Xuan Wu Cloud Technology Holdings Limited
玄 武 雲 科 技 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2392)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026 AND EXTENSION OF THE EXPECTED TIMETABLE FOR USE OF PROCEEDS

The board (the "**Board**") of directors (the "**Director(s)**") of Xuan Wu Cloud Technology Holdings Limited (the "**Company**" together with its subsidiaries and consolidated affiliated entities, the "**Group**") is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures of the six months ended 30 June 2025.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2026	2025	
	RMB'000	*RMB'000*	(%)
	(Unaudited)	(Unaudited)	
		(Restated)[1]	
Continuing operations			
Revenue	**420,243**	382,317	9.9
Gross profit	**65,800**	56,878	15.7
Operating gains/(losses)	**4,725**	(14,397)	132.8
Profit/(loss) before tax	**3,066**	(16,516)	118.6
Profit/(loss) attributable to owners of the Company	**3,018**	(25,874)	111.7
Earnings/(losses) per share (expressed in RMB per share)	**0.006**	(0.048)	112.5

Note:

(1) The consolidated statement of comprehensive income for the six months ended 30 June 2025 has been restated for the discontinued operation. For details, please refer to Note 13, the section headed "Notes to the Interim Condensed Consolidated Financial Information".

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30 June **2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited) (Restated)
Continuing operations			
Revenue	*5*	**420,243**	382,317
Cost of sales	*6*	**(354,443)**	(325,439)
Gross profit		**65,800**	56,878
Selling and distribution expenses	*6*	**(30,416)**	(36,821)
Administrative expenses	*6*	**(15,476)**	(16,041)
Research and development expenses	*6*	**(14,211)**	(15,978)
Net impairment losses on financial assets		**(1,608)**	(2,694)
Other income	*7*	**863**	825
Other losses – net	*8*	**(227)**	(566)
Operating gain/(loss)		**4,725**	(14,397)
Finance income	*9*	**55**	96
Finance costs	*9*	**(1,714)**	(2,215)
Finance costs – net	*9*	**(1,659)**	(2,119)
Profit/(loss) before income tax		**3,066**	(16,516)
Income tax expenses	*10*	**–**	(154)
Profit/(loss) from continuing operations		**3,066**	(16,670)
Profit/(loss) from discontinued operation	*13*	**413**	(12,568)
Profit/(loss) and total comprehensive income/(loss) for the period		**3,479**	(29,238)

	Notes	Six months ended 30 June **2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited) (Restated)
Profit/(loss) and total comprehensive income/(loss) for the period is attributable to:			
– Owners of the Company		**3,018**	(25,874)
– Non-controlling interests		**461**	(3,364)
		3,479	(29,238)
Profit/(loss) and total comprehensive income/(loss) for the period attributable to owners of the Company arises from:			
– Continuing operations		**2,729**	(17,282)
– Discontinued operation		**289**	(8,592)
		3,018	(25,874)
Earnings/(losses) per share for profit/(loss) from continuing operations attributable to owners of the Company (expressed in RMB per share)			
– Basic earnings/(losses) per share	*11*	**0.005**	(0.032)
– Diluted earnings/(losses) per share		**0.005**	(0.032)
Earnings/(losses) per share for profit/(loss) attributable to owners of the Company (expressed in RMB per share)			
– Basic earnings/(losses) per share		**0.006**	(0.048)
– Diluted earnings/(losses) per share	*11*	**0.006**	(0.048)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
OTHER COMPREHENSIVE EXPENSES		
Item that will not be reclassified to profit or loss in subsequent periods:		
Fair value loss on equity instruments designated at fair value through other comprehensive income ("FVTOCI")	**(2,239)**	—
OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD	**(2,239)**	—
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD	**1,240**	(29,238)
Total comprehensive income/(expenses) for the period is attributable to:		
– Owners of the Company	**779**	(25,874)
– Non-controlling interests	**461**	(3,364)
	1,240	(29,238)
Total comprehensive income/(expenses) attributable to owners of the Company arises from:		
– Continuing operations	**490**	(17,282)
– Discontinued operation	**289**	(8,592)
	779	(25,874)
Total comprehensive income/(expenses) per share for total comprehensive income/(expenses) from continuing operations attributable to owners of the Company (expressed in RMB per share)		
– Basic earnings/(losses) per share	**0.001**	(0.032)
– Diluted earnings/(losses) per share	**0.001**	(0.032)
Earnings/(losses) per share for profit/(loss) attributable to owners of the Company (expressed in RMB per share)		
– Basic earnings/(losses) per share	**0.001**	(0.048)
– Diluted earnings/(losses) per share	**0.001**	(0.048)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**1,627**	1,491
Right-of-use assets		**1,669**	3,455
Investment in an associate		**–**	–
Intangible assets		**12,346**	12,864
Deferred income tax assets		**8,156**	8,156
Prepayments	*12*	**29**	15
Investments in other equity instruments		**7,755**	–
		31,582	25,981
Current assets			
Contract fulfilment costs		**3,692**	3,982
Trade, bill, other receivables and prepayments	*12*	**459,758**	378,209
Restricted cash		**6,896**	5,174
Cash and cash equivalents		**90,776**	120,843
Asset of disposal group classified as held for sale		**–**	15,264
		561,122	523,472
Total assets		**592,704**	549,453
Equity			
Equity attributable to owners of the Company			
Share capital		**360**	360
Share premium		**443,901**	441,737
Treasury shares		**(27,356)**	(27,591)
Other reserves		**4,430**	(12,915)
Accumulated losses		**(120,592)**	(123,610)
		300,743	277,981
Non-controlling interests		**3,781**	(10,633)
Total equity		**304,524**	267,348

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Non-current contract liabilities	*5*	**701**	1,586
Lease liabilities		**791**	937
		1,492	2,523
Current liabilities			
Borrowings		**180,465**	127,848
Contract liabilities	*5*	**29,754**	33,828
Trade, bill and other payables	*14*	**74,705**	86,930
Lease liabilities		**1,584**	3,261
Current income tax liabilities		**180**	180
Liabilities of disposal group classified as held for sale		**–**	27,535
		286,688	279,582
Total liabilities		**288,180**	282,105
Total equity and liabilities		**592,704**	549,453

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 AI + cloud communication services in the People's Republic of China (the "**PRC**").

The interim condensed consolidated financial information for the six months ended 30 June 2026 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 26 August 2026.

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 2026 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 2025, 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 2025, except for the adoption of new and amended standards and the application of certain accounting policies which became relevant to the Group, as set out below.

New and amended standards adopted by the Group

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11

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

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these interim condensed consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the interim condensed consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the interim condensed consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

4 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.

