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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors of the Company (the “**Director(s)**”) hereby announces the consolidated annual results of the Group for the year ended 31 December 2025 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2024. The consolidated annual results of the Group for the Reporting Period have been audited by PricewaterhouseCoopers, the independent auditor of the Company, and the consolidated annual results of the Group for the Reporting Period have also been reviewed by the audit committee of the Company (the “**Audit Committee**”).

FINANCIAL HIGHLIGHTS	Year ended 31 December		Year-to-year change (%)
	2025 RMB'000	2024 RMB'000 (Restated) ⁽¹⁾	
Continuing operations			
Revenue	763,367	1,071,207	(28.7)
Gross profit	109,647	164,964	(33.5)
Operating (losses)/gains	(32,910)	26,427	(224.5)
(Loss)/profit before tax	(36,179)	22,629	(259.9)
(Loss)/profit attributable to owners of the Company	(54,345)	6,914	(886.0)
(Losses)/earnings per share (expressed in RMB per share)	(0.101)	0.012	(941.7)

Note (1): The consolidated statement of comprehensive income for the year ended 31 December 2024 has been restated for the discontinued operation. For details, please refer to Note 12, the section headed “Notes to the Consolidated Financial Statements”.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 31 December	
		2025 <i>RMB'000</i>	2024 <i>RMB'000</i> Restated
Continuing operations			
Revenue	4	763,367	1,071,207
Cost of sales	5	<u>(653,720)</u>	<u>(906,243)</u>
Gross profit		109,647	164,964
Selling and distribution expenses	5	(78,667)	(71,269)
Administrative expenses	5	(32,069)	(36,180)
Research and development expenses	5	(32,413)	(30,283)
Net impairment losses on financial assets		(1,304)	(6,421)
Other income	6	2,710	5,210
Other (losses)/gains — net	7	<u>(814)</u>	<u>406</u>
Operating (loss)/profit		(32,910)	26,427
Finance income	8	121	767
Finance costs	8	<u>(3,390)</u>	<u>(4,565)</u>
Finance costs — net	8	<u>(3,269)</u>	<u>(3,798)</u>
(Loss)/profit before income tax		(36,179)	22,629
Income tax expense	9	<u>(1,434)</u>	<u>(150)</u>
(Loss)/profit from continuing operations		(37,613)	22,479
Loss from discontinued operation	12	<u>(23,533)</u>	<u>(23,549)</u>
Loss and total comprehensive loss for the year		<u>(61,146)</u>	<u>(1,070)</u>
(Loss)/profit and total comprehensive (loss)/income for the year is attributable to:			
— Owners of the Company		(54,345)	6,914
— Non-controlling interests		<u>(6,801)</u>	<u>(7,984)</u>
		<u>(61,146)</u>	<u>(1,070)</u>

		Year ended 31 December	
		2025	2024
	<i>Note</i>	RMB'000	<i>RMB'000</i>
			Restated
(Loss)/profit and total comprehensive (loss)/income attributable to owners of the Company arises from:			
— Continuing operations		(37,890)	23,469
— Discontinued operation		<u>(16,455)</u>	<u>(16,555)</u>
		<u>(54,345)</u>	<u>6,914</u>
(Losses)/earnings per share for (loss)/profit from continuing operations attributable to the ordinary equity holders of the Company(expressed in RMB per share)			
— Basic (losses)/earnings per share		(0.070)	0.042
— Diluted (losses)/earnings per share	<i>10</i>	<u>(0.070)</u>	<u>0.042</u>
(Losses)/earnings per share for (loss)/profit attributable to the ordinary equity holders of the Company(expressed in RMB per share)			
— Basic (losses)/earnings per share		(0.101)	0.012
— Diluted (losses)/earnings per share	<i>10</i>	<u>(0.101)</u>	<u>0.012</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	Note	RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment		1,491	3,894
Right-of-use assets		3,455	12,093
Intangible assets		12,864	14,115
Deferred income tax assets		8,156	9,590
Prepayments		15	73
		<u>25,981</u>	<u>39,765</u>
Current assets			
Contract fulfilment costs		3,982	9,418
Contract assets		—	178
Trade, bill and other receivables and prepayments	11	378,209	513,034
Restricted cash		5,174	—
Cash and cash equivalents		120,843	71,413
Asset of disposal group classified as held for sale	12	15,264	—
		<u>523,472</u>	<u>594,043</u>
Total assets		<u>549,453</u>	<u>633,808</u>
Equity			
Equity attributable to owners of the Company			
Share capital		360	360
Share premium		441,737	440,616
Treasury shares		(27,591)	(29,189)
Other reserves		(12,915)	(11,222)
Accumulated losses		(123,610)	(68,944)
		<u>277,981</u>	<u>331,621</u>
Non-controlling interests		<u>(10,633)</u>	<u>(3,552)</u>
Total equity		<u>267,348</u>	<u>328,069</u>

