



玄武雲科技控股有限公司

Xuan Wu Cloud Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)





(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：2392

2025 中期報告 INTERIM REPORT



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CORPORATE INFORMATION

Executive Directors

Mr. CHEN Yonghui
(Chairman and Chief Executive Officer)
Mr. HUANG Fangjie
Mr. LI Hairong
Mr. GUO Haiqiu

Independent Non-executive Directors

Mr. DU Jianqing
Ms. WU Ruifeng
Prof. WU Jintao

Audit Committee

Ms. WU Ruifeng *(Chairman)*
Mr. DU Jianqing
Prof. WU Jintao

Remuneration Committee

Prof. WU Jintao *(Chairman)*
Mr. GUO Haiqiu
Ms. WU Ruifeng

Nomination Committee

Mr. CHEN Yonghui *(Chairman)*
Mr. DU Jianqing
Prof. WU Jintao

Legal Advisers to Hong Kong Law

Zhong Lun Law Firm LLP
4/F, Jardine House
1 Connaught Place
Central
Hong Kong

Joint Company Secretaries

Ms. GE Ping
Ms. LAM Chi Ching Cecilia
(Solicitor of the High Court of Hong Kong)

Authorised Representatives

Mr. CHEN Yonghui
Ms. LAM Chi Ching Cecilia

Stock Code

2392

Company Website

<https://ir.wxchina.com/>

Registered Office

Harneys Fiduciary (Cayman) Limited
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Grand Cayman KY1-1002
Cayman Islands

Headquarter and Principal Place of Business in the PRC

Room 904, 9/F
38 Haizhou Road
Haizhu District
Guangzhou, Guangdong
PRC

Auditor

PricewaterhouseCoopers
Registered Public Interest Entity Auditor
Certified Public Accountants
22/F, Prince's Building
Central
Hong Kong

Principal Place of Business in Hong Kong

4/F, Jardine House
1 Connaught Place
Central
Hong Kong

Principal Banker

China Merchants Bank
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Principal Share Registrar and Transfer Office

Harneys Fiduciary (Cayman) Limited
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Grand Cayman KY1-1002
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

FINANCIAL HIGHLIGHTS

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	410,907	647,469
Gross profit	74,950	101,249
Operating loss	(26,968)	(4,106)
Losses before tax	(29,084)	(5,912)
Losses attributable to owners of the Company	(25,874)	(6,444)
Losses per share (expressed in RMB per share)	(0.048)	(0.012)

Condensed Consolidated Statement of Financial Position

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Assets		
Non-current assets	32,569	39,765
Current assets	592,173	594,043
Total assets	624,742	633,808
Equity		
Equity attributable to owners of the Company	306,665	331,621
Non-controlling interests	(7,196)	(3,552)
Total equity	299,469	328,069
Liabilities		
Non-current liabilities	2,137	8,026
Current liabilities	323,136	297,713
Total liabilities	325,273	305,739
Total equity and liabilities	624,742	633,808

Business Review

In the first half of the year, the global digital economy maintained robust growth momentum. Notably, the frontier innovation industries, represented by AI, have transitioned from technological breakthroughs to large-scale applications. Various AI agents are progressively empowering diverse industries and integrating into all aspects of the economy and society. As a leading domestic provider of intelligent CRM services, we closely track the trends in the digital economy, continuously reinforcing our leading position in AI capabilities within the industry, and offer our clients high-quality digital and intelligent services through our comprehensive intelligent CRM product matrix.

During the Reporting Period, due to the impact of regulatory policy adjustments in the domestic telecommunications industry, significant changes occurred in the market environment for our PaaS and certain SaaS services. Despite our proactive response to industry challenges in the first half of the year and our swift adaptation to policy changes, leveraging our cPaaS platform, regulatory factors still led to a decline in domestic revenue from these businesses in the short term. In the overseas market, our cloud communication business has seen rapid growth in both client base and revenue. By the end of the Reporting Period, our overseas service areas have expanded to include numerous countries and regions in Southeast Asia, Latin America, East Asia, the Middle East, and beyond. We have also forged direct resource cooperation with telecommunications operators in many of these regions, laying a solid foundation for the localisation of our overseas business operations. Based on these changes, our revenue in the first half of the year reached RMB410.9 million, representing a decrease of 36.5% year-on-year.

Despite facing challenges from the market and industry during the first half of the year, we remained committed to achieving the Company's strategic goal of high-quality development. During the Reporting Period, by continuously focusing on AI+ SaaS business, we steadily improved the gross profit margin of this segment of our business, which in turn drove the overall gross profit margin upward. Additionally, based on the prudent and strict financial control adopted by the Board, by implementing measures such as strengthening cash flow management, we were able to restore positive operating cash flow in the first half of 2025.

In the context of market changes, we are more acutely aware of the importance of technological innovation in enhancing market competitiveness. During the Reporting Period, we had obtained a total of 410 authorised patents and computer software copyrights, with 11 new additions, which has allowed our products to maintain a competitive edge in the market. Leveraging our excellent products and services, during the Reporting Period, we provided digital and intelligent transformation and upgrading services to a total of 2,351 clients across four major industries: finance, FMCG, Government-related enterprises and TMT.

BUSINESS REVIEW AND PROSPECT (CONTINUED)

Our SaaS business, consisting of “Three Clouds”: Marketing Cloud, Sales Cloud and Service Cloud, is committed to intelligently managing the entire marketing process for our clients. During the Reporting Period, our SaaS segment generated revenue of RMB245.0 million, representing a year-on-year decrease of 32.9%. This decrease was primarily attributed to the impact of telecommunications industry policies on certain aspects of our business, coupled with our proactive efforts to reduce loss-making projects. As a result, our profit-first strategy contributed to an increase in the gross profit margin of our SaaS segment to 26.5%, marking a year-on-year improvement of 3.4 percentage points. In addition, the total revenue of our core clients⁽¹⁾ accounted for 95.0% of the total revenue, and our Average Revenue Per User (“ARPU”)⁽²⁾ contributed by core clients reached RMB1.3 million. The number of our continuously focused SaaS clients reached 1,558 during the Reporting Period, and the ARPU of our SaaS core clients reached RMB1.1 million.

Marketing Cloud is a business segment that we use to serve clients in industries such as finance and Government-related enterprises, enabling digital and intelligent upgrades in marketing. During the Reporting Period, while continuously enhancing the capabilities of products and solutions, Marketing Cloud also continued to expand and implement clients in niche segments such as securities, and Government Services and Data Management. Among them, ICC (Integrated Communication Centre), the flagship product of Marketing Cloud, completed the latest protocol adaptation for the direct connection mode of mainstream domestic telecom operators during the Reporting Period, fully upgrading the product’s 5G message reach capability. In the meantime, ICC also continued to improve its information technology and innovation ecosystem, with the number of information technology and innovation adaptations increasing to 14, and completed the adaptation of components such as Jiyan and iPush to the HarmonyOS system. This is conducive to further opening up the market for domestic substitution. Through these measures, ICC has maintained a project bid-winning rate of over 90%.

Another product of Marketing Cloud, the DMP Intelligent Marketing Cloud Platform, continued to deeply penetrate industries such as Government-related enterprises and e-commerce, helping enterprises build a digital marketing operation support system for potential client acquisition, existing client activation, and in-depth management, thereby improving the conversion rate of precision marketing. Due to the impact of regulatory policy adjustments in the telecommunications industry on some services of Marketing Cloud, it also resulted in a revenue of RMB189.7 million during the Reporting Period, representing a decrease of 38.1% year-on-year.

Notes:

- (1) Core clients are defined as clients contributing RMB150,000 or above of revenue during the Reporting Period.
- (2) The average revenue per user (ARPU) contributed by core clients refers to the average revenue generated per core client during the Reporting Period.

The Sales Cloud represents our business segment focused on the second growth trajectory, dedicated to facilitating the digital and intelligent transformation of the entire marketing chain for consumer goods enterprises through the empowerment of AI and DI, thereby supporting the enterprises in achieving intelligent growth. During the Reporting Period, Sales Cloud continued to promote the solution model of “consultation-driven solution + standard products + advanced aPaaS platform”, striving to optimise client business processes from top to bottom, helping clients better implement digital and intelligent solutions while also enhancing our own product commercial value.

The core product of Sales Cloud, Smart Sales 100 (智慧100), strengthened its original product functions and updated its UI to optimise user experience during the Reporting Period. In the meantime, it added new plug-and-play components such as “super forms (超級表單)” and “questionnaires” to meet clients’ personalised needs. In addition, Smart U-Client (智慧U客) under the Sales Cloud, which focuses on the durable consumer goods industry, underwent a comprehensive version upgrade based on Huawei’s Ascend AI ecosystem and DeepSeek large model during the Reporting Period. This enabled the product to achieve “instant response” in key scenarios such as client portrait analysis and business opportunity prediction, greatly improving client operation efficiency. In the meantime, Smart U-Client also released multi-language versions to help enterprises improve marketing efficiency and expand their business scope globally.