In prior periods, the Group disclosed its business types based on the classification of PaaS and SaaS, to meet the management needs of the then-standalone Sales Cloud CRM business. Following the divestment of the sales cloud business, the Group's remaining cloud communication full-chain products exhibit deep collaboration, interoperable scenarios and a high degree of uniformity in customer base and regulatory requirements, such that classification by the traditional technology delivery form is no longer appropriate. Accordingly, with effect from the six months ended 30 June 2026, the Group reclassified its segmentation from CRM PaaS services and CRM SaaS services to the Intelligent Cloud Communication and Intelligent Voice, which together constitute the Group's two reportable segments. The corresponding segment information for the six months ended 30 June 2025 has been restated to conform with the current period's presentation.

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

(i) ***Intelligent Cloud Communication***

The intelligent cloud communication business is based on the cPaaS platform, integrating diverse communication channel capabilities both domestically and internationally. It enables customers to connect to their own business systems through APIs/SDKs, and provides AI-empowered full-touchpoint reach and cloud communication operation services to customers relying on products such as the ICC (Integrated Communication Centre), DMP Intelligent Marketing Cloud Platform, and MOS Cloud Platform.

(ii) ***Intelligent Voice***

The intelligent voice business is based on the cPaaS platform, encompassing products such as cloud contact centres, AI voice bots, and voice AI Agents. Leveraging AI voice capabilities, it covers automated scenarios in customer business processes such as intelligent dialogues for domestic and overseas enterprises and compliance business notifications, providing customers with intelligent voice solutions.

(iii) ***Others***

Other revenues primarily consist of technical services for the Sales Cloud 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 2026 and 31 December 2025, majority of the assets were located in the PRC.

(b) Segment performance

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2026 is as follows:

	Six months ended 30 June 2026			
	Intelligent Cloud Communication	**Intelligent Voice**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Revenue	**383,663**	**36,365**	**215**	**420,243**
Cost of sales	**(333,105)**	**(21,338)**	**–**	**(354,443)**
Gross profit	**50,558**	**15,027**	**215**	**65,800**
Selling and distribution expenses				**(30,416)**
Administrative expenses				**(15,476)**
Research and development expenses				**(14,211)**
Net impairment losses on financial assets				**(1,608)**
Other income				**863**
Other losses – net				**(227)**
Operating profit				**4,725**
Finance income				**55**
Finance costs				**(1,714)**
Finance costs – net				**(1,659)**
Profit before income tax				**3,066**

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

	Six months ended 30 June 2025			
	Intelligent Cloud Communication	Intelligent Voice	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Restated)	(Restated)	(Restated)	(Restated)
Revenue	355,694	26,623	–	382,317
Cost of sales	(307,247)	(18,192)	–	(325,439)
Gross profit	48,447	8,431	–	56,878
Selling and distribution expenses				(36,821)
Administrative expenses				(16,041)
Research and development expenses				(15,978)
Net impairment losses on financial assets				(2,694)
Other income				825
Other losses – net				(566)
Operating loss				(14,397)
Finance income				96
Finance costs				(2,215)
Finance costs – net				(2,119)
Loss before income tax				(16,516)

5 REVENUE

(a) Revenue mainly comprises of proceeds from intelligent cloud communication, intelligent voice and others. The analysis of the Group's revenue by category for the six months ended 30 June 2026 and 30 June 2025 was as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Intelligent cloud communication	**383,663**	355,694
Intelligent voice	**36,365**	26,623
Others	**215**	–
	420,243	382,317

The analysis of revenue from contracts with customers by the timing of revenue recognition for the six months ended 30 June 2026 and 30 June 2025 was as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
At a point in time	**410,455**	374,085
Over time	**9,788**	8,232
	420,243	382,317

(b) Contract liabilities

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

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contract liabilities	**29,754**	39,304
Non-current contract liabilities	**701**	6,043
Less: Liabilities of disposal group classified as held for sale	**–**	(9,933)
	30,455	35,414

6 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Costs of telecommunications resources	**349,474**	321,100
Employee benefit expenses	**46,526**	49,952
Travel and entertainment expenses	**4,131**	4,614
Outsourcing customer service expenses	**3,829**	4,450
Depreciation and amortisation expenses	**3,017**	4,724
Infrastructure and equipment costs	**2,555**	2,602
Professional service fees	**2,389**	3,163
Taxes and other levies	**596**	837
Outsourcing implementation costs	**424**	169
Conference and office expenses	**419**	540
Marketing and promotion expenses	**256**	501
Lease payments on short term leases	**87**	238
Others	**843**	1,389
	414,546	394,279

7 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Value-added tax refund	**461**	515
Government grants	**268**	123
Others	**134**	187
	863	825

8. OTHER LOSSES — NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Net loss from disposal of property, plant and equipment	**–**	(2)
Net fair value gain on investments in financial assets at fair value through profit or loss	**400**	276
Net foreign exchange loss	**(299)**	(67)
Others	**(328)**	(773)
	(227)	(566)

9 FINANCE COSTS — NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Finance income		
Interest income from bank deposits	**55**	96
Finance costs		
Interest expenses of lease liabilities	**(31)**	(89)
Interest expenses of borrowings	**(1,683)**	(2,126)
	(1,714)	(2,215)
Finance costs — net	**(1,659)**	(2,119)

10 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

Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of assessable profits of qualifying group entities will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%. Other Hong Kong group entities that do not qualify for the two-tiered profits tax rates regime will continue to be taxed at a uniform rate of 16.5% on their assessable profits. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong during the six months ended 30 June 2026 and 2025.

(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.

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 2026 the Small Low-Profit Enterprise whose taxable income less than RMB3.0 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**–**	–
Deferred income tax	**–**	(154)
Income tax expenses	**–**	(154)
Income tax expense is attributable to:		
Loss from continuing operations	**–**	(154)
Loss from discontinued operation	**–**	–
	–	(154)

11 EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share

The basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during six months ended 30 June 2026 and 30 June 2025.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
Profit/(loss) attributable to owners of the Company:		
Profit/(loss) from continuing operations (RMB'000)	**2,729**	(17,282)
Profit/(loss) from discontinued operation (RMB'000)	**289**	(8,592)
Profit/(loss) attributable to owners of the Company	**3,018**	(25,874)
Weighted average number of ordinary shares (in thousands)	**537,547**	536,268
From continuing operations (expressed in RMB per share)	**0.005**	(0.032)
From discontinued operation (expressed in RMB per share)	**0.001**	(0.016)
Total basic earnings/(losses) per share attributable to the owners of the Company during the period (expressed in RMB per share)	**0.006**	(0.048)

(b) Diluted earnings/(losses) per share

Diluted earnings/(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 2026, the outstanding share options under the Company's stock option incentive plan were in-the-money throughout the period and therefore had a dilutive effect. However, the effect was not significant, and the diluted earnings per share for the period was the same as the basic earnings per share.