		As at 31 December	
		2025	2024
	<i>Note</i>	RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Non-current contract liabilities		1,586	—
Lease liabilities		<u>937</u>	<u>8,026</u>
		<u>2,523</u>	<u>8,026</u>
Current liabilities			
Borrowings		127,848	144,040
Contract liabilities		33,828	37,535
Trade, bill and other payables	<i>13</i>	86,930	108,764
Lease liabilities		3,261	7,198
Current income tax liabilities		180	176
Liabilities of disposal group classified as held for sale	<i>12</i>	<u>27,535</u>	<u>—</u>
		<u>279,582</u>	<u>297,713</u>
Total liabilities		<u>282,105</u>	<u>305,739</u>
Total equity and liabilities		<u>549,453</u>	<u>633,808</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the provision of intelligent customer relationship management (“CRM”) services in the People’s Republic of China (the “PRC”).

The Company’s shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 July 2022.

The consolidated financial statements for the year ended 31 December 2025 are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) unless otherwise stated. This consolidated financial statements has been approved for issue by the board of directors of the Company on 27 March 2026.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements has been prepared in accordance with the HKFRS Accounting Standards as issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards,
- Hong Kong Accounting Standards, and
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss (“FVPL”), which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(a) *New and amended standards adopted by the Group*

The Group has applied the following amendments or annual improvements for the first time for their annual reporting year commencing 1 January 2025:

Amendments to HKAS 21 Lack of exchangeability

The amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) *New and amended standards and interpretations not yet adopted*

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and amendments is set out below:

		Effective for annual periods beginning on or after
Annual Improvements to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards-Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective, except for HKFRS 18, which will mainly impact the presentation and disclosures of consolidated financial statements.

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or

measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item 'other gains/(losses) — net' in consolidated income statement might need to be disaggregated, with some foreign exchange gains or losses presented below or above operating profit.
 - HKFRS 18 has specific requirements on the category in which assets generate a return individually and largely independently of other resources. Although the Group currently recognizes the gains or losses of these assets in other gains/(losses), net, there might be a change to where these gains or losses are recognized, and the Group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the balance sheet, the Group will disaggregate goodwill and other intangible assets and present them separately in the consolidated balance sheet.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated income statement — this break-down is only required for certain nature expenses; and
 - for the first annual period of application of HKFRS 18, a reconciliation for each line item in the consolidated income statement between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.
- From a consolidated statement of cash flows perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as cash flows from financing activities and interest received as cash flows from investing activities, which is a change from current presentation as part of cash flows from operating activities.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

3 SEGMENT INFORMATION

(a) Description of segments and principal activities

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

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

(i) *CRM PaaS services*

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

(ii) *CRM SaaS services*

CRM SaaS services ("SaaS") comprises of marketing cloud and service cloud, which enable the Group to provide the client with a one-stop intelligent CRM services throughout their entire business cycle, from initial marketing to after-sales services.

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

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

(b) **Segment performance**

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2025 was as follows:

	Year ended 31 December 2025		
	PaaS	SaaS	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	278,435	484,932	763,367
Cost of sales	(262,898)	(390,822)	(653,720)
Gross profit	15,537	94,110	109,647
Selling and distribution expenses			(78,667)
Administrative expenses			(32,069)
Research and development expenses			(32,413)
Net impairment losses on financial assets			(1,304)
Other income			2,710
Other loss — net			(814)
Operating loss			(32,910)
Finance income			121
Finance costs			(3,390)
Finance costs — net			(3,269)
Loss before income tax			(36,179)

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2024 was as follows:

