profit of RMB162.4 million, representing an increase of 17.6% as compared with the corresponding period in 2023. Our sustained and steady performance growth signifies the success of our commercialization strategy in the enterprise-level conversational AI solution market, demonstrating our unique industry insights that allow us to grasp changes in the market and highlighting our excellent execution and innovation capabilities.

## BUSINESS REVIEW AND OUTLOOK

Our outstanding performance not only brings continuous improvement to our business profile, but also highlights our remarkable strength, market performance and innovation capabilities in the field of AI. Earning widespread recognition and acclaim in the industry, we have been listed on the “Representative List of Vendors in the Chinese AI Software Market” in the “Market Guide for AI Software, China” published by Gartner, an internationally renowned IT consulting organization, as well as the “2024 Forbes China Top 50 Artificial Intelligence Technology Enterprises” list, consolidating our leading position in the market. Our market presence and influence is further enhanced with vast opportunities for future business development. Leveraging the enhanced market presence and influence which create vast opportunities for future business development, we will uphold the spirit of innovation, invest in research and development of cutting-edge technologies, and thereby attain greater commercial achievements and social value, contributing to the robust development of the AI industry as a whole.

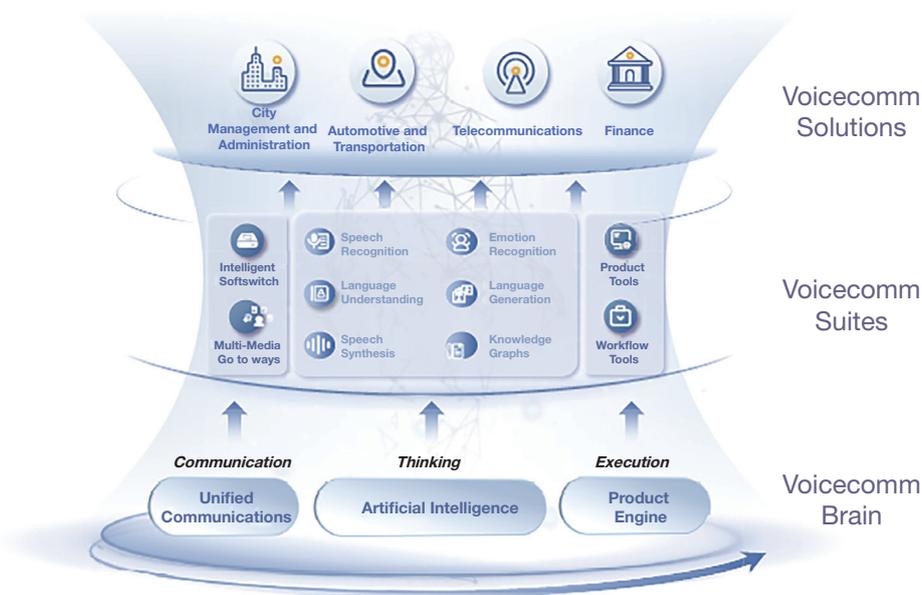
Originated from our long-term and sustained investment in research and development, we have established influence in the AI industry and have placed innovation as our core competitive strength as well as the main driver for business development. During the Reporting Period, our research and development expenses were approximately RMB64.3 million, representing an increase of 26.9% as compared with the same period in 2023. In addition to commercializing conversational AI solutions, we are also actively involved in the exploration and research of cutting-edge conversational AI technologies. We were on the TOP 50 list at “The 4th Competition on Best Practices of Applied Algorithms (BPAA)”, which is one of the four major brand competitions and events of World AI Conference. It represents the recognition of our Company in the AI industry and showcases our innovation and achievement in the field of algorithms.

We take the initiative to participate in conferences and activities in the AI industry. Our chief scientist, academician He Jifeng, was invited to attend the opening ceremony of the 2024 World AI Conference, where our chairman, Mr. Tang Jinghua was invited to take part in the “AI + Cultural Creativity “ forum. In the conference, we, as a key exhibitor in the metaverse technology exhibition area, displayed technologies and products in areas such as digital human, human-machine interactions, and virtual reality.

### **Continuously enrich solutions based on technology platforms and functional modules**

Our solution offerings are enabled by Voicecomm Brain, our technology infrastructure, and Voicecomm Suites, our comprehensive functional modules. Voicecomm Brain is underpinned by our core technologies in both unified communications and AI, and is able to connect stably to enterprise-level users’ various types of operating systems. On top of our robust Voicecomm Brain, we have developed a full set of Voicecomm Suites which comprehensively cover various steps of enterprise-level users’ end-to-end information exchanges and business interactions. The modular combination of such highly standardized, highly scalable and low-code Voicecomm Suites allows us to offer different types of solutions to address the pain points experienced by enterprise-level users.

# BUSINESS REVIEW AND OUTLOOK



Through continuous research and development, the advancement of our Voicecomm Brain and Voicecomm Suites in terms of functions and performance enables us to enrich our products and enterprise-level solutions for multiple end-customer industries. During the Reporting Period, we mainly launched and optimized the following products:

- (1) Voice over Long-Term Evolution (VoLTE) video customer service, which uses advanced video communication technology to achieve real-time, face-to-face communication experience on top of the functions of traditional call centers. This product can be widely applied in various scenarios such as video marketing services, remote car insurance loss assessment, remote medical consultation, and video after-sales services.
- (2) Internet video customer service, which uses the internet as a transmission medium to overcome the limitations of traditional telephone lines and provide enterprise customers with multi-channel (official website, official WeChat account, mini program, enterprise WeChat account, etc.), multi-modal (text, pictures, voice, video, etc.) and round the clock (7 × 24 hours) customer support services. This product has been widely used in all aspects of enterprise customer service such as business consultation, automatic business operation, personalized business inquiry and human-machine collaborative reception.
- (3) Intelligent video inspection platform, which integrates the latest computer vision AI technology and internet video technology to realize video linkage and multi-person collaboration. This digitizes traditional manual inspection work and renders such work intelligent in various industries. This technology improves the efficiency and accuracy of inspections, reduces labor costs and minimizes error rates. This product can be used in scenarios such as aviation inspections, equipment inspections and chemical industry inspections.

## BUSINESS REVIEW AND OUTLOOK

- (4) Digital human all-in-one machine: In order to meet the needs of different customers, based on our in-depth market research and real-life project experience, we have launched three sets of solutions in different versions, namely digital human interaction software, standard version digital human all-in-one machine and professional version digital human all-in-one machine, which are respectively targeted at enterprise customers tapping into digital human products with lower requirements for image customization, customers who require display in a specific physical space, and high-end customers who pursue perfect execution effects. Meanwhile, we have released a new purchase platform for digital human configurations, which is equipped with a diverse 3D digital human image library to assist channel partners efficiently complete digital human configuration selection within two minutes.

### Continuously enhancing the ability to commercialize solutions

#### City Management and Administration

We have developed an integrated intelligent community ecosystem, covering diverse application scenarios ranging from community property owners and property service companies to public areas and surrounding businesses. Through this platform, property owners can enjoy convenient services such as smart home control, online payment and community interaction, while property service companies can make use of digitalization to achieve efficient property management and resource scheduling. In addition, the Internet of Things and 5G technology are used to realize the interconnection and interoperability of all smart devices in the community, including smart access control, elevator control and parking management. Residents in the community can remotely control their equipment at home through the one-stop service mobile application and enjoy seamless property services, such as online repair reports, payment notifications and community activity participation. Public areas in the community are equipped with intelligent surveillance systems and emergency alarm devices, combined with AI technology for real-time analysis and risk warning to ensure a safe environment for the community. The overall convenience of the community surges with the integration of emerging services such as unmanned delivery and smart retail.

Jinxun Digital Intelligence, a non-wholly-owned subsidiary of our Company, concentrates on the field of public services, such as enterprise customer services hotlines, government affairs hotlines, emergency smart dispatch hotlines, and smart elderly care services. It focuses on data governance and assists enterprises and institutions in realizing the transformation and upgrading of AI and data intelligence for their hotlines. Aligned with the national digital intelligence governance strategy, we are devoted to the empowerment of governmental public services products with AI technology and improve governance efficiency and transparency through digital means. On top of our existing products, we have launched digital governance tools for data governance, generating intelligent specialty reports, taking action before complaint, and communicating public information, providing a wealth of technical tools for digital transformation of the government.

# BUSINESS REVIEW AND OUTLOOK

## Automotive and Transportation

We kickstarted and implemented the first local unmanned driving project, one of our important practices in the field of intelligent transportation, in the Mianyang Sci-Tech City New Area (綿陽市科技城新區). The integration of conversational AI technologies and unmanned driving technologies provides a wide range of development opportunities for the construction of smart city in the Mianyang Sci-Tech City New Area. Setting self-driving public transportation and self-driving connection as the main application scenarios, the project covers 36.6 square kilometers in the Mianyang Sci-Tech City New Area with three self-driving public transportation vehicles, two self-driving passenger vehicles, 19 self-driving shuttle vehicles, six unmanned retail vehicles, four unmanned sweeping vehicles, twelve outdoor unmanned delivery vehicles, nine indoor unmanned delivery vehicles, two unmanned security patrol vehicles, 13 routes, and 17 stations, covering over 10,000 kilometers mileage and serving more than 20,000 passengers.

We also hosted a delegation jointly led by the Malaysia Automotive Robotics & IoT Institute (MARii) and ACO TECH, an ICV company in Malaysia, and introduced our emergency call system (E-call) solution for internet of vehicles, which provides emergency call services to ensure traffic safety. The main objective of the system is to promptly send relevant information to the emergency services in case of accidents or emergencies, so as to speed up rescue operations and minimize the consequences caused by accidents. We have entered into a partnership with ACO TECH to provide solutions for the automotive industry. Focusing on revolutionizing the driving experience through digital connectivity, ACO TECH is committed to leading the breakthrough of ICV technologies in Malaysia and the ASEAN. By exploring and innovating in areas such as digital connectivity, intelligent driving and safety data analytics, we provide consumers with a more convenient, safe and efficient driving experience. Through the cooperation with ACO TECH, our technology and products can be expanded to the Malaysian and ASEAN markets, which is conducive for the establishment of our market presence and brand image in overseas markets.

## Communication

We continue the upgrade and iteration of our intelligent work badge products, which have the functions of speaker identification, attendance management, and integration of the AI voice quality inspection system to achieve automation of the service quality supervision process. Employee communication is recorded in real time and analyzed by the intelligent work badge, which provides data for performance assessment. In addition, the intelligent work badge supports internal communication and adopts multi-level encryption technology to ensure the safe transmission and storage of data. The product has recently been applied at a state-owned pharmaceutical group, which has significantly improved their operational efficiency, increased their satisfaction rate and strengthened their confidence in data security.