For the six months ended 30 June 2025, due to the loss recorded by the Group, the potential ordinary shares arising from the share options had an anti-dilutive effect and were accordingly excluded from the calculation of diluted losses per share. Therefore, the diluted losses' per share for the six months ended 30 June 2025 was the same as the basic losses per share.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited) (Restated)
Profit/(loss) attributable to owners of the Company:		
Profit/(loss) from continuing operations (RMB'000)	**2,729**	(17,282)
Profit/(loss) from discontinued operation (RMB'000)	**289**	(8,592)
Profit/(loss) attributable to owners of the Company	**3,018**	(25,874)
Weighted average number of ordinary shares (in thousands)	**537,547**	536,268
Adjustments for potential ordinary shares arising from share schemes (in thousands)	**56**	—
Weighted average number of ordinary shares used in calculating diluted earnings/(losses) per share (in thousands)	**537,603**	536,268
From continuing operations (expressed in RMB per share)	**0.005**	(0.032)
From discontinued operation (expressed in RMB per share)	**0.001**	(0.016)
Total diluted earnings/(losses) per share attributable to owners of the Company during the period (expressed in RMB per share)	**0.006**	(0.048)

12 TRADE, BILL, OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Trade receivables		
– Third parties *(Note (d))*	**270,972**	209,259
– Related party *(Note (d))*	**8,262**	–
Less: allowance for impairment of trade receivables	**(35,945)**	(34,206)
	243,289	175,053
Bill receivables		
– Third parties	**–**	195
Other receivables		
– Third parties *(Note (b))*	**14,711**	12,984
Less: allowance for impairment of other receivables	**(256)**	(201)
	14,455	12,783
Prepayments and prepaid taxes		
– Third parties *(Note (c))*	**202,043**	190,193
Total	**459,787**	378,224
Less: non-current portion of prepayments	**(29)**	(15)
Current portion of trade, bill, other receivables and prepayments	**459,758**	378,209

(a) As at 30 June 2026 and 31 December 2025, the bill, other receivables and prepayments were denominated in RMB, while the trade receivables were denominated in RMB and USD.

(b) Other receivables due from third parties mainly represent deposits and tender deposits.

(c) Prepayments mainly represents prepaid telecommunication expenses to suppliers 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 2026 and 31 December 2025, based on recognition date were as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Ageing		
Up to 3 months	**172,882**	107,721
3 to 6 months	**37,458**	30,010
6 months to 1 year	**22,948**	28,888
1 to 2 years	**14,134**	15,211
Over 2 years	**31,812**	27,429
	279,234	209,259

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2026, a provision of RMB35,945,000 (31 December 2025: RMB34,206,000) was made against the gross amounts of trade receivables.

13 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY

(a) Discontinued operation

On 20 October 2025, the Group, Mr. Chen Yonghui ("**Mr. Chen**") and two independent third parties ("**Two Buyers**") entered into agreements, pursuant to which (i) Mr. Chen agreed to inject RMB20,000,000 to the Guangzhou Xuantong Technology Co., Ltd. ("**Xuan Tong**"), a non-wholly-owned subsidiary of the Group, as its new registered capital; (ii) The Group agreed to sell certain equity interests in Xuan Tong to Two Buyers at a total consideration of RMB11,000,000) (collectively "**Disposal of Xuan Tong**").

The Disposal of Xuan Tong was completed on 30 January 2026. Upon completion, the Group's equity interest in Xuan Tong Technology decreased from 70% to 20%, and its financial results were no longer included in the Group's consolidated financial statements. Xuan Tong Technology is primarily engaged in the Sales Cloud services, and its results continued to be presented as discontinued operations during the period from 1 January 2026 to 30 June 2026. The discontinued operations for the current period only include data for the period from 1 January 2026 to 30 January 2026, while the discontinued operations for the corresponding period last year included data for a total of six months from 1 January to 30 June 2025.

(b) The financial performance and cash flow information for the interim periods of 2026 and 2025.

	1 January 2026 to 30 January 2026 *RMB'000* **(Unaudited)**	1 January to 30 June 2025 *RMB'000* (Unaudited)
Revenue	**5,722**	28,590
Cost of sales	**(1,623)**	(10,518)
Gross profit	**4,099**	18,072
Selling and distribution expenses	**(1,337)**	(11,968)
Administrative expenses	**(549)**	(6,812)
Research and development expenses	**(1,745)**	(12,620)
Net reversal of impairment losses on financial assets	**(28)**	(50)
Other income	**55**	811
Other loss — net	**(11)**	(4)
Operating profit/(loss)	**484**	(12,571)
Finance (loss)/income — net	**(71)**	3
Profit/(loss) before income tax	**413**	(12,568)
Income tax expense	**–**	–
Profit/(loss) and other comprehensive income/(loss) from discontinued operation	**413**	(12,568)
Profit/(loss) and total comprehensive income/(loss) from discontinued operation is attributable to:		
– Owners of the Company	**289**	(8,592)
– Non-controlling interests	**124**	(3,976)
	413	(12,568)
Net cash outflow from operating activities	**(415)**	(1,514)
Net cash outflow from investing activities	**–**	(1,062)
Net cash inflow from financing activities	**1,307**	4,947
Net increase in cash generated from the discontinued operation	**892**	2,371

(i) The cash flows of discontinued operation presented above were derived from Xuan Tong's separate financial statements.

(c) Disposal of a subsidiary

The Disposal of Xuan Tong was completed on 30 January 2026. Upon completion, the Group's equity interest in Xuan Tong decreased from 70% to 20% and Xuan Tong ceased to be a subsidiary of the Company and became an associate of the Company. The net liabilities of Xuan Tong at the date of disposal were as follows:

	RMB'000 (Unaudited)
Property, plant and equipment	803
Right-of-use assets	94
Intangible assets	1,985
Contract fulfilment costs	6,104
Trade, bills, other receivables and prepayments	16,509
Cash and cash equivalents	3,614
Borrowings	(2,941)
Trade, bills and other payables	(27,972)
Contract liabilities	(20,009)
Lease liabilities	(95)
Net liabilities disposed of	(21,908)

The Group retained a 20% equity interest in Xuan Tong, which was measured at its fair value of RMB nil at the date of disposal. Since the Group has significant influence over Xuan Tong the following completion, the retained interest is accounted for as an investment in an associate.