	Year ended 31 December 2024		
	PaaS	SaaS	Total
	<i>RMB'000</i> (Restated)	<i>RMB'000</i> (Restated)	<i>RMB'000</i> (Restated)
Revenue	419,410	651,797	1,071,207
Cost of sales	<u>(393,078)</u>	<u>(513,165)</u>	<u>(906,243)</u>
Gross profit	26,332	138,632	164,964
Selling and distribution expenses			(71,269)
Administrative expenses			(36,180)
Research and development expenses			(30,283)
Net impairment losses on financial assets			(6,421)
Other income			5,210
Other gains — net			<u>406</u>
Operating profit			26,427
Finance income			767
Finance costs			<u>(4,565)</u>
Finance costs — net			(3,798)
Profit before income tax			<u><u>22,629</u></u>

The Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue for the year ended 31 December 2025 (year ended 31 December 2024: one customer individually contributed more than 10% of the Group's total revenue amounting to RMB127,566,000).

4 REVENUE

Revenue mainly comprises of proceeds from providing PaaS and SaaS. The analysis of the Group's revenue by category for the year ended 31 December 2025 and 2024 was as follows:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i> (Restated)
PaaS	278,435	419,410
SaaS	<u>484,932</u>	<u>651,797</u>
	<u><u>763,367</u></u>	<u><u>1,071,207</u></u>

The analysis of revenue from contracts with customers by the timing of revenue recognition for the year ended 31 December 2025 and 2024 was as follows:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i> (Restated)
At a point in time	745,644	1,049,306
Over time	<u>17,723</u>	<u>21,901</u>
	<u>763,367</u>	<u>1,071,207</u>

5 EXPENSES BY NATURE

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

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i> (Restated)
Costs of telecommunications resources	646,457	889,857
Employee benefit expenses	103,834	95,428
Travel and entertainment expenses	10,568	12,462
Outsourcing customer service expenses	9,496	9,714
Depreciation and amortisation expenses	7,922	11,025
Conference and office expenses	4,068	3,405
Professional service fees	3,957	5,115
Infrastructure and equipment expenses	2,997	3,266
Taxes and other levies	1,290	1,962
Outsourcing implementation costs	802	4,338
Marketing and promotion expenses	738	1,930
Auditor's remuneration		
— Audit and audit related services	1,400	1,400
Lease payments on short term leases	580	572
Others	<u>2,760</u>	<u>3,501</u>
	<u>796,869</u>	<u>1,043,975</u>

6 OTHER INCOME

Year ended 31 December

2025 2024

RMB'000 RMB'000

(Restated)

Government grants	605	1,433
Value-added tax refund	1,884	3,413
Others	221	364
	<u>2,710</u>	<u>5,210</u>

7 OTHER (LOSSES)/GAINS — NET

Year ended 31 December

2025 2024

RMB'000 RMB'000

(Restated)

Net (losses)/gains from early termination of lease agreements	(519)	376
Net loss from disposal of property, plant and equipment and intangible assets	(444)	(4)
Net fair value gain on investments in financial assets at fair value through profit or loss	498	457
Net foreign exchange loss	(240)	(252)
Others	(109)	(171)
	<u>(814)</u>	<u>406</u>

8 FINANCE COSTS — NET

Year ended 31 December

2025 2024

RMB'000 RMB'000

(Restated)

Finance income

Interest income from bank deposits	<u>121</u>	<u>767</u>
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Finance costs

Interest expenses of lease liabilities	(149)	(414)
Interest expenses of borrowings	(3,241)	(4,151)
	<u>(3,390)</u>	<u>(4,565)</u>

Finance costs — net

	<u>(3,269)</u>	<u>(3,798)</u>
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9 INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax	—	—
Deferred income tax	<u>1,434</u>	<u>150</u>
Income tax expense	<u><u>1,434</u></u>	<u><u>150</u></u>
Income tax expense is attributable to:		
(Loss)/profit from continuing operations	1,434	150
Loss from discontinued operation	<u>—</u>	<u>—</u>

10 (LOSSES)/EARNINGS PER SHARE

(a) Basic (losses)/earnings per share

The basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the years ended 31 December 2025 and 2024.

