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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)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DEEMED DISPOSAL OF EQUITY INTEREST IN AN INDIRECT NON WHOLLY-OWNED SUBSIDIARY AND DISPOSAL OF EQUITY INTEREST IN AN INDIRECT WHOLLY-OWNED SUBSIDIARY; AND (2) POST-COMPLETION CONTINUING CONNECTED TRANSACTIONS

I. CAPITAL INJECTION AND EQUITY TRANSFER

About the Transaction

On 20 October 2025 (after trading hours), amongst others, the Company, Mr. Chen, the Vendor, the Target Company, Xuantong Tongda and Xuantong Tonghe, entered into the Capital Injection Agreement and Equity Transfer Agreements, pursuant to which, (i) Mr. Chen agreed to inject RMB20,000,000 to the Target Company as its new registered capital; (ii) The Vendor agreed to sell approximately 16.67% and 20.0% of the total registered capital of the Target Company to Xuantong Tongda and Xuantong Tonghe at considerations of RMB5,000,000 and RMB6,000,000, respectively.

Upon Completion, the registered capital of the Target Company will be increased from RMB30,000,000 to RMB50,000,000, which will be owned as to (i) 40.0% by Mr. Chen; (ii) 20.0% by the Vendor; (iii) 10.0% by Xuantong Tongda; (iv) 12.0% by Xuantong Tonghe; and (v) 18.0% by the other shareholders. Following Completion, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group and will become an associate of the Mr. Chen.

Implication under the Listing Rules

Prior to the Capital Injection and Equity Transfer, the Target Company is a non-wholly-owned subsidiary of the Company. Pursuant to the Capital Injection Agreement and Equity Transfer Agreements, as a result of the Capital Injection and Equity Transfer, the Company's equity interest in the Target Company will decrease, which constitutes deemed disposal and disposal of the Target Company under Chapter 14 of the Listing Rules.

As Mr. Chen is a Director and one of the Controlling Shareholders, controlling 48.03% (the percentage is calculated based on the number of issued Shares of the Company, excluding its treasury shares) of the voting rights in the Company together with other AIC Parties (as defined below) as at the date of this announcement, he is a connected person of the Company and the transaction contemplated under the Capital Injection Agreement constitutes connected transaction of the Company.

As one or more of the applicable percentage ratios for the transactions contemplated under the Capital Injection Agreement and Equity Transfer Agreements on an aggregated basis are more than 5% but less than 25%, the Equity Transfer and the Capital Injection are subject to (i) the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

II. POST-COMPLETION CONTINUING CONNECTED TRANSACTIONS

About the Transaction

The existing sales cloud business of the Target Company involves the provision of technical services to and procurement of technical services from the Group from time to time. After the Completion, the Target Company will no longer be consolidated into the consolidated financial statements of the Group and will become an associate of Mr. Chen, and therefore a connected person as defined in Chapter 14A of the Listing Rules. As a result, the Technical Services Procurement Framework Agreement was entered into by and between the Company and the Target Company, pursuant to which the Group will continue to (i) provide technical services to the Target Company; and (ii) procure technical services from the Target Company from 1 December 2025 (subject to the approval at the EGM and the Completion) to 30 November 2028.

Implication under the Listing Rules

Upon the Completion, the Target Company will no longer be consolidated into the consolidated financial statements of the Group and it will become an associate Mr. Chen, and thus a connected person as defined in Chapter 14A of the Listing Rules. Therefore, the transactions contemplated Technical Services Procurement Framework Agreement under will constitute connected transactions under Chapter 14A of the Listing Rules.