We have entered into a strategic cooperation framework agreement with Microware Group Limited (1985. HK), which is principally engaged in the provision of IT infrastructure solutions services and IT infrastructure management services in Hong Kong, China, with over 2,000 corporate clients and serves more than 60% of Hong Kong's top 100 listed companies, having a rich client base and professional market development experience in Hong Kong, China and ASEAN region. The cooperation between the Company and Microware Group Limited is expected to allow both parties to leverage complementary strengths in their respective technical resources, market resources and service resources, jointly build a specialized and market-oriented technical service consortium and promote the joint development of both parties' technical services and research and development systems.

# BUSINESS REVIEW AND OUTLOOK

## Finance

Our intelligent financial solutions in the financial sector combines three core functions: video-information integrated media customer service platform, intelligent voice quality inspection and data analysis, and multi-channel integration and security protection. The platform helps banks and insurance companies improve customer experience services through the integration of audio and video conversations, remote wealth management consultation, and remote signature with facial recognition in video conferences. The AI-driven voice quality inspection enables real-time monitoring and analysis of customer interactions to ensure service quality, while the system's multi-channel support and strong data encryptions provide financial institutions with secure and compliant digital services. Such solutions simplify business process and promote intelligent transformation of the finance industry.

In addition, We attach great importance to the maintenance of long-term, stable and favorable relationships with our business partners to jointly promote cooperation in the technical and commercial fields. During the Reporting Period, we joined the Urban Digital Innovation and Development Alliance initiated by China Communications Construction Company Limited to work with its partners on the construction and development of digital cities. In addition, we have also officially become the “2024 cloud-based customer service ICT business partner” of China Mobile Online, a wholly-owned subsidiary of China Mobile in the field of digital services, to jointly promote the development of cloud-based customer service ICT business. In addition, we were awarded as Baidu Intelligent Cloud Application Partner of the Year, which represents a milestone of our in-depth cooperation with leading companies in the field of AI. Through the establishment of these partnerships, we can expand our business scope, strengthen our technological innovation, and demonstrates our proactive attitude and competitive strengths in business and industry cooperation, laying a solid foundation for our future business development. We strive to work with our business partners on a continuous basis and utilize the synergies of our cooperations to explore and develop a broader market space, achieve mutual benefit and win-win results, and facilitate the development of the entire industry.

## II. OUTLOOK

### Smart city and ICV: vitality of innovation inspired by integration of Double Intelligence

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and Outlines of Objectives in Perspective of the Year 2035 中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》 sets out the policy goals of “promoting the construction of new smart cities at different levels” and “actively and steadily developing the industrial internet and the Internet of Vehicles”. The synergetic development of intelligent city infrastructure and ICVs (“**Double Intelligence**”) (雙智) is essential for solving the problem of traffic congestion and improving urban governance capabilities effectively, which serves as a core element for building a new ecosystem of green, safe, convenient and efficient smart travel services, and plays a vital role for the construction of digital China featuring smart cities with well-developed transportation systems.

# BUSINESS REVIEW AND OUTLOOK

We resolutely support the national strategy of Double Intelligence to attain the ultimate goal of coordinated development and independent control over core technologies. Making use of our experience and competitive advantages in the urban and automobile sectors, we strive to build a platform for smart cities and smart communities as well as a cloud control platform for ICVs, facilitating the realization of Double Intelligence through the application of new quality productive forces as the driving forces in the high-quality synergistic development of smart city infrastructure and ICVs. We will focus on technological innovation and research and development investment in the Double Intelligence sectors, and actively explore business models related to automobile-city network, such as commercialized operation of autonomous driving, smart travel services and smart parking services. At the same time, we will ensure data security, privacy protection and compliance on the basis of data interconnection, establishing a sound data governance mechanism.

## **Metaverse and digital human: dual engines to lead the future economy**

The metaverse industry is at a critical stage of accelerated development. According to the research report issued by Bain & Company in August 2023, the market size of the metaverse industry is expected to reach US\$700-900 billion in 2030. The Chinese government attaches great importance to this emerging technology and has issued the Three-year Action Plan for the Innovation and Development of the Metaverse Industry (2023-2025) 《元宇宙產業創新發展三年行動計劃(2023-2025年)》, which aims to promote metaverse as an important driver for the growth of the digital economy.

Under this macro background, we will actively participate in and make full use of our technological advantages and market experience to contribute to the development of the metaverse industry. We plan to lead the future development of the industry through in-depth cooperation with the government and industry partners to promote the application of metaverse technologies in fields such as smart city, industrial Internet of Things and digital living.

We are committed to integrating metaverse and digital human technologies into our existing solutions, especially in the fields of smart city and smart community. We target to build an immersive city management and community service platform through virtual reality (VR) and augmented reality (AR) technologies to provide users with a more intuitive, interactive and personalized digital experience.

Digital human technology is a core component of metaverse. We intend to increase our research and development investment in this field to optimize the interactive ability and emotion recognition function of digital human. We plan to promote digital human applications in various scenarios such as finance, education and cultural tourism to improve service efficiency and user experience, which will allow us to secure a strategic position in the metaverse and digital human market and drive our transformation from a traditional technology provider to an innovative technology enterprise.

## BUSINESS REVIEW AND OUTLOOK

In the second half of 2024, we will continue to implement the following strategies to achieve greater progress in the field of enterprise-level conversational AI technologies and solutions:

- Continue to upgrade and iterate Voicecomm Brain and Voicecomm Suites to persistently diversify product functions and improve product experience to meet the growing requirements of users;
- Continue to develop products and solutions for different vertical scenarios, fully utilize our technological advantages to meet the growing and changing needs of customers, and acquire more high-quality users through developing and promoting a wider range of tool products;
- Increase research and development investment, reasonably invest in commercialization and exploration of cutting-edge technologies to maintain our technological advancement;
- Continue to expand business development channels, combine vertical customer exploration with horizontal customer expansion, continuously improve our own competitiveness and increase the scale of revenue;
- Actively expand overseas markets, explore the potential of enterprise-level AI solutions in emerging markets, strengthen market channel expansion in overseas markets such as the ASEAN region, and promote the local applications of our technologies and products through cooperation with leading local technology companies, so as to continuously improve our international reputation and brand recognition;
- Continue to attract talents and professionals and establish long-term and stable cooperative relationships with business partners; and
- Pursue investment and acquisition opportunities of upstream and downstream enterprises in the industry chain.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth our unaudited condensed consolidated statements of profit or loss for the Reporting Period together with the change (expressed in percentages) from the six months ended June 30, 2023 to the corresponding period in 2024:

	For the six months ended June 30,		Period-on-period change %
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	
Revenue	371,173	280,843	32.2
Cost of revenue	(208,807)	(142,788)	46.2
Gross profit	162,366	138,055	17.6
Other revenue	5,732	17,843	(67.9)
Other net gain	2	30	(93.3)
Research and development expenses	(64,345)	(50,719)	26.9
Selling and marketing expenses	(7,753)	(3,923)	97.6
Administrative and other operating expenses	(33,816)	(29,545)	14.5
Impairment loss on trade receivables	(11,670)	(818)	1,326.7
Profit from operations	50,516	70,923	(28.8)
Net finance costs	(7,755)	(5,318)	45.8
Changes in carrying amount of redeemable capital contributions	(632,820)	(68,887)	818.6
Changes in fair value of financial assets measured at fair value through profit or loss	(2,291)	8,441	(127.1)
Share of loss of associates	(15)	(204)	(92.6)
(Loss)/profit before taxation	(592,365)	4,955	(12,054.9)
Income tax	2,591	(3,047)	(185.0)
<b>(Loss)/profit for the period</b>	<b>(589,774)</b>	<b>1,908</b>	<b>(31,010.6)</b>
Attributable to			
Non-controlling interests	3,131	3,336	(6.1)
Equity shareholder of the Company	(592,905)	(1,428)	41,420.0

# MANAGEMENT DISCUSSION AND ANALYSIS

## REVENUE

During the Reporting Period, we generated our revenue on a project basis mainly from offering enterprise-level solutions enabled primarily by our technologies on unified communications and AI to our customers. Depending upon specific users' concrete needs, the extent to which a certain solution involves each category of technologies may vary. The following table sets forth a breakdown of our total revenue by offering categories for the periods indicated:

	For the six months ended June 30,		Period-on-period change %
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	
Enterprise-level solutions	366,455	272,769	34.3
Others <sup>(1)</sup>	4,718	8,074	(41.6)
<b>Total</b>	<b>371,173</b>	<b>280,843</b>	<b>32.2</b>

Note:

- (1) Primarily related to promoting products empowered by our conversational AI technologies for our customers, from which we generated revenue.

During the Reporting Period, our customers for our solutions included: (i) system integrators that embedded our solutions into their offerings to enterprise-level users; and (ii) enterprise-level users that used our solutions directly. The following table sets forth a breakdown of our revenue generated from offering solutions by customer types, in absolute amounts and as a percentage of total solution revenue, for the periods indicated:

	For the six months ended June 30,		Period-on-period change %
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	
Revenue from			
– System integrators	287,051	235,566	21.9
– Enterprise-Level users	79,404	37,203	113.4
<b>Total</b>	<b>366,455</b>	<b>272,769</b>	<b>34.3</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

Our total revenue increased from RMB280.8 million for the six months ended June 30, 2023 to RMB371.2 million for the same period in 2024, representing a period-on-period increase of 32.2%, primarily due to the continued optimization and launch of new innovative products and solutions. The revenue from city management and administration as well as automobile and transportation had increased significantly. At the same time, our strong customer stickiness has ensured the continued contribution of stable income from other revenue sources. Continuous and stable customer repurchase, and rapid development of new customer channels constituted the dual drivers for revenue growth.

During the Reporting Period, we generated our revenue primarily from providing our solutions in a number of end-customer industries, mainly including city management and administration, automotive and transportation, telecommunications, and finance. The following table sets forth a breakdown of our revenue generated from offering solutions by end-customer industries, in absolute amounts and as a percentage of total solution revenue, for the period indicated:

	For the six months ended June 30,				
	2024		2023		Period-on-period
	RMB'000 (unaudited)	%	RMB'000 (unaudited)	%	change %
City management and administration	126,893	34.6	108,327	39.7	17.1
Automotive and transportation	114,484	31.3	69,808	25.6	64.0
Telecommunications	39,916	10.9	49,849	18.3	(19.9)
Finance	32,646	8.9	37,456	13.7	(12.8)
Other industries	52,516	14.3	7,329	2.7	616.5
<b>Total</b>	<b>366,455</b>	<b>100.0</b>	<b>272,769</b>	<b>100.0</b>	<b>34.3</b>

Our revenue from city management and administration increased from RMB108.3 million for the six months ended June 30, 2023 to RMB126.9 million for the same period in 2024, representing a period-on-period increase of 17.1%, primarily due to a continuous effort to enrich our products and solutions for smart city construction and digital government governance, and a continuous drive to develop new customers.