	Year ended 31 December	
	2025	2024
(Loss)/profit from continuing operations attributable to owners of the Company (RMB'000)	(37,890)	23,469
Loss from discontinued operation	<u>(16,455)</u>	<u>(16,555)</u>
(Loss)/profit attributable to the ordinary equity holders of the company	(54,345)	6,914
Weighted average number of ordinary shares (in thousands)	<u>537,651</u>	<u>553,484</u>
From continuing operations	(0.070)	0.042
From discontinued operation	<u>(0.031)</u>	<u>(0.030)</u>
Total basic (losses)/earnings per share attributable to the owners of the Company during the year (expressed in RMB per share)	<u><u>(0.101)</u></u>	<u><u>0.012</u></u>

(b) Diluted (losses)/earnings per share

The share schemes granted by the Company have potential dilutive effect on the EPS. Diluted (losses)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted (losses)/earnings per share). As the Company incurred losses for the year ended 31 December 2025, the potential ordinary shares were not included in the calculation of diluted loss per share, as their inclusion would be antidilutive. Accordingly, diluted losses per share for the year ended 31 December 2025 is the same as basic losses per share. For the year ended 31 December 2024, the Stock Option Incentive Plans granted by the Company had insignificant dilutive effect to the Group's diluted earnings per share.

	Year ended 31 December	
	2025	2024
(Loss)/profit from continuing operations attributable to owners of the Company (RMB'000)	(37,890)	23,469
Loss from discontinued operation	(16,455)	<u>(16,555)</u>
(Loss)/profit attributable to the ordinary equity holders of the Company	(54,345)	6,914
Weighted average number of ordinary shares (in thousands)	537,651	553,484
Adjustments for potential shares arising from share schemes (thousand shares)	<u>—</u>	<u>548</u>
Weighted average number of ordinary shares used in calculating diluted (losses)/earnings per share (in thousands)	537,651	554,032
From continuing operations	(0.070)	0.042
From discontinued operation	(0.031)	<u>(0.030)</u>
Total diluted (loss)/earnings per share attributable to the owners of the Company during the year (expressed in RMB per share)	<u>(0.101)</u>	<u>0.012</u>

11 TRADE, BILL AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables		
— Third parties (<i>Note (d)</i>)	209,259	319,333
Less: allowance for impairment of trade receivables	<u>(34,206)</u>	<u>(32,937)</u>
	<u>175,053</u>	<u>286,396</u>
Bill receivable		
— Third parties	195	1,514
Other receivables		
— Third parties (<i>Note (b)</i>)	12,984	16,104
Less: allowance for impairment of other receivables	<u>(201)</u>	<u>(217)</u>
	<u>12,783</u>	<u>15,887</u>
Prepayments and prepaid taxes		
— Third parties (<i>Note (c)</i>)	<u>190,193</u>	<u>209,310</u>
Total	378,224	513,107
Less: non-current portion of prepayments	<u>(15)</u>	<u>(73)</u>
Current portion of trade, bill and other receivables and prepayments	<u><u>378,209</u></u>	<u><u>513,034</u></u>

(a) As at 31 December 2025, the bill and other receivables and prepayment were denominated in RMB, and the trade receivables were denominated in RMB and US\$ (2024: same).

(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 31 December 2025 and 2024, based on recognition date were as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Ageing		
Up to 3 months	107,721	196,448
3 to 6 months	30,010	45,098
6 months to 1 year	28,888	44,011
1 to 2 years	15,211	10,716
Over 2 years	27,429	23,060
	<u>209,259</u>	<u>319,333</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2025, a provision of RMB34,206,000 (31 December: RMB 32,937,000) was made against the gross amounts of trade receivables.

12 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(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”). Upon the completion of the Disposal of Xuan Tong, the Group’s equity interests in Xuan Tong will decrease from 70% to 20% while the Group will lose control of Xuan Tong. Xuan Tong’s principal business is provision of sales cloud services.

The Disposal of Xuan Tong was approved by the Company’s extraordinary general meeting on 17 December 2025. Up to 31 December 2025, Mr. Chen has not injected any capital to Xuan Tong while Two Buyers has not paid any consideration to the Group. The Disposal of Xuan Tong has not yet been completed by 31 December 2025. Accordingly, the associated assets and liabilities of Xuan Tong were presented as held for sale in the 2025 financial statements and Xuan Tong was reported in 2025 as a discontinued operation.

Up to the approval date of these financial statements, Mr. Chen injected RMB6,100,000 capital to Xuan Tong while the Group received consideration of RMB11,000,000 from Two Buyers.