In terms of AI products, during the Reporting Period, based on our self-developed Xuan Tao (玄韜) large model, which is specialised in the consumer goods industry, as well as open-source large models like DeepSeek, we continued to explore the needs of consumer goods terminal business scenarios. We launched the SKU super model that offers insights into the dynamics of beverage, liquor, and other industry terminal scenarios, as well as the industry’s only marketing vertical model for the milk powder industry — the anti-cheating and retouch detection model, known as “AI Retouch Detective (AI翻拍偵探)”. In addition, we have added new features such as empty space detection and layered detection for terminal displays to our AI standard products, bringing the total number of standard products to 12.

In the exploration of AI agent development, we have built multiple AI agents based on the aPaaS platform (a low-code platform). These agents serve as “development assistants” for enterprises to develop new business functions internally, and as “market research assistants (市場摸排助手)” to help clients gain insights into market demands at the terminal. Additionally, to meet enterprises’ needs for efficiency management of salespeople, we can provide a “voice operation assistant (語音操作助手)” to help enterprises achieve their management goals. Furthermore, our business assistant “Smart Xiaoxuan (智慧小玄)” created by Smart U-Client has also been successfully implemented for clients.

BUSINESS REVIEW AND PROSPECT (CONTINUED)

As a standard product that assists FMCG clients in achieving digital marketing for smart retail stores, our AIoT intelligent fridge continued to expand its coverage in offline terminal stores. In the meantime, in terms of product functionality, the AIoT intelligent fridge actively followed client market demands, iterated and upgraded the product's dynamic sales application scenarios, and further optimised client deployment costs. During the Reporting Period, our Sales Cloud achieved revenue of RMB28.6 million, representing a decrease of 33.6% year-on-year, mainly due to our proactive reduction of loss-making projects. However, this measure improved the gross profit margin level of our Sales Cloud segment. In addition, our annual recurring revenue (ARR) of the Sales Cloud accounting for 62.9% of Sales Cloud revenue, representing a year-on-year increase of 12.4 percentage points as compared to the corresponding period last year.

Our Service Cloud is based on multi-channel client communication and full-process business management, providing intelligent client service services with human-machine integration across the entire industry chain. During the Reporting Period, our market share in post-loan management SaaS business further increased, with a year-on-year increase of 19.9% in the number of seats. In terms of product capabilities, our Service Cloud has evolved from outbound calls to full touchpoints, achieving breakthroughs in new contact methods like post-loan management SMS and flash messages. Additionally, our Service Cloud has integrated open-source large models like DeepSeek, developed a speech configuration robot, and successfully implemented it for clients. This product can help clients reduce 90% of their workload in speech configuration, significantly enhancing their overall work efficiency. Based on this, our Service Cloud achieved revenue of RMB26.6 million during the Reporting Period, representing a year-on-year increase of 71.7%.

While maintaining steady development in our own business, we were also actively building an ecosystem of domestic resources and channels. During the Reporting Period, we reached a strategic cooperation agreement with Tencent Cloud, and both parties will collaborate in areas such as AI products and services, cloud communication, and smart retail. In addition, we have partnered with Huawei Ascend to jointly upgrade and iterate product versions. Furthermore, our data-related products were listed on the Guangzhou and Shenzhen data exchanges during the Reporting Period, thereby further expanding the sales channels for data-related products.

Business Prospect

The in-depth implementation of the “AI+” initiative has become one of the top-level national strategies. Technologies such as large models and AI agents will be fully integrated into the real economy, becoming a new “engine” for the high-quality development of the national economy. Against this backdrop, in the second half of 2025, we will continue to deepen our development goals of “product standardisation, refined management, and business globalisation”, prioritising profits and achieving high-quality development:

1. Enrich standardised components of core products to enhance profit margins

We will focus on improving the standardisation of core products across various business lines. By identifying common requirements in project delivery for different clients, we aim to develop more standardised product components. Coupled with standardised delivery processes, this will enable us to continuously optimise delivery cycles, reduce project costs, and increase profit margins. Simultaneously, based on the actual needs of client business scenarios, we will continue to enrich our AI standard product matrix, striving to achieve rapid product deployment.

2. Strengthen the operation of key AI products and innovate AI+ financial application scenarios

We will strengthen the market expansion and operational efforts for key products such as the SKU super model and “AI Retouch Detective (AI翻拍偵探)”, striving to make them flagship AI products of the Company. While consolidating the technological application in the AI+ mass consumption sector, based on our customer resource advantages in the financial industry, we will also develop AI product applications for the financial industry in the second half of the year, including intelligent agent development, optimisation and upgrading of intelligent customer service, digital avatars, etc., thereby further deepening our cooperative relationship with clients.

3. Attach importance to the construction of ecosystems both domestically and overseas, and enhance the speed of market response

Given the market changes and challenges we faced in the first half of the year, we must persist in continuously building our ecosystems, maintaining closer ties with upstream and downstream partners in the industry chain. In the second half of the year, we will continue to strengthen interactions and cooperation with telecom operators, cloud service providers and business partners to drive the steady development of the Group’s business. Additionally, we plan to implement localised operations in some overseas regions, deepen cooperation with resource providers, and further expand our client base.

Looking ahead to the second half of 2025, we will continue to focus on expanding the SaaS business segment, optimising product services, and improving organisational management to deepen our operational objectives of enhancing profitability, ultimately achieving sustainable and high-quality development for the Company as a whole.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Overview

Revenue

The Group generated revenue from two operating segments: PaaS and SaaS. SaaS is the slightly larger segment, which accounted for over 50% of the Group's overall revenue during the Reporting Period, and reached 59.6% (the corresponding period in 2024: 56.4%), while PaaS accounted for 40.4% of the Group's revenue (the corresponding period in 2024: 43.6%).

The following table sets forth the Group's segment revenue both in absolute amount and as a percentage of its revenue for the periods presented. For the six months ended 30 June 2025, the Group's total revenue had a decrease of 36.5% to RMB410.9 million (the corresponding period in 2024: RMB647.5 million). Such decrease was primarily due to the impact of regulatory policy adjustments in the domestic telecommunications industry, resulting in a decline in domestic revenue from our PaaS services and certain SaaS services.

	Six months ended			
	30 June 2025		30 June 2024	
	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%
PaaS	165,951	40.4	282,411	43.6
SaaS	244,956	59.6	365,058	56.4
	410,907	100.0	647,469	100.0

PaaS

The Group's revenue from PaaS decreased by 41.2% to RMB166.0 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB282.4 million), primarily due to the impact of regulatory policy adjustments in the domestic telecommunications industry.

SaaS

The following table sets forth the breakdown of revenue from SaaS by solutions for the periods presented.

	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Marketing Cloud	189,743	306,495
Sales Cloud	28,590	43,061
Service Cloud	26,623	15,502
	244,956	365,058

The Group's revenue from SaaS decreased by 32.9% to RMB245.0 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB365.1 million), primarily due to the Company's proactive reduction of loss-making projects, which aligns with the Company's strategic focus on expanding CRM SaaS services and targeting high-gross-margin businesses.

Cost of Sales

The Group's cost of sales decreased by 38.5% to RMB336.0 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB546.2 million). The decrease was mainly attributed to the contraction of our Group's PaaS and SaaS businesses during the Reporting Period.

PaaS: The cost of sales from CRM PaaS services decreased by 41.2% to RMB156.0 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB265.5 million), primarily attributable to the reduction in telecommunication resource costs related to PaaS, which was consistent with the contraction of the Group's PaaS business during the Reporting Period.

SaaS: The cost of sales from CRM SaaS services decreased by 35.9% to RMB180.0 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB280.8 million), primarily due to the decrease in (i) costs of telecommunication resource in relation to SaaS; (ii) labour costs; and (iii) outsourcing implementation costs; all of which were consistent with the contraction of the Group's SaaS business during the Reporting Period.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's overall gross profit decreased by 26.0% to RMB75.0 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB101.2 million), while its overall gross profit margin increased from 15.6% to 18.2%.

PaaS: The gross profit margin in PaaS remained at 6.0% for the six months ended 30 June 2025 (the corresponding period in 2024: 6.0%).

SaaS: The gross profit margin in SaaS increased to 26.5% for the six months ended 30 June 2025 (the corresponding period in 2024: 23.1%), primarily attributable to the increase in gross margin of the main business of SaaS.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by 2.1% to RMB48.8 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB49.9 million), primarily attributable to the decrease in business entertainment expenses and travelling expenses for sales and marketing personnels.

Administrative Expenses

The Group's administrative expenses decreased by 2.1% to RMB22.9 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB23.4 million), primarily attributable to the decrease in employee welfare expenses.

Research and Development Expenses

The Group's R&D expenses decreased by 12.8% to RMB28.6 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB32.8 million), primarily attributable to the effective optimisation of R&D processes and organisational methods.

Net Impairment Losses on Financial Assets

The Group's net impairment losses on financial assets increased by 0.7% to RMB2.7 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB2.7 million).

