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讯众股份

Beijing Xunzhong Communication Technology Co., Ltd.

北京讯众通信技术有限公司

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

(Stock Code: 2597)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

FINANCIAL HIGHLIGHTS

- For the six months ended June 30, 2025, the Group's operating revenue amounted to RMB274.03 million, representing a decrease of 27.55% over the corresponding period of last year.
- For the six months ended June 30, 2025, the Group's total profit amounted to RMB29.91 million, representing an increase of 35.81% over the corresponding period of last year.
- For the six months ended June 30, 2025, the Group's net profit attributable to shareholders of the parent amounted to RMB25.62 million, representing an increase of 0.61% over the corresponding period of last year.
- For the six months ended June 30, 2025, the Group's basic earnings per share amounted to RMB0.28, remaining unchanged compared to the corresponding period of last year.
- The Board did not recommend the declaration of an interim dividend for the six months ended June 30, 2025.

The Board hereby announces the unaudited consolidated interim results of the Group for the six months ended June 30, 2025, together with the comparative figures for the corresponding period in 2024. The results were prepared in accordance with the CASBE and the disclosure requirements under the Listing Rules.

(Unless otherwise specified, the following information disclosures are based on the unaudited consolidated financial statements prepared in accordance with the CASBE. All amounts are denominated in RMB.)

CONSOLIDATED BALANCE STATEMENT

Item	Notes	June 30, 2025	December 31, 2024
Current assets:			
Monetary capital	7	76,553,609.24	7,286,014.49
Financial assets held for trading		—	—
Derivative financial assets		—	—
Notes receivable and accounts receivable	8	688,306,169.70	880,946,408.31
Prepayments		698,308,522.72	521,158,451.72
Other receivables		36,907,778.17	37,352,972.62
Inventories		5,865,779.04	1,925,854.70
Contract assets		187,644.00	—
Assets held for sale		—	—
Non-current assets due within one year		—	—
Other current assets		5,420,036.88	9,468,949.26
Total current assets		1,511,549,539.75	1,458,138,651.10
Non-current assets:			
Debt investments		—	—
Other debt investments		—	—
Long-term receivables		—	—
Long-term equity investments		—	—
Other equity instrument investments		—	—
Other non-current financial assets		—	—
Investment properties		—	—
Fixed assets		2,163,969.32	2,477,540.28
Construction in progress		—	—
Productive biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets		5,293,425.15	7,687,499.01
Intangible assets		—	—
Development expenses		—	—
Goodwill		—	—
Long-term deferred expenses		1,245,140.28	1,704,056.04
Deferred income tax assets		12,024,824.46	13,853,316.82
Other non-current assets		—	187,644.00
Total non-current assets		20,727,359.21	25,910,056.15
Total assets		1,532,276,898.96	1,484,048,707.25

Item	Notes	June 30, 2025	December 31, 2024
Current liabilities:			
Short-term borrowings		247,189,695.27	255,292,974.25
Financial liabilities held for trading		—	—
Derivative financial liabilities		—	—
Notes payable and accounts payable	9	198,734,693.97	203,303,056.64
Advances received		—	—
Contract liabilities		69,863,693.00	51,223,451.37
Staff remuneration payables		5,343,003.56	7,765,372.51
Taxes payable	10	8,845,876.58	6,596,919.10
Other payables		100,375,481.27	90,129,867.39
Liabilities held for sale		—	—
Non-current liabilities due within one year		4,478,259.97	5,726,309.25
Other current liabilities		10,683,817.76	10,183,994.26
Total current liabilities		645,514,521.38	630,221,944.77
Non-current liabilities:			
Long-term borrowings		20,000,000.00	10,000,000.00
Bonds payable		—	—
Including: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities		900,701.51	3,460,026.48
Long-term payables		—	—
Estimated liabilities		506,939.84	506,939.84
Deferred income		—	—
Deferred income tax liabilities		7,061.17	3,692.36
Other non-current liabilities		—	—
Total non-current liabilities		21,414,702.52	13,970,658.68
Total liabilities		666,929,223.90	644,192,603.45

Item	Note	June 30, 2025	December 31, 2024
Owner's equity (or shareholders' equity):			
Paid-up capital (or share capital)		91,314,291.00	91,314,291.00
Other equity instruments		—	—
Including: Preference shares		—	—
Perpetual shares		—	—
Capital reserve		258,907,051.85	258,907,051.85
Less: Treasury shares		—	—
Other comprehensive income		-4,250,000.00	-4,250,000.00
Surplus reserve		61,965,946.30	61,965,946.30
Undistributed profit	5	458,623,150.72	433,004,620.45
Foreign currency financial statement translation differences		—	—
Total equity attributable to shareholders of the parent		<u>866,560,439.87</u>	<u>840,941,909.60</u>
Non-controlling interest		<u>-1,212,764.81</u>	<u>-1,085,805.80</u>
Total owner's equity (or shareholders' equity)		<u>865,347,675.06</u>	<u>839,856,103.80</u>
Total liabilities and owner's equity (or shareholders' equity)		<u>1,532,276,898.96</u>	<u>1,484,048,707.25</u>

CONSOLIDATED INCOME STATEMENT

Item	Notes	From January to June 2025	From January to June 2024
I. Total revenue from operations	4	274,025,561.63	378,223,770.82
Less: Operating costs	4	214,404,093.00	294,798,774.22
Taxes and other levies		594,052.98	494,989.23
Selling expenses		7,293,573.03	10,045,192.95
Administrative expenses		13,386,913.21	16,033,286.01
R&D expenses		18,605,298.25	13,817,783.14
Finance expenses		5,157,924.68	6,882,412.52
Including: Interest expenses		4,522,460.22	6,161,922.82
Interest income		-2,783.93	-45,877.70
Asset impairment loss		—	2,061,720.52
Credit impairment loss		-11,875,439.55	12,018,153.55
Add: Other income		3,527,537.34	53,621.72
Gain from investment			
(loss is represented by “-” sign)		—	-21,620.97
Including: Investment revenue in associates and joint ventures		—	—
Gains from net exposure to hedging			
(loss is represented by “-” sign)		—	—
Gains on changes in fair value			
(loss is represented by “-” sign)		—	—
Gains from disposal of assets			
(loss is represented by “-” sign)		38,002.50	-143,685.14
II. Profit from operations			
(loss is represented by “-” sign)		30,024,685.87	21,959,774.29
Add: Non-operating income		—	100,678.66
Less: Non-operating expenses		116,927.20	39,165.72
III. Total profit			
(total loss is represented by “-” sign)		29,907,758.67	22,021,287.23
Less: Income tax expenses	6	4,416,187.41	-2,854,897.51
IV. Net profit (net loss is represented by “-” sign)		25,491,571.26	24,876,184.74
Net profits attributable to shareholders of the parent		25,618,530.27	25,463,321.84
Profit or loss attributable to minority shareholders		-126,959.01	-587,137.10