- (b) The financial performance and cash flow information for the year ended 31 December 2025 and 2024 are presented as below.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue	64,340	80,070
Cost of sales	<u>(24,881)</u>	<u>(35,257)</u>
Gross profit	39,459	44,813
Selling and distribution expenses	(24,807)	(23,564)
Administrative expenses	(14,822)	(9,847)
Research and development expenses	(24,829)	(35,248)
Net reversal of impairment losses on financial assets	63	4
Other income	1,464	179
Other (loss)/gains — net	<u>(4)</u>	<u>108</u>
Operating loss	(23,476)	(23,555)
Finance (loss)/income — net	<u>(57)</u>	<u>6</u>
Loss before income tax	(23,533)	(23,549)
Income tax expense	<u>—</u>	<u>—</u>
Loss and other comprehensive loss from discontinued operation	<u>(23,533)</u>	<u>(23,549)</u>
Loss and total comprehensive loss from discontinued operation is attributable to:		
— Owners of the Company	(16,455)	(16,555)
— Non-controlling interests	<u>(7,078)</u>	<u>(6,994)</u>
	<u>(23,533)</u>	<u>(23,549)</u>
Net cash outflow from operating activities	(1,457)	(18,542)
Net cash (outflow)/inflow from investing activities	(3,154)	108
Net cash inflow from financing activities	<u>4,839</u>	<u>20,927</u>
Net increase in cash generated by the discontinued operation	<u>228</u>	<u>2,493</u>

- (i) The cash flows of discontinued operation presented above were derived from Xuan Tong's separate financial statements prior to the elimination of intercompany transactions.

(c) Assets and liabilities of disposal group classified as held for sale

	As at 31 December 2025 RMB'000
Assets classified as held for sale	
— Property, plant and equipment	828
— Right-of-use assets	103
— Intangible assets	2,054
— Trade, bill and other receivables and prepayments	2,904
— Contract fulfilment costs	6,654
— Cash and cash equivalents	<u>2,721</u>
	<u>15,264</u>
Liabilities classified as held for sale	
— Lease liabilities	(104)
— Borrowings	(5,000)
— Contract liabilities	(9,933)
— Trade and other payables	<u>(12,498)</u>
	<u>(27,535)</u>

13 TRADE, BILL AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables		
— Third parties (<i>Note (a)</i>)	53,381	85,772
Other payables		
— Third parties	7,440	5,697
Bill payable		
— Third parties	10,000	—
Accrued payroll	14,301	10,582
Other tax payables	<u>1,808</u>	<u>6,713</u>
	<u>86,930</u>	<u>108,764</u>

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

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

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Ageing		
Up to 3 months	34,170	56,789
3 to 6 months	7,544	11,818
Over 6 months	11,667	17,165
	<u>53,381</u>	<u>85,772</u>

15 DIVIDEND

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Dividends paid to Non-controlling interest	<u>300</u>	<u>1,623</u>

No dividend for the year ended 31 December 2025 has been proposed by the board of directors (2024: nil).

THE PRINCIPAL BUSINESS OF THE GROUP

The Group's business primarily consists of two major segments: PaaS and SaaS. Among them, the revenue contributed by PaaS primarily comes from our cPaaS services. This business focuses on meeting clients' communication needs in diverse scenarios, including business marketing and management. Leveraging our profound experience of over two decades in the communications industry, we have established high-quality channel resources spanning three networks, along with stable and efficient platform capabilities. This allows us to offer reliable and competitive cloud communication services to clients in industries like finance, government-related enterprises, and TMT sector.

In terms of SaaS segment, we have historically built our product system around Marketing Cloud, Sales Cloud and Service Cloud. During the Reporting Period, due to strategic focus and resource optimisation, we adjusted and divested our Sales Cloud-related businesses.

Overall, the Group will focus on the core business of "AI + Cloud Communication", refining its business structure, and bolstering the competitiveness of its core products, aiming to elevate overall operational quality and long-term value creation capabilities.

BUSINESS REVIEW

During the Reporting Period, our market environment for PaaS services and certain SaaS services underwent substantial changes due to regulatory policy adjustments in China's telecommunications industry. In response, we swiftly implemented countermeasures, significantly reducing our own performance volatility and demonstrating excellent operational resilience, as well as reflecting the professionalism and cohesion of our team. Based on the aforementioned changes, we achieved a revenue of RMB763.4 million in 2025. Meanwhile, based on the prudent and strict financial control measures adopted by the Board and the enhanced cash flow management, our operating cash flow has achieved its first annual turnaround since listing, amounting to RMB76.9 million.