The effect of the disposal on the equity attributable to owners of the Company was as follows:

	RMB'000 (Unaudited)
Net liabilities disposed of	21,908
Less: non-controlling interests derecognised	(10,453)
Net liabilities attributable to owners of the Company	11,455
Consideration received	11,000
Fair value of 20% retained interest in an associate	–
Credit to other reserves *(note)*	22,455

The net cash inflow arising on the disposal was as follows:

	RMB'000 (Unaudited)
Cash consideration received	11,000
Less: cash and cash equivalents disposed of	(3,614)
Net cash inflow on disposal of a subsidiary	7,386

Note: The Disposal of Xuan Tong comprised (i) the subscription by Mr. Chen for RMB20,000,000 of new registered capital of Xuan Tong, pursuant to which the registered capital of Xuan Tong increased from RMB30,000,000 to RMB50,000,000; and (ii) the transfer by the Group of RMB11,000,000 of the registered capital of Xuan Tong to the Two Buyers for a consideration of RMB11,000,000. As the Disposal of Xuan Tong involved the subscription by Mr. Chen, a shareholder of the Company, the directors consider the Disposal of Xuan Tong in substance as an equity transaction with an owner of the Company. Accordingly, the resulting difference of RMB22,455,000 has been recognised directly in equity as a credit to other reserves, and no gain or loss on the Disposal of Xuan Tong has been recognised in profit or loss.

14 TRADE, BILL AND OTHER PAYABLES

	As at 30 June 2026 ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade payables		
– Third parties *(Note (a))*	**58,770**	53,381
Other payables		
– Third parties	**4,514**	7,440
Bill payables		
– Third parties	**–**	10,000
Accrued payroll	**8,173**	14,301
Other tax payables	**3,248**	1,808
	11,421	16,109
Total	**74,705**	86,930

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

As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade payables based on recognition date are as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Ageing		
Up to 3 months	**40,122**	34,170
3 to 6 months	**4,362**	7,544
Over 6 months	**14,286**	11,667
	58,770	53,381

15 DIVIDEND

No interim dividend for the six months ended 30 June 2026 has been proposed by the board of directors (six months ended 30 June 2025: nil).

16 CHANGE IN PRESENTATION OF COMPARATIVE FIGURES

Certain comparative figures in the interim condensed consolidated financial statements have been restated to conform with the current period's presentation.

BUSINESS REVIEW

1. Business and Strategic Overview

During the Reporting Period, the Group continued to focus on its core business of "AI + Cloud Communication", promoting technological research and innovation, product upgrading, customer expansion, and operational efficiency enhancement centred around intelligent cloud communication services and intelligent voice services. In response to regulatory requirements in the communication industry, customer demands, and the continuous evolution of artificial intelligence technology, the Group further optimised resource allocation, strengthened compliance operations and product delivery capabilities, and steadily advanced its overseas market layout.

In February 2026, the Company completed the change of controlling shareholder and the adjustment of the Board. After the relevant changes were completed, the Group maintained stable daily operations and further clarified its development direction of "focusing on core business, fully embracing AI, and expanding international layout." The management continued to promote various business activities centred around product competitiveness, customer quality, and operational efficiency. On 30 January of the same year, the Group completed the divestment of its Sales Cloud business (the relevant business was independently operated by Xuan Tong Technology). This adjustment helped the Group focus its management and R&D resources on developing the core business of "AI + Cloud Communication", optimise its business structure, and reduce the impact of the Sales Cloud business on the Group's operating performance. With the continuous expansion and optimisation of customer base and customer structure, as well as the continuous implementation of cost reduction and efficiency improvement measures, the Group recorded revenue of approximately RMB420.2 million during the Reporting Period, representing a year-on-year increase of 9.9%. The divestment of the Sales Cloud business has allowed the Group to further focus its resources on its core business, with the consolidated level no longer bearing the operating losses of this segment, thereby improving the overall profitability of the Group.

2. Business Restructuring and Segment Presentation

On 30 January 2026, the capital increase and equity transfer related to Xuan Tong Technology were completed. After completion, the Group's equity stake in Xuan Tong Technology was reduced from 70% to 20%, and its financial performance was no longer included in the Group's consolidated financial statements. Xuan Tong Technology is primarily engaged in the Sales Cloud services, and its performance continued to be presented as a discontinued operation during the Reporting Period. The continuing operations primarily consist of intelligent cloud communication services and intelligent voice services. Following the divestment of the Sales Cloud services, the Group allocated more resources towards core product research and development, key industry customer services, compliance capacity building, and overseas business expansion. Compared to the corresponding period in 2025, the discontinued Sales Cloud services reduced the Group's losses by approximately RMB13 million.

On this basis, during the Reporting Period, the Group's continuing operations maintained steady growth, with continuous optimisation in customer base and customer structure. Both the intelligent cloud communication business and the intelligent voice business recorded revenue growth. At the same time, the Group has continuously promoted refined operations, strengthening budget management, project selection, accounts receivable management, and cost control, driving operational efficiency improvements. In terms of core financial indicators, the Group recorded revenue of RMB420.2 million from its continuing operations (AI + cloud communication), corresponding to a gross profit of RMB65.8 million. The overall gross profit margin for continuing operations reached 15.7%, with an increase of 0.8 percentage points compared to the restated gross profit margin for the corresponding period last year. Simultaneously, the Group has been continuously implementing measures to reduce costs and enhance efficiency, resulting in an overall decrease of 12.7% in expenses compared to the corresponding period last year. Benefiting from the steady growth of revenue from the main business and significant effectiveness in expense control, the Group's continuing operations have achieved a turnaround from losses to profits. The profit from continuing operations for the current period was RMB3.1 million, with both the overall profit quality and operational resilience of the Group improving significantly.

In addition to the improvement in financial data, the Group has also adjusted the disclosure standards for business types. During the historical period, due to the management needs of the independent Sales Cloud CRM business, the Group disclosed its business types based on the classification of PaaS and SaaS. With the complete divestment of the Sales Cloud business, the remaining cloud communication full-chain products of the Company exhibit deep collaboration, interoperable scenarios, and a high degree of uniformity in customer base and regulatory system, making it no longer suitable to evaluate them separately based on traditional technology delivery forms. To more accurately reflect the current business essence, development planning, internal operational assessment dimensions, and the high value-added product lines after the AI intelligent upgrade of the Group to the capital market, the Group optimised and adjusted the division of business segments in 2026. Starting from this interim report, the Group adjusted the classification dimension from "service delivery form" (previously classified based on PaaS and SaaS product output forms) to "business essence", merged the original "cPaaS + Marketing Cloud" into the "intelligent cloud communication business", and adjusted the original "Service Cloud" to the "intelligent voice business". The "intelligent cloud communication business" and "intelligent voice business" together constitute the two major business segments of the Group. The aforementioned business classification is based on product capabilities, application scenarios, and internal operational management standards, which helps investors more clearly understand the development of the Group's two core businesses.

During the Reporting Period, the revenue from the intelligent cloud communication business amounted to RMB383.7 million, representing a year-on-year growth of approximately 7.9%, with a gross profit margin of 13.2%; the revenue from the intelligent voice business reached RMB36.4 million, representing a year-on-year growth of 36.6%, with a gross profit margin of 41.3%, which is 9.6 percentage points higher than the restated gross profit margin for the corresponding period last year. The overall gross profit margin of the Group has improved, primarily benefiting from the increased proportion of revenue from the intelligent voice business, which has a higher gross profit margin, driving the continuous optimisation of the overall profit structure.