CONSOLIDATED CASH FLOW STATEMENT

Item	Note	From January to June 2025	From January to June 2024
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		981,127,703.35	763,864,959.14
Refund of taxes and levies		45,387.38	53,829.99
Other cash received relating to operating activities		79,091,844.16	5,502,819.68
Subtotal of cash inflows of operating activities		<u>1,060,264,934.89</u>	<u>769,421,608.81</u>
Cash paid for goods purchased and services received		898,341,538.79	787,906,952.80
Cash paid to or on behalf of employees		22,357,035.24	26,883,591.08
Taxes and levies paid		2,329,223.14	2,341,805.84
Other cash paid relating to operating activities		63,455,437.43	11,437,644.22
Subtotal of cash outflows from operating activities		<u>986,483,234.60</u>	<u>828,569,993.94</u>
Net cash flows from operating activities		<u><u>73,781,700.29</u></u>	<u><u>-59,148,385.13</u></u>
II. Cash flows from investing activities:			
Cash received from disposal of investments		—	—
Cash from investment income		—	—
Net cash proceeds from disposal of fixed assets, intangible assets and other long-term assets		—	—
Net cash received from disposal of subsidiaries and other operating entities		—	—
Other cash received relating to investing activities		—	—
Subtotal of cash inflows from investing activities		<u>—</u>	<u>—</u>
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		4,553.99	118,597.86
Cash paid for investments		—	—
Net cash paid to acquire subsidiaries and other operating entities		—	—
Other cash paid relating to investing activities		—	—
Subtotal of cash outflows from investing activities		<u>4,553.99</u>	<u>118,597.86</u>
Net cash flows from investing activities		<u><u>-4,553.99</u></u>	<u><u>-118,597.86</u></u>

Item	<i>Note</i>	From January to June 2025	From January to June 2024
III. Cash flows from financing activities:			
Cash received from capital injection		—	—
Cash received from debts		179,000,000.00	180,399,888.89
Other cash received relating to financing activities		200,000.00	—
Subtotal of cash inflows from financing activities		<u>179,200,000.00</u>	<u>180,399,888.89</u>
Cash paid for repayment of borrowings		177,000,000.00	124,450,000.00
Cash paid for distribution of dividends, profits or payment of interest expenses		4,479,585.07	5,044,968.29
Cash paid relating to other financing activities		2,229,966.48	2,369,693.82
Subtotal of cash outflows from financing activities		<u>183,709,551.55</u>	<u>131,864,662.11</u>
Net cash flows from financing activities		<u><u>-4,509,551.55</u></u>	<u><u>48,535,226.78</u></u>
IV. Effect on cash and cash equivalents from change of exchange rate			
		<u>—</u>	<u>—</u>
V. Net increase in cash and cash equivalents		69,267,594.75	-10,731,756.21
Add: Balance of cash and cash equivalents as at the beginning of the period		<u>7,286,014.49</u>	<u>76,698,928.29</u>
VI. Balance of cash and cash equivalents as at the end of the period		<u>76,553,609.24</u>	<u>65,967,172.08</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company is a limited liability company established in the PRC on November 20, 2008. On October 11, 2014, the Company was converted into a joint stock company with limited liability in accordance with the Company Law of the PRC. The registered office of the Company is located at Room 1101, 11/F, Block B Future Land Center, Building 2, Yard 10, Jiuxianqiao Road B, Jiangtaixiang, Chaoyang District, Beijing, PRC.

The Group is principally engaged in providing integrated cloud-based communication solutions and services to customers. We primarily offer three types of solutions: cloud-based communications services, smart communication solutions, and other communications solutions and accessories. Our solutions are dedicated to making communication easier with cloud-based communications services being accessible online through our platforms. Our solutions have been widely applied across various industries, such as internet services and software information services.

On June 16, 2015, the Domestic Shares were listed on the National Equities Exchange and Quotations (stock code: 832646.NQ), while the H Shares have been listed on the Main Board of the Stock Exchange since July 9, 2025.

This consolidated interim financial information is presented in RMB, unless otherwise stated, and has been approved for issue by the Board on August 27, 2025.

This consolidated interim financial information has not been audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group have been prepared on a going concern basis in accordance with the actual transactions and events, the CASBE and the accounting policies and accounting estimates applicable to the Group. In addition, certain notes in the financial statements have been prepared in accordance with the requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), which also comply with the applicable disclosure requirements under the Listing Rules.

2.2 Going concern

The Group has evaluated its ability to continue as a going concern for the 12 months from the end of the Reporting Period and has not identified any events or circumstances that may cast significant doubt over its ability to continue as a going concern. Therefore, the financial statements of the Group have been prepared on a going concern basis.

2.3 Changes in significant accounting policies and accounting estimates

- (1) Changes in significant accounting policies: Nil.
- (2) Changes in significant accounting estimates: Nil.

3. SEGMENT INFORMATION

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Directors (being the chief operating decision maker) for their decisions about resources allocation to the Group's business components and for their review of these components' performance.

During the period, the Group is principally engaged in providing integrated cloud-based communication solutions and services to customers. Information reported to the Directors for the purpose of resources allocation and performance assessment focuses on the operating results of the business. Therefore, the chief operating decision maker of the Company regards that there is only one operating segment which is used to make strategic decisions. No other discrete financial information is provided other than the Group's results and financial position as a whole.