In terms of PaaS business, our cPaaS platform underwent significant upgrades and optimisations, focusing on dimensions such as policy compliance infrastructure, customer operation services, and AI empowerment. In response to new industry regulations, while strengthening communication and promotion with our clients, we introduced a standalone real-name authentication system on the cPaaS platform to assist clients in efficiently organising materials and quickly meeting compliance requirements. For us, this has effectively enhanced operational efficiency and prevented client churn. For clients requiring supplementary compliance materials, it will also significantly shorten the downtime of their communication needs. Additionally, we have deepened the AI empowerment of our platform. During the Reporting Period, the cPaaS platform integrated the Alibaba Qianwen large model, enhancing the efficiency and accuracy of intelligent inspection and operation maintenance on the platform. Through automated scheduled AI analysis, we can conduct specialised AI analysis and summarisation on the resource usage of our clients, and push the results to multiple roles such as customer service, operations, and sales, significantly enhancing office collaboration efficiency.

Furthermore, we can intelligently locate the source of problems based on platform alert information and provide handling suggestions, thereby increasing the analysis efficiency of the cPaaS platform by over 30%.

Meanwhile, we further expanded into the overseas cloud communications market and achieved rapid growth in both clients and revenue. By the end of the Reporting Period, our overseas business revenue has increased by 80.1% year-on-year, with our service areas covering Southeast Asia, Latin America, East Asia, the Middle East, and numerous other regions, with direct resource partnership agreements established with telecommunications operators in multiple geographic areas. Based on this, during the Reporting Period, the PaaS business generated revenue of RMB278.4 million.

In terms of SaaS business, the revenue achieved during the Reporting Period amounted to RMB484.9 million. Among them, Marketing Cloud is a business segment that we use to serve clients in industries such as finance and government-related enterprises, enabling digital and intelligent upgrades in marketing. During the Reporting Period, while continuously enhancing the capabilities of products and solutions, Marketing Cloud also continued to expand and implement clients in niche segments such as securities, and Government Services and Data Management. ICC (Integrated Communication Centre), the flagship product of Marketing Cloud, completed the latest protocol adaptation for the direct connection mode of mainstream domestic telecom operators during the Reporting Period, fully upgrading the product's 5G message reach capability. In the meantime, ICC also continued to improve its information technology and innovation ecosystem, with the number of information technology and innovation adaptations increasing to 14, and completed the adaptation of components such as Jiyan and iPush to the HarmonyOS system. This is conducive to further opening up the market for domestic substitution. Furthermore, we remain committed to enhancing the standardisation level of our products, thereby further reducing delivery costs. During the Reporting Period, we added 5 standardised components, including the adaptation of the financial account numbering system.

Another product of Marketing Cloud, the DMP Intelligent Marketing Cloud Platform, continued to deeply penetrate industries such as Government-related enterprises and e-commerce, helping enterprises build a digital marketing operation support system for potential client acquisition, existing client activation, and in-depth management, thereby improving the conversion rate of precision marketing. Based on this, the Marketing Cloud achieved revenue of RMB427.6 million during the Reporting Period.

The Sales Cloud business was originally an important solution segment of the Group targeting the mass consumption sector. It is committed to empowering client business processes through artificial intelligence (AI) technology, facilitating enterprises' digital transformation and operational efficiency enhancement. However, in consideration of strategic focus and resource allocation optimisation, the Group completed the divestment of its Sales Cloud business on 30 January 2026. Moving forward, the Group will focus its resources on developing its core business segments, continuously enhancing overall operational quality and long-term value creation capabilities.

Our Service Cloud is a platform based on multi-channel customer communication and full-process business management, providing intelligent customer service services with human-machine integration across the entire industry chain. During the Reporting Period, we maintained our leading position in the post-loan management SaaS business in the industry, with a year-on-year increase of 65.2% in agent scale. In terms of product application, the contact points of our Service Cloud have evolved from outbound calls to full touchpoints, achieving breakthroughs in new contact methods such as post-loan management SMS and flash messages. Additionally, our Service Cloud has integrated open-source large models such as DeepSeek, developed a speech recognition robot for script configuration, and has been implemented by clients. This product can help clients reduce 90% of the workload in script configuration, thereby enhancing their overall work efficiency. Based on this, our Service Cloud achieved revenue of RMB57.4 million during the Reporting Period, representing a year-on-year increase of 43.3%.