The transactions contemplated under the Technical Services Procurement Framework Agreement constitute continuing connected transactions of the Company. As the highest applicable percentage ratio (other than the profits ratio) for the highest annual cap in respect of the Technical Services Procurement Framework Agreement exceeds 5% and the total consideration is not less than HK$10,000,000, the transactions contemplated under the Technical Services Procurement Framework Agreement shall be subject to annual review, annual reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be convened for Independent Shareholders to consider and, if thought fit, approve (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps), and the transactions contemplated thereunder. Mr. Chen is a Director and one of the Controlling Shareholders, controlling 48.03% (the percentage is calculated based on the number of issued Shares of the Company, excluding its treasury shares) of the voting rights in the Company together with other AIC Parties (as defined below), he is therefore a connected person of the Company. Pursuant to the AIC Agreement (as defined below), each of Mr. Chen, Mr. Huang, Mr. Li, Zhenghao Global, Honghan Worldwide and Double Winner (collectively, the "**AIC Parties**") shall act in concert in exercising their voting rights in general meetings of the Company. In addition, Mr. Chen beneficially owns more than 30% of the interest in Guangzhou Xuandong and is the sole general partner of each of Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei. Therefore, the AIC Parties, Guangzhou Xuandong, Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei will abstain from voting on the resolutions in relation to (i) the discloseable and connected transactions under the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the transactions contemplated under the Technical Services Procurement Framework Agreement (together with the proposed annual caps) at the EGM.

A circular containing, amongst other things, further information on the transactions contemplated under the Capital Injection Agreement, Equity Transfer Agreements and the Technical Services Procurement Framework Agreement, a letter of recommendation from the Independent Board Committee to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, a notice of EGM and other information as required under the Listing Rules will be despatched to the Shareholders.

I. THE CAPITAL INJECTION AND EQUITY TRANSFER

1. Introduction

The Board hereby announces that, on 20 October 2025, after trading hours, (i) amongst others, Mr. Chen and the Target Company entered into the Capital Injection Agreement, pursuant to which Mr. Chen agreed to inject RMB20,000,000 to the Target Company as its new registered capital; and (ii) amongst others, the Vendor, a wholly-owned subsidiary of the Company, and the Purchasers entered into two Equity Transfer Agreements, pursuant to which the Vendor agreed to transfer approximately 16.67% and 20.00% of the total registered capital of the Target Company to Xuantong Tongda and Xuantong Tonghe at considerations of RMB5,000,000 and RMB6,000,000, respectively.

2. The Capital Injection Agreement

The principal terms of the Capital Injection Agreement are summarised as follows:

Date: 20 October 2025 (after trading hours)

Parties: Mr. Chen

the Target Company

the Vendor

Guangzhou Xuantong Tongxing Investment Partnership (Limited Partnership)* (廣州玄瞳同行投資合夥(有限合夥)), a shareholder of the Target Company, holding 15% of the equity interest in the Target Company as of the date of this announcement

Guangzhou Xuantong Tongzhi Investment Partnership (Limited Partnership)* (廣州玄瞳同至投資合夥(有限合夥)), a shareholder of the Target Company, holding 15% of the equity interest in the Target Company as of the date of this announcement

Pursuant to the Capital Injection Agreement, Mr. Chen will contribute RMB20,00,000 as registered capital of the Target Company and the registered capital of the Target Company will be increased from RMB30,000,000 to RMB50,000,000.

3. The Equity Transfer Agreements

The principal terms of the Equity Transfer Agreements are summarised as follows:

Date: 20 October 2025 (after trading hours)

Parties: the Vendor

Xuantong Tongda

Xuantong Tonghe

Pursuant to the terms of the Equity Transfer Agreements, the Vendor shall transfer approximately 16.67% and 20.00% of the total registered capital of the Target Company to Xuantong Tongda and Xuantong Tonghe at considerations of RMB5,000,000 and RMB6,000,000, respectively.

4. Basis of determination of the consideration of the Capital Injection and Equity Transfer

The consideration of the Capital Injection and Equity Transfer was arrived at after arm's length negotiations among the parties to the Capital Injection Agreement and Equity Transfer Agreements with reference to, among other things:

(i) the original investment amount injected by the existing shareholders of the Target Company;

(ii) the current operations of the Target Company;

(iii) the net liabilities of the Target Company; and

(iv) the reasons and benefits to be derived by the Group from the Capital Injection and Equity Transfer as stipulated in the section headed "Reasons for and benefits of the Capital Injection and Equity Transfer" below.