4. INCOME AND COST

1) Operating income, operating costs

Items	Current amount incurred		Prior period occurrence	
	Income	Cost	Income	Cost
Principal businesses	<u>274,025,561.63</u>	<u>214,404,093.00</u>	378,223,770.82	294,798,774.22
Total	<u><u>274,025,561.63</u></u>	<u><u>214,404,093.00</u></u>	<u><u>378,223,770.82</u></u>	<u><u>294,798,774.22</u></u>

2) Analysis of revenue

Classification of the contracts	Current amount incurred	Prior period occurrence
Type of goods:		
Cloud-based communications services	<u>252,378,958.31</u>	356,898,223.11
Smart communication solutions	<u>13,807,365.29</u>	5,499,188.25
Other communications services and accessories	<u>7,839,238.03</u>	15,854,627.33
Total	<u><u>274,025,561.63</u></u>	<u><u>378,223,770.82</u></u>

5. RETAINED EARNINGS

Items	Current period	Previous period
Retained earnings at the end of the previous period before adjustment	433,004,620.45	381,500,521.12
Total retained earnings adjustment at the beginning of the period (increase +, decrease -)		
The adjusted retained earnings at the beginning of the period	433,004,620.45	381,500,521.12
Add: Net profit attributable to shareholders of the parent for the period	25,618,530.27	25,463,321.84
Less: Appropriation to statutory surplus reserve	—	2,040,371.82
Appropriation to arbitrary surplus reserve	—	—
Appropriation to general risk reserve	—	—
Common stock dividends	—	—
Common stock dividends transferred to share capital	—	—
Add: Surplus reserve used to offset accumulated losses	—	—
Changes in defined benefit obligation transferred to retained earnings	—	—
Other comprehensive income transferred to retained earnings	—	—
Other internal transfer of owners' equity	—	—
Retained earnings at the end of the period	458,623,150.72	433,004,620.45

6. INCOME TAX EXPENSE

Items	Current amount incurred	Prior period occurrence
Current income tax expense	2,584,326.24	621,291.79
Deferred income tax expense	1,831,861.17	-3,476,189.30
Total	<u>4,416,187.41</u>	<u>-2,854,897.51</u>

7. MONETARY CAPITAL

Items	Closing balance	Opening balance
Cash on hand	–	109,150.00
Deposits with banks	76,551,581.67	7,175,837.11
Other monetary funds	2,027.57	1,027.38
Total	<u>76,553,609.24</u>	<u>7,286,014.49</u>

Of which: total amount deposited abroad

8. ACCOUNTS RECEIVABLES

1) Disclosure of accounts receivables by age

Age	Closing balance	Opening balance
Within 1 year	674,109,240.66	865,520,575.27
1 to 2 years	50,250,753.43	58,394,591.09
2 to 3 years	4,465,638.28	9,602,586.66
3 to 4 years	3,581,439.66	3,031,532.66
4 to 5 years	4,504,577.30	5,179,458.83
More than 5 years	7,958,337.26	7,657,470.41
Subtotal	744,869,986.59	949,386,214.92
Less: provision for bad debts	56,563,816.89	68,439,806.61
Total	<u>688,306,169.70</u>	<u>880,946,408.31</u>

Note: Accounts receivable are presented by their age as of their recording date.

2) Classified disclosure by bad debt provision accrual method

Type	Book balance		Closing balance		Book value
	Amount	Percentage (%)	Amount	Withdrawal Percentage (%)	
Provision for bad debts on an individual basis	13,822,728.12	1.86%	13,822,728.12	100.00%	0.00
Provision for bad debts on a portfolio basis	731,047,258.47	98.14%	42,741,088.77	5.85%	688,306,169.70
Including: Aging portfolio	731,047,258.47	98.14%	42,741,088.77	5.85%	688,306,169.70
Total	<u>744,869,986.59</u>	<u>100.00%</u>	<u>56,563,816.89</u>	<u>7.59%</u>	<u>688,306,169.70</u>

Type	Book balance		Opening balance Bad-debt provision		Book value
	Amount	Percentage (%)	Amount	Withdrawal Percentage (%)	
Provision for bad debts on an individual basis	14,217,533.58	1.50	14,217,533.58	100.00	0.00
Provision for bad debts on a portfolio basis	935,168,681.34	98.50	54,222,273.03	5.80	880,946,408.31
Including: Aging portfolio	935,168,681.34	98.50	54,222,273.03	5.80	880,946,408.31
Total	<u>949,386,214.92</u>	<u>100.00</u>	<u>68,439,806.61</u>	<u>7.21</u>	<u>880,946,408.31</u>

9. ACCOUNTS PAYABLE

Items	Closing balance	Opening balance
Service fees payable for telecommunication resources	159,155,100.42	181,801,468.93
Service fees payable for research and development	27,619,524.20	18,546,684.33
Rental and property fees payable	3,633,828.35	1,155,779.95
Renovation work fees payable	17,247.25	17,247.25
Others	8,308,993.75	1,781,876.18
Total	<u>198,734,693.97</u>	<u>203,303,056.64</u>

Note: Accounts payable are presented by their age as of their recording date.

10. TAXES PAYABLE

Tax items	Closing balance	Opening balance
Value-added tax	574,426.26	129,580.16
Corporate income tax	7,763,083.73	5,463,278.09
Personal Income Tax	183,404.12	601,972.80
Urban maintenance and construction tax	1,241.53	3,959.11
Education surtax	1,265.13	14,666.24
Stamp duty	306,250.93	352,120.80
Others	16,204.88	31,341.90
Total	<u>8,845,876.58</u>	<u>6,596,919.10</u>

11. RETURN ON EQUITY AND EARNINGS PER SHARE

Profit for the Reporting Period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	3.00%	0.28	0.28
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	2.62%	0.26	0.26

12. EARNINGS PER SHARE

(1) Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to shareholders of the parent by the weighted average number of shares in issue during the same period.

	For the six months ended June 30,	
	2025	2024
Net profit attributable to shareholders of the parent (net loss is represented by “-” sign)	25,618,530.27	25,463,321.84
Weighted average number of shares issued (shares)	91,314,291	91,314,291
Basic earnings per share (RMB/share)	<u>0.28</u>	<u>0.28</u>

(2) Diluted earnings per share

Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive shares outstanding during the Reporting Period and the corresponding period of last year.