Our revenue from automotive and transportation increased from RMB69.8 million for the six months ended June 30, 2023 to RMB114.5 million for the same period in 2024, representing a period-on-period increase of 64.0%, primarily due to the business expansion of existing customers which drove higher demand for the Company's products and served as an important engine of revenue contribution. Moreover, the automotive and transportation industry is the focus of the Company's business expansion. The Company has invested more resources to expand market channels and successfully achieved revenue conversion.

## MANAGEMENT DISCUSSION AND ANALYSIS

Our revenue from telecommunications decreased from RMB49.9 million for the six months ended June 30, 2023 to RMB39.9 million for the same period in 2024, representing a period-on-period decrease of 19.9%. Our revenue from the finance industry decreased from RMB37.5 million for the six months ended June 30, 2023 to RMB32.6 million for the same period in 2024, representing a period-on-period decrease of 12.8%. The decreases in revenue from the telecommunications and finance industries in the Reporting Period were primarily due to our focus on business expansion in the two major industries of city management and administration as well as automotive and transportation, aligning with the national Double Intelligence policy. For telecommunications and finance industry, we mainly relied on the periodic repurchase of existing customers.

With the steady increase in the Company's market presence and strengthening of our brand image, we have earned a high level of customer recognition in the market. This significant increase in recognition has consolidated our leading position in the four major end-customer industries and stimulated strong interest from customers in other different sectors. The trust and reliance of these customers on our products further proves that our products not only have excellent applicability in specific fields, but also have the potential for a wide range of cross-industry and cross-domain applications.

### COSTS AND EXPENSES

During the Reporting Period, our cost of revenue primarily consisted of (i) equipment costs in relation to hardware devices such as communication devices, servers and computers that were integrated into our solutions; (ii) network and other telecommunication resource costs, which primarily represented the network resources we procured for our city management and administration projects; (iii) employee benefit expenses; (iv) depreciation and amortization; (v) costs mainly in relation to providing promotion services for the sales of telecommunications terminals and other telecommunications resources and services; (vi) externally outsourced services primarily on developing project-specific software tailoring to certain customers' specific demand on functionalities that are incidental to our technologies in order to enable offering total solutions; and (vii) other costs.

The following table sets forth a breakdown of our cost of revenue by nature, in absolute amounts and as a percentage of total cost of revenue for the periods indicated:

	For the six months ended June 30,			
	2024		2023	
	RMB'000 (unaudited)	%	RMB'000 (unaudited)	%
Equipment costs	75,327	36.1	54,611	38.2
Network and other telecommunication resource costs	50,178	24.0	50,174	35.1
Employee benefit expenses	2,997	1.4	5,191	3.6
Depreciation and amortization	7,212	3.5	1,983	1.4
Promotion service costs	7,829	3.7	6,518	4.6
Costs of outsourced services	58,560	28.0	16,414	11.5
Others	6,704	3.2	7,897	5.5
<b>Total</b>	<b>208,807</b>	<b>100.0</b>	<b>142,788</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

Our cost of revenue increased from RMB142.8 million for the six months ended June 30, 2023 to RMB208.8 million for the same period in 2024, representing a period-on-period increase of 46.2%, which was generally in line with the growth of our revenue.

## GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, for the Reporting Period, we recorded a gross profit of RMB162.4 million, representing a period-on-period increase of 17.6%, due to the overall growth of our revenue. Our gross profit margin decreased by 5.5 percentage points from 49.2% for the six month ended June 30, 2023 to 43.7% for the same period in 2024.

## OTHER REVENUE

Our other revenue decreased from RMB17.8 million for the six months ended June 30, 2023 to RMB5.7 million for the same period in 2024, primarily due to (i) the Company receiving a tax refund of approximately RMB12.9 million in early 2023 and (ii) the one-off government subsidy of approximately RMB4.8 million received by the Company in 2023. Excluding these two factors, the overall other revenue remained consistent.

## RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses increased from RMB50.7 million for the six months ended June 30, 2023 to RMB64.3 million for the same period in 2024, primarily due to the continuous increase in our research and development efforts to enhance our technological capabilities and to meet the needs of our business growth, including the addition of property and equipment such as servers and intangible assets that incurred more depreciation and amortization.

## SELLING AND MARKETING EXPENSES

Our selling and marketing expenses increased from RMB3.9 million for the six months ended June 30, 2023 to RMB7.8 million for the same period in 2024, primarily due to (i) the increased headcounts and compensation level of our selling and marketing staff as a result of the expansion of our sales team and (ii) increased travel and hospitality expenses to further develop customers and markets.

## ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Our administrative and other operating expenses remained stable from RMB29.5 million for the six months ended June 30, 2023 to RMB33.8 million for the same period in 2024.

## IMPAIRMENT LOSS ON TRADE RECEIVABLES

Our impairment loss on trade receivables increased from RMB0.8 million for the six months ended June 30, 2023 to RMB11.7 million for the same period in 2024, primarily due to an increase in trade receivable balances in line with the increase in revenue.

## NET FINANCE COSTS

Our net finance costs increased from RMB5.3 million for the six months ended June 30, 2023 to RMB7.8 million for the same period in 2024, primarily due to an increase in bank loans and a corresponding increase in interest on bank loans.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CHANGES IN CARRYING AMOUNT OF REDEEMABLE CAPITAL CONTRIBUTIONS

The redeemable capital contributions were measured at the present value of the repurchase price, which varies from time to time, depending on the highest repurchase price the Company could be required to pay. Changes in the carrying amount of redeemable capital contribution were recognized in profit or loss. As of June 30, 2024, December 31, 2023, June 30, 2023 and December 31, 2022, redeemable capital contributions were measured at the fair value of the shares of the Company held by the Pre-IPO Investors. Our changes in carrying amount of redeemable capital contributions increased from RMB68.9 million for the six months ended June 30, 2023 to RMB632.8 million for the same period in 2024, primarily due to an increase in valuation of the redeemable capital contributions, which is recognized as loss. Historically, we adopted discounted cash flow method in accordance with IFRS 13 to derive the fair value of the shares of the Company as of December 31, 2022, June 30, 2023 and December 31, 2023, which were RMB53.9, RMB63.4 and RMB71.5 per share, respectively, since, (1) the shares of the Company were not listed; (2) the Company had not issued shares close to those dates; (3) there were no transfers of the Company's shares close to those dates; (4) there were few listed companies in the market that was highly comparable with the Company in all material aspects such as business model and profitability such that the share price of which could be used as a reference; and (5) the Company had sufficient and reliable cash flow forecast such that it could use a discounted cash flow model to derive fair value of the Company's shares. Subsequently, considering that the offer price of HK\$152.10 per Share had already been publicly disclosed in the Prospectus dated June 28, 2024 and the offer price had been accepted by the cornerstone investors as of June 30, 2024, we adopted market approach for valuation of the shares of the Company as of June 30, 2024 by making reference to the offer price of HK\$152.10 per Share after certain adjustments on illiquidity factors. Since the offer price of HK\$152.10 per Share used as benchmark as of June 30, 2024 was significantly higher than the fair value per share as at December 31, 2023 (i.e., RMB71.5), the total fair value of the shares of the Company as of June 30, 2024 increased significantly to RMB136.0 per share. As a result, the corresponding carrying amount of redeemable capital contributions for the six months ended June 30, 2024 increased significantly. We expect to substantially improve our net position and net current position after the financial year ended December 31, 2024, as carrying amount of such redeemable capital contributions will be reclassified from financial liabilities to equity upon completion of the Listing and the Global Offering as a result of the termination of the preferred rights of investors.

## CHANGES IN FAIR VALUE OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Our changes in fair value of financial assets measured at fair value through profit or loss decreased from a fair value gain of RMB8.4 million for the six months ended June 30, 2023 to a fair value loss of RMB2.3 million for the same period in 2024. During the Reporting Period, our financial assets measured at fair value through profit or loss arose from our strategic investment in a private company incorporated in PRC that primarily engages in the manufacturing and sales of AI hardware. During the Reporting Period, the market capitalization of comparable companies of the private company in the market decreased, and, for the sake of prudence, we have decreased the fair value of our strategic investment in the private company.

## INCOME TAX

Our income tax changed from a tax charge of RMB3.0 million for the six months ended June 30, 2023 to a tax credit of RMB2.6 million for the same period in 2024, primarily due to the reduction of income tax expenses as a result of the effects of deferred income taxes, and losses incurred by certain subsidiaries.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (LOSS)/PROFIT FOR THE PERIOD

As a result of the foregoing, our profit for the period decreased from RMB1.9 million for the six months ended June 30, 2023 to a loss of RMB589.8 million for the same period in 2024.

## NON-IFRS MEASURE

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use the adjusted net profit (a non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of the adjusted net profit (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define the adjusted net profit (a non-IFRS measure) as profit for the period by eliminating the impacts of changes in carrying amount of redeemable capital contributions. The following table reconciles our adjusted net profit (a non-IFRS measure) presented to the financial measure calculated and presented in accordance with IFRS, namely profit/loss for the period:

	For the six months ended June 30,		
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	Period-on-period change %
<b>Reconciliation of profit/loss for the period and adjusted net profit (a non-IFRS measure)</b>			
(Loss)/profit for the period	(589,774)	1,908	(31,010.6)
Add:			
Changes in carrying amount of redeemable capital contributions	632,820	68,887	818.6
<b>Adjusted net profit (a non-IFRS measure)</b>	<b>43,046</b>	<b>70,795</b>	<b>(39.2)</b>

Our management considers that changes in carrying amount of redeemable capital contributions is a non-cash item, primarily due to which we incurred net loss for the six months ended June 30, 2024 and such amount will reclassify from financial liabilities to equity upon completion of the Listing and the Global Offering. Therefore, by eliminating the impacts of the said item in the calculation of the adjusted net profit (a non-IFRS measure), such measure could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from year to year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY AND CAPITAL RESOURCES

We have maintained a comprehensive treasury policy detailing specific functions and internal control measures for capital use. These functions and measures include but are not limited to procedures of capital management and liquidity management. We manage and maintain our liquidity through the use of internally generated cash flows from operations and bank borrowings. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations.