Having considered the factors in arriving at the considerations of Capital Injection and consideration for Equity Transfer, as described above, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the Independent Financial Adviser) are of the view that the considerations are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. Conditions of the Capital Injection Agreement and the Equity Transfer Agreement to take effect

The Capital Injection Agreement and the Equity Transfer Agreement shall become effective on the date when the following conditions are met:

(1) the Capital Injection Agreement and the Equity Transfer Agreement have been signed by the legal representative/representative of executive partner or authorised representative of all parties and affixed their official seals; and

(2) all parties have conducted internal decision-making procedures such as convening board meetings and general meetings to review and approve the transaction.

6. Payment of Considerations for Capital Injection and the Equity Transfer

Pursuant to the Capital Injection Agreement, Mr. Chen shall pay the consideration for the Capital Injection in accordance with the provisions of the Articles of Association of the Target Company.

Pursuant to the Equity Transfer Agreement, Xuantong Tongda and Xuantong Tonghe shall pay the full amount of the Equity Transfer on December 31, 2027. However, if Xuantong Tongda and Xuantong Tonghe fail to pay the consideration within the aforementioned timeframe, the payment date for the transfer price shall be separately negotiated by both parties.

Conditions precedent:

The Disposal is subject to the following conditions precedent:

(a) The Target Company has obtained the necessary approval(s) relating to the Disposal from the relevant PRC regulatory authorities;

(b) Representations and warranties made by the Vendor shall be true and accurate in all material respects as at the date of signing of the Equity Transfer Agreement, the date transferring the powers of administration and immediately prior to the closing, and the Vendor shall have, in all material respects, fulfilled all its obligations that shall be performed prior to closing under the Equity Transfer Agreement; and

(c) The Equity Transfer Agreement and the Disposal contemplated thereunder have been approved by the Independent Shareholders of the Company at a general meeting.

As of the date of the publication of this announcement, none of the above conditions precedent has been fulfilled or waived.

Closing of the Capital Injection and Equity Transfer:

The Parties agreed to complete the closing of the Capital Injection and Equity Transfer of the Target Company within six months after the Capital Injection Agreement and Equity Transfer Agreement have come into force, that is, to complete the approvals required for the Capital Injection and Equity Transfer and the commercial registration of changes to equity interests in Target Company. In case of insurmountable difficulties or force majeure, the Parties may agree on another time to handle the above-said matters, and in this case, the closing date under the Equity Transfer Agreement shall be separately negotiated and determined by the Parties.

7. Shareholding structure of the Target Company before and after the Completion

	Immediately before Completion		**Transactions**	**Immediately after Completion**	
Shareholders	**Amount of registered capital of the Target Company** *(RMB)*	**Percentage of equity interests in the Target Company** *(%)*		**Amount of registered capital of the Target Company** *(RMB)*	**Percentage of equity interests in the Target Company** *(%)*
Mr. Chen	—	—	Capital Injection	20,000,000	40.0
Xuantao	21,000,000	70.0	Equity Transfer	10,000,000	20.0
Xuantong Tongda	—	—	Equity Transfer	5,000,000	10.0
Xuantong Tonghe	—	—	Equity Transfer	6,000,000	12.0
Other Shareholders	9,000,000	30.0		9,000,000	18.0
Total	**30,000,000**	**100.0**		**50,000,000**	**100.0**

8. Information about the Target Company

The Target Company was incorporated in the PRC on 31 January 2024. Its principal business is provision of sales cloud services. According to the unaudited financial statement of the Target Company, as of 31 August 2025, the total assets and net liabilities of the Target Company were RMB60.5 million and RMB16.8 million, respectively.