13. DIVIDENDS

The Board did not recommend the declaration of an interim dividend for the six months ended June 30, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

I. REVIEW OF INDUSTRY DEVELOPMENT STATUS

1. *Analysis of China's cloud-based communications services market*

Cloud-based communications services refer to communications services and solutions provided to corporate and public organizations based on cloud technologies. Cloud-based communications services primarily include (i) CPaaS, and (ii) Contact Center SaaS, cloud-based communications services providers can offer one or more types of services tailored to different customers' requirements and application scenarios.

The market size of China's cloud-based communications services refers to the total revenue generated by both providers with single service capability and full-suite communications services providers. According to information from the MIIT and Frost & Sullivan, with the expanding application of cloud technologies and increasing demand for cloud migration from downstream customers, China's cloud-based communications services market experienced a continuous growth in recent years. From 2020 to 2024, the total revenue of China's cloud-based communications services market increased from RMB35.5 billion to RMB50.3 billion, growing at a CAGR of 9.1%. In the future, with the further digital transformation and the expanding application scenarios of cloud communication, China's cloud-based communications services market is expected to maintain a rapid growth. In 2029, the total revenue of China's cloud-based communications services market is expected to reach RMB74.5 billion, representing a CAGR of 8.2% from 2024 to 2029.

Downstream industries have a strong demand for improving communication capabilities. With an increasing number of enterprises and the dynamic changes in customers' needs, the downstream industries are facing intense competition. Therefore, it is crucial to obtain strong communication capabilities, as well as improve customer service quality and satisfaction, so as to enhance competitiveness. Cloud-based communications services provide an intelligent platform integrating communication capabilities with an efficient contact center, which can improve enterprises' service quality and operational efficiency. Meanwhile, more enterprises have become aware of the importance of cloud-based communications services, which has stimulated strong downstream demand for improving communication capabilities.

2. *China's project-based communications solution market*

Project-based communications solutions refer to the provision of communication-based solutions that combine software and hardware, with the integration of advanced technologies such as cloud computing, IoT and AI. Project-based communications solutions leverage high scalability and flexibility of cloud technology to provide comprehensive communication capabilities for corporate and public organizations, and realize functions such as intelligent voice recognition, facial recognition and behavioral monitoring, thereby providing intelligent solutions based on communication capabilities. Project-based communications solutions have widespread application scenarios, primarily including smart campuses, smart municipal governance, smart transportation and smart finance. When selecting project-based communications solutions, downstream industries will consider their compatibility with existing systems, service stability and reliability, level of intelligence and cost-effectiveness. In addition, the project-based communications solutions should be able to meet the specific industry needs and support future expansion and upgrading.

Driven by the increasing demand for digital transformation and the innovative applications of project-based communications solutions, the total revenue of China's project-based communications solutions market increased from RMB254.8 billion in 2020 to RMB404.1 billion in 2024, growing at a CAGR of 12.2%. In the future, with the integration of advanced technologies such as cloud computing, AI and IoT, project-based communications solutions providers can offer comprehensive solutions to empower communication capabilities in smart cities, which is expected to promote the stable growth in China's project-based communications solutions market. In 2029, the total revenue of China's project-based communication solution market is expected to reach RMB576.0 billion, with a CAGR of 7.3% from 2024 to 2029.

China's project-based communication solution market is highly fragmented with plenty of market participants primarily including technology service providers, equipment manufacturers, and product and solution providers. Our Group primarily competes with product and solution providers.

II. PRINCIPAL BUSINESS OPERATIONS OF THE GROUP

(1) Cloud-Based Communications Services

Cloud-based communications services refer to value-added communications services and solutions provided to corporate and public organizations based on cloud technologies, primarily including (i) CPaaS, which refer to a technology delivery model that enables the Company to embed omnichannel communication functions into their business systems and applications with APIs or SDKs; and (ii) Contact Center SaaS, which refers to an efficient and intelligent contact center solution provided to corporate and public organizations with SaaS as the main deployment method.

On the Group's cloud-based CPaaS platform, our customers, principally internet companies, software and information technology companies, and financial institutions, have convenient access to a vast array of integrated telecommunications resources, covering voice, messaging, and mobile data capabilities, which we source from major telecommunications operators and other service providers in China. Additional value-added features, such as data analytics, privacy protection and smart routing, are embedded in our CPaaS platform. In addition, we offer Contact Center SaaS to customers. We have our own self-built platform, which is a suite of cloud-based software services and offers businesses a one-stop platform to handle interactions with customers and potential customers.

As of June 30, 2025, the revenue from cloud-based communication services of the Group decreased as compared with that in the corresponding period in 2024. This was due to the fact that the Group targetedly reduced the business volume of some customers with low gross profit margins. Meanwhile, due to the announcement by the MIIT in March, requiring SMS content providers to complete a series of rectifications on their qualification information, leading to a temporary reduction in demand for the Group's messaging products and services. As of the date of this announcement, the Group has cooperated with its customers to complete all the rectification of the above policy. In the second half of 2025, it is expected that the operating income of the Company will resume stable operation and will no longer be affected by the aforementioned policies. While the Group's operating income decreased, the net profit of the Group was not affected by the decrease in revenue, mainly due to the adjustment of the Group's business strategies to reduce the proportion of businesses with low gross profit and retain businesses with high gross profit. It is also attributable to the Group's management of administrative expenses and selling expenses in the first half of 2025, making effective use of the Group's funds.

(2) *Smart Communication Solutions*

Leveraging our cloud-based communications capabilities since our inception in 2008, we launched a new business segment, project-based communications solutions, in May 2020. Our solutions utilize software or a combination of software and hardware to facilitate communications and connectivity principally for public sector customers across many use cases, such as municipal governance and safety. Based on various technologies such as data analytics, cloud computing, Edge Computing, and visual recognition, we develop solutions according to the individual needs of customers.

In the first half of 2025, we have made major breakthroughs in projects such as public safety video systems, smart construction sites and smart parks for digital cities and villages. As of June 30, 2025, the revenue of smart scenario applications grew significantly from 2024.

(3) *Other Communications Services and Accessories*

In addition to our main services and solutions, we also offer other communication services and accessories, mainly comprising specialized mobile phones, contact center outsourcing, and video conference solutions. We have been scaling down the aforementioned business since 2022, primarily due to low profitability of the relevant business. As of June 30, 2025, revenue from other communication services and accessories decreased significantly from 2024, but gross profit margin increased slightly.