For the Reporting Period, we funded our working capital and other capital expenditure requirements through a combination of income generated from operations and investments received. The following table sets forth a summary of our cash flows for the periods indicated:

	For the six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash used in operating activities	(65,221)	(24,766)
Net cash used in investing activities	(183,162)	(146,843)
Net cash generated from financing activities	252,992	202,453
Net increase in cash	4,609	30,844
Cash at beginning of the period	46,876	20,434
Cash at the end of the period	51,485	51,278

### Cash

For the Reporting Period, our net cash used in operating activities was RMB65.2 million, which was primarily attributable to the increase in our trade and other receivables and prepayments, offsetting our loss before taxation adjusted for non-cash and non-operating items in a positive net effect.

For the Reporting Period, our net cash used in investing activities was RMB183.2 million, primarily as a result of payment for the acquisition of property and equipment and intangible assets of RMB180.2 million.

For the Reporting Period, our net cash generated from financing activities was RMB253.0 million, primarily as a result of proceeds from bank loans of RMB441.3 million, partially offset by repayment of bank loans of RMB177.0 million.

As a result of the foregoing, our cash, which were primarily held in Renminbi, increased by 9.8% from RMB46.9 million as of December 31, 2023 to RMB51.5 million as of June 30, 2024.

As of June 30, 2024, we are not exposed to significant foreign currency risk since financial assets and liabilities of the Company and its subsidiaries denominated in currencies other than the functional currencies are not significant. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Indebtedness

During the Reporting Period, our indebtedness mainly included bank loans, lease liabilities, and redeemable capital contributions. The following table sets forth the components of our indebtedness as of the dates indicated:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (unaudited)
<b>Current</b>		
Trade and other payables	35,686	43,389
Contract liabilities	47,690	97,423
Bank loans	606,289	342,000
Lease liabilities	9,256	8,115
Redeemable capital contributions	1,485,732	852,912
Taxation payable	4,243	3,169
<b>Non-current</b>		
Bank loans	10,000	10,000
Lease liabilities	11,124	10,684
Deferred tax liabilities	2,611	2,832
Deferred income	1,929	2,036
	<b>2,214,560</b>	<b>1,372,560</b>

As of June 30, 2024, as we had utilized a credit limit of RMB616.3 million for bank borrowings, our unutilized banking facilities were RMB119.7 million, bank loans carried an interest rate ranging from 2.70% to 7.00% per annum.

## GEARING RATIO

As of June 30, 2024, our gearing ratio, being total liabilities divided by total assets and multiplied by 100%, was 135.5%.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CAPITAL EXPENDITURES

We regularly incur capital expenditures to purchase our property and equipment, as well as intangible assets, in order to enhance our research and development and commercialization capabilities, and expand our business operations. The following table sets forth our capital expenditure for the periods indicated:

	As of June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Payment for the acquisition of property, equipment and intangible assets	180,185	145,565
<b>Total</b>	<b>180,185</b>	<b>145,565</b>

## CONTINGENT LIABILITIES

As of June 30, 2024, we did not have any material contingent liabilities.

## SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of June 30, 2024, we did not hold any significant investment. In addition, save for the expansion plans as disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Prospectus, we have no future plans for material investments or capital assets.

## MATERIAL ACQUISITIONS AND DISPOSALS

For the Reporting Period, we did not conduct any material acquisitions or disposals of subsidiaries, associates or joint ventures.

## CHARGES ON GROUP ASSETS

As of June 30, 2024, we did not have any charged assets.

## INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Reporting Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEES

As of June 30, 2024, we had 282 full-time employees, the majority of which were based in our headquarter in Shanghai. We conduct new staff training regularly to guide new employees and help them adapt to the new working environment. In addition, we provide online and in-person comprehensive and formal company-level and department-level training to our employees on a quarterly basis in addition to on-the-job training. We also encourage our employees to attend external seminars and workshops to enrich their technical knowledge and develop competencies and skills, and provide training and development programs as well as external training sessions to our employees from time to time to improve their technical skills and ensure their awareness and compliance with our various policies and procedures.

The remuneration of our employees is determined with reference to market conditions and individual employees' performance, qualification and experience. In line with the performance of us and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses and benefit plans. For the six months ended June 30, 2024, total remuneration of our employees amounted to approximately RMB38.4 million (for the six months ended June 30, 2023: approximately RMB31.0 million).

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company's H shares were listed on the Main Board on July 10, 2024. On August 2, 2024, the Over-allotment Option (as described in the Prospectus) has been partially exercised by the Sole Overall Coordinator, on behalf of the International Underwriters, pursuant to which the Company raised additional capital. Further details of the partial exercise of the Over-allotment Option are set out in the announcement of the Company dated August 4, 2024.

On August 20, 2024, the Board has resolved to change the addresses of headquarters and principal place of business in the PRC and the registered office in the PRC to 4th Floor, F11 Building, Phase 4.1, Wuhan Software New City, East Lake High-tech Development Zone, Wuhan, Hubei Province, the PRC (the "Change of Address"). Following the resolution for the Change of Address, the Board further resolved to (i) change the name of the Company from "上海聲通信息科技股份有限公司" to "湖北聲通科技股份有限公司", and the English name of the Company from "Shanghai Voicecomm Information Technology Co., Ltd."\* to "Hubei Voicecomm Technology Co., Ltd." (the "Change of Company Name") in order to reflect the Change of Address in the Company's name; and (ii) make various corresponding amendments to the Articles of Association (the "Amendments to the Articles"). Further details of the Changes of Address, Change of Company Name and the corresponding Amendments to the Articles are set out in the announcement of the Company dated August 20, 2024.

In the extraordinary general meeting held on September 4, 2024, the resolution to consider and approve the Changes of Address, Change of Company Name and the corresponding Amendments to the Articles was passed as a special resolution. Further details of the poll results of the extraordinary general meeting held on September 4, 2024 are set out in the announcement of the Company dated September 4, 2024.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Company had completed the registration procedures with the relevant governmental authorities in the PRC in respect of the Change of Address and the Change of Company Name on September 6, 2024.

The Company will apply to the Hong Kong Companies Registry for a Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company to comply with the necessary registration and/or filing procedures in Hong Kong.

Save as the above, there are no material events subsequent to June 30, 2024 which could have a material impact on our operating and financial performance as of the date of this report.

### **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES**

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

### CHANGE OF DIRECTOR AND BOARD COMMITTEE MEMBER

Mr. Sinn Wai Kin Derek tendered his resignation to the Board and resigned from the position of INED with effect from August 1, 2024. Upon his resignation, Mr. Sinn Wai Kin Derek ceased to be the chairman of the Audit Committee and a member of the Remuneration Committee.

Mr. Leung Kin Hong was appointed as an INED, the chairman of the Audit Committee and a member of the Remuneration Committee with effect from September 4, 2024. Details of the biographies of Mr. Leung Kin Hong and other information required to be disclosed under Rule 13.51(2) of the Listing Rules are set out in the circular of the Company dated August 20, 2024. As of the date of this report, there was no change in such information.

### CHANGE IN DIRECTORS' AND SUPERVISORS' BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed above, there is no change in the Directors' and Supervisors' biographical details which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Prospectus.

### INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES OF THE COMPANY IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As the H Shares had not been listed on the Stock Exchange as of June 30, 2024, section 352 of the SFO and the Model Code were not applicable to the Directors and Supervisors as of June 30, 2024.

As of the Latest Practicable Date, the interests and short positions of the Directors, Supervisors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or are deemed to have taken under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Name of Director, Supervisor or chief executive	Description of Shares	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding in the relevant class of shares (%) <sup>(1)</sup>	Approximate percentage of shareholding in the total issued share capital (%) <sup>(1)</sup>
Mr. Tang <sup>(3)(4)</sup>	Unlisted Shares	Interest of controlled corporation; Beneficial owner; Interests held jointly with another person	11,099,558	49.48	31.25
	H Shares	Interests held jointly with another person	72,000	0.55	0.20
Mr. Sun <sup>(3)(5)</sup>	Unlisted Shares	Interests held jointly with another person; Beneficial owner; Interest of controlled corporation	11,099,558	49.48	31.25
	H Shares	Interests held jointly with another person	72,000	0.55	0.20

## OTHER INFORMATION

Name of Director, Supervisor or chief executive	Description of Shares	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding in the relevant class of shares (%) <sup>(1)</sup>	Approximate percentage of shareholding in the total issued share capital (%) <sup>(1)</sup>
Mr. Yang <sup>(3)(6)(7)</sup>	Unlisted Shares	Interests held jointly with another person; Interest of controlled corporation	11,099,558	49.48	31.25
	H Shares	Interest of controlled corporation	72,000	0.55	0.20

### Notes:

- (1) The calculation is based on the total number of 35,524,210 Shares in issue comprising 22,433,317 Unlisted Shares and 13,090,893 H Shares as at Latest Practicable Date.
- (2) All interests are long positions.
- (3) Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company or upon the termination of the Concert Party Agreement. For details, see “History, Development and Corporate Structure – Concert Party Arrangement” in the Prospectus. As such, each of the Concert Parties are deemed to be interested in the Shares each other is interested in.
- (4) As at the Latest Practicable Date, Shares in which Mr. Tang is interested consist of (i) 3,498,000 Unlisted Shares held by him in his own personal capacity; (ii) 5,093,558 Unlisted Shares held by Voicecomm Rongzhi, a company held as to 99% by Mr. Tang and 1% by his spouse, in which Mr. Tang is deemed to be interested under the SFO; and (iii) 2,508,000 Unlisted Shares and 72,000 H Shares in which Mr. Tang is deemed to be interested as a result of being a party acting-in-concert with Mr. Sun, and Jiangfan Technology.
- (5) As at the Latest Practicable Date, Shares in which Mr. Sun is interested consist of (i) 1,800,000 Unlisted Shares held by him in his own personal capacity; (ii) 540,000 Unlisted Shares held by Jiageng Culture, a company is wholly-owned by Mr. Sun, in which Mr. Sun is deemed to be interested under the SFO; and (iii) 8,759,558 Unlisted Shares and 72,000 H Shares in which Mr. Sun is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Jiangfan Technology.
- (6) Jiangfan Technology is wholly-owned by Jiangcheng Asset Management, which is in turn held as to 60.0% by Mr. Yang and 40.0% by Mr. Jiang Haisheng (姜海生). By virtue of the SFO, each of Mr. Yang and Mr. Jiang Haisheng is deemed to be interested in the Shares that Jiangfan Technology is interested in.
- (7) As at the Latest Practicable Date, Shares in which Jiangfan Technology is interested consist of (i) 168,000 Unlisted Shares and 72,000 H Shares held by it in its own capacity; and (ii) 10,931,558 Unlisted Shares in which Jiangfan Technology is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Mr. Sun.