Other Income

The Group's other income decreased by 42.9% to RMB1.6 million for the six months ended 30 June 2025 (the corresponding period in 2024: RMB2.9 million), primarily due to the decrease in (i) government grants; and (ii) value-added tax refunds.

Finance Costs — Net

The Group's finance costs — net comprise finance income, interest expenses of lease liabilities and interest expenses of borrowings. The Group's finance costs — net amounted to RMB2.1 million and RMB1.8 million for the six months ended 30 June 2025 and 30 June 2024, respectively.

Income Tax Expenses

The Group had income tax expenses of RMB0.2 million and RMB0.2 million for the six months ended 30 June 2025 and 30 June 2024, respectively.

Losses Attributable to Owners of the Company for the Period

As a result of the foregoing, during the Reporting Period, the Group recorded a loss attributable to owners of the Company of RMB25.9 million, while the loss attributable to owners of the Company for the six months ended 30 June 2024 was RMB6.4 million, which was primarily due to the strengthened regulation of the telecommunications industry in the first half of 2025, which resulted in a corresponding decrease in sales of the Group's PaaS and certain SaaS.

Liquidity and Financial Resources

Treasury Policies

The Group adopts a prudent treasury management policy to actively monitor its liquidity position and maintain sufficient financial resources for future development. On this basis, the Group regularly reviews and adjusts its financial structure in response to dynamic changes in economic conditions to ensure financial resources are deployed in the best interests of the Group.

Cash and Cash Equivalents

As at 30 June 2025, the Group's cash and cash equivalents were RMB94.6 million, representing an increase of 32.4% from RMB71.4 million as at 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Indebtedness

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Borrowings	143,619	144,040
Lease liabilities	7,320	15,224
	150,939	159,264

Contingent Liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities (31 December 2024: nil).

Capital Commitment

As at 30 June 2025, the Group did not have any capital commitment (31 December 2024: nil).

Gearing Ratio

As at 30 June 2025, the Group's gearing ratio (i.e. percentage of total liabilities divided by total equity, and total liabilities is calculated as the aggregate of total borrowings and lease liabilities) was 50.4% (as at 31 December 2024: 48.5%).

Exposure to Fluctuations in Exchange Rates

The Group's businesses are principally conducted in RMB. As at 30 June 2025, there was no significant non-RMB assets and liabilities. The Group has not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

Significant Investment

The Group did not have any significant investments during the Reporting Period.

Material Acquisitions and Disposal

The Group did not have any material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

Pledge of Assets

As at 30 June 2025, the Group did not pledge any of its assets (31 December 2024: Nil).

Future Plans for Material Investments and Capital Assets

As at 30 June 2025, save as disclosed herein, the Group did not have any future plans for material investments and capital assets. However, the Group will continue to explore investment opportunities that would benefit the Shareholders as a whole.

OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As at 30 June 2025, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) 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 he/she was taken or deemed to have taken under such provisions of the SFO), or (b) pursuant to section 352 of the SFO, to be recorded in the register of the Company referred to therein, or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

Name of Director(s)	Capacity/Nature of interests	Number of Shares held	Approximate percentage of the total number of issued Shares
Mr. Chen Yonghui ("Mr. Chen")	Interest in a controlled corporation and interest of party acting in concert ^{(1) & (4)}	298,932,230	53.35%
Mr. Huang Fangjie ("Mr. Huang")	Interest in a controlled corporation and interest of party acting in concert ^{(2) & (4)}	298,932,230	53.35%
Mr. Li Hairong ("Mr. Li")	Interest in a controlled corporation and interest of party acting in concert ^{(3) & (4)}	298,932,230	53.35%
Mr. Guo Haiqiu ("Mr. Guo")	Interest in a controlled corporation	13,500,000	2.41%

Notes:

- (1) Mr. Chen beneficially owns (1) 100% of the issued share capital of Zhenghao Global Holding Limited ("**Zhenghao Global**") and (2) more than one third of the interest in Guangzhou Xuandong Investment Co., Ltd. (Limited Partnership) ("**Guangzhou Xuandong**"). Further, Mr. Chen is the sole general partner of each of Guangzhou Xuannan Investment Co., Ltd. (Limited Partnership) ("**Guangzhou Xuannan**"), Guangzhou Xuanxi Investment Co., Ltd. (Limited Partnership) ("**Guangzhou Xuanxi**") and Guangzhou Xuanbei Investment Co., Ltd. (Limited Partnership) ("**Guangzhou Xuanbei**"). By virtue of the SFO, Mr. Chen is deemed to be interested in 100,968,000 Shares, 31,500,000 Shares, 13,500,000 Shares, 18,000,000 Shares and 13,500,000 Shares held by Zhenghao Global, Guangzhou Xuandong, Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei, representing 18.02%, 5.62%, 2.41%, 3.21% and 2.41% of the entire issued share capital of the Company as at the date of this report, respectively.
- (2) Mr. Huang beneficially owns 100% of the issued share capital of Honghan Worldwide Limited ("**Honghan Worldwide**"). By virtue of the SFO, Mr. Huang is deemed to be interested in 66,311,770 Shares held by Honghan Worldwide, representing 11.83% of the entire issued share capital of the Company as at the date of this report.
- (3) Mr. Li beneficially owns 100% of the issued share capital of Double Winner Worldwide Limited ("**Double Winner**"). By virtue of the SFO, Mr. Li is deemed to be interested in 55,542,460 Shares held by Double Winner, representing 10.67% of the entire issued share capital of the Company as at the date of this report.
- (4) Mr. Chen, Mr. Huang and Mr. Li have been acting in concert with each other.
- (5) Mr. Guo beneficially owns 100% of the issued share capital of East Pride Development Limited ("**East Pride**"). By virtue of the SFO, Mr. Guo is deemed to be interested in the 13,500,000 Shares held by East Pride, representing 2.41% of the entire issued share capital of the Company as at the date of this report.

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she was taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 30 June 2025, so far as the Directors are aware of, the following persons or entities (other than the Directors or the chief executive of the Company) had, or were deemed to have interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder(s)	Capacity/Nature of interests	Number of Shares held	Approximate percentage of the total number of issued Shares
Zhenghao Global	Beneficial owner	100,968,000	18.02%
Honghan Worldwide	Beneficial owner	66,311,770	11.83%
Double Winner	Beneficial owner	55,542,460	10.67%
Baoya Group Holdings Limited	Beneficial owner	53,417,170	9.53%
Mr. Song Xiaohu	Interest in a controlled corporation ⁽¹⁾	53,417,170	9.53%
Guangzhou Xuandong	Beneficial owner	31,500,000	5.62%
Ms. Ge Ping	Interest in a controlled corporation ⁽²⁾	31,500,000	5.62%

Notes:

- (1) Mr. Song Xiaohu beneficially owns 100% of the issued share capital of Baoya Group Holdings Limited. By virtue of the SFO, Mr. Song Xiaohu is deemed to be interested in 53,417,170 Shares held by Baoya Group Holdings Limited, representing 9.53% of the entire issued share capital of the Company as at the date of this report.
- (2) Ms. Ge Ping, being the sole general partner of Guangzhou Xuandong, is deemed to be interested in 31,500,000 Shares held by Guangzhou Xuandong under the SFO, representing 5.62% of the Company as at the date of this report.

Save as disclosed above, so far as the Directors are aware of, as at 30 June 2025, no persons or entities (other than the Directors or the chief executive of the Company) had, or was deemed to have any interests or short position in the Shares or underlying Shares, which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company under section 336 of the SFO.

Use of Proceeds from the Global Offering

The Company was listed on the Stock Exchange on 8 July 2022. The net proceeds from the Global Offering (as defined in the Prospectus) (after deducting underwriting fees, commissions and estimated expenses paid and payable by the Company in connection with the Global Offering) were approximately HK\$163.3 million, which have been and will be used in the manner consistent with that mentioned in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

The following table sets forth the status of the use of net proceeds from the Global Offering:

Item	Net proceeds (HK\$ million)	Utilised during the Reporting Period (HK\$ million)	Utilised up to 30 June 2025 (HK\$ million)	Unutilised as at 30 June 2025 (HK\$ million)	Expected timeline of full utilisation of the unutilised net proceeds ⁽¹⁾
Improving Paas					
Enhancing aPaaS and cPaaS platforms	13.2	4.3	13.2	0.0	On or before 31 December 2026
Developing DI capacity	5.6	1.6	5.6	0.0	On or before 31 December 2026
Fostering AI capacity	5.6	1.6	5.6	0.0	On or before 31 December 2026
Strengthening Saas					
Providing all-channel Marketing Cloud Solutions	25.4	9.3	25.4	0.0	On or before 31 December 2026
Enhancing Sales Cloud solutions	28.5	11.0	28.5	0.0	On or before 31 December 2026
Reinforcing Service Cloud solutions	11.4	4.4	11.4	0.0	On or before 31 December 2026
Improving sales and marketing abilities					
Strengthening our brand in the financial, governmental and Internet industries	24.5	9.8	24.5	0.0	On or before 31 December 2026
Promoting our brand in the consumer, retail and healthcare industries and setting up a relevant industry research institute	4.9	2.4	4.9	0.0	On or before 31 December 2026
Enlarging our sales team and post-sales service team	19.6	9.8	19.6	0.0	On or before 31 December 2026
Strategic investment and acquisitions	16.4	0.0	0.0	16.4	On or before 31 December 2026
Working capital and general corporate use	8.2	0.7	8.2	0.0	On or before 31 December 2026
Total	163.3	54.9	146.9	16.4	

Note:

- (1) The expected timeline for utilising the remaining net proceeds is made based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business development and need, and is therefore subject to change.