During the Reporting Period, the revenue of the intelligent cloud communication business has achieved steady growth, primarily due to the continuous deepening of core products such as the ICC Integrated Communication Centre (ICC), DMP Intelligent Marketing Cloud Platform (DMP), and MOS Cloud Platform (MOS) in high-potential industries such as finance, government-related enterprises, and TMT, while simultaneously expanding new clients and revitalising existing clients. The steady expansion of overseas full-touchpoint message reach clients also contributed to incremental growth. The aforementioned software products contributed relatively high gross margins, providing some support to segment profitability. However, due to the upward impact of telecommunication channel resource costs, the segment's gross margin ratio declined slightly by 0.4 percentage points year-on-year. The intelligent voice business grew significantly, benefiting from the release of demand in customer service and financial-related scenario, coupled with the continuous expansion of overseas voice clients. The launch of high-value-added AI voice products has driven continuous optimisation of the product structure, resulting in a significant improvement in the segment's gross profit margin.

3. Business Review and Core Competitive Advantages of the Continuing Operations Business Line

The Group is committed to the core business of AI + cloud communication, providing enterprises with one-stop digital and intelligent communication services through its two major business segments: intelligent cloud communication and intelligent voice. Supported by the cPaaS (communication platform as a service) platform, the Group has established a product matrix encompassing full-touchpoint messaging capabilities, intelligent marketing, and AI voice interaction, comprehensively meeting the diverse communication and intelligent business needs of enterprises. The intelligent cloud communication business integrates diverse communication channel capabilities both domestically and internationally, allowing clients to connect to their own business systems through Application Programming Interfaces/Software Development Kits (APIs/SDKs). Furthermore, relying on products such as the ICC, DMP, and MOS, the Group provides AI-empowered full-touchpoint delivery and cloud communication operation services to clients, serving a wide range of industries including finance, government-related enterprises, and TMT. The intelligent voice business encompasses products such as cloud contact centres, AI voice bots, and voice AI Agents, focusing on automated scenarios for customer business processes such as intelligent dialogues for domestic and overseas enterprises and compliance business notifications. It provides voice intelligence solutions to clients in industries including finance, government-related enterprises, as well as TMT.

The following provides a review of the Group's major business developments during the Reporting Period, focusing on dimensions such as technology research and development, business, clients, and operations.

In terms of intelligent cloud communication business, the Group focuses on promoting the deep integration of AI capabilities with its proprietary distributed microservices cPaaS platform. During the Reporting Period, the Group implemented a dual-profile intelligent scheduling system for clients and resources, leveraging AI Agents such as communication resource scheduling and channel anomaly recognition to enhance the resource scheduling and operation and maintenance capabilities of the cPaaS platform. This enabled the system to intelligently match resources based on customer needs, communication resource costs, and delivery stability, while also assisting in identifying anomalies and providing targeted handling suggestions, effectively improving the comprehensive utilisation rate of channels, reducing underlying resource and manual operation and maintenance costs, and continuously optimising the profit structure.

Meanwhile, the Group has been continuously enhancing its intelligent cloud communication product matrix to meet clients' business needs in terms of information reach and conversion effectiveness. During the Reporting Period, the Group has launched an independent value-added product, iLink intelligent short link management platform (iLink), which possesses capabilities such as short link generation, access behaviour analysis, access risk interception, and data visualisation dashboard. Currently, it is undergoing trial and market promotion for clients, helping to enhance the safety and traceability of customer marketing reach. In the meantime, the Group has further improved the two major business segments under DMP: big data government affairs and big data marketing. The government affairs segment relies on the big data capabilities of operators to continuously expand government affairs clients in the fields of culture and tourism, transportation, meteorology , etc., deeply implementing digital operation services. The enterprise marketing segment is deeply rooted in the internet and financial industries, promoting project implementation around data analysis, precision marketing, and effect review capabilities, helping clients improve marketing conversion efficiency. Both business segments have shown robust growth.

In addition to the aforementioned DMP, as mature communication products, the ICC and MOS serve as crucial vehicles for the Group to conduct intelligent cloud communication business. During the Reporting Period, they focused on market expansion and the implementation of client scenarios, serving enterprise clients at different levels. Specifically, leveraging its advantages in supporting unified management and control of multiple communication channels, assisting clients in simplifying IT architecture, optimising information reach, and reducing comprehensive operating costs, the ICC, coupled with the enhanced information and innovation capabilities achieved through the completion of domestic software and hardware compatibility during the Reporting Period, successfully signed and implemented several benchmark clients in banking, securities, insurance, government-related enterprises and other industries. The MOS provides lightweight communication services to TMT clients, and during the Reporting Period, it expanded its customer base to include several leading internet platform clients. These two products form a differentiated product matrix, deeply cultivating vertical industries such as finance, government-related enterprises and TMT, and continuously expanding market coverage.

In the field of intelligent voice services, the Group has been continuously optimising its proprietary AI voice bots, advancing the productization and iterative refinement of voice AI Agents, enhancing a hierarchical voice interaction product matrix, and focusing on expanding application scenarios such as notification reminders in the financial sector and customer service. The standardised AI voice bots supported multi-channel intelligent voice interaction, adapting to standardised batch notifications and customer service needs, and gained widespread market recognition. Over 30% of the new clients during the Reporting Period chose this product. Meanwhile, in response to complex conversational scenarios, the new generation of voice AI Agents can interface with mainstream large language models (LLMs), undergo vertical tuning in conjunction with industry knowledge bases and customised scripts, support multiple rounds of autonomous dialogue. This product has undergone pilot verification and industry adaptation in notification reminders in the financial sector and customer service scenarios, and has been commercialised among financial institution clients, continuously iterating and optimising the interaction experience and service efficiency. Leveraging the collaborative integration of its three core products: cloud contact centres, AI voice bots, and voice AI Agents, the Group has developed mature implementation capabilities in industries such as finance, government-related enterprises and TMT. The voice AI Agents have achieved commercial implementation in financial scenarios, further expanding the application space for high value-added businesses and supporting the scalable expansion of our business.

While continuously upgrading its business products, the Group has also made positive progress in customer expansion. During the Reporting Period, the Group continued to expand and optimise its customer base and customer structure. In response to the structural differentiation of demand across various industries, the Group dynamically adjusted its resource allocation in consideration of the market environment and customer needs, with a focus on exploring business opportunities in high-potential areas. After excluding clients from the divested Sales Cloud business, the overall client count of the Group increased by 11.9% year-on-year, indicating a steady growth in the total customer base. The Group has continued to deeply penetrate high-value industries, actively expanding its top and strategic major clients. The retention rate of core clients(1) and the ARPU(2) of core clients have been steadily increased, and the overall customer quality and business structure have been continuously optimised, further strengthening the foundation of the main business operations.