The following table sets forth the audited financial information for the period from 31 January 2024 (date of incorporation) to 31 December 2024 and the unaudited financial information for the eight months ended 31 August 2025 of the Target Company:

	From 31 January 2024 (date of incorporation) to 31 December 2024 (Audited) *RMB'000*	For the eight months ended 31 August 2025 (Unaudited) *RMB'000*
Results		
Turnover	80,712	39,793
Net loss before tax	(23,330)	(14,444)
Net loss after tax	(23,330)	(14,444)

9. Use of Proceeds

Subject to the final audit, the Group is expected to recognise an unaudited gain of approximately RMB6.0 million from the Equity Transfer, calculated with reference to the difference between (i) the total consideration of the Equity Transfer; and (ii) the unaudited book value of the Target Company as at 31 August 2025. The actual gain on disposal to be recorded by the Group is subject to the net assets of the Target Company and incidental transaction costs to be determined upon completion of the Equity Transfer, and is subject to the audit of the consolidated financial statements of the Group.

The proceeds from the Equity Transfer (i.e. RMB11,000,000) will be used by the Group to supplement its general working capital. Upon completion of the Equity Transfer, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

10. Reasons for and Benefits of the Capital Injection and Equity Transfer

The acquisition of the Target Company by Mr. Chen is primarily driven by strategic, operational, and financial considerations. Since its incorporation in January 2024, the Target Company has been operating at a loss, which has adversely affected the overall financial performance of the Group. Continuing to inject capital into the Target Company would further strain the Group's resources and would not be conducive to maintaining its image in the capital market or safeguarding shareholder interests.

Transferring the Target Company to Mr. Chen will enable the Group to enhance capital efficiency by reallotting resources to business segments with stronger growth potential and higher investment returns. Following a re-assessment of its overall business layout and development strategy, the Group has decided to focus on core business segments with stronger

competitiveness and long-term growth prospects. In line with this strategic realignment, the Group plans to gradually cease its self-operated sales cloud business, which is the principal operation of the Target Company. Allocating capital to other business areas with greater profitability is expected to generate higher returns and enhance overall shareholder value. The Group's decision not to participate in further capital injections into the Target Company is therefore consistent with its transformation, upgrading and sustainable development objectives.

In recent years, Mr. Chen's responsibilities within the Group have been gradually adjusted. Although he has consistently dedicated himself to contributing to Group's development during his tenure, as Group's business has evolved, Mr. Chen's work has also received increased support and assistance from other Directors and the management team. This collaborative model has also provided Mr. Chen with more space to focus on areas where he excels, such as the management and investment in the Target Company. Throughout this process, the Company's nomination committee has been closely monitoring the composition and development needs of the Company's management to ensure a smooth transition and the continuous development of the business. The existing Directors and management of the Company possess extensive industry experience and outstanding management capabilities. They have always played important roles in their respective positions and are well-equipped to effectively take over Mr. Chen's relevant responsibilities while continuing to drive the sustained development of the Company's various business operations.

Having considered the above factors, the Board is of the view that the Capital Injection Agreement and Equity Transfer Agreement was entered into on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

11. General Information about the Parties Involved in the Capital Injection and Equity Transfer

The Group

The Group principally engages in the provision of PaaS, SaaS and intelligent customer relationship management ("**CRM**") services in the PRC.

The Vendor

The Vendor is a wholly-owned subsidiary of the Company which was incorporated in the PRC with limited liability. It principally engages in investment holding.

Mr. Chen

Mr. Chen is an executive Director and the chairman of the Company. Mr. Chen is one of the Controlling Shareholders, controlling 48.03% (the percentage is calculated based on the number of issued shares of the Company, excluding its treasury shares) of the voting rights in the Company together with other AIC Parties.

Xuantong Tongda

Xuantong Tongda is a limited partnership established in the PRC and an investment holding company. Xuantong Tongda principally engages in investment holding. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Xuantong Tongda is an Independent Third Party.

Xuantong Tonghe

Xuantong Tonghe is a limited partnership established in PRC and an investment holding company. Xuantong Tonghe principally engages in investment holding. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Xuantong Tonghe is an Independent Third Party.

II. POST-COMPLETION CONTINUING CONNECTED TRANSACTIONS

1. Introduction

The existing sales cloud business of the Target Company involves the provision of technical services to and procurement of technical services from the Group from time to time. After the Completion, the Target Company will no longer be consolidated into the consolidated financial statements of the Group and will become an associate of Mr. Chen, and therefore a connected person as defined in Chapter 14A of the Listing Rules.