OTHER INFORMATION (CONTINUED)

To strive for better business performance of the Group, the Board will continuously assess the plans for the use of the unutilised net proceeds and may revise or amend such plans where necessary to cope with, among other things, the changing market conditions in order to strive for a better performance of the Group. Should there be any further change in the use of the net proceeds, further announcement(s) will be made by the Company as and when appropriate.

Share Award Scheme

2022 Restricted Share Award Scheme

On 1 December 2022 (the “**Adoption Date**”), the Board adopted and approved the 2022 Restricted Share Award Scheme to grant restricted Award Shares to certain eligible employees who have served the Group for a lengthy period of time and are not connected persons of the Company.

The purpose of the 2022 Restricted Share Award Scheme is to (i) provide Selected Participants with an opportunity to acquire a proprietary interest in the Company; (ii) to encourage and retain such Selected Participants to work with the Group; (iii) to provide additional incentives for Selected Participants to achieve performance goals; (iv) to attract such Selected Participants for further development of the Group; and (v) to motivate such Selected Participants to maximise the value of the Company for the benefits of both the Selected Participants and the Company.

All Award Shares are existing Shares. The total number of the Award Shares underlying all grants made pursuant to the 2022 Restricted Share Award Scheme shall not exceed 10% (i.e. 56,032,050 Shares) of the issued share capital of the Company as at the Adoption Date. As at 1 January 2025 and 30 June 2025, the total number of Awards Shares held by the trustee under the 2022 Restricted Share Award Scheme were 21,894,000 Shares and 21,894,000 Shares, respectively. The number of Award Shares available for grant under the 2022 Restricted Shares Award Scheme was 48,099,050 Shares and 48,453,050 Shares as at 1 January 2025 and 30 June 2025, respectively.

During the Scheme Period (as defined below), the maximum entitlement of each Selected Participant at any one time or in aggregate may not exceed 1% of the issued share capital of the Company on the Adoption Date (i.e. 5,603,205 Shares). RMB1.00 is payable by each Selected Participant to the Company on acceptance of an offer of the Award Shares, which shall be paid within five (5) business days from the offer date.⁽¹⁾ The 2022 Restricted Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date (the “**Scheme Period**”) and can be terminated or extended by a resolution of the Board at any time prior to the expiry of the Scheme Period. The remaining effective period for the 2022 Restricted Share Award Scheme was approximately seven (7) and three (3) months as at the date of this report.

For more details of the 2022 Restricted Share Award Scheme, please refer to the Company’s announcements dated 1 December 2022, 20 December 2022, 6 January 2023 and 20 May 2024.

OTHER INFORMATION (CONTINUED)

Details of movements in the Award Shares granted under the 2022 Restricted Share Award Scheme during the Reporting Period are as follows:

		During the Reporting Period								
Category/ Name of Grantee	Date of Grant	Closing price of Award Shares immediately before the date on which the Award Shares were granted (HK\$)	Unvested Award Shares as at 1 January 2025 (Note 1)	Granted	Vested (Note 1)	Lapsed	Cancelled	Unvested Award Shares as at 30 June 2025	Fair value of Award Shares at the date of grant (HK\$) (Note 2)	Weighted average closing price of the Award Shares immediately before the vesting date (HK\$)
Director										
Mr. Li Hairong (executive Director) (Note 3)	27 September 2024	0.66	390,000	—	—	—	—	390,000	0.66	N/A
Employees										
Employees of the Group	6 January 2023	3.00	3,108,000	—	1,257,000	241,000	—	1,610,000	2.44	2.46
Employees of the Group	27 September 2024	0.66	3,028,000	—	—	113,000	—	2,915,000	0.66	N/A
Total			6,526,000	—	1,257,000	354,000	—	4,915,000		N/A

Notes:

- For the batch granted on 6 January 2023, the vesting period shall be in three tranches with vesting date on 13 January of each year from 2024 to 2026 under the 2022 Restricted Share Award Scheme. The vesting of the Award Shares shall be subject to the grantee meeting the performance targets to be determined by the Administration Committee from time to time. The Company has established an appraisal mechanism to assess the fulfilment of performance targets by the grantee. The appraisal mechanism uses a grading system based on a matrix of qualitative and quantitative indicators that vary according to roles and responsibilities of the grantee. The indicators include, but not limited to, work quality and efficiency. The scoring system evaluates the grantee's regular duties and the strategic objectives or tasks assigned for the appraisal period.

For the batch granted on 27 September 2024, the vesting period shall be in one tranche with vesting date on 15 October 2025 under the 2022 Restricted Share Award Scheme. The vesting of the Award Shares shall be subject to the grantee meeting the performance targets to be determined by the Administration Committee from time to time. The Company has established an appraisal mechanism to assess the fulfilment of performance targets by the grantee. The appraisal mechanism uses a grading system based on a matrix of qualitative and quantitative indicators that vary according to roles and responsibilities of the grantee. The indicators include, but not limited to, the completion of the performance targets. The scoring system evaluates the grantee's regular duties and the strategic objectives or tasks assigned for the appraisal period.

OTHER INFORMATION (CONTINUED)

2. Details of the valuation of the share awards of the Company during the Reporting Period, including the accounting standard and policy adopted for the 2022 Restricted Share Award Scheme, are set out in note 21 to the consolidated financial statements.
3. The grant of Award Shares to Mr. Li Hairong has been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules. Mr. Li Hairong has abstained from voting on the resolution in respect of the grant of Awards to himself.
4. For the batch granted on 6 January 2023, the purchase price for the Award Shares was HK\$0.63 per Share, which was determined by the Administration Committee with reference to the net asset value per Share as at 30 June 2022.

For the batch granted on 27 September 2024, the purchase price for the Award Shares was HK\$0 per Share, which was determined by the Administration Committee.

Employee Remuneration and Relations

As at 30 June 2025, the Group had a total of 609 employees. The Group's total employee costs (including directors' emoluments) for the Reporting Period was RMB86.1 million (six months ended 30 June 2024: RMB98.3 million). The Group believes that the abilities to attract, retain and motivate qualified personnel are the key factors to its success. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees. Remuneration packages for employees and directors are structured according to market terms as well as individual performance and experience. Remuneration packages for employees and directors are structured according to market terms as well as individual performance and experience. The remuneration policy will be reviewed by the Board from time to time.

As required under the PRC regulations, we participated in employee social security plans that are organised by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefit plans.

To maintain the quality, knowledge and skill levels of the employees, the Group provides continuing education and established comprehensive training programs that cover topics such as its corporate culture, employees' rights and responsibilities, teambuilding, professional behaviour and job performance to ensure that its employees' skill sets remain up-to-date which enable them to discover and meet its clients' needs.

Change in Directors' Biographical Details Under Rule 13.51B(1) of the Listing Rules

There was no change of the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the 2024 annual report up to the date of this report.

Compliance with the Model Code on Securities Transactions by Directors

The Company has adopted the Model Code as its code of conduct for Directors' in securities transactions. After making specific enquiries to all Directors, all Directors have confirmed that they have strictly complied with the Model Code for the Reporting Period.

Compliance with the Corporate Governance Code

During the Reporting Period, the Company had applied the principles and complied with all applicable code provisions under the CG Code with the exception for the deviation from code provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and CEO should be separated and should not be performed by the same individual. Currently, Mr. Chen is the chairman and CEO of the Company, which deviated from the code provision C.2.1 of the CG Code. The Board believes that it is to the benefit of the business prospect and operational efficiency of the Group to vest the roles of chairman and CEO in the same person due to its unique role, Mr. Chen's experience in the industry, personal profile and roles in the Group. This dual role provides strong and consistent market leadership and is crucial to efficient business planning and decision-making of the Company. As all major decisions of the Group are made in consultation with members of the Board and the relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is of the view that adequate safeguards are in place to ensure sufficient balance of powers within the Board.

In order to maintain good corporate governance and to fully comply with code provision C.2.1 of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of chairman of the Board and CEO separately.

Purchase, Sale or Redemption of the Company's Listed Securities

Repurchase Mandate

The Directors have been granted the general mandate (the "**Repurchase Mandate**") pursuant to resolutions of the Shareholders passed on 26 June 2025, to repurchase Shares in the open market from time to time. Pursuant to the Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued Shares (i.e. 55,706,650 Shares) as at the date of passing such resolution.