III. OPERATING RESULTS AND ANALYSIS

Financial Review:

Revenue

The Group generates revenue mainly from cloud-based communication solutions and services, project-based communications solutions and other communications services and accessories. For the six months ended June 30, 2025, the revenue of the Group was RMB274.03 million, representing a decrease of RMB104.19 million or 27.55% from RMB378.22 million in the corresponding period of last year, which was mainly attributable to the Company adjusting its product mix to exclude low-margin businesses. The revenue of each business segment is as follows:

For the six months ended June 30, 2025, the revenue of the cloud-based communications services segment was RMB252.38 million, representing a decrease of RMB104.52 million or 29.29% from RMB356.90 million in the corresponding period of last year, which was mainly due to the Company adjusting its product mix to exclude low-margin businesses, resulting in a decrease of RMB76.38 million in the SMS business, RMB19.13 million in voice, RMB2.79 million in the IoT business and RMB3.00 million in the cloud call center business of the cloud communication products.

For the six months ended June 30, 2025, the revenue of the project-based communications solutions segment was RMB13.81 million, representing an increase of RMB8.31 million or 151.09% from RMB5.50 million in the corresponding period of last year, which was mainly due to four projects with large transaction amounts during the Reporting Period, which were carried forward as revenue.

For the six months ended June 30, 2025, the revenue of the other communications services and accessories segment was RMB7.84 million, representing a decrease of RMB8.01 million or 50.54% from RMB15.85 million in the corresponding period of last year, which was mainly due to impact from the market, the call operation business decreased by RMB7.14 million, sales of goods decreased by RMB0.25 million, and video conferencing decreased by RMB0.62 million.

Cost

For the six months ended June 30, 2025, the costs incurred by the Group were RMB21.44 million, representing a decrease of RMB7.89 million or 26.90% from RMB29.33 million in the corresponding period of last year, which was mainly due to decreased cost year-on-year, which resulted from lower revenue from cloud-based communications services and other communications services and accessories during the Reporting Period. The cost incurred by each business segment is as follows:

For the six months ended June 30, 2025, the costs incurred by the cloud-based communications services segment was RMB202.90 million, representing a decrease of RMB73.64 million or 26.63% from RMB276.54 million in the corresponding period of last year, which was mainly due to the Group adjusting its product mix to exclude low-margin businesses, resulting in a decrease of RMB60.34 million in the SMS cost, RMB10.25 million in voice cost, and RMB2.41 million and RMB0.83 million, respectively, in IoT and cloud call center costs during the Reporting Period.

For the six months ended June 30, 2025, the costs incurred by the project-based communications solutions segment was RMB4.13 million, representing an increase of RMB3.13 million or 313.00% from RMB1.00 million in the corresponding period of last year, which was mainly due to a proportionate increase in cost year-on-year, which resulted from an increase in revenue from project-based communications solutions of the Group during the Reporting Period.

For the six months ended June 30, 2025, the costs incurred by the other communications services and accessories segment were RMB7.38 million, representing a decrease of RMB8.39 million or 53.20% from RMB15.77 million in the corresponding period of last year, which was mainly due to a proportionate decrease in cost year-on-year, which resulted from a decrease in revenue from other communications services and accessories during the Reporting Period.

Gross profit and gross profit margin

For the six months ended June 30, 2025, the gross profit of the Group was RMB59.62 million, representing a decrease of RMB23.8 million or 28.53% from RMB83.42 million in the corresponding period of last year; and

The comprehensive gross profit margin was 21.76%, remaining largely unchanged from the corresponding period of last year.

Selling expenses

For the six months ended June 30, 2025, the selling expenses of the Group were RMB7.29 million, representing a decrease of RMB2.76 million or 27.46% from RMB10.05 million in the corresponding period of last year, which was mainly due to the Company implementing a new assessment method, resulting in a decrease of RMB2.7 million in remuneration during the Reporting Period.

Administrative expenses

For the six months ended June 30, 2025, the administrative expenses of the Group were RMB13.39 million, representing a decrease of RMB2.64 million or 16.50% from RMB16.03 million in the corresponding period of last year, which was mainly due to the Company implementing a new assessment method, resulting in a decrease of RMB1.73 million in remuneration, a decrease of RMB0.66 million in training fees, and a decrease of RMB0.25 million in renovation fees during the Reporting Period.

R&D expenses

For the six months ended June 30, 2025, the R&D expenses of the Group were RMB18.61 million, representing an increase of RMB4.79 million or 34.70% from RMB13.82 million in the corresponding period of last year, which was mainly due to the Company increasing investment in R&D, outsourcing R&D increased by RMB8.08 million, and the Company implemented a new assessment method, resulting in a decrease of RMB2.75 million in remuneration during the Reporting Period.

Financial expenses

For the six months ended June 30, 2025, the financial expenses of the Group were RMB5.16 million, representing a decrease of RMB7.72 million or 59.94% from RMB12.88 million in the corresponding period of last year, which was mainly due to a decrease of RMB7.17 million in interest, as well as a decrease in bank charges during the Reporting Period.

Income tax expenses

For the six months ended June 30, 2025, the income tax expenses of the Group were RMB4.42 million, representing an increase of RMB7.27 million or 255.09% from RMB-2.85 million in the corresponding period of last year, which was mainly due to tax paid during the Reporting Period increased by RMB1.96 million, while lease liabilities decreased by RMB3.80 million and impairment allowance provided decreased by RMB10.71 million during the Reporting Period.

Net profit attributable to shareholders of the listed company

For the six months ended June 30, 2025, the net profit attributable to shareholders of the listed company was RMB25.49 million, representing an increase of RMB0.61 million from the net profit attributable to shareholders of the listed company of RMB24.88 million in the corresponding period of last year, which was mainly due to the decrease in credit impairment loss during the Reporting Period.

Equity attributable to non-controlling interests

For the six months ended June 30, 2025, the net loss attributable to non-controlling interests of the Group was RMB1.21 million, representing an increase of RMB0.12 million or 11.00% from the loss attributable to non-controlling interests of RMB1.09 million in the corresponding period of last year, which was mainly due to continued loss from Yingkou Huali Daxing Technology Co., Ltd. (營口華利達興科技有限公司), the holding company of the Company, during the Reporting Period.