The optimisation of customer structure also extends to overseas markets. As enterprises in the PRC continued to accelerate their overseas expansion, the Group, leveraging its domestic customer base and communication service capabilities, focused on accompanying high-value clients in industries such as finance, cross-border e-commerce, and the internet as they venture overseas, extending integrated communication services to overseas scenarios. During the Reporting Period, the Group established new operating entities and built localized teams in Indonesia, Thailand, and the

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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.

Philippines. It has established direct channel cooperation with over 100 overseas local operators, covering Southeast Asia, Latin America, and the Middle East regions. Leveraging the service capabilities of the coordinated layout of domestic communication resources and cross-border communication channels, the Group is capable of meeting the comprehensive communication needs of enterprises for domestic operations and overseas business expansion, assisting enterprises going global in achieving overseas user connectivity and full-touchpoint reach. The number of overseas service customers increased by over 60% year-on-year during the period. The overseas cloud communication business has become an important source of incremental revenue for the Group.

While expanding its business scope, the Group has significantly enhanced its product service delivery capabilities from traditional manual mode to AI-assisted mode. During the Reporting Period, leveraging its proprietary product matrix and industry accumulation, the Group developed its own AI full-chain delivery platform, establishing a new human-machine collaborative delivery model featuring "AI-assisted execution and human review control". This model covers the entire process from standard product delivery to scenario-based custom development, enabling traceability throughout the entire project lifecycle. The platform enhanced the standardisation of project implementation, released the delivery efficiency of the team, and facilitated the compression of implementation time for projects with long implementation cycles in the financial and information technology innovation sectors. This has effectively enhanced customer service quality, accelerated project revenue recognition, and contributed to the sustainable growth of the Group's business.

In addition to continuous deepening at the product and customer levels, the Group has also been continuously improving its compliance capacity building. In May 2026, the Ministry of Industry and Information Technology implemented the new version of the SMS regulatory regulations, further tightening industry regulatory requirements. Compliance technical capabilities have gradually become an important entry threshold for the industry, and the competitive advantages of large service providers with comprehensive technical and compliance capabilities have become more prominent. During the Reporting Period, based on the upgrade of the cPaaS, the Group further deployed a risk control AI Agent, covering three core aspects: real-name access, intelligent content review, and full-chain message traceability. The original manual review mode was upgraded to 7×24-hour AI-assisted intelligent review, significantly improving review efficiency while effectively preventing regulatory risks, achieving an intelligent upgrade of the Group's compliance risk control capabilities.

The continuous enhancement of the aforementioned product capabilities and delivery efficiency is attributed to the Group's sustained investment in R&D resources. During the Reporting Period, the R&D team focused on tackling core technologies such as distributed scheduling algorithms, end-to-end voice interaction, and AI Agent, achieving multiple technological achievements and promoting the localization and information technology innovation adaptation of core products. The Group concentrated on the engineering implementation of artificial intelligence, platform base upgrades, and the research and development of industry scenario products, iteratively optimising "AI + cloud communication" related products and solutions, thereby solidifying the Group's long-term competitive strength.

BUSINESS PROSPECT

During the Reporting Period, the domestic cloud communication industry continued to exhibit a trend of deepening compliance, technological iteration, and increasing industry concentration. The regulatory standards became stricter, AI technology underwent rapid iteration, and cross-border business became widespread, continuously driving industry resources to gather towards leading enterprises with strong compliance capabilities and technological prowess. Looking ahead, the Group will continue to focus on its core business of "AI + cloud communication", with the core direction of implementing artificial intelligence engineering and platform technology iteration. It will persistently optimise its product system, technical architecture, and delivery service capabilities, solidifying its competitive advantages in its main business. Simultaneously, adhering to a robust financial strategy of "strictly adhering to capital discipline and firmly pursuing asset-light operations", the Group will actively seize the development opportunities in the AI and computing power industries, while steadily deploying new business models such as computing power scheduling and cross-border offshore computing power. These new business models are independent yet complementary to the existing core business, serving as a second growth trajectory through continuous nurturing, thereby accumulating momentum for the Group's high-quality development in the medium- to long-term.

In terms of technological evolution, the Group will strive to build an AI Agent Gateway that supports high concurrency, secure and trusted invocation, which can reuse the Group's already implemented a dual-profile intelligent scheduling system for clients and resources, as well as the proprietary distributed microservices cPaaS platform, addressing in-depth engineering security challenges such as workload identity, real-time rate limiting, multi-channel load balancing, and sensitive data leakage prevention (DLP) during the invocation of external communication APIs, cross-system interactions, and model context protocol (MCP) mapping by autonomous AI Agents. Based on this gateway, the Group will explore a new business model of "channel resources + scenario-based AI effect service fees", with the relevant billing method anchored on the value of AI Agent behaviour and resource consumption density. However, given that this model involves complex and non-deterministic business outcome judgments, it is currently in the stage of technical feasibility research and concept verification, and is not expected to have a substantial impact on the Group's revenue and profit structure in the short term.

In terms of computing power layout, facing the opportunities brought by the AI industry revolution, the Group will establish a computing power engine scheduling platform as the second growth curve to drive future performance enhancement. By establishing deep strategic alliances with cloud vendors and distributed computing power suppliers, the Group will fully open up the value loop of "computing power, algorithms, data, and scenarios", especially providing tailored computing power planning and managed scheduling services for clients in finance, government-related enterprises. Furthermore, the Group will closely follow the national digital trade policy orientations such as "computing power going global (算力出海)" and "data processing inbound (來數加工)", actively exploring and developing new business models of cross-border offshore computing power services. The aforementioned core businesses have officially initiated full-chain business verification and customer demand testing in the second half of 2026, and are expected to steadily become new performance contributors for the Group in the medium- and long-term from 2027 onwards.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

Revenue

The Group generated revenue from three operating segments: intelligent cloud communication, intelligent voice, and others. The Group's primary business activities are intelligent cloud communication and intelligent voice. Intelligent cloud communication is the slightly larger segment for the six months ended 30 June 2026. During the Reporting Period, intelligent cloud communication accounted for 91.2% of the Group's revenue (the corresponding period in 2025: 93.0%), while intelligent voice accounted for 8.7% of the Group's revenue (the corresponding period in 2025: 7.0%).

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 2026, the Group's total revenue increased by 9.9% to RMB420.2 million (the corresponding period in 2025: RMB382.3 million). Such increase was primarily due to the impact of the continuous penetration of AI products and our ongoing efforts in customer expansion and structural optimisation. The total number of clients increased by 11.9% compared to the corresponding period last year, driving the growth of our revenues from intelligent cloud communication and intelligent voice.