Share Repurchase

During the Reporting Period, the Company repurchased 376,000 Shares under the Repurchase Mandate on the Stock Exchange for an aggregate consideration of HK\$357,013.14 which are held as treasury shares (as defined under the Listing Rules) of the Company.

OTHER INFORMATION (CONTINUED)

Details of the Shares repurchased during the Reporting Period and up to the date of this report are as follows:

Month of repurchase	No. of Share repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Aggregate consideration paid (HK\$)
January 2025	99,000	0.88	0.82	86,072.23
February 2025	30,500	1.16	0.86	32,042.69
March 2025	—	—	—	—
April 2025	87,000	1.01	0.85	81,907.86
May 2025	69,500	0.97	0.90	65,438.47
June 2025	90,000	1.14	0.90	91,551.89
July 2025	46,500	1.15	1.05	51,020.39
August 2025 (to the Latest Practicable Date)	—	—	—	—
Total	422,500			408,033.53

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Interim Dividends

The Board has resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2024: nil).

Audit Committee

The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the Reporting Period and discussed with the management of the Company on the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that the unaudited condensed consolidated interim results of the Group have been prepared in compliance with the applicable accounting standards and the Listing Rules and that adequate disclosures have been made and does not have any disagreement with the accounting treatment adopted by the Company.

Contractual Arrangements

During the Reporting Period, the Board has reviewed the overall performance of the contractual arrangements and considered that the Group has complied with the contractual arrangements as disclosed in the section headed “Contractual Arrangements” in the Prospectus (the “**Contractual Arrangements**”) and the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (“**FIL**”) in all material respects.

According to the Provisions on the Administration of Foreign-invested Telecommunications Enterprises (2016 Revision) (《外商投資電信企業管理規定(2016修訂)》), foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas (the “**Qualification Requirement**”). For the Reporting Period, none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation on the Qualification Requirement.

As at 30 June 2025, there was no update to the Contractual Arrangements, Qualification Requirement nor any other new Contractual Arrangements entered into, renewed or reproduced. The Group will continue to monitor the latest development of the FIL and will make further announcement(s) in respect thereof in accordance with the Listing Rules as and when appropriate.

For details of the major terms and the risks relating to the Contractual Arrangements and the relevant PRC laws and regulations of the Contractual Arrangements, please refer to the section headed “Contractual Arrangements” in the Prospectus.

Subsequent Events After the Reporting Period

No major subsequent events affecting the Group have occurred since the end of the Reporting Period and up to the date of this report.

By order of the Board
Chairman, Chief Executive Officer and Executive Director
Mr. CHEN Yonghui

Hong Kong, 28 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	7	410,907	647,469
Cost of sales	8	(335,957)	(546,220)
Gross profit		74,950	101,249
Selling and distribution expenses	8	(48,789)	(49,854)
Administrative expenses	8	(22,853)	(23,353)
Research and development expenses	8	(28,598)	(32,790)
Net impairment losses on financial assets		(2,744)	(2,726)
Other income	10	1,636	2,867
Other (losses)/gains — net	11	(570)	501
Operating loss		(26,968)	(4,106)
Finance income	12	101	578
Finance costs	12	(2,217)	(2,384)
Finance costs — net	12	(2,116)	(1,806)
Loss before income tax		(29,084)	(5,912)
Income tax expenses	13	(154)	(228)
Loss and total comprehensive loss for the period		(29,238)	(6,140)
Loss and total comprehensive loss for the period is attributable to:			
— Owners of the Company		(25,874)	(6,444)
— Non-controlling interests		(3,364)	304
		(29,238)	(6,140)
Loss per share (expressed in RMB per share)			
— Basic and diluted loss per share	14	(0.048)	(0.012)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	15	2,914	3,894
Right-of-use assets	16	6,593	12,093
Intangible assets	17	13,581	14,115
Deferred income tax assets		9,437	9,590
Prepayments	18	44	73
		32,569	39,765
Current assets			
Contract fulfilment costs		11,126	9,418
Contract assets		197	178
Trade, bill, other receivables and prepayments	18	485,863	513,034
Restricted cash		426	—
Cash and cash equivalents	19	94,561	71,413
		592,173	594,043
Total assets		624,742	633,808
Equity			
Equity attributable to owners of the Company			
Share capital	20	360	360
Share premium	20	441,737	440,616
Other reserves		(40,614)	(40,411)
Accumulated losses		(94,818)	(68,944)
		306,665	331,621
Non-controlling interests		(7,196)	(3,552)
Total equity		299,469	328,069

**INTERIM CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION (CONTINUED)**

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities	24	2,137	8,026
Current liabilities			
Borrowings	22	143,619	144,040
Contract liabilities	7	62,158	37,535
Trade, bill and other payables	23	112,023	108,764
Lease liabilities	24	5,183	7,198
Current income tax liabilities		153	176
		323,136	297,713
Total liabilities		325,273	305,739
Total equity and liabilities		624,742	633,808

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

The interim condensed consolidated financial information on pages 26 to 57 were approved by the board of directors on 28 August 2025 and were signed on its behalf:

Mr. Chen Yonghui
Director

Mr. Huang Fangjie
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				Total	Non- controlling interests	Total equity
	Share capital	Share premium	Other reserves	Accumulated losses			
	RMB'000 (Note 20)	RMB'000 (Note 20)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June 2025 (Unaudited)							
Balance at 1 January 2025	360	440,616	(40,411)	(68,944)	331,621	(3,552)	328,069
Comprehensive loss							
Loss for the period	—	—	—	(25,874)	(25,874)	(3,364)	(29,238)
Transactions with owners of the Company							
Share-based compensation (Note 21)	—	—	516	—	516	—	516
Exercise of shares in connection with employee share scheme	—	1,121	(390)	—	731	—	731
Repurchase of Shares	—	—	(329)	—	(329)	—	(329)
Transactions with Non-controlling interests							
Capital Injection	—	—	—	—	—	20	20
Dividend	—	—	—	—	—	(300)	(300)
Balance at 30 June 2025	360	441,737	(40,614)	(94,818)	306,665	(7,196)	299,469
Six months ended 30 June 2024 (Unaudited)							
Balance at 1 January 2024	360	439,569	(31,474)	(72,490)	335,965	3,055	339,020
Comprehensive loss							
Loss for the period	—	—	—	(6,444)	(6,444)	304	(6,140)

**INTERIM CONDENSED CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY (CONTINUED)**

	Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital	Share premium	Other reserves	Accumulated losses	Total		
	RMB'000 (Note 20)	RMB'000 (Note 20)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Transactions with owners of the Company							
Share-based compensation	—	—	1,176	—	1,176	—	1,176
Purchase of shares in connection with employee share scheme	—	—	(8,308)	—	(8,308)	—	(8,308)
Exercise of shares in connection with employee share scheme	—	1,047	(242)	—	805	—	805
Balance at 30 June 2024	360	440,616	(38,848)	(78,934)	323,194	3,359	326,553

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from operating activities		
Cash used in operations	30,678	(74,675)
Interest received	101	578
Income tax paid	—	(13)
Net cash generated from/(used in) operating activities	30,779	(74,110)
Cash flows from investing activities		
Purchase of property, plant and equipment	(289)	(27)
Purchase of intangible assets	(149)	(461)
Acquisition of financial assets at fair value through profit or loss	(170,000)	(187,500)
Proceeds from disposal of financial assets at fair value through profit or loss	170,276	178,501
Net cash used in investing activities	(162)	(9,487)
Cash flows from financing activities		
Repurchase of ordinary shares	(329)	(8,308)
Principal elements and interest elements of lease payments	(5,268)	(4,620)
Proceeds from borrowings	94,920	99,590
Repayments of borrowings	(95,000)	(99,270)
Interest paid for borrowings	(1,445)	(2,035)
Capital injection from non-controlling interests	20	—
Dividends paid to shareholders	(300)	—
Net cash used in financing activities	(7,402)	(14,643)
Net increase/(decrease) in cash and cash equivalents	23,215	(98,240)
Exchange (losses)/gains on cash and cash equivalent	(67)	36
Cash and cash equivalents at beginning of the period	71,413	192,278
Cash and cash equivalents at the end of the period	94,561	94,074

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Xuan Wu Cloud Technology Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 26 April 2021 as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the provision of intelligent customer relationship management (“CRM”) services in the People’s Republic of China (the “PRC”). The ultimate controlling shareholders of the Company are Mr. Chen Yonghui (“Mr. Chen”), Mr. Huang Fangjie (“Mr. Huang”) and Mr. Li Hairong (“Mr. Li”) (the “Controlling Shareholders”), who entered into an agreement to acting in concert with each other. The ultimate holding companies of the Company are Zhenghao Global Holding Limited, Honghan Worldwide Limited and Double Winner Worldwide Limited. The three companies are respectively controlled by Mr. Chen, Mr. Huang and Mr. Li and are all incorporated in the British Virgin Islands.