## OTHER INFORMATION

Save as disclosed above, as of the Latest Practicable Date, no Directors, Supervisors or chief executives of the Company had or was deemed to have an interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or are deemed to have taken under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As the H Shares had not been listed on the Stock Exchange as of June 30, 2024, section 336 of the SFO was not applicable to the substantial shareholders of the Company as of June 30, 2024.

As of the Latest Practicable Date, to the best knowledge of the Directors, the following persons, other than Directors, Supervisors and chief executives of the Company, had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein:

Name of substantial shareholder	Description of Shares	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding in the relevant class of shares (%) <sup>(1)</sup>	Approximate percentage of shareholding in the total issued share capital (%) <sup>(1)</sup>
Mr. Jiang Haisheng <sup>(3)(6)(7)</sup>	Unlisted Shares	Interests held jointly with another person; Interest of controlled corporation	11,099,558	49.48	31.25
Ms. Xu <sup>(3)(4)</sup>	Unlisted Shares	Spousal interest	11,099,558	49.48	31.25
	H Shares		72,000	0.55	0.20
Voicecomm Rongzhi <sup>(3)(4)</sup>	Unlisted Shares	Interests held jointly with another person; Beneficial owner	11,099,558	49.48	31.25
Jiangfan Technology <sup>(3)(6)(7)</sup>	Unlisted Shares	Interests held jointly with another person; Beneficial owner	11,099,558	49.48	31.25
	H Shares	Beneficial owner	72,000	0.55	0.20
Jiangcheng Asset Management <sup>(3)(6)(7)</sup>	Unlisted Shares	Interests held jointly with another person; Interest of controlled corporation	11,099,558	49.48	31.25
	H Shares	Interest of controlled corporation	72,000	0.55	0.20
Jiageng Culture <sup>(3)(5)</sup>	Unlisted Shares	Interests held jointly with another person; Beneficial owner	11,099,558	49.48	31.25

## OTHER INFORMATION

### Notes:

- (1) The calculation is based on the total number of 35,524,210 Shares in issue comprising 22,433,317 Unlisted Shares and 13,090,893 H Shares as at Latest Practicable Date.
- (2) All interests are long positions.
- (3) Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company or upon the termination of the Concert Party Agreement. For details, see “History, Development and Corporate Structure – Concert Party Arrangement” in the Prospectus. As such, each of the Concert Parties are deemed to be interested in the Shares each other is interested in.
- (4) As at the Latest Practicable Date, Shares in which Mr. Tang is interested consist of (i) 3,498,000 Unlisted Shares held by him in his own personal capacity; (ii) 5,093,558 Unlisted Shares held by Voicecomm Rongzhi, a company held as to 99% by Mr. Tang and 1% by his spouse, in which Mr. Tang is deemed to be interested under the SFO; and (iii) 2,508,000 Unlisted Shares and 72,000 H Shares in which Mr. Tang is deemed to be interested as a result of being a party acting-in-concert with Mr. Sun, and Jiangfan Technology.
- (5) As at the Latest Practicable Date, Shares in which Mr. Sun is interested consist of (i) 1,800,000 Unlisted Shares held by him in his own personal capacity; (ii) 540,000 Unlisted Shares held by Jiageng Culture, a company is wholly-owned by Mr. Sun, in which Mr. Sun is deemed to be interested under the SFO; and (iii) 8,759,558 Unlisted Shares and 72,000 H Shares in which Mr. Sun is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Jiangfan Technology.
- (6) Jiangfan Technology is wholly-owned by Jiangcheng Asset Management, which is in turn held as to 60.0% by Mr. Yang and 40.0% by Mr. Jiang Haisheng. By virtue of the SFO, each of Mr. Yang and Mr. Jiang Haisheng is deemed to be interested in the Shares that Jiangfan Technology is interested in.
- (7) As at the Latest Practicable Date, Shares in which Jiangfan Technology is interested consist of (i) 168,000 Unlisted Shares and 72,000 H Shares held by it in its own capacity; and (ii) 10,931,558 Unlisted Shares in which Jiangfan Technology is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Mr. Sun.

Save as disclosed above, as of the Latest Practicable Date, to the best knowledge of the Directors, no other persons (not being Directors, Supervisors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

### INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS OF OTHER MEMBERS OF OUR GROUP

The following table (together with its notes) sets out, so far as our Directors are aware, persons who are, directly or indirectly, interested in 10% or more of the equity interests of our subsidiaries as of the Latest Practicable Date:

Name of member of our Group (being associated corporation)	Name of substantial shareholder	Nature of interest	Approximate percentage of equity interests held by the substantial shareholder
Voicecomm Yilian	Shanghai Youjia Fire Engineering Testing Co., Ltd. (上海佑家消防工程檢測有限公司) <sup>(1)</sup>	Beneficial interest	33%
	Mr. Song Xiangfei (宋相飛先生) <sup>(1)</sup>	Interest in a controlled corporation	33%
	Ms. Ni Suping (倪素萍女士) <sup>(1)</sup>	Interest in a controlled corporation	33%
Yuanya Information	Shanghai Cuiwen Network Technology Co., Ltd. (上海萃問網絡科技有限公司) <sup>(2)</sup>	Beneficial interest	49%
	Mr. Wei Yangchun (衛陽春先生) <sup>(2)</sup>	Interest in a controlled corporation	49%
Jinxun Digital Intelligence	Xi'an Jinxuntong Software Technology Co., Ltd. (西安金訊通軟件技術有限公司) <sup>(3)</sup>	Beneficial interest	49%
	Mr. Han Zhaoning (韓召寧先生) <sup>(3)</sup>	Interest in a controlled corporation	49%

Notes:

- (1) Shanghai Youjia Fire Engineering Testing Co., Ltd. (上海佑家消防工程檢測有限公司) is held as to 65% by Mr. Song Xiangfei (宋相飛先生) and 35% by Ms. Ni Suping (倪素萍女士). By virtue of the SFO, each of Mr. Song Xiangfei (宋相飛先生) and Ms. Ni Suping (倪素萍女士) is deemed to be interested in the equity interests of Voicecomm Yilian that Shanghai Youjia Fire Engineering Testing Co., Ltd. is interested in.
- (2) Shanghai Cuiwen Network Technology Co., Ltd. (上海萃問網絡科技有限公司) is held as to 79% by Mr. Wei Yangchun (衛陽春先生). By virtue of the SFO, Mr. Wei Yangchun (衛陽春先生) is deemed to be interested in the equity interests of Yuanya Information that Shanghai Cuiwen Network Technology Co., Ltd. (上海萃問網絡科技有限公司) is interested in.
- (3) Xi'an Jinxuntong Software Technology Co., Ltd. (西安金訊通軟件技術有限公司) is held as to 95% by Mr. Han Zhaoning (韓召寧先生). By virtue of the SFO, Mr. Han Zhaoning (韓召寧先生) is deemed to be interested in the equity interests of Jinxun Digital Intelligence that Xi'an Jinxuntong Software Technology Co., Ltd. (西安金訊通軟件技術有限公司) is interested in.

## OTHER INFORMATION

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

The H Shares had not been listed on the Stock Exchange as of June 30, 2024, and there were no other listed securities issued by the Company or any of its subsidiaries. Accordingly, there was no purchase, sale or redemption of any of the listed securities of the Company during the six months ended June 30, 2024.

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company received net proceeds of approximately HK\$571.65 million (equivalent to approximately RMB522.1 million<sup>(1)</sup>) from the Global Offering. On August 2, 2024, the Company also received net proceeds of approximately HK\$11.65 million (equivalent to approximately RMB10.6 million<sup>(2)</sup>) from the partial exercise of the Over-allotment Option. The total net proceeds amounted to approximately HK\$583.3 million (equivalent to approximately RMB532.7 million<sup>(3)</sup>). The aforementioned net proceeds amounts were arrived at after deducting the underwriting commissions and other estimated expenses payable by the Company in connection with the Global Offering and the partial exercise of the Over-allotment Option.

There was no change in the intended use of net proceeds as previously disclosed in the Prospectus and the net proceeds from the Global Offering had been utilized in accordance with the purposes set out in the Prospectus since the Listing Date and up to the Latest Practicable Date, namely:

Intended use of proceeds	Percentage of intended use of proceeds %	Intended use of proceeds from the Global Offering RMB in million	Actual usage up to the Latest Practicable Date RMB in million	Unutilized net proceeds as of the Latest Practicable Date RMB in million	Expected time of full utilization
Enhancing the fundamental research on our key technologies, improving the development of our standardized solutions and iteratively launching diverse commercialization applications and functions for more business scenarios	60.0	319.6	120.4	199.2	March 2025
- Strengthening our research and development team	30.0	159.8	50.8	109.0	March 2025
(i) Allocation for our research and development team on further explorations into our key technological areas:	23.0	122.5	36.5	86.0	March 2025
(1) reinforcement learning, transfer learning and federated learning technologies	10.0	53.3	13.9	39.5	March 2025
(2) technologies related to visualizable conversational AI empowered by computer vision AI	10.0	53.3	9.7	43.6	March 2025
(3) technologies related to next-generation unified communications compatible with visualizable conversational AI	3.0	16.0	13.0	3.0	December 2024

## OTHER INFORMATION

Intended use of proceeds	Percentage of intended use of proceeds %	Intended use of proceeds from the Global Offering RMB in million	Actual usage	Unutilized	Expected time of full utilization
			up to the Latest Practicable Date RMB in million	net proceeds as of the Latest Practicable Date RMB in million	
(ii) Allocation for our research and development team on the improvement of our standardized solutions to enhance their functionalities as applied in various application scenarios of different end-customer industries	7.0	37.3	14.3	23.1	March 2025
– Strengthening our technological infrastructure and research and development capabilities	30.0	159.8	69.6	90.2	December 2025
(i) Allocation for the procurement and installation of equipment, devices and/or software	20.0	106.5	63.7	42.8	December 2025
(ii) Allocation on technology development fees in relation to research and development activities	10.0	53.3	5.9	47.4	December 2025
Expanding our solution offerings, building our brand and enhancing our commercialization capabilities	20.0	106.5	31.3	75.2	March 2025
– Enhancing our business development efforts and increase market penetration	8.0	42.6	24.1	18.5	March 2025
– Enhancing our brand awareness through various channels and develop relationships with industry participants	12.0	63.9	7.2	56.7	June 2025
(i) Brand promotion and exposure	6.0	32.0	7.2	24.8	June 2025
(ii) Collaborating with our eco-partners in other forms of marketing	6.0	32.0	–	32.0	June 2025
Pursuing domestic and overseas strategic investment and acquisition opportunities	10.0	53.3	–	53.3	March 2025
General corporate purposes	10.0	53.3	30.7	22.6	Not Applicable
<b>Total</b>	<b>100.0</b>	<b>532.7</b>	<b>182.4</b>	<b>350.3</b>	

### Note:

- (1) Based on the exchange rate of HK\$1:RMB0.91329 published by the State Administration of Foreign Exchange of the PRC on July 10, 2024 for illustration purpose.
- (2) Based on the exchange rate of HK\$1:RMB0.91343 published by the State Administration of Foreign Exchange of the PRC on August 2, 2024 for illustration purpose.
- (3) Based on the RMB equivalent of aggregate net proceeds from the Global Offering and the partial exercise of the Over-allotment Option.