As a result, the Technical Services Procurement Framework Agreement was entered into by and between the Company and the Target Company, pursuant to which the Group will continue to provide technical services to and procure technical services from the Target Company from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 30 November 2028.

The Board hereby announces that, on 20 October 2025, after trading hours, the Company and the Target Company entered into the Technical Services Procurement Framework Agreement, pursuant to which the Group will continue to (i) provide technical services to the Target Company; and (ii) procure technical services from the Target Company from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 30 November 2028.

2. The Technical Services Procurement Framework Agreement

Principle terms

Date: 20 October 2025 (after trading hours)

Parties: the Company

the Target Company

Major terms: According to the Technical Services Procurement Framework Agreement, the Target Company agrees to procure technical services from and provide technical services to the Group.

Term: The Technical Services Procurement Framework Agreement shall be effective from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 30 November 2028.

Termination: Either party shall have the right to terminate the Technical Services Procurement Framework Agreement by serving thirty (30) business days' prior written notice to the other party.

Pricing policy

(1) The technical service fees by the Group to the Target Company in respect of the technical services are based on prevailing market conditions and practice; and to be determined by parties on normal commercial terms, negotiated on an arm's length basis.

(2) The technical service fees payable by the Target Company to the Group in respect of the technical services are based on prevailing market conditions and practice; and to be determined by parties on normal commercial terms, negotiated on an arm's length basis.

Based on the above, the Group will implement a series of internal control measures to ensure that the above fees and terms are fair and reasonable. For details, please refer to the paragraph headed "4. Internal Control Measures" below.

Annual caps and basis of determination

The table below sets out the annual cap in respect of the fees payable under the Technical Services Procurement Framework Agreement for each year from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 30 November 2028:

Relevant service and fee	**From 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 31 December 2025** *(RMB'000)*	**For the year ending 31 December 2026** *(RMB'000)*	**For the year ending 31 December 2027** *(RMB'000)*	**From 1 January 2028 to 30 November 2028** *(RMB'000)*
Technical service fees payable by the Group to the Target Company	9,500	53,300	54,800	44,400
Technical service fees payable by the Target Company to the Group	2,500	14,000	14,000	11,500

In determining the annual caps, the Directors have considered the following factors:

(i) historical purchase amount of the technical services by the Group from the Target Company during the period from 31 January 2024 (date of incorporation of the Target Company) to 31 December 2024 and the eight months ended 31 August 2025 which amounted to approximately RMB75,500,000 and approximately RMB26,400,000, respectively;

(ii) historical purchase amount of the technical services by the Target Company from the Group during the period from 31 January 2024 (date of incorporation of the Target Company) to 31 December 2024 and the eight months ended 31 August 2025 which amounted to approximately RMB61,700,000 and approximately RMB10,900,000, respectively;

(iii) purchase orders budgeted to be made for (i) the period from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 31 December 2025, (ii) the year ending 31 December 2026; (iii) the year ending 31 December 2027; and (iv) the period from 1 January 2028 to 30 November 2028;

(iv) estimated Group's need for technical services for (i) the period from 1 December 2025 to 31 December 2025, (ii) the year ending 31 December 2026; (iii) the year ending 31 December 2027; and (iv) the period from 1 January 2028 to 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion); and

(v) estimated purchase amount for the technical services to be purchased by the Target Company from the Group for (i) the period from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 31 December 2025; (ii) the year ending 31 December 2026; (iii) the year ending 31 December 2027; and (iv) the period from 1 January 2028 to 30 November 2028.

3. Reasons for and Benefits of Entering into the Technical Services Procurement Framework Agreement

The Target Company has been in cooperation with other Members of the Group since its incorporation. It is the Group's exclusive sales cloud operator before the Completion and has engaged in continuous technical service procurement and provision with other Members of the Group from time to time. The Company believes that, despite the proposed changes in shareholding in the Target Company, the resumption of the current technical service exchanges with the Target Company and the arrangement for the Technical Services Procurement Framework Agreement will provide the greatest flexibility and reliability for the Group in its core business.

The Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the Independent Financial Adviser) are of the view that: (i) the transactions under the Technical Services Procurement Framework Agreement are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the proposed annual caps for the transactions under the Technical Services Procurement Framework Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

4. Internal Control Measures

The following internal control measures have been implemented in order to ensure that the Continuing Connected Transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders as a whole:

(i) the Group has established a series of measures to ensure that the transactions contemplated under the Technical Services Procurement Framework Agreement will be conducted in accordance with the principal terms of the Technical Services Procurement Framework Agreement, including but not limited to the implementation of separate agreements governing each particular transaction must be approved by the internal control team to ensure that it is in accordance with the pricing policy;

(ii) the internal control team will keep proper documentation of the agreements governing each particular transaction entered into between the parties pursuant to the Technical Services Procurement Framework Agreement, and the internal control team will report to the audit committee on a quarterly basis whether the internal control measures in respect of the transactions contemplated under the Technical Services Procurement Framework Agreement remain complete and effective;

(iii) the internal control team shall be responsible for monitoring the transactions contemplated under the Technical Services Procurement Framework Agreement on a monthly basis to ensure such transactions are conducted in accordance with the terms of the Technical Services Procurement Framework Agreement and the transaction amounts do not exceed the annual caps as set out above;

(iv) the independent non-executive Directors will review the transactions contemplated under the Technical Services Procurement Framework Agreement, at least annually, to ensure, among other matters, that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the Technical Services Procurement Framework Agreement and relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and

(v) the external auditors of the Company will conduct an annual review on the transactions contemplated under the Technical Services Procurement Framework Agreement, including the annual caps and their actual utilisation, and confirm, among other matters, whether anything has come to their attention that causes them to believe such transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions.

5. Information of the Target Company

The Target Company is a limited liability company established in the PRC. As of the date of this announcement, it is an indirect non-wholly-owned subsidiary of the Company and is held as to 70% by the Vendor. The Target Company is principally engaged in the operations of sales cloud.

III. IMPLICATION UNDER THE LISTING RULES

Capital Injection Agreement and Equity Transfer Agreements

As at the date of this announcement, Mr. Chen is a Director, and, together with other AIC Parties, controls 48.03% (the percentage is calculated based on the number of issued shares of the Company, excluding its treasury shares) of the voting rights in the Company, he is therefore one of the Controlling Shareholders and a connected person of the Company. The transaction contemplated under the Capital Injection Agreement constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios for the transactions contemplated under the Capital Injection Agreement and Equity Transfer Agreements on an aggregated basis are more than 5% but less than 25%, the Equity Transfer and the Capital Injection are subject to (i) the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Technical Services Procurement Framework Agreement

Upon Completion, the Target Company will no longer be consolidated into the consolidated financial statements of the Group and will become an associate Mr. Chen, and thus a connected person as defined in Chapter 14A of the Hong Kong Listing Rules. Therefore, the transactions contemplated Technical Services Procurement Framework Agreement under will constitute connected transactions under Chapter 14A of the Listing Rules.

The transactions contemplated under the Technical Services Procurement Framework Agreement constitute continuing connected transactions of the Company. As the highest applicable percentage ratio (other than the profits ratio) for the highest annual cap in respect of the Technical Services Procurement Framework Agreement exceeds 5% and the total consideration is not less than HK$10,000,000, the transactions contemplated under the Technical Services Procurement Framework Agreement shall be subject to annual review, annual reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Independent Board Committee

An Independent Board Committee comprising all independent non-executive Directors has been established by the Company to advise the Independent Shareholders in respect of the terms of the (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps), and the respective transactions contemplated thereunder. The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in the same regard.

Voting on board resolutions

The Board has resolved to approve the resolutions on the entering into (i) the Capital Injection Agreement and Equity Transfer Agreements, and (ii) the Technical Services Procurement Framework Agreement, and the transaction contemplated thereunder. Except Mr. Chen, Mr. Huang and Mr. Li, who were AIC Parties and therefore deemed to be interested in the transactions, no other Directors have abstained from voting on the relevant resolution(s) approving the transaction contemplated under the Capital Injection Agreement Equity Transfer Agreements.