The interim condensed consolidated financial information for the six months ended 30 June 2025 are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) unless otherwise stated. This interim condensed consolidated financial information has been approved for issue by the board of directors on 28 August 2025.

This interim condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”.

The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial statements. Accordingly, this information is to be read in conjunction with the financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those applied in preparation of the Group's financial statements for the year ended 31 December 2024, as described in those annual financial statements, except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

Amendments to HKAS 21 and HKFRS 1

Lack of Exchangeability

The adoption of these new and amended standards disclosed did not have any significant impact on the Group's interim condensed consolidated financial information.

(b) New standards and amendments not yet effective for the financial period beginning on 1 January 2025 and not early adopted by the Group

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new standards and amendments. According to the preliminary assessment made by the Group, no significant impact on the Group's interim condensed consolidated financial information is expected when they become effective.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's financial statements for the years ended 31 December 2024.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for the years ended 31 December 2024.

There have been no changes in the risk management department or in any risk management policies since year end.

6 SEGMENT INFORMATION

(a) Description of segments and principal activities

The chief operating decision-maker ("CODM") has been identified as executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors consider the business from product perspective. The Group has identified the following operating segments:

(i) CRM PaaS services

CRM PaaS services ("PaaS") mainly provides cPaaS to encapsulate messaging communication capabilities of the three major telecommunication network operators for the customers to be integrated into the customer's business systems, thereby enabling the customers to access and utilise the communication capabilities as a service.

(ii) CRM SaaS services

CRM SaaS services ("SaaS") comprises of Marketing Cloud, Sales Cloud, Service Cloud, which enable the Group to provide the customer with a one-stop intelligent CRM services throughout their entire business cycle, from initial marketing to after-sales services.

The CODM assesses the performance of the operating segments based on the gross profit of each segment. There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

As at 30 June 2025 and 31 December 2024, majority of the assets were located in the PRC.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (CONTINUED)**

6 SEGMENT INFORMATION (Continued)

(b) Segment performance

The segment information provided to the executive directors for the reportable segments for the six months ended 30 June 2025 is as follows:

	Six months ended 30 June 2025		
	PaaS RMB'000 (Unaudited)	SaaS RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	165,951	244,956	410,907
Cost of sales	(156,000)	(179,957)	(335,957)
Gross profit	9,951	64,999	74,950
Selling and distribution expenses			(48,789)
Administrative expenses			(22,853)
Research and development expenses			(28,598)
Net impairment losses on financial assets			(2,744)
Other income			1,636
Other losses — net			(570)
Operating loss			(26,968)
Finance income			101
Finance costs			(2,217)
Finance costs — net			(2,116)
Loss before income tax			(29,084)

6 SEGMENT INFORMATION (Continued)

(b) Segment performance (Continued)

The segment information provided to the executive directors for the reportable segments for the six months ended 30 June 2024 is as follows:

	Six months ended 30 June 2024		
	PaaS	SaaS	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	282,411	365,058	647,469
Cost of sales	(265,456)	(280,764)	(546,220)
Gross profit	16,955	84,294	101,249
Selling and distribution expenses			(49,854)
Administrative expenses			(23,353)
Research and development expenses			(32,790)
Net impairment losses on financial assets			(2,726)
Other income			2,867
Other gains — net			501
Operating loss			(4,106)
Finance income			578
Finance costs			(2,384)
Finance costs — net			(1,806)
Loss before income tax			(5,912)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (CONTINUED)**

7 REVENUE

- (a) Revenue mainly comprises of proceeds from providing PaaS and SaaS. The analysis of the Group's revenue by category for the six months ended 30 June 2025 and 30 June 2024 was as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
PaaS	165,951	282,411
SaaS	244,956	365,058
	410,907	647,469

The analysis of revenue from contracts with customers by the timing of revenue recognition for the six months ended 30 June 2025 and 30 June 2024 was as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
At a point in time	390,237	629,875
Over time	20,670	17,594
	410,907	647,469

(b) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Contract liabilities	62,158	37,535

8 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses, research and development expenses and administrative expenses are analysed as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Costs of telecommunications resources	321,281	516,683
Employee benefit expenses (Note 9)	86,137	98,332
Travel and entertainment expenses	6,536	8,284
Outsourcing customer service expenses	5,746	5,590
Depreciation and amortisation expenses	4,724	4,984
Infrastructure and equipment costs	3,916	3,542
Professional service fees	3,294	2,711
Marketing and promotion expenses	929	1,383
Taxes and other levies	837	1,219
Conference and office expenses	653	914
Outsourcing implementation costs	330	5,751
Lease payments on short term leases	240	246
Auditors' remuneration	75	9
Others	1,499	2,569
	436,197	652,217

9 EMPLOYEE BENEFIT EXPENSES

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, wages and bonuses	75,730	85,592
Social insurance expenses, housing benefits and other employee benefits (Note (a))	9,891	11,564
Share-based compensation (Note 21)	516	1,176
	86,137	98,332

- (a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the employee salary to the scheme to fund the retirement benefits of the employees.

Other employee benefits mainly include team building expenses, meal and traveling allowances.

10 OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Value-added tax refund (Note (a))	1,294	1,505
Government grants (Note (b))	123	1,123
Others	219	239
	1,636	2,867

- (a) From 1 April 2019, according to the circular "Announcement of Ministry of Finance, the General Administration of Taxation and the General Administration of Customs on deepening policies related to VAT reformation" (Announcement of Ministry of Finance, the General Administration of Taxation and the General Administration of Customs [2019] No. 39 財政部稅務總局海關總署公告[2019年]第39號), the application VAT rate for sales of computer software has been adjusted from 16% to 13%.

10 OTHER INCOME (Continued)

(a) (Continued)

According to the circular Cai Shui [2011] No. 100 (財稅[2011]100號), software enterprises which engage in the sales of self-developed software in the PRC are entitled to VAT refund to the extent that the effective VAT rate of the sales of the software in the PRC exceeds 3% of the sales amounts.

(b) Government grants represented various subsidies received from relevant government authorities, mainly including incentives for enterprises transitioning from below-scale to above-scale operations in the Guangzhou Development Zone (Huangpu District) for the first time, and subsidy on promotion of high quality development of commerce service industry in Guangzhou.

11 OTHER (LOSSES)/GAINS — NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net losses from disposal of property, plant and equipment	(2)	(1)
Net fair value gains on investments in financial assets at fair value through profit or loss	276	513
Net foreign exchange losses/(gains)	(67)	36
Others	(777)	(47)
	(570)	501

12 FINANCE COSTS — NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Finance income		
Interest income from bank deposits	101	578
Finance costs		
Interest expenses of lease liabilities	(91)	(250)
Interest expenses of borrowings	(2,126)	(2,134)
	(2,217)	(2,384)
Finance costs — net	(2,116)	(1,806)

13 INCOME TAX EXPENSES

(a) Cayman Islands and BVI Income Tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from BVI income tax.

(b) Hong Kong Profits Tax

Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong during six months ended 30 June 2025 and 30 June 2024.

(c) PRC Enterprise Income Tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

13 INCOME TAX EXPENSES (Continued)

(c) PRC Enterprise Income Tax (Continued)

The general corporate income tax rate in PRC is 25%.

Guangzhou Xuan Wu Wireless Technology Co., Ltd. ("Xuan Wu"), a subsidiary of the Company, had applied to the relevant tax bureau and was granted the qualification as High and New Technology Enterprise ("HNTE") in 2012, which will expire in December 2027. It is subject to a preferential income tax rate of 15%. Based on management's assessment, it is highly probable that Xuan Wu will continue to meet the requirements of High-tech Enterprise.

Certain operations of the Group in the PRC were qualified as Small Low-Profit Enterprise and taxed at reduced tax rate of 20% from 1 January 2008. During the period ended 30 June 2025 the Small Low-Profit Enterprise whose taxable income less than RMB3 million can enjoy the preferential income tax treatment with the income tax rate of 20% and is eligible to have their tax calculated based on 25% of their taxable income.

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the subsidiaries in Mainland China are incorporated in Hong Kong and fulfill the requirements to the tax treaty arrangements between Mainland China and Hong Kong.

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax	—	(13)
Deferred income tax	(154)	(215)
income tax expenses	(154)	(228)

14 LOSSES PER SHARE

(a) Basic losses per share

The basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during six months ended 30 June 2025 and 30 June 2024.

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (RMB'000)	(25,874)	(6,444)
Weighted average number of ordinary shares deemed to be in issue (in thousands)	536,268	547,162
Basic losses per share attributable to the owners of the Company during the period (expressed in RMB per share)	(0.048)	(0.012)

(b) Diluted losses per share

Diluted losses per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2025 and 2024, due to the losses incurred by the Group, the potential ordinary shares from the restricted share plan were excluded from the diluted losses per share calculation, as including them would have had a dilutive effect. Therefore, the diluted losses per share for the six months ended 30 June 2025 and 2024 is equal to the basic losses per share.