In terms of technology, we have always adhered to the principle of independent research and development of core technologies, which has enabled our products and solutions to maintain a differentiated competitive advantage in the market. By the end of the Reporting Period, we have obtained a total of 358 authorised patents and computer software copyrights. Combined with rich industry practical experience, our product application scenarios have been further expanded.

In terms of clients, during the Reporting Period, we provided services to a total of 3,109 clients across four major industries: mass consumption, finance, government-related enterprises and TMT. Thanks to our excellent service philosophy and leading product capabilities, total revenue of our core clients accounted for 84.2% of the total revenue, and our total Average Revenue Per User⁽¹⁾ contributed by core clients⁽²⁾ reached RMB2.6 million. Among these, the number of our clients in our focused high-margin AI+SaaS business segment has reached 2,124, the ARPU of SaaS core clients reached RMB2.6 million.

BUSINESS PROSPECT

As of the date of this report, the Group has successfully completed the change of controlling shareholders, business strategic restructuring, and the establishment of a new Board team, marking a new stage of development for the Company. Looking ahead, the Group will focus on the direction of “focusing on our core business, fully embracing AI, and expanding our international footprint”, striving to achieve high-quality development for the entire Group.

Notes:

- (1) The average revenue per user (ARPU) contributed by core clients refers to the average revenue generated per core client during the Reporting Period.
- (2) Core clients are defined as clients contributing RMB300,000 or above of revenue during the Reporting Period.

1. Focusing on AI+ cloud communication to cover more industries and application scenarios

Leveraging our proprietary cPaaS cloud communication platform, coupled with AI and data intelligence technologies, the Group will continuously expand our service boundaries, empowering digital communication and intelligent operations across various industries, and establishing a core infrastructure for enterprise digitalisation and intelligence connectivity.

2. Fully embracing AI, committed to product innovation and internal efficiency enhancement

The Group will adhere to technology-driven innovation as our core principle, deeply integrating AI into product development to enhance product competitiveness and customer satisfaction. Simultaneously, we are actively promoting the application of AI in internal management, research and development, operations, and services. Through intelligent processes, data-driven decision-making, and automated tools, we aim to reduce costs and increase efficiency, optimising organisational efficiency and response speed.

3. Enhancing international expansion to cultivate a new engine for growth

The Group regard overseas markets as one of the new engines for the Company's sustained growth in the future. While continuing to tap into the cloud communication needs of domestic enterprises expanding overseas, the Group will also intensify efforts to promote localised operations and channel ecosystem construction overseas, thereby providing stable, compliant, and efficient intelligent communication solutions for global corporate clients.

In 2026, we will continue to create superior products and solutions for our clients. In return for their trust, we will continue to deliver stable operations and long-term value. Together with all shareholders and partners, we will embark on a new journey and achieve a win-win future.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

The Group generated revenue from two operating segments: PaaS and SaaS. SaaS was the larger segment for the year ended 31 December 2025. During the Reporting Period, PaaS accounted for 36.5% of the Group's revenue (year ended 31 December 2024: 39.2%) while SaaS accounted for 63.5% of the Group's revenue (year ended 31 December 2024: 60.8%).

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 Reporting Period, the Group's total revenue decreased by 28.7% to RMB763.4 million (year ended 31 December 2024: RMB1,071.2 million). Such decrease was mainly attributable to the impact of regulatory policy adjustments in the domestic telecommunications industry, our domestic revenue from PaaS services and certain SaaS services has declined.

	Year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i> (Restated)	<i>%</i>
PaaS	278,435	36.5	419,410	39.2
SaaS	484,932	63.5	651,797	60.8
	<u>763,367</u>	<u>100.0</u>	<u>1,071,207</u>	<u>100.0</u>

PaaS

The Group's revenue from PaaS decreased by 33.6% to RMB278.4 million for the Reporting Period (year ended 31 December 2024: RMB419.4 million), primarily due to the impact of regulatory policy adjustments in the domestic telecommunications industry.

SaaS

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Marketing Cloud	427,567	611,758
Service Cloud	<u>57,365</u>	<u>40,039</u>
	<u>484,932</u>	<u>651,797</u>

The Group's revenue from SaaS decreased by 25.6% to RMB484.9 million for the Reporting Period (year ended 31 December 2024: RMB651.8 million), primarily due to the Company's proactive reduction of loss-making projects, which aligns with its strategic direction of actively expanding SaaS and focusing on high-gross-margin businesses.