Cash flows

Net cash flow generated from operating activities

For the six months ended June 30, 2025, the net cash flow generated from operating activities of the Group was RMB73.78 million, representing an increase of RMB132.93 million or 224.73% from RMB-59.15 million in the corresponding period of last year, which was mainly due to the Company strengthening its capital control during the Reporting Period.

Net cash flow generated from investing activities

For the six months ended June 30, 2025, the net cash flow generated from investing activities of the Group was RMB-4,553.99, representing an increase of 96.16% from the corresponding period of last year. This was mainly attributable to the reduced investing activities of the Company and a decrease in purchase of fixed assets.

Net cash flow generated from financing activities

For the six months ended June 30, 2025, the net cash flow generated from financing activities of the Group was RMB-4.51 million, representing a decrease of RMB53.05 million or 109.29% from RMB48.54 million in the corresponding period of last year, which was mainly due to the Company strengthening its capital control and a reduction in bank loans during the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

Capital Structure

A. Borrowing

The total bank and other borrowings of the Group as at June 30, 2025 was RMB312.36 million (as at December 31, 2024: RMB300.29 million). The bank borrowing was interest-bearing and unsecured. During the Reporting Period, the Group did not experience any difficulties in utilising its banking facilities.

B. Gearing Ratio

As at June 30, 2025, the gearing ratio of the Group was 43.53% (as at December 31, 2024: 43.41%), representing an increase of 0.12% (calculated as the total liabilities divided by the total assets and multiplied by 100%), remaining largely unchanged from last year. This fluctuation falls within the normal range of balance sheet structure variations. The gearing ratio of the Group indicates a robust financial position, as its debt level remains within reasonable parameters for enterprises operating under normal conditions.

C. Cash and Cash Equivalents

For the six months ended June 30, 2025, the cash and cash equivalents of the Group was RMB76.55 million, representing an increase of RMB10.59 million or 16.05% from RMB65.97 million in the corresponding period of last year, mainly due to the Group strengthening its treasury management, and collection of customer receivables.

Capital expenditure

For the six months ended June 30, 2025, we did not have any material capital expenditure.

Pledge of assets

As of June 30, 2025, the Group did not have any pledge of assets.

Credit risk

As at June 30, 2025, the largest credit risk exposure that may incur financial loss to the Group mainly came from the book value of each financial asset in the balance sheet. The monetary funds held by the Company are mainly deposited in financial institutions, such as state-owned holding banks and other large and medium-sized commercial banks. The management believes that these commercial banks have a high reputation and asset status, do not have significant credit risk, and will not cause any significant loss due to the default of the counterparty.

Interest rate risk

The Group's interest rate risk mainly arises from bank borrowings. Financial liabilities at floating interest rates expose the Company to cash flow interest rate risk, while financial liabilities at fixed interest rates expose the Company to fair value interest rate risk. The Company determines the relative ratio of its fixed rate and floating rate contracts based on prevailing market conditions. As at June 30, 2025, all the Group's borrowings were denominated in RMB and carried interest at floating rate.

Foreign exchange risk

Foreign exchange risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect their financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures. The conversion of foreign currencies into RMB has been based on rates set by the People's Bank of China. The Group seeks to limit the exposure to foreign exchange risk by closely monitoring and minimizing its net foreign currency position. No financial instruments for hedging purposes were used by the Group, and the Group did not enter into any currency hedging transactions during the Reporting Period.

Contingent liabilities

As at June 30, 2025, the Group had no material contingent liabilities.

Material acquisition and disposal of assets, subsidiaries, associates and joint ventures

The Group had no other material acquisition and disposal of assets, subsidiaries, associates and joint ventures during the Reporting Period.

Treasury policy

The Group adopts a prudent financial management approach on its treasury policy so as to ensure that the Group's liquidity structure (composed of assets, liabilities and other commitments) is able to meet its funding requirements at all times.

Future plans for material investment or capital asset

The Group had no other future plans for material investment or capital asset during the Reporting Period.

Significant investments

The Group had no significant investments during the Reporting Period.

IV. PROSPECTS

The Group's vision is to become a globally recognized AI-driven cloud-based communication solutions provider. Based on this vision, we plan to implement the following strategies:

1. Continuous improvement and innovation of services and solutions

We plan to continuously improve and innovate our service offerings and enrich the features and functions of our solutions. We intend to further research customer needs to enhance and expand our services. In particular,

- we will continue to focus on and expand within the cloud-based communications services market, maintaining our position as a leading service provider. According to Frost & Sullivan, as of December 31, 2024, there were approximately 800 cloud-based communications services providers in China. This industry still has significant growth potential, which we expect more businesses to benefit from market growth. For example, to increase revenue and customer stickiness, we plan to provide communications operating services to large corporate customers in addition to our existing services and solutions, addressing their daily communication needs at a more comprehensive level;
- we will innovate and develop new services and solutions, such as RCS messaging services, smart watches, monitoring and early warning systems, and emergency call systems for the elderly population;
- we will upgrade our existing industry solutions, introducing industry-specific customized solutions to meet the specific needs of customers in key industries, expanding and enhancing technology in different scenarios to improve operational efficiency and user experience; and
- we will continue to strengthen research and development capabilities, fostering an innovative corporate culture, and attracting and retaining top talent to expand the research and development team.

2. *Enhancing AI applications*

We will continue to develop and maintain a portfolio of a full-suite of services and solutions to meet diverse customer needs and improve operational efficiency. Specifically, we will strategically focus on leveraging LLMs, voiceprint recognition and image recognition and motion recognition for smart communication solutions and cloud-based communications services. By optimizing products with AI tools, we aim to increase the added value and profit margin of the product. We intend to use our in-house trained AI applications to enhance our following services and solutions:

- CPaaS: For CPaaS, LLMs can generate content and review templates for messages for quality inspection.
- Contact Center SaaS: We plan to use AI Computing Power to upgrade our Contact Center SaaS, improving service efficiency and accuracy, as well as enhancing the personalization and intelligence of customer services. We aim to (i) reduce the response time of the customer's Call Agents through smart recommended answers; (ii) better ascertain the meaning of the end users in text and voices; and (iii) train specific LLMs to generate more satisfactory responses and to enable our smart Call Bots to handle more complex questions as compared to generic LLMs.
- Project-Based Communications Solutions: We intend to apply specific LLMs, voiceprint recognition, image recognition and motion recognition in our solutions. They will be applied in use cases such as dialogues, smart customer service and consultancy, public safety and emergency response, and cultural and tourism services.