Save for as aforesaid, no other Director has a material interest or conflict of role in the transactions and has abstained from voting.

IV. EGM

An EGM will be convened for Independent Shareholders to consider and, if thought fit, approve (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps), and the transactions contemplated thereunder. Mr. Chen is a Director and one of the Controlling Shareholders, he is therefore a connected person of the Company. An acting in concert agreement (the "**AIC Agreement**") was entered into on 13 July 2015 and renewed on 17 August 2021 by Mr. Chen, Mr. Huang, Mr. Li, Zhenghao Global, Honghan Worldwide and Double Winner (collectively, the "**AIC Parties**"). Pursuant to the AIC Agreement, each of the AIC Parties shall act in concert in exercising their voting rights in general meetings of the Company. In addition, Mr. Chen beneficially owns more than 30% of the interest in Guangzhou Xuandong and is the sole general partner of each of Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei. Therefore, the AIC Parties, Guangzhou Xuandong, Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei will abstain from voting on the resolutions in relation to (i) the discloseable and connected transactions under the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) transactions contemplated under the Technical Services Procurement Framework Agreement (together with the proposed annual caps) at the EGM.

Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders on the (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps), and the transactions contemplated thereunder. The Independent Board Committee will form its view in respect of the (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps), and the transactions contemplated thereunder after obtaining and considering the advice from the Independent Financial Adviser.

A circular containing, amongst other things, further information on the transactions contemplated under the Capital Injection Agreement, Equity Transfer Agreements and the Technical Services Procurement Framework Agreement, a letter of recommendation from the Independent Board Committee to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, a notice of EGM and other information as required under the Listing Rules will be despatched to the Shareholders.

V. DEFINITIONS

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

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the Board of Directors of the Company
"Capital Injection"	the proposed capital injection in the Target Company in an aggregate amount of approximately RMB20.0 million by Mr. Chen pursuant to the Capital Injection Agreement
"Capital Injection Agreement"	the capital injection agreement entered into on 20 October 2025 by and among others, Mr. Chen, the Target Company and the Vendor
"Company"	Xuan Wu Cloud Technology Holdings Limited (玄武云科技控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 26 April 2021, the shares of which are listed on the Stock Exchange
"Completion"	the completion of the Capital Injection and Equity Transfer sin accordance with the Capital Injection Agreement and the Equity Transfer Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	Director(s) of the Company
"Double Winner"	Double Winner Worldwide Limited (商盈環球有限公司), a business company incorporated in the BVI on 7 April 2021, which is wholly-owned by Mr. Li, and one of the Controlling Shareholders
"EGM"	the extraordinary general meeting to be held by the Company, for the purpose of, considering and approving the Capital Injection Agreement, the Equity Transfer Agreements, the Technical Services Procurement Framework Agreement (together with the proposed annual caps) and the transactions contemplated thereunder
"Equity Transfer"	The proposed transfer of equity interests of the Target Company by the Vendor to Purchasers pursuant to the Equity Transfer Agreements