	Six months ended			
	30 June 2026		30 June 2025	
	RMB'000	*%*	*RMB'000*	*%*
	(Unaudited)		(Unaudited)	
Intelligent Cloud Communication	**383,663**	**91.2**	355,694	93.0
Intelligent Voice	**36,365**	**8.7**	26,623	7.0
Others	**215**	**0.1**	–	–
	420,243	**100.0**	382,317	100.0

Intelligent Cloud Communication

The Group's revenue from intelligent cloud communication increased by 7.9% to RMB383.7 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB355.7 million), primarily due to an increase in the number of clients compared to the corresponding period last year.

Intelligent Voice

The Group's revenue from intelligent voice increased by 36.6% to RMB36.4 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB26.6 million), primarily due to an increase in the number of clients compared to the corresponding period last year.

Others

The Group's revenue from other sources amounted to RMB0.2 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB0.0 million).

Cost of Sales

The Group's cost of sales increased by 8.9% to RMB354.4 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB325.4 million). Such increase was primarily aligned with the Group's growth in its intelligent cloud communication and intelligent voice businesses during the Reporting Period.

Intelligent cloud communication: The cost of sales for intelligent cloud communication increased by 8.4% to RMB333.1 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB307.2 million). Such increase was primarily due to the rising cost of telecommunications resources related to intelligent cloud communication, all of which aligns with the growth of the Group's intelligent cloud communication business during the Reporting Period.

Intelligent voice: The cost of sales for Intelligent Voice increased by 17.3% to RMB21.3 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB18.2 million). Such increase was primarily due to the rising cost of telecommunications resources related to intelligent voice, all of which aligns with the growth of the Group's intelligent voice business during the Reporting Period.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's overall gross profit increased by 15.7% to RMB65.8 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB56.9 million), while its overall gross profit margin increased from 14.9% to 15.7%.

Intelligent cloud communication: The gross profit margin of intelligent cloud communication decreased to 13.2% for the six months ended 30 June 2026 (the corresponding period in 2025: 13.6%).

Intelligent voice: The gross profit margin of intelligent voice increased to 41.3% for the six months ended 30 June 2026 (the corresponding period in 2025: 31.7%).

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by 17.4% to RMB30.4 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB36.8 million), primarily due to a reduction in employee welfare expenses.

Administrative Expenses

The Group's administrative expenses decreased by 3.5% to RMB15.5 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB16.0 million), primarily due to reduced depreciation and amortisation expenses.

Research and Development Expenses

The Group's R&D expenses decreased by 11.1% to RMB14.2 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB16.0 million), primarily due to a reduction in employee welfare expenses.

Net Impairment Losses on Financial Assets

The Group's net impairment losses on financial assets decreased by 40.3% to RMB1.6 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB2.7 million).

Other Income

The Group's other income increased by 4.6% to RMB0.9 million for the six months ended 30 June 2026 (the corresponding period in 2025: RMB 0.8 million), primarily due to an increase in government grants.

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 RMB1.7 million and RMB2.1 million for the six months ended 30 June 2026 and 30 June 2025, respectively.

Income Tax Expenses

The Group had income tax expenses of RMB0.0 million and RMB0.2 million for the six months ended 30 June 2026 and 30 June 2025, respectively.

DISCONTINUED OPERATIONS

Profit/Loss from Discontinued Operations

During the Reporting Period, the profit from discontinued operations amounted to RMB0.4 million (the corresponding period in 2025: loss of RMB12.6 million). Such profit reported in this period represents the financial performance of Sales Cloud from 1 January 2026 to 30 January 2026.

(Loss)/Profit Attributable to Owners of the Company for the Period

As a result of the foregoing, during the Reporting Period, the Group recorded a profit attributable to owners of the Company of RMB3.0 million, while the loss attributable to owners of the Company for the six months ended 30 June 2025 was RMB25.9 million, which was primarily due to (1) the Group continued to expand and optimise its customer base and customer mix, resulting in an approximately 10% increase in revenue scale during the Reporting Period; (2) the Group continued to implement cost reduction and efficiency enhancement measures, which effectively improved operational efficiency and enabled effective control over its overall operating costs, resulting in an approximately 12.7% year-on-year decrease in expenses; (3) the disposed of Sales Cloud business and increased focus on the Group's core business have resulted in a loss reduction of approximately RMB13.0 million for the Group from the discontinued operation of the Sales Cloud business.

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 2026, the Group's cash and cash equivalents were RMB90.8 million, representing a decrease of 24.9% from RMB120.8 million as at 31 December 2025.

Indebtedness

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Borrowings	**180,465**	127,848
Lease liabilities	**2,375**	4,198
	182,840	132,046

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: nil).

CAPITAL COMMITMENT

As at 30 June 2026, the Group did not have any capital commitment (31 December 2025: nil).

OTHER INFORMATION

EMPLOYEE REMUNERATION AND RELATIONS

As at 30 June 2026, the Group had a total of 345 employees. The Group's total employee costs (including directors' emoluments) for the six months ended 30 June 2026 was RMB46.5 million (six months ended 30 June 2025: RMB50.0 million). Remuneration packages for employees and directors are structured according to market terms as well as individual performance and experience. The Group has also 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.

COMPLIANCE WITH THE MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct for securities transactions by the Directors. The Company has made specific enquiries to all Directors regarding any non-compliance with the Model Code. All Directors have confirmed that they had complied with the required standard set out in the Model Code for the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with all the applicable code provisions under the Corporate Governance Code as set out in Appendix C1 to the Listing Rules with the exception for the deviation from code provision C.2.1. 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.

During the Reporting Period and up to 8 February 2026, Mr. Chen served as the chairman and chief executive officer (the "**CEO**") of the Company, which deviated from the code provision C.2.1 of the CG Code.

However, as at 9 February 2026, the Company has fully complied with all the code provisions including C.2.1 of the CG Code, with Mr. Lian Jian serving as the Chairman and Mr. Li Hairong serving as the CEO.

USE OF PROCEEDS FROM THE GLOBAL OFFERING AND UPDATE ON THE EXPECTED TIMELINE FOR USE OF PROCEEDS

The Company was listed on the Stock Exchange on 8 July 2022. The net proceeds from the Global Offering (as defined in the prospectus of the Company dated 24 June 2022 (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.

Update on the expected timeline for use of proceeds

As at the date of this announcement, the Company has not yet utilised the net proceeds of approximately HK$16.4 million representing approximately 10.0% of the net proceeds. The Board, having considered the reasons set out in "Reasons for extending the expected timeline for use of proceeds" below, resolved to further extend the expected timeline of the use of the unutilised net proceeds. As at the date of this announcement, the net proceeds have been used in the manner consistent with that set out in the Prospectus and the 2025 Annual Report.