3. *Capturing new growth opportunities especially in the Southeast Asia market*

We plan to leverage our full-suite service capabilities to improve customer stickiness and sustainable profitability. We will continue to explore new growth opportunities, expand geographic coverage, and increase penetration. By replicating our successful experience in China, we plan to initially expand our CPaaS and SaaS business to Southeast Asia by partnering with local telecommunications operators and service providers.

V. RISK FACTORS AND RISK MANAGEMENT

Risks relating to the Group's business and industry

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. Some of the major risks we face include:

- (1) fluctuations in demand for our services and solutions may adversely affect our business and results of operations. Any loss of or decline in demand for our services and solutions could materially and adversely affect our business, results of operations, and financial condition;

- (2) failure to maintain our advantages in an increasingly competitive market may adversely affect our business and prospects;
- (3) if we cannot continue to innovate or effectively respond to the rapidly evolving technology, market demands, industry dynamics, and other risks and uncertainties, our business, results of operations, and prospects would be materially and adversely affected;
- (4) our business relies on telecommunications resources provided by China's major telecommunications operators and other service providers; if we fail to maintain our collaborations with these telecommunications operators or service providers, our ability to serve our customers could be materially and adversely affected;
- (5) if we fail to attract new customers or retain existing ones, our business, financial condition, and results of operations could be materially and adversely affected; and
- (6) we have experienced, and in the future may continue to experience, net operating cash outflows and increases in trade receivables turnover days, prepayments, other receivables and other assets, which could expose us to liquidity risks.

We have developed risk management and internal control systems for our business to minimize actual or potential operational risks.

- (1) Actively manage our product mix. We offer full-suite cloud-based communications services. However, some service offerings, such as voice services and Contact Center SaaS, have high gross profit margin over other types of CPaaS. We have actively managed our product mix to promote our profitability. On one hand, we have historically terminated cooperations with CPaaS customers which generated low profit margin; on the other hand, we continuously developed our Contact Center SaaS service offering during the Track Record Period. Revenue derived from our Contact Center SaaS during the Track Record Period grew gradually. Our active management is also reflected in our plan to further develop project-based communications solutions in the future.
- (2) Seize market opportunities. During the past years, we foresaw these market drivers and took measures to seize opportunities. We pay attention to the applications of AI tools, such as data analytics, NLP, voiceprint recognition and motion recognition. This ensures that our services and solutions constantly improved from a technological perspective. We also provide a stable supply of telecommunications resources and possess strong sales capabilities. The former enables us to offer services from a diverse range of regional telecommunications operators and service providers. The latter helps us to effectively meet the growing demand for corporate communication.
- (3) In order to reduce the risk of dependence on cooperation with major telecommunications operators and service providers in China, we have adopted the following measures: 1) establishing a multi-supplier cooperation system to distribute the risks of having a single pipeline; 2) signing long-term framework agreements and clarifying the terms of service quality and liability for breach of contract; 3) conducting regular supplier service evaluation and alternative solution testing; 4) maintaining standardized technical interfaces to ensure substitutability; 5) establishing a special emergency fund for sudden changes in collaboration.

- (4) Given that the cloud communications business contributes most of our revenue and trade receivables, we have implemented the following measures shorten the settlement period starting from 2025: prefer customers with shorter payment cycles; more stringent payment terms for customers with significant trade receivables; incentivizing quicker settlement; scrutiny of payments progress and offer instalments for prompt settlement; set monthly collection targets.
- (5) In order to further improve our collection situation, we have taken various measures since 2025 to enhance our collection efforts for trade receivables, including establishing management policies for receivables, regularly reviewing receivables by finance personnel, actively communicating with our customers regarding settlements, and issuing collection letters. We have established a dedicated collection team, to continuously monitor payment progress. This team, together with our business development personnel, communicates with customers regarding payment collection through various methods.

VI. OTHER INFORMATION

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On July 9, 2025, H Shares were successfully listed on the Stock Exchange, and 30,440,000 new H Shares were issued at the offer price of HK\$13.55 per H Share. After deducting the underwriting fees and related expenses, the net proceeds received by the Company from the global offering amounted to approximately HK\$367.5 million (equivalent to approximately RMB335.7 million). As of June 30, 2025, the net proceeds from the global offering have not been utilised as the global offering has not yet been completed. The Company intends to use the net proceeds from the global offering in accordance with the intended use of proceeds and proportion as well as the expected timetable as set out in the section headed “Future plans and use of proceeds” in the Prospectus.

EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2025, the Group had a total of 163 employees (June 30, 2024: 207 employees). The salaries of the management consist of, among others, basic salary, position salary, performance salary. The salaries of ordinary employees consist of basic salary, position salary, performance salary and business commissions. The performance-based salary is determined based on the performance of the Group and performance assessment results of the employees.

The Group values the importance of training of its staff, and continuously improves its education and training system. The Group offers comprehensive training programs to its employees, including monthly induction training for new employees, product training for all employees as needed, and concentrated training for key position employees at the beginning of each year. During the Reporting Period, the Group paid employee remuneration of RMB18.77 million (June 30, 2024: RMB23.6 million) in aggregate.

INTERIM DIVIDEND

The Board did not recommend the declaration of an interim dividend for the six months ended June 30, 2025.

COMPLIANCE WITH THE CG CODE

As a company listed on the Stock Exchange, the Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability.