"Equity Transfer Agreement(s)"	the equity transfer agreement dated 20 October 2025 among the Vendor, Xuantong Tongda and Xuantong Tonghe
"Group"	the Company and its subsidiaries and consolidated affiliated entities; and a "Member of the Group" means any one of the companies
"Guangzhou Xuanbei"	Guangzhou Xuanbei Investment Co., Ltd. (Limited Partnership) (廣州玄北投資有限合夥企業(有限合夥)), a limited partnership established in the PRC on 21 May 2015, and one of the Controlling Shareholders
"Guangzhou Xuandong"	Guangzhou Xuandong Investment Co., Ltd. (Limited Partnership) (廣州玄東投資有限合夥企業(有限合夥)), a limited partnership established in the PRC on 20 May 2015, and one of the Controlling Shareholders
"Guangzhou Xuannan"	Guangzhou Xuannan Investment Co., Ltd. (Limited Partnership) (廣州玄南投資有限合夥企業(有限合夥)), a limited partnership established in the PRC on 20 May 2015, and one of the Controlling Shareholders
"Guangzhou Xuanxi"	Guangzhou Xuanxi Investment Co., Ltd. (Limited Partnership) (廣州玄西投資有限合夥企業(有限合夥)), a limited partnership established in the PRC on 20 May 2015, one of the Registered Shareholders, and one of the Controlling Shareholders
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Honghan Worldwide"	Honghan Worldwide Limited (宏漢環球有限公司), a business company incorporated in the BVI on 7 April 2021, which is wholly-owned by Mr. Huang, and one of the Controlling Shareholders
"Independent Board Committee"	the independent committee of the Board, comprising all the independent non-executive Directors, established to make recommendations to the Independent Shareholders in respect of the Capital Injection Agreement, the Equity Transfer Agreements, the Technical Services Procurement Framework Agreement (together with the proposed Annual Caps) and the transactions contemplated thereunder

"Independent Financial Adviser" or "Somerley"	Somerley Capital Limited, a corporation licensed to carryout Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong, as the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Capital Injection Agreement, the Equity Transfer Agreements, the Technical Services Procurement Framework Agreement (together with the proposed Annual Caps) and the transactions contemplated thereunder
"Independent Shareholder(s)"	the Shareholder(s) who do not have material interest in the transactions contemplated under the Capital Injection Agreement, the Equity Transfer Agreements, the Technical Services Procurement Framework Agreement (together with the proposed Annual Caps) and the transactions contemplated thereunder
"Independent Third Party(ies)"	third party(ies) independent of the Company and connected persons of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macao Special Administrative Region of the PRC
"Mr. Chen"	Mr. Chen Yonghui (陳永輝), a Director and one of the Controlling Shareholders
"Mr. Huang"	"Mr. Huang Fangjie (黃仿傑), a Director and one of the Controlling Shareholders
"Mr. Li"	"Mr. Li Hairong (李海榮), a Director and one of the Controlling Shareholders
"PRC" or "China"	the People's Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau and Taiwan;
"Purchaser(s)"	Xuantong Tongda and Xuantong Tonghe, both being Independent Third Parties
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	Share(s) of the Company
"Shareholder(s)"	holder(s) of the Share(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Guangzhou Xuantong Technology Co., Ltd. (廣州市玄瞳科技有限公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company prior to the Completion
"Technical Services Procurement Framework Agreement"	the Technical Services Procurement Framework Agreement dated 20 October 2025 entered into between the Company and the Target Company
"Vendor"	Guangzhou Xuantao Smart Cloud Technology Co., Ltd. (廣州市玄韜智慧雲科技有限公司), a limited liability company established in the PRC and a wholly owned subsidiary of the Company
"Xuantong Tongda"	Guangzhou Xuantong Tongda Investment Partnership (Limited Partnership)* (廣州玄瞳同達投資合夥企業(有限合夥)), a limited partnership established in the PRC on 26 September 2025
"Xuantong Tonghe"	Guangzhou Xuantong Tonghe Investment Partnership (Limited Partnership)* (廣州玄瞳同和投資合夥企業(有限合夥)), a limited partnership established in the PRC on 15 October 2025
"Zhenghao Global"	Zhenghao Global Holding Limited (正浩環球控股有限公司), a business company incorporated in the BVI on 7 April 2021, which is wholly-owned by Mr. Chen and one of the Controlling Shareholders
"%"	per cent

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Xuan Wu Cloud Technology Holdings Limited
Mr. Chen Yonghui
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 20 October 2025

As at the date of this announcement, the Board comprises Mr. Chen Yonghui, Mr. Huang Fangjie, Mr. Li Hairong and Mr. Guo Haiqiu as executive Directors; and Mr. Du Jianqing, Ms. Wu Ruifeng and Prof. Wu Jintao as independent non-executive Directors.

* *For identification purposes only*