The following table sets forth a summary of the utilisation of the net proceeds and the updated expected timeline of the use of the net proceeds:

Item	**Net proceeds** *(HK$ million)*	**Utilised during the Reporting Period** *(HK$ million)*	**Utilised up to 30 June 2026** *(HK$ million)*	**Unutilised as at 30 June 2026** *(HK$ million)*	**Expected timeline for utilisation (as disclosed in the 2025 Annual Report)**	**Updated timeline of full utilisation of the unutilised net proceeds**[(1)(2)]
Improving CRM PaaS services						
Enhancing aPaaS and cPaaS platforms	13.2	0.0	13.2	0.0	—	—
Developing DI capacity	5.6	0.0	5.6	0.0	—	—
Fostering AI capacity	5.6	0.0	5.6	0.0	—	—
Strengthening CRM SaaS services						
Providing all-channel Marketing Cloud Solutions	25.4	0.0	25.4	0.0	—	—
Enhancing Sales Cloud solutions	28.5	0.0	28.5	0.0	—	—
Reinforcing Service Cloud solutions	11.4	0.0	11.4	0.0	—	—
Improving sales and marketing abilities						
Strengthening our brand in the financial, governmental and Internet industries	24.5	0.0	24.5	0.0	—	—
Promoting our brand in the consumer, retail and healthcare industries and setting up a relevant industry research institute	4.9	0.0	4.9	0.0	—	—
Enlarging our sales team and post-sales service team	19.6	0.0	19.6	0.0	—	—
Strategic investment and acquisitions	16.4	0.0	0.0	16.4	On or before 31 December 2026	On or before 31 December 2028
Working capital and general corporate use	8.2	0.0	8.2	0.0	—	—
Total	**163.3**	**0.0**	**146.9**	**16.4**		

Notes:

(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.

(2) The Board considers that the extension of the expected timeline for full utilisation of the proceeds will meet the Group's business and operational needs more effectively and will be more in line with the Group's future planning. The Board also believes that the extension of the expected timeline will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders of the Company (the "**Shareholders**") as a whole. Save as disclosed in this announcement, there are no other changes to the plan for utilising the net proceeds.

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.

Reasons for the extension of the expected timeline for use of proceeds

The Group has decided to take a more prudent approach in implementing its investment and development plans. The slow economic growth have curtailed the progress of the Group's business scale expansion including but not limited to the strengthening and improving our AI + cloud communication services. The Board believes that the extension of the expected timeline for the use of net proceeds will provide higher level of flexibility for the Group to manage its capital against the current unstable business environment and enable the Group to capture other business opportunities for the Group's revenue growth.

Further, the Group has been actively exploring various investment and/or acquisition opportunities that maximise the expected return for the Shareholders and minimise the risks and exposures associated with the investments and/or acquisitions since the date of listing, however, due to, among other things, the change of market conditions and the lack of suitable targets, the timeline for the use of net proceeds had been delayed from the original timeline planned.

Bearing uncertainty of business environment and adaptability of business under the current market condition, the Company expects that additional time is required to explore the suitable potential projects and utilise the net proceeds for the abovementioned expansion and development plan. Accordingly, the Board resolved to extend the expected timeline for the use of the unutilised net proceeds from the Global Offering.

The Group will continue to explore different acquisition opportunities bringing values to the Group. In the event that there are suitable investments and/or acquisitions in the future, the Company shall still use the designated net proceeds and its own funds for the investments and/or acquisitions, and the Company's investments and/or acquisitions strategy will not be affected as a result of the extended timeline for full utilisation of the net proceeds.

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 1,817,000 Shares under the Repurchase Mandate on the Stock Exchange for an aggregate consideration of HK$2,605,852.67 which are held as treasury shares (as defined under the Listing Rules) of the Company.

Details of the Shares repurchased during the Reporting Period and up to the date of this announcement 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 2026	833,500	1.45	1.38	1,189,381.96
February 2026	446,000	1.58	1.4	667,140.78
March 2026	144,500	1.34	1.3	192,749.79
April 2026	393,000	1.53	1.29	556,580.14
May 2026	–	–	–	–
June 2026	–	–	–	–
July 2026	–	–	–	–
August 2026 (to the date of this announcement)	–	–	–	–
Total	**1,817,000**			**2,605,852.67**

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 2025: nil), as the Board considers it prudent to retain earnings to strengthen the Group's financial position and enhance its liquidity buffer in light of the current uncertain economic environment.

Nevertheless, the Group will continue to focus on its core business operations, streamline its cost structure, and improve operational efficiency to enhance profitability and, ultimately, shareholders' value.

AUDIT COMMITTEE

The audit committee of the Company (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.

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

Change in controlling shareholders and Board composition

On 6 February 2026, the disposal of Shares by the former controlling shareholders was completed. Grand Dynasty of Investment Co., Ltd., which is ultimately controlled by Mr. Lian Jian, became the single largest shareholder of the Company. With effect from 9 February 2026, the Company changed its chairman, chief executive officer, executive Directors, independent non-executive Directors, authorised representative and the composition of the Board committees. For details, please refer to the announcements dated 20 October 2025, 27 October 2025, 6 February 2026 and 9 February 2026.

Change of auditor

PricewaterhouseCoopers retired as the auditor of the Company at the conclusion of the annual general meeting held on 26 June 2026, and Rongcheng (Hong Kong) CPA Limited was appointed as the new auditor of the Company with effect from the conclusion of that meeting.

Change of chief financial officer and company secretary

Ms. Ge Ping resigned as the chief financial officer and a joint company secretary of the Company with effect from 31 May 2026. Following her resignation, Ms. Lam Chi Ching Cecilia remained in office and acts as the sole company secretary of the Company.

Amendments to constitutional documents

At the annual general meeting held on 26 June 2026, the Shareholders approved the proposed amendments to, and the adoption of the second amended and restated memorandum and articles of association of, the Company.

SUBSEQUENT EVENT 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 announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://ir.wxchina.com) and the interim report for the Reporting Period containing all the information required by the Listing Rules will be published on the aforementioned websites and despatched to the Shareholders who elected to receive printed version(s) of corporate communication(s)[(1)] in due course.

By order of the Board
Xuan Wu Cloud Technology Holdings Limited
Mr. Lian Jian
Chairman and Executive Director

Hong Kong, Wednesday, 26 August 2026

As at the date of this announcement, the Board comprises Mr. Lian Jian, Mr. Li Hairong, Mr. Huang Fangjie and Dr. Chen Zhengxu as executive Directors; and Mr. Wang Guisheng, Dr. Xiao Jingyi and Mr. Cao Jianrong as independent non-executive Directors.

Note:

(1) Corporate communications mean any documents issued or to be issued by the Company, including but not limited to (a) the directors' report, its annual accounts together with a copy of the auditors' report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form.