15 PROPERTY, PLANT AND EQUIPMENT

	Computer and electronic equipment RMB'000	Office furniture and equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
Six months ended 30 June 2025 (Unaudited)				
Opening net book amount	2,226	48	1,620	3,894
Additions	289	—	—	289
Disposals	(1)	—	—	(1)
Depreciation charge	(424)	(9)	(835)	(1,268)
Closing net book amount	2,090	39	785	2,914
At 30 June 2025 (Unaudited)				
Cost	12,090	769	3,095	15,954
Accumulated depreciation	(10,000)	(730)	(2,310)	(13,040)
Net book amount	2,090	39	785	2,914
Six months ended 30 June 2024 (Unaudited)				
Opening net book amount	3,142	275	2,506	5,923
Additions	27	—	—	27
Disposals	(1)	—	—	(1)
Depreciation charge	(501)	(123)	(442)	(1,066)
Closing net book amount	2,667	152	2,064	4,883
At 30 June 2024 (Unaudited)				
Cost	12,674	769	4,306	17,749
Accumulated depreciation	(10,007)	(617)	(2,242)	(12,866)
Net book amount	2,667	152	2,064	4,883

No right-of-use assets were restricted or pledged as security for liabilities as at 30 June 2025 (31 December 2024: nil).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (CONTINUED)**

16 RIGHT-OF-USE ASSETS

	Offices RMB'000
Six months ended 30 June 2025 (Unaudited)	
Opening net book amount	12,093
Additions	1,167
Reductions	(3,894)
Lease modification	—
Depreciation charge	(2,773)
Closing net book amount	6,593
At 30 June 2025 (Unaudited)	
Cost	31,877
Accumulated depreciation	(25,284)
Net book amount	6,593
Six months ended 30 June 2024 (Unaudited)	
Opening net book amount	18,643
Additions	235
Reductions	(101)
Lease modification	(425)
Depreciation charge	(3,685)
Closing net book amount	14,667
At 30 June 2024 (Unaudited)	
Cost	33,903
Accumulated depreciation	(19,236)
Net book amount	14,667

No right-of-use assets were restricted or pledged as security for liabilities as at 30 June 2025 (31 December 2024: nil).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (CONTINUED)**

17 INTANGIBLE ASSETS

	Software and platform RMB'000	Goodwill RMB'000	Total RMB'000
Six months ended 30 June 2025 (Unaudited)			
Opening net book amount	3,625	10,490	14,115
Additions	149	—	149
Amortisation charge	(683)	—	(683)
Closing net book amount	3,091	10,490	13,581
At 30 June 2025 (Unaudited)			
Cost	8,634	10,490	19,124
Accumulated amortisation	(5,543)	—	(5,543)
Net book amount	3,091	10,490	13,581
Six months ended 30 June 2024 (Unaudited)			
Opening net book amount	1,446	10,490	11,936
Additions	461	—	461
Amortisation charge	(233)	—	(233)
Closing net book amount	1,674	10,490	12,164
At 30 June 2024 (Unaudited)			
Cost	5,935	10,490	16,425
Accumulated amortisation	(4,261)	—	(4,261)
Net book amount	1,674	10,490	12,164

No intangible assets were restricted or pledged as security for liabilities as at 30 June 2025 (31 December 2024: nil).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (CONTINUED)**

18 TRADE, BILL AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables		
— Third parties (Note (d))	298,163	319,333
Less: allowance for impairment of trade receivables	(35,684)	(32,937)
	262,479	286,396
Bill receivables		
— Third parties	—	1,514
Other receivables		
— Third parties (Note (b))	13,962	16,104
Less: allowance for impairment of other receivables	(250)	(217)
	13,712	15,887
Prepayments to suppliers		
— Third parties (Note (c))	208,679	207,966
Prepaid taxes	1,037	1,344
Total	485,907	513,107
Less: non-current portion of prepayments	(44)	(73)
Current portion of trade, bill, other receivables and prepayments	485,863	513,034

(a) As at 30 June 2025 and 31 December 2024, the bill, other receivables and prepayments were denominated in RMB, while the trade receivables were denominated in RMB and USD.

18 TRADE, BILL AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

- (b) Other receivables due from third parties mainly represent deposits and tender deposits.
- (c) Prepayments to suppliers mainly represents prepaid telecommunication expenses and other prepaid expenses.
- (d) The Group normally allows credit terms to its customers ranging from 30 to 90 days. Ageing analysis of the trade receivables as at 30 June 2025 and 31 December 2024, based on recognition date were as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Ageing		
Up to 3 months	146,674	196,448
3 to 6 months	63,773	45,098
6 months to 1 year	40,826	44,011
1 to 2 years	18,367	10,716
Over 2 years	28,523	23,060
	298,163	319,333

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2025, a provision of RMB35,684,000 (31 December 2024: RMB32,937,000) was made against the gross amounts of trade receivables.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (CONTINUED)**

19 CASH AND CASH EQUIVALENTS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Denominated in RMB		
Cash at bank	94,561	71,413

20 SHARE CAPITAL AND SHARE PREMIUM

(a) Share capital

	Number of ordinary shares	Share capital US\$'000	
Authorised			
As at 30 June 2025 (Unaudited) and 31 December 2024 (Audited)	1,000,000,000	100	
	Number of ordinary shares	Share capital US\$'000	Equivalent share capital RMB'000
Issued			
As at 30 June 2025 (Unaudited) and 31 December 2024 (Audited)	560,320,500	55	360

20 SHARE CAPITAL AND SHARE PREMIUM (Continued)

(b) Share premium

	Share premium RMB'000
As at 31 December 2024 (Audited)	440,616
Share-based compensation	1,121
As at 30 June 2025 (Unaudited)	441,737

21 SHARE-BASED COMPENSATION

(a) Share-based compensation plans of the Company

On 1 December 2022, the restricted share award scheme ("RSA Scheme") was approved and adopted by the Group, the RSA Scheme is designed to incentivize employees for their contribution to the Group.

The Group delegated a trust company to set up one structured entity, namely Xuan Wu Fighter Trust, which has been appointed as the trustee pursuant to the trust deed to administrate the RSA Scheme. Xuan Wu Fighter Trust was consolidated by the Group as to the Group is able to execute power over the control and management over Xuan Wu Fighter Trust.

(i) Stock Option Incentive Plans

On 6 January 2023, the Group granted 4,985,000 share options under the RSA Scheme to certain eligible employees. Pursuant to the RSA Scheme, subject to grantee's employment or service to the Group through the applicable vesting date, and performance condition are met, the share options shall become vested with respect to 30%, 30% and 40% of the share options after 12, 24 and 36 months from the grant date.

21 SHARE-BASED COMPENSATION (Continued)

(a) Share-based compensation plans of the Company (Continued)

(i) Stock Option Incentive Plans (Continued)

Movements in the number of share options granted to employees are as follows:

	Average exercise price per share option	Number of share options (in thousands)
As at 1 January 2025 (Unaudited)	HK\$0.63	3,108
Vested	HK\$0.63	(1,257)
Forfeited	HK\$0.63	(241)
As at 30 June 2025	HK\$0.63	1,610

The Group has used Black-Scholes model to determine the fair value of the share option as of the grant date. Key assumptions are set as below:

	Six months ended 30 June 2025
Fair value per ordinary share	HK\$3.00
Exercise price	HK\$0.63
Risk-free interest rates	3.82% – 4.11%
Dividend yield	—
Expected term — years	1.02 – 3.02
Expected volatility	63.64% – 66.29%
Fair value of share options	HK\$2.44

The share-based compensation expenses recognised in the condensed consolidated statements of comprehensive income for the six months ended 30 June 2025 was RMB263,000 (six months ended 30 June 2024: RMB1,176,000).

21 SHARE-BASED COMPENSATION (Continued)

(a) Share-based compensation plans of the Company (Continued)

(ii) Restricted Share Incentive Schemes

On 27 September 2024, the Group granted 3,438,000 restricted shares under the Scheme to certain eligible employees. Pursuant to the Scheme, subject to grantee's employment or service to the Group through the applicable vesting date, and performance condition are met, the restricted shares shall become vested after 12 months from the grant date.

The Group determines the fair value of restricted shares on the basis of the single-day closing price of the circulating shares on the date when the equity instruments are granted, less the exercise price. The fair value of granted shares was HK\$0.66.

Movements in the number of share options granted to employees were as follows:

	Average exercise price per share option	Number of share options (in thousands)
As at 1 January 2025 (Unaudited)	HK\$0.00	3,418
Forfeited	HK\$0.00	(113)
As at 30 June 2025	HK\$0.00	3,305

The share-based compensation expenses recognised in the condensed consolidated statements of comprehensive income for the six months ended 30 June 2025 was RMB253,000 (six months ended 30 June 2024: nil) (Note 9).