## OTHER INFORMATION

To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes and to the extent permitted by applicable laws and regulations, we may hold such funds in short-term interest-bearing accounts at other authorized financial institutions as defined under the SFO and/or licensed commercial banks so long as it is deemed to be in the best interests of our Company.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders.

As the H Shares had not been listed on the Stock Exchange as of June 30, 2024, the CG Code as set out in Appendix C1 to the Listing Rules was not applicable to the Company during the Reporting Period. The Board is of the view that, since the Listing Date and up to the date of this report, the Company has complied with all applicable code provisions as set out in part 2 of the CG Code.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding the Directors' and Supervisors' securities transactions. As the H Shares had not been listed on the Stock Exchange as of June 30, 2024, the Model Code was not applicable to the Company during the Reporting Period. Having made specific enquiry of all the Directors and Supervisors, all the Directors and Supervisors confirmed that they have strictly complied with the Model Code since the Listing Date and up to the date of this report.

The Board has also adopted written guidelines (the "Employees Written Guidelines") no less exacting than the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 in part 2 of the CG Code. No incident of non-compliance with the Employees Written Guidelines by the Group's relevant employees had been noted since the Listing Date and up to the date of this report.

### AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

As of the Latest Practicable Date, the Audit Committee consists of three members, namely Mr. Leung Kin Hong, Mr. Wu Haipeng and Mr. Yang Xiaoyuan. Mr. Leung Kin Hong, being the chairman of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, without limitation, assisting the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group and overseeing the audit process.

The Audit Committee has reviewed the Group's unaudited interim financial information for the Reporting Period. The Audit Committee has also reviewed the accounting principles adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters.

The interim financial report for the six months ended 30 June 2024 is unaudited, but has been reviewed by the Company's auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### COMPLIANCE WITH RULES 3.10(2), 3.21, 3.25 AND 19A.18(1) OF THE LISTING RULES

Following the resignation of Mr. Sinn Wai Kin Derek with effect from August 1, 2024, (a) the Board comprised two executive directors, four non-executive directors and three INEDs; (b) the Audit Committee comprised a non-executive director and an INED with the position of chairman being vacated; (c) the Remuneration Committee comprised an INED and an executive director; and (d) none of the INEDs was an ordinarily resident in Hong Kong. As a result of the foregoing, the Company did not comply with the requirements of (i) Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members, at least one of whom is an INED with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules, the majority of the Audit Committee members must be INEDs and the Audit Committee must be chaired by an INED; (ii) Rule 3.25 of the Listing Rules that the Remuneration Committee must comprise a majority of INEDs; and (iii) Rule 19A.18(1) of the Listing Rules that at least one of the INEDs must be ordinarily resident in Hong Kong.

Upon the appointment of Mr. Leung Kin Hong as an INED on September 4, 2024, he has also been appointed as the chairman of the Audit Committee and a member of the Remuneration Committee with effect from September 4, 2024. Mr. Leung is ordinarily resident in Hong Kong. Accordingly, the Company has re-complied with Rules 3.10(2), 3.21, 3.25 and 19A.18(1) of the Listing Rules since September 4, 2024.

On behalf of the Board

*Chairman*

**Mr. Tang Jinghua**

Hong Kong, August 20, 2024

# INDEPENDENT REVIEW REPORT

Review report to the board of directors of Shanghai Voicecomm Information Technology Co., Ltd.

*(Incorporated in People's Republic of China with limited liability)*

## INTRODUCTION

We have reviewed the interim financial report set out on pages 41 to 68 which comprises the consolidated statement of financial position of Shanghai Voicecomm Information Technology Co., Ltd. (the "Company") as of 30 June 2024 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

## KPMG

Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

20 August 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	4	371,173	280,843
Cost of sales		(208,807)	(142,788)
<b>Gross profit</b>		<b>162,366</b>	138,055
Other revenue	5(a)	5,732	17,843
Other net gain	5(b)	2	30
Research and development expenses		(64,345)	(50,719)
Selling and marketing expenses		(7,753)	(3,923)
Administrative and other operating expenses		(33,816)	(29,545)
Impairment losses on trade receivables		(11,670)	(818)
<b>Profit from operations</b>		<b>50,516</b>	70,923
Net finance costs	6(a)	(7,755)	(5,318)
Changes in carrying amount of redeemable capital contributions		(632,820)	(68,887)
Changes in fair value of financial assets measured at fair value through profit or loss	17	(2,291)	8,441
Share of loss of associates		(15)	(204)
<b>(Loss)/profit before taxation</b>	6	<b>(592,365)</b>	4,955
Income tax	7	2,591	(3,047)
<b>(Loss)/profit for the period</b>		<b>(589,774)</b>	1,908
<b>Attributable to:</b>			
Equity shareholders of the Company		(592,905)	(1,428)
Non-controlling interests		3,131	3,336
<b>(Loss)/profit for the period</b>		<b>(589,774)</b>	1,908
<b>Loss per share</b>	8		
Basic		RMB(19.09)	RMB(0.05)
Diluted		RMB(19.09)	RMB(0.05)

The notes on pages 48 to 68 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
(Loss)/profit for the period		(589,774)	1,908
<b>Other comprehensive income for the period (after tax and reclassification adjustments):</b>			
Items that will not be reclassified to profit or loss:			
Equity investments at FVOCI – net movement in fair value reserves (non-recycling) (net of tax RMB14,000 (2023: RMB34,000))	17	(78)	193
<b>Other comprehensive income for the period</b>		<b>(78)</b>	<b>193</b>
<b>Total comprehensive income for the period</b>		<b>(589,852)</b>	<b>2,101</b>
<b>Attributable to:</b>			
Equity shareholders of the Company		(592,983)	(1,235)
Non-controlling interests		3,131	3,336
<b>Total comprehensive income for the period</b>		<b>(589,852)</b>	<b>2,101</b>

The notes on pages 48 to 68 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024 – UNAUDITED

(Expressed in Renminbi)

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Non-current assets</b>			
Property and equipment	9(b)	88,675	96,647
Right-of-use assets	9(a)	15,876	14,616
Intangible assets		142,046	110,682
Goodwill		39,168	39,168
Interests in associates		215	230
Equity securities designated at fair value through other comprehensive income ("FVOCI")	17	679	771
Financial assets measured at fair value through profit or loss ("FVPL")	10&17	26,304	28,595
Prepayments	12	307,133	179,956
Deferred tax assets		25,292	18,399
		<b>645,388</b>	<b>489,064</b>
<b>Current assets</b>			
Inventories and other contract costs	11	10,417	7,653
Trade and other receivables	12	672,329	602,705
Prepayments	12	254,661	233,834
Cash	13	51,485	46,876
		<b>988,892</b>	<b>891,068</b>
<b>Current liabilities</b>			
Trade and other payables	14	35,686	43,389
Contract liabilities		47,690	97,423
Bank loans		606,289	342,000
Lease liabilities		9,256	8,115
Taxation payable		4,243	3,169
Redeemable capital contributions	15	1,485,732	852,912
		<b>2,188,896</b>	<b>1,347,008</b>
<b>Net current liabilities</b>		<b>(1,200,004)</b>	<b>(455,940)</b>
<b>Total assets less current liabilities</b>		<b>(554,616)</b>	<b>33,124</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024 – UNAUDITED

(Expressed in Renminbi)

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Non-current liabilities</b>			
Bank loans		10,000	10,000
Lease liabilities		11,124	10,684
Deferred tax liabilities		2,611	2,832
Deferred income		1,929	2,036
		25,664	25,552
<b>NET (LIABILITIES)/ASSETS</b>			
		(580,280)	7,572
<b>CAPITAL AND RESERVES</b>			
Share capital		31,059	31,059
Reserves		(635,725)	(42,742)
<b>Total deficit attributable to equity shareholders of the Company</b>			
		(604,666)	(11,683)
<b>Non-controlling interests</b>			
		24,386	19,255
<b>TOTAL (DEFICIT)/EQUITY</b>			
		(580,280)	7,572

Approved and authorised for issue by the board of directors on 20 August 2024

Name: 湯敬華  
Position: Chief Executive Officer

Name: 孫琪  
Position: Executive Director

The notes on pages 48 to 68 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED

(Expressed in Renminbi)

	Attributable to equity shareholders of the Group								
	Note	Share capital RMB'000	Capital reserve RMB'000	PRC statutory reserves RMB'000	Fair value	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
					reserve (non-recycling) RMB'000				
<b>Balance at 1 January 2023</b>		28,290	(10,949)	8,495	51	(5,946)	19,941	14,702	34,643
<b>Changes in equity for the six months ended 30 June 2023:</b>									
(Loss)/profit for the period		-	-	-	-	(1,428)	(1,428)	3,336	1,908
Other comprehensive income		-	-	-	193	-	193	-	193
<b>Total comprehensive income</b>		-	-	-	193	(1,428)	(1,235)	3,336	2,101
<b>Issue of ordinary shares</b>		2,769	177,231	-	-	-	180,000	-	180,000
<b>Recognition of redeemable capital contributions as current liabilities</b>		-	(178,050)	-	-	-	(178,050)	-	(178,050)
<b>Balance at 30 June 2023 and 1 July 2023</b>		31,059	(11,768)	8,495	244	(7,374)	20,656	18,038	38,694
<b>Changes in equity for the six months ended 31 December 2023:</b>									
(Loss)/profit for the period		-	-	-	-	(32,326)	(32,326)	1,217	(31,109)
Other comprehensive income		-	-	-	(13)	-	(13)	-	(13)
<b>Total comprehensive income</b>		-	-	-	(13)	(32,326)	(32,339)	1,217	(31,122)
<b>Balance at 31 December 2023</b>		31,059	(11,768)	8,495	231	(39,700)	(11,683)	19,255	7,572

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED

(Expressed in Renminbi)

Note	Attributable to equity shareholders of the Group							
	Share capital	Capital reserve	PRC statutory reserves	Fair value	Accumulated losses	Total	Non-controlling interests	Total equity/ (deficit)
				reserve (non-recycling)				
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	31,059	(11,768)	8,495	231	(39,700)	(11,683)	19,255	7,572
Changes in equity for the six months ended 30 June 2024:								
(Loss)/profit for the period	-	-	-	-	(592,905)	(592,905)	3,131	(589,774)
Other comprehensive income	-	-	-	(78)	-	(78)	-	(78)
Total comprehensive income	-	-	-	(78)	(592,905)	(592,983)	3,131	(589,852)
Capital contribution from non-controlling interests								
	-	-	-	-	-	-	2,000	2,000
Balance at 30 June 2024	31,059	(11,768)	8,495	153	(632,605)	(604,666)	24,386	(580,280)

The notes on pages 48 to 68 form part of this interim financial report.