As the H Shares have not yet been listed on the Stock Exchange as of June 30, 2025, the CG Code is not applicable to the Company during the Reporting Period. Upon the Listing, the Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Piao is serving as the chairman of the Board as well as the chief executive officer of the Company. As Mr. Piao has been managing our Group's business and overall strategic planning since its establishment, the Directors consider that vesting the roles of chairman and chief executive officer in Mr. Piao is beneficial to the business prospects and management of the Group by ensuring consistent leadership within our Group. Taking into account all the corporate governance measures that we are going to implement upon the Listing, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer. The Board will continue to review the effectiveness of the corporate governance structure of the Company in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

Save as disclosed above, upon the Listing, the Company has complied with all relevant code provisions of the CG Code, and adopted the recommended best practices set out therein, if applicable. Meanwhile, the Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

As the H Shares have not yet been listed on the Stock Exchange as of June 30, 2025, the provisions under the Listing Rules relating to the compliance of the Model Code by the Directors and Supervisors are not applicable to the Company during the Reporting Period.

Upon Listing, the Company has adopted the Model Code as the code of conduct for all the Directors' and Supervisors' dealings in the securities of the Company. Having made specific enquiries, all Directors and Supervisors have confirmed that they had strictly complied with the required standards set out in the Model Code throughout the period from the Listing Date and up to the date of this announcement. The Company has also set up guidelines in respect of the dealings by its relevant employees (as defined in the Listing Rules) in the Company's securities, which are on terms no less exact than those in the Model Code. The Company is not aware of any breach of the guidelines by its relevant employees.

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

For the six months ended June 30, 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company.

As at June 30, 2025, the Company did not hold any treasury shares.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company proceeded with the Issuance and Listing of H Shares on July 26, 2024. With the approval of the Stock Exchange, the 30,440,000 overseas-listed Shares (H Shares) issued by the Company were listed for trading on the Main Board of the Stock Exchange on July 9, 2025. The abbreviation for the H Shares is 訊眾通信 in Chinese and XUNZHONG in English, and the stock code is 2597.HK.

Upon the completion of the Issuance and Listing of H Shares, the changes in the Shares are as follows:

Type of Shares	Before the Issuance and Listing of H Shares		After the Issuance and Listing of H Shares	
	Number of shares held (shares)	Ownership percentage	Number of shares held (shares)	Ownership percentage
Domestic Shares (NEEQ)	91,314,291	100.00%	91,314,291	75.00%
Overseas-listed Shares (H Shares)	—	—	30,440,000	25.00%
Total	91,314,291	100.00%	121,754,291	100.00%

AUDIT COMMITTEE

The audit committee of the Company has reviewed the interim results of the Group for the six months ended June 30, 2025 and the unaudited consolidated interim financial information for the six months ended June 30, 2025, which was prepared in accordance with the CASBE, and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.commchina.net). The 2025 interim report containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set forth below:

“AI”	artificial intelligence
“API”	Application Programming Interface, commonly known as API, is a set of protocols that allows unconnected applications to communicate with each other
“Board”	the board of directors of the Company
“Call Agent(s)”	individuals who handle incoming and outgoing calls in a call center or customer service environment
“Call Bot(s)”	automated software programs designed to interact with humans through voice or text-based conversations
“CAGR”	compound annual growth rate
“CASBE”	PRC Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the People’s Republic of China (中華人民共和國財政部)
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Company”	Beijing Xunzhong Communication Technology Co., Ltd. (北京訊眾通信技術股份有限公司), a limited liability company incorporated in the PRC on November 20, 2008, which was converted into a joint stock company with limited liability on October 11, 2014, with its H Shares being listed on the Main Board of the Stock Exchange (Stock Code: 2597)
“Computing Power”	refers to the capacity of a computer or computer system to execute complex computations and data processing tasks within a given timeframe
“Contact Center SaaS”	Contact Center Software as a Service, one of our Group’s business segment
“CPaaS”	Communications Platform as a Service, one of our Group’s business segment
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed and fully paid in RMB

“Edge Computing”	a distributed information technology architecture in which data is processed as close to the originating source as possible. This approach moves computing resources from centralized data centers closer to the devices generating and consuming data, such as IoT devices, smartphones, or local servers
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and subscribed for and traded in Hong Kong dollars
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IoT”	the Internet of Things, refers to the network of physical devices embedded with electronics , software , sensors , and network connectivity, which enables these objects to collect and exchange data, allowing these devices to communicate with each other and with users
“Issuance and Listing of H Shares”	the application submitted by the Company to the Stock Exchange for the overseas listing of foreign shares (H Shares) and for listing on the Main Board of the Stock Exchange
“Listing”	the listing of H Shares on the Main Board of the Stock Exchange on July 9, 2025
“Listing Date”	July 9, 2025
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LLM”	large language model, refers to a type of artificial intelligence that is designed to process and generate human-like language by leveraging statistical patterns learned from vast corpora of text data
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange

“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Piao”	Mr. Piao Shenggen (樸聖根), the chairman of the Board, chief executive officer and a substantial shareholder of the Company
“NLP”	Natural Language Processing (NLP) is a field of artificial intelligence (AI) that focuses on the interaction between computers and humans through natural language. The goal of NLP is to enable computers to understand, interpret, and generate human language in a way that is both meaningful and useful
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the Company’s prospectus dated June 30, 2025
“RCS”	Rich Communication Services (RCS) is an enhancement of traditional Short Message Service (SMS) and Multimedia Messaging Service (MMS) that includes various advanced features such as read receipts, typing indicators, high-quality media sharing, improved group chats, and interactive elements
“Reporting Period”	the six months ended June 30, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SaaS”	Software as a Service, refers to a cloud computing model that provides users with access to software applications via the internet, eliminating the need for users to install and run the application on their own computers or infrastructure
“SDK”	Software Development Kit, a set of software tools, guidelines, and programs used by developers to create applications for specific platforms
“Share(s)”	Domestic Shares and H Shares
“specific LLM”	a large language model which is trained to provide responses to questions which are related to a specific industry or an application scenario

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent

By order of the Board
Beijing Xunzhong Communication Technology Co., Ltd.
Mr. Piao Shenggen
*Chairman of the Board, Executive Director
and Chief Executive Officer*

Hong Kong, August 27, 2025

As at the date of this announcement, the Board comprises Mr. Piao Shenggen (Chairman of the Board and Chief Executive Officer), Mr. Wang Peide, Mr. Yue Duanpu, Mr. Zhang Zhishan and Ms. Chen Jing as executive Directors; and Mr. Sun Qiang, Mr. Xiang Ligang and Mr. Su Zile as independent non-executive Directors.