22 BORROWINGS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Current		
Bank borrowings	143,619	144,040

- (a) As at 30 June 2025, the bank borrowing amounting to RMB35,000,000 was secured by certain patents of the Group and the other bank borrowings were guaranteed by the Company (As at 31 December 2024, the bank borrowing amounting to RMB33,000,000 was secured by certain patents of the Group and the other bank borrowings were guaranteed by the Company).
- (b) The weighted average effective interest rates per annum of borrowings were as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Bank borrowings	2.02%	2.53%

- (c) As at 30 June 2025 and 31 December 2024, all borrowings were denominated in RMB. Due to the short term maturities, their carrying amount is considered to be the same as their fair value.

23 TRADE, BILL AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables		
— Third parties (Note (a))	89,635	85,772
Other payables		
— Third parties	6,193	5,697
Accrued payroll	9,887	10,582
Other tax payables	6,308	6,713
	16,195	17,295
Total	112,023	108,764

- (a) Trade payable due to third parties mainly represents telecommunication expenses payables and server rental fees payables.

As at 30 June 2025 and 31 December 2024, the ageing analysis of the trade payables based on recognition date are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Ageing		
Up to 3 months	43,334	56,789
3 to 6 months	13,517	11,818
Over 6 months	32,784	17,165
	89,635	85,772

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

24 LEASES

Amounts recognised in the consolidated statements of financial position

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Right-of-use assets		
— Properties (Note 16)	6,593	12,093
Lease liabilities		
— Current	5,183	7,198
— Non-current	2,137	8,026
	7,320	15,224

25 DIVIDEND

No interim dividend for the six months ended 30 June 2025 has been proposed by the board of directors (six months ended 30 June 2024: nil).

26 COMMITMENTS

(a) The Group did not have any material capital commitments or operating leases commitments as at 30 June 2025 (31 December 2024: nil).

(b) Contingencies

The Group did not have any material contingent liabilities as at 30 June 2025 (31 December 2024: nil).

27 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subjected to common control. Members of key management and their close family members of the Group are also considered as related parties.

(a) Name and relationship with related parties

Name	Relationship with the Group
Mr. Chen*	Controlling shareholder of the Company
Mr. Huang*	Controlling shareholder of the Company
Mr. Li*	Controlling shareholder of the Company

* The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(b) Key management compensation

Compensations for key management other than those for directors is set out below.

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries and other short-term employee benefits	1,368	1,451

None of the above related party transactions falls under the definition of connected transaction as defined in Chapter 14A of the Listing Rules.

28 EVENT AFTER THE BALANCE SHEET DATE

There are no material subsequent events undertaken by the Group after 30 June 2025.

DEFINITIONS

In this report, the following expressions have the meanings set out below unless the context requires otherwise:

"Administration Committee"	a sub-committee of the Board, members of which shall be determined by the chairman of the Board from time to time, with consultation with the chairman of the remuneration committee of the Board, delegated with the power and authority by the Board to administer the 2022 Restricted Share Award Scheme
"affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AI"	artificial intelligence
"AIoT"	AI and internet of things
"all-channel"	the online and offline channels between enterprises and their customers for the purpose of products and services distribution or delivery
"aPaaS"	application platform as a service
"Articles" or "Articles of Association"	the amended and restated articles of association of the Company
"Audit Committee"	the audit committee of the Company
"Award Shares"	Shares granted pursuant to terms and conditions of the 2022 Restricted Share Award Scheme
"Board"	the board of Directors
"BVI"	British Virgin Islands
"CEO"	the chief executive officer of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company" or "Xuan Wu Cloud"	Xuan Wu Cloud Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange under stock code 2392

"Consolidated Affiliated Entities"	the entities the Company control through the contractual arrangements, namely, Guangzhou Xuan Wu and its subsidiaries (each a "Consolidated Affiliated Entity"), the financial results of which have been consolidated and accounted for as the subsidiaries of the Group by virtue of the contractual arrangements
"Contractual Arrangements"	the series of contractual arrangements entered into between Xuanta, Guangzhou Xuan Wu and its subsidiaries and the Registered Shareholders
"cPaaS"	communication platform as a service
"CRM"	customer relationship management
"DI"	data intelligence, all the analytical tools and methods a company employs to form a better understanding of and get insights from the information
"Director(s)"	the director(s) of the Company
"ESOP Platforms"	Guangzhou Xuandong Investment Co., Ltd. (Limited Partnership) (廣州玄東投資有限合夥企業(有限合夥)), Guangzhou Xuanxi Investment Co., Ltd. (Limited Partnership) (廣州玄西投資有限合夥企業(有限合夥)), Guangzhou Xuannan Investment Co., Ltd. (Limited Partnership) (廣州玄南投資有限合夥企業(有限合夥)) and Guangzhou Xuanbei Investment Co., Ltd. (Limited Partnership) (廣州玄北投資有限合夥企業(有限合夥)) or any one or more of them as the context requires
"FMCG"	Fast Moving Consumer Goods
"Foreign Investment Negative List"	the Special Administrative Measures on Access to Foreign Investment (Negative List) (2021 Edition) (外商投資准入特別管理措施(負面清單) (2021年版)) which was promulgated jointly by the MOFCOM and the NDRC on 27 December 2021 and became effective on 1 January 2022
"Global Offering"	the Hong Kong public offering and the international offering of the offer shares
"grant"	individually or collectively, a grant of Award Shares under the 2022 Restricted Share Award Scheme
"Group"	the Company, its subsidiaries and consolidated affiliated entities or any of them
"Guangzhou Xuan Wu"	Guangzhou Xuan Wu Wireless Technology Co., Ltd. (廣州市玄武無線科技股份有限公司), a joint stock limited company incorporated in the PRC on 2 November 2010, which is one of our Consolidated Affiliated Entities

DEFINITIONS (CONTINUED)

"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"ICC"	integrated communication centre
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"PaaS"	platform as a Service
"Participant"	(i) directors and employees of the Company or any of its consolidated affiliated entities (including persons who are granted Award Shares under the Restricted Share Award Scheme as an inducement to enter into employment contracts with these companies); (ii) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company; and (iii) Service Providers
"PRC" or "China"	the People's Republic of China, excluding, for the purposes of this annual report only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus of the Company dated 24 June 2022
"Registered Shareholders"	the registered shareholders of Guangzhou Xuan Wu, collectively, Mr. Chen Yonghui (陳永輝), Mr. Song Xiaohu (宋小虎), Mr. Huang Fangjie (黃仿傑), Mr. Li Hairong (李海榮), the ESOP Platforms, Shanghai Fosun Weishi Fund (上海復星惟實一期股權投資基金合夥企業(有限合夥)), Mr. Xie Lejun (謝樂軍), GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司), Mr. Guo Haiqiu (郭海球), Guangzhou Zhengxin Investment Partnership (Limited Partnership) (廣州正信投資合夥企業(有限合夥)), Gongqing City Blue Stone Investment Partnership (Limited Partnership) (共青城蘭石創業投資合夥企業(有限合夥)), Shenzhen Zhongou Runlong Investment Management Co., Ltd. (深圳市中歐潤隆投資管理有限公司), Mr. Chen Zhengxu (陳正旭), Mr. Wu Fugui (吳富貴), GF Securities Co., Ltd. (廣發證券股份有限公司), Chengda Coastal Industry (Dalian) Fund Phase I (Limited Partnership) (成大沿海產業(大連)基金壹期(有限合夥)), Mr. Zhang Wei (張煒), CITIC Securities Company Limited (中信證券股份有限公司), Zhuhai Qingshi Investment Partnership (Limited Partnership) (珠海擎石投資合夥企業(有限合夥)), Mr. Zhang Boxiao (張博曉), Mr. Tang Bin (唐斌) and Mr. Sun Junwen (孫軍文)

"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the six months ended 30 June 2025
"R&D"	research and development
"RMB"	Renminbi yuan, the lawful currency of the PRC
"SaaS"	software as a service
"Selected Participant(s)"	any Participant selected by the Administration Committee in accordance with the terms of and entitled to receive a grant under the 2022 Restricted Share Award Scheme
"SFO"	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of the Company with nominal value of US\$0.0001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"TMT"	technology, media and telecom
"US"	the United States of America
"US\$"	US dollars, the lawful currency of US
"Xuantao"	Guangzhou Xuantao Intelligent Cloud Technology Co., Ltd. (廣州市玄韜智慧雲科技有限 公司), a limited liability company incorporated in the PRC on 6 August 2021, which is our indirect wholly-owned subsidiary

DEFINITIONS (CONTINUED)

"2022 Restricted Share Award Scheme"	the restricted share award scheme approved and adopted by the Board on 1 December 2022, as amended from time to time
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"%"	per cent
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Note: The English transliteration of the Chinese name(s) in this report, where indicated by an asterisk (*), is included for identification purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).



玄武雲科技控股有限公司

Xuan Wu Cloud Technology Holdings Limited

Stock Code 股份代號：2392