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Operating activities</b>			
Cash used in operations		(50,638)	(23,702)
Tax paid		(6,583)	(1,064)
<b>Net cash used in operating activities</b>		<b>(65,221)</b>	<b>(24,766)</b>
<b>Investing activities</b>			
Payment for the acquisition of property and equipment and intangible assets		(180,185)	(145,565)
Acquisition of subsidiary, net of cash acquired		(3,000)	(1,295)
Other cash flows arising from investing activities		23	17
<b>Net cash used in investing activities</b>		<b>(183,162)</b>	<b>(146,843)</b>
<b>Financing activities</b>			
Proceeds from new bank loans		441,289	147,000
Repayment of bank loans		(177,000)	(101,650)
Capital contribution from non-controlling interests shareholder		2,000	–
Other cash flows arising from financing activities		(13,297)	157,103
<b>Net cash generated from financing activities</b>		<b>252,992</b>	<b>202,453</b>
<b>Net increase in cash</b>		<b>4,609</b>	<b>30,844</b>
<b>Cash at 1 January</b>		<b>46,876</b>	<b>20,434</b>
<b>Cash at 30 June</b>	13	<b>51,485</b>	<b>51,278</b>

The notes on pages 48 to 68 form part of this interim financial report.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 1. GENERAL INFORMATION

Shanghai Voiccomm Information Technology Co., Ltd. (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 5 December 2005 as a limited liability company under the Company Law of the PRC, with its registered office at Unit 418, Building 2, No. 508, Chundong Road, Minhang District, Shanghai. Upon approval by the Company’s board meeting held on 26 April 2015, the Company was converted from a limited liability company into a joint stock limited liability company. The Company’s H shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited on 10 July 2024.

The Company and its subsidiaries (collectively referred to as “the Group”) are principally engaged in the provision of enterprise-level solutions including audio and video communication hardware and software to enterprise customers. The Group’s principal operations and geographic markets are in the People’s Republic of China (“PRC”).

## 2. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 20 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 audited financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 audited financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 2. BASIS OF PREPARATION (Continued)

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s independent review report to the Board of Directors is included on page 40.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

## 3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IAS 1, *Classification of liabilities as current or non-current*
- Amendments to IAS 1, *Non-current liabilities with covenants*
- Amendments to IFRS 16, *Lease liability in a sale and leaseback*
- Amendments to IAS 7 and IFRS 7, *Supplier finance arrangements*

None of these developments had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 4. REVENUE AND SEGMENT REPORTING

The principal activities of the Group are provision of on-premised integrated Conversational AI solutions including software license, hardware and services. All of the Group's revenues from contracts with customers within the scope of IFRS 15.

### (a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major business lines of revenue recognition

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Enterprise-level solutions	366,455	272,769
Others	4,718	8,074
	371,173	280,843

Disaggregation of revenue from contracts with customers by the timing of revenue recognition

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Disaggregated by timing of revenue recognition		
Revenue over time	54,834	63,488
Revenue at a point in time	316,339	217,355
	371,173	280,843

### (b) Segment reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 4. REVENUE AND SEGMENT REPORTING (Continued)

### (c) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the solution or services were accepted.

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Chinese Mainland	369,993	276,343
Other countries	1,180	4,500
	371,173	280,843

## 5. OTHER REVENUE AND OTHER NET GAIN

### (a) Other revenue

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Government grants	5,732	17,843

### (b) Other net gain

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Net gain on disposal of property and equipment and right-of-use assets	2	30

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 6. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after (crediting)/charging:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<i>(a) Net finance costs</i>		
Interest income from bank deposits	(23)	(17)
<b>Finance income</b>	<b>(23)</b>	<b>(17)</b>
Interest on bank loans	7,427	5,054
Interest on lease liabilities	351	281
<b>Finance costs</b>	<b>7,778</b>	<b>5,335</b>
	<b>7,755</b>	<b>5,318</b>
<i>(b) Other items</i>		
Depreciation charge		
– property and equipment	10,675	858
– right-of-use assets	2,508	1,848
Amortisation of intangible assets	17,693	12,008
Listing expenses	8,456	13,696

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 7. INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Current tax</b>		
Provision for the period	4,290	236
Under/(over)-provision in respect of prior years	220	(375)
	4,510	(139)
<b>Deferred tax</b>	(7,101)	3,186
	(2,591)	3,047

The Company and subsidiaries were all incorporated in PRC. The Company and subsidiaries are subject to the PRC Corporate Income Tax Law ("CIT Law") at the statutory income tax rate of 25%, except for following specified:

According to the Administrative Measures for Determination of High-Tech Enterprises (Guokefahuo [2016] No. 32), the Company obtained the qualification as high-technology enterprise and was entitled to a preferential income tax rate of 15% from the years from 2021 to 2024. Shanghai Yuanya Information Technology Co., Ltd. obtained the qualification as high-technology enterprise and was entitled to a preferential income tax rate of 15% from the years from 2023 to 2026.

According to Announcement [2023] No. 6, "The Announcement of Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses" issued by Ministry of Finance of the PRC and National Tax Bureau on 26 March 2023, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% during the periods ended 30 June 2024 and 2023.

Certain subsidiaries in the Group meet the conditions as small-scaled minimal profit enterprise were qualified for the entitlement of such preferential tax treatment during the Relevant Periods.

According to Announcement [2023] No. 7 of the Ministry of Finance and the State Taxation Administration, the enterprises entitled to the current additional tax deduction ratio of 100% for research and development expenses during the periods ended 30 June 2024 and 2023.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 8. LOSS PER SHARE

### (a) Basic loss per share

The calculation of the basic loss per share for the six months ended 30 June 2024 and 30 June 2023 are calculated by dividing the loss attributable to the ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the Relevant Periods, calculated as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Loss attributable to equity shareholders of the Company	(592,905)	(1,428)
Allocation of profit for the period attributable to equity shareholders of redeemable capital contributions	263,993	564
Loss attributable to ordinary equity shareholders of the Company for the purpose of basic loss per share	(328,912)	(864)

Weighted average number of ordinary shares

	Six months ended 30 June	
	2024	2023
Issued ordinary shares at the beginning of the period	31,059,230	28,290,000
Effect of ordinary shares issued for redeemable capital contributions	(13,829,230)	(11,088,333)
Weighted average number of ordinary share at the end of the period for the purpose of basic loss per share	17,230,000	17,201,667

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 8. LOSS PER SHARE (Continued)

### (a) Basic loss per share (Continued)

Weighted average number of ordinary shares (Continued)

	Six months ended 30 June	
	2024	2023
Loss attributable to the ordinary shareholders of the Company (in RMB'000)	(328,912)	(864)
Weighted average number of ordinary shares in issue (number of shares)	17,230,000	17,201,667
Basic loss per share (in RMB)	(19.09)	(0.05)

Effect of ordinary shares issued for redeemable capital contributions represent the weighted average number of ordinary shares of the Group associated with the redeemable capital contributions at 30 June 2024 and 2023, which are subject to redemption and excluded from the calculation of the basic loss per share.

### (b) Diluted loss per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The effect of redeemable capital contributions is anti-dilutive during the six months ended 30 June 2024 and 2023, therefore is not included calculation of diluted earnings per share of the Company. Accordingly, diluted loss per share during the six months ended 30 June 2024 and 2023 are the same as basic earnings/(loss) per share.

On 10 July 2024, the Company's H shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited. The special rights associated with the Series A-1, Series B, Series B+ and Series C financing are unconditionally terminated and the redeemable capital contributions are reclassified as equity upon the listing of the Company's H shares.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 9. PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

### (a) Right-of-use assets

During the six months ended 30 June 2024, the Group entered into a number of lease agreements for use of office buildings, and therefore recognised the additions to right-of-use assets of RMB3,840,000 (six months ended 30 June 2023: RMB4,616,000).

### (b) Acquisitions and disposals of property and equipment and intangible assets

During the six months ended 30 June 2024, the Group acquired items of property and equipment and intangible assets with a cost of RMB51,760,000 (six months ended 30 June 2023: RMB6,461,000). Items of property and equipment with a net book value of RMBnil were disposed of during the six months ended 30 June 2024 (six months ended 30 June 2023: RMBnil), resulting in a loss on disposal of RMBnil (six months ended 30 June 2023: RMBnil).

## 10. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Financial assets at FVPL</b>		
Unlisted equity securities	26,304	28,595

In June 2021, the Group invested 3.95% of the equity interest in another private company, which is incorporated in the PRC and principally engaged in the AI hardware manufacturing and sales, for a consideration of RMB20,000,000 in cash.

The investment was classified as financial assets measured at FVPL, because the investment contain substantive liquidation preference and are redeemable at the option of the Group if the investee is liquidated in the future. The redeemable amount is calculated by investment consideration plus remaining net assets on pro rata basis.

During the six months ended 30 June 2024, the Group recognised loss in amount of RMB2,291,000 (six months ended 30 June 2023: gain in amount of RMB8,441,000) in the changes in fair value of financial assets measured at fair value through profit or loss.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 11. INVENTORIES AND OTHER CONTRACT COSTS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Communication devices	351	–
Servers and computers	393	593
Others	281	36
	1,025	629
Other contract cost	9,392	7,024
	10,417	7,653

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Trade and other receivables</b>		
Trade receivables	780,985	704,682
Less: loss allowance on trade receivables	(133,528)	(121,858)
	<b>647,457</b>	582,824
Value added tax (“VAT”) recoverable	13,123	13,430
Taxation recoverable	3,797	650
Capitalization of listing expenses	4,770	3,564
Other deposit and receivable	3,182	2,237
	<b>672,329</b>	602,705
<b>Prepayments</b>		
Current		
Prepayments for goods and services	254,661	233,834
Non-current		
Prepayments for purchase of property and equipment and intangible assets	269,339	145,002
Prepayments for services	37,794	34,954
	<b>307,133</b>	179,956

As at 30 June 2024 and 31 December 2023, except for the rental deposits of RMB1,213,000 and RMB921,000, respectively, all of the Group’s trade and other receivables are expected to be recovered or recognised as expense within a year.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 1 year	560,496	505,107
After 1 year but within 2 years	82,518	72,420
After 2 years but within 3 years	4,443	5,297
	<b>647,457</b>	<b>582,824</b>

Trade receivables are due within 180 to 270 days from the date of billing.

## 13. CASH

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash at bank	51,485	46,876

- (i) As of the end of the reporting period, cash situated in Chinese Mainland amounted to RMB51,478,000 (2023: RMB46,870,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 14. TRADE AND OTHER PAYABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade payables	12,211	14,402
Accrued payroll and benefits	7,739	8,493
Other taxes payable	2,293	3,680
Consideration payable for business combination	–	3,000
Payable for acquisition of property and equipment	2,469	6,557
Payable for acquisition of service	334	213
Accrual listing expenses	9,052	5,829
Deposits received	60	60
Other payables and accrual expenses	1,528	1,155
	<b>35,686</b>	<b>43,389</b>

All of the trade and other payables are expected to be settled or recognised as income within one year.

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 6 month	11,800	13,806
After 6 months but within 1 year	318	477
After 1 year	93	119
	<b>12,211</b>	<b>14,402</b>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in Renminbi unless otherwise indicated)*

## 15. REDEEMABLE CAPITAL CONTRIBUTIONS

In 2020, the Company entered into investment agreements with Series A investors, pursuant to which, these investors agreed to subscribe 4,960,000 shares of the Company at a consideration of RMB74,400,000 (referred as “Series A Financing”).

Pursuant to the Series A investment agreements, two of Series A investors (“Series A-1 investor”) are entitled to the redemption rights, liquidation preference and anti-dilution rights, while the remaining two Series A investors (“Series A-2 investor”) are entitled to the liquidation preference and one director nomination rights for each investors.

In 2021, the Company entered into investment agreements with Series B investors, pursuant to which, these investors agreed to subscribe 3,510,000 shares of the Company at a consideration of RMB140,400,000 (referred as “Series B Financing”).

In 2022, the Company entered into investment agreements with Series B+ investors, pursuant to which, these investors agreed to subscribe 2,620,000 shares of the Company at a consideration of RMB104,800,000 (referred as “Series B+ Financing”).

In 2023, the Company entered into investment agreements with Series C investors, pursuant to which, these investors agreed to subscribe 2,769,230 shares of the Company at a consideration of RMB180,000,000 in which 2,739,230 shares of the Company at a consideration of RMB178,049,940 are entitled to the redemption rights, liquidation preference and anti-dilution rights (referred as “Series C Financing”).

The Series A, Series B, Series B+ and Series C investors (collectively refer to “the investors”) are entitled to the same voting rights and dividend rights as other founding shareholders of the Company. Certain key special rights attributable to the investors of the investments are summarized as follows:

### Redemption rights

Shares issued by the Company for the Series A-1, Series B, Series B+ and Series C shall be redeemable by the Company and the founder of the Company upon the occurrence of certain events, with the main conditions being:

- (i) a qualified IPO does not occur within 31 December 2024 for Series A-1, Series B, Series B+ and Series C Financing.
- (ii) the Company didn't meet guaranteed profit from 2020 to 2025; or
- (iii) changes to the Company's controlling shareholder.

The redemption price of the shares issued in the investments shall equal to the higher of (i) the aggregate of the original issue price for the respective series plus an amount accruing daily at 8% of the original preferred shares issue price per annum minus all paid dividends (ii) fair market value of the shares of relevant series on the date of redemption.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 15. REDEEMABLE CAPITAL CONTRIBUTIONS (Continued)

### Liquidation preference

In the event of any liquidation including deemed liquidation, dissolution, bankruptcy, acquisitions, sale or transfer of all or part of the core assets, winding up of the Company, the founder of the Company and the Company shall ensure that the investors of the investments are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to founder in order of priority, an amount equals to the aggregate of the original issue price for the respective series plus an amount declared but not paid dividends and the remaining assets of the Company available for distribution shall be distributed rateably among the shareholders.

### Anti-dilution right

If the Company increases its share capital at a price lower than the price paid by the investors of the investments on a per share capital basis prior to a qualified IPO, the investors have a right to require the founding shareholders of the Company to transfer for nil consideration to the investors, so that the total amount paid by the investors divided by the total amount of share capital obtained is equal to the price per share capital in the new issuance.

### Presentation and classification

The Company recognized the financial instruments issued to investors as financial liabilities, because not all triggering events mentioned in the key terms above are within the control of the Company and these financial instruments did not meet the definition of equity for the Company. The financial liabilities are measured at the higher amount expected to be paid to the investors upon redemption or liquidation which is assumed to be at the dates of issuance and at the end of each reporting period. Any changes in the carrying amount of the financial liabilities were recorded in “Changes in carrying amount of redeemable capital contributions”.

The movements of the redeemable capital contributions are set out below:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
At the beginning of the year	852,912	527,970
Changes in carrying amount of redeemable capital contributions	632,820	146,892
Issuance for cash	–	178,050
At the ending of the year	1,485,732	852,912

The fair market value of the shares were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer. The Company used market approach to determine the total share value of the Company and applied the equity allocation model to determine the fair market value of the redeemable capital contribution at the end of each reporting period upon redemption.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 15. REDEEMABLE CAPITAL CONTRIBUTIONS (Continued)

### Presentation and classification (Continued)

Key valuation assumptions used to determine the fair market value of the shares are as follows:

	At 30 June 2024	At 31 December 2023
Discounts for lack of marketability ("DLOM")	2%	7.0%

If the Company's significant unobservable inputs applied in the valuation had been 1% lower or higher than management's estimation as at 30 June 2024 and 31 December 2023, the present value of the redeemable preferred shares would increase/(decrease) by the amounts listed in table below:

	At 30 June 2024 DLOM RMB'000
Impact on the profit/(loss) before income tax due to estimated changes in carrying amount of redeemable capital contributions	
Add 1%	280
Reduce 1%	(280)

	At 31 December 2023 DLOM RMB'000
Impact on the profit/(loss) before income tax due to estimated changes in carrying amount of redeemable capital contributions	
Add 1%	7,656
Reduce 1%	(7,658)

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 16. CAPITAL, RESERVES AND DIVIDENDS

### (a) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the period.

## 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Financial assets and liabilities measured at fair value

#### (i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

### (a) Financial assets and liabilities measured at fair value (Continued)

#### (i) Fair value hierarchy (Continued)

	Fair value at 30 June 2024 RMB'000	Fair value measurements as at 30 June 2024 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurement</b>				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities	679	–	–	679
Financial assets at FVPL				
– Unlisted equity securities	26,304	–	–	26,304
Liability:				
Redeemable capital contributions	1,485,732	–	–	1,485,732
<hr/>				
	Fair value at 31 December 2023 RMB'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurement</b>				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities	771	–	–	771
Financial assets at FVPL				
– Unlisted equity securities	28,595	–	–	28,595
Liability:				
Redeemable capital contributions	852,912	–	–	852,912

During the six months ended 30 June 2024, there were no transfers, or transfers into or out of Level 3 (2023: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

### (a) Financial assets and liabilities measured at fair value (Continued)

#### (ii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Unlisted equity securities (i)	The comparable company approach	DLOM
Unlisted equity securities (ii)	Market Approach Backsolve Method	Volatility
Redeemable capital contributions (iii)	Market approach	DLOM

(i) The fair value of certain unlisted equity security is determined average market multiples of comparable companies. As at 30 June 2024, it is estimated that with all other variables held constant, an increase/decrease in change of DLOM by 5% would have increased/decreased the Group's other comprehensive income by RMB34,000 (2023: RMB39,000).

(ii) The fair value of certain unlisted equity security is determined by market approach using latest round financing price and applied the equity allocation model. As at 30 June 2024, it is estimated that with all other variables held constant, an increase/decrease in volatility by 5% would have decreased/increased the Group's profit by RMB211,000 and RMB277,000.

(iii) The sensitivity analysis for redeemable capital contributions was disclosed in Note 15.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

### (a) Financial assets and liabilities measured at fair value (Continued)

#### (ii) Information about Level 3 fair value measurements (Continued)

The movement during the period in the balance of Level 3 fair value measurements is as follows:

	At 30 June 2024 RMB'000	At 30 June 2023 RMB'000
Financial assets at FVOCI:		
At 1 January	771	560
Net realized and unrealized gains on financial assets at fair value other comprehensive income	(92)	227
At 30 June	679	787
Financial assets at FVPL:		
At 1 January	28,595	28,337
Net realized and unrealized losses on financial liabilities at fair value through profit or loss	(2,291)	8,441
At 30 June	26,304	36,778

Any gains or losses arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

The gains arising from the financial assets at FVPL are presented in the "Changes in fair value of financial assets measured at fair value through profit or loss" line item in the consolidated statement of profit or loss.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 18. COMMITMENTS

Commitments outstanding at 30 June 2024 not provided for in the interim financial report

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Purchase of network and other telecommunication resource costs	140,306	180,306
Purchase of property, equipment and intangible assets	98,522	95,300

## 19. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2024 and 31 December 2023, the Group does not have any material contingent liabilities.

## 20. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 10 July 2024, the Company issued a total of 4,356,660 shares at the offering price of HK\$152.10 per share, which were listed on the Main Board of The Stock Exchange of Hong Kong Limited. In addition, 8,625,913 Unlisted Shares were converted to H Shares. The over-allotment option described in the prospectus dated on 28 June 2024 was exercised in respect of an aggregate of 99,320 shares until 2 August 2024.

As agreed in the related investment agreements, all the issued redeemable preferred shares were converted into the ordinary shares at a conversion ratio 1 to 1 on the listing date 10 July 2024. Upon the completion of listing, the redeemable capital contributions were reclassified from the current liabilities to the equities.