COST OF SALES

The Group's cost of sales decreased by 27.9% to RMB653.7 million for the Reporting Period (year ended 31 December 2024: RMB906.2 million). Such decrease was primarily aligned with the business contraction in PaaS and SaaS of the Group for the Reporting Period.

PaaS: The cost of sales from PaaS decreased by 33.1% to RMB262.9 million for the Reporting Period (year ended 31 December 2024: RMB393.1 million), primarily due to the reduction in telecommunications resource costs related to PaaS, the above items are consistent with the contraction of the Group's PaaS business during the Reporting Period.

SaaS: The cost of sales from SaaS decreased by 23.8% to RMB390.8 million for the Reporting Period (year ended 31 December 2024: RMB513.2 million), primarily due to (i) the reduction in telecommunications resource costs related to SaaS; (ii) the reduction in labour costs; and (iii) the reduction in outsourcing implementation costs; all of which are consistent with the contraction of the Group's SaaS business during the Reporting Period.

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, the Group's overall gross profit decreased by 33.5% to RMB109.6 million for the Reporting Period (year ended 31 December 2024: RMB165.0 million), while its overall gross profit margin decreased from 15.4% to 14.4%.

PaaS: The gross profit margin in PaaS decreased to 5.6% for the Reporting Period (year ended 31 December 2024: 6.3%).

SaaS: The gross profit margin in SaaS decreased to 19.4% for the Reporting Period (year ended 31 December 2024: 21.3%), mainly attributable to the changes in the revenue composition within this segment during the Reporting Period.

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses increased by 10.4% to RMB78.7 million for the Reporting Period (year ended 31 December 2024: RMB71.3 million), primarily attributable to the efficiency of accounts receivable recovery has been enhanced, leading to an increase in remuneration and benefits provided to employees.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased by 11.4% to RMB32.1 million for the Reporting Period (year ended 31 December 2024: RMB36.2 million), due to the reduction in employee benefit expenses.

RESEARCH AND DEVELOPMENT EXPENSES

The Group's R&D expenses increased by 7.0% to RMB32.4 million for the Reporting Period (year ended 31 December 2024: RMB30.3 million). Such increase was primarily due to the increased investment in research and development, as well as the rise in employee benefit expenses.

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

The Group's net impairment losses on financial assets decreased by 79.7% to RMB1.3 million for the Reporting Period (year ended 31 December 2024: RMB6.4 million), mainly attributable to the improved efficiency in the recovery of trade receivables.

OTHER INCOME

The Group's other income decreased by 48.0% to RMB2.7 million for the Reporting Period (year ended 31 December 2024: RMB5.2 million), mainly due to the decrease in (i) government grants; and (ii) value-added tax refunds.

FINANCE COSTS – NET

The Group's finance costs – net comprise of finance income, interest expenses of lease liabilities and interest expenses of borrowings. The Group's finance costs – net amounted to RMB3.3 million and RMB3.8 million for the year ended 31 December 2025 and 2024, respectively.

INCOME TAX EXPENSE

The Group had income tax expense of RMB1.4 million and RMB0.2 million for the year ended 31 December 2025 and 2024, respectively.

DISCONTINUED OPERATIONS

LOSS FROM DISCONTINUED OPERATIONS

During the Reporting Period, the loss from discontinued operations amounted to RMB23.5 million (2024: RMB23.5 million). Such loss represents the financial performance of Sales Cloud from 1 January 2025 to 31 December 2025.

(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE YEAR

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of RMB54.3 million for the Reporting Period, compared with a profit attributable to owners of the Company of RMB6.9 million for the year ended 31 December 2024, which was mainly attributable to the intensified regulation of the telecommunications industry in 2025, resulting in a corresponding decrease in the sales of the Group's PaaS and certain SaaS.

TRADE, BILL AND OTHER RECEIVABLES AND PREPAYMENTS

As at 31 December 2025, the Group's trade, bill and other receivables and prepayments amounted to RMB378.2 million, representing an a decrease of 26.3% as compared with RMB513.0 million as at 31 December 2024. Such decrease was mainly attributable to the combined effect of the (i) decrease in prepayments to suppliers from RMB208.0 million as at 31 December 2024 to RMB189.1 million as at 31 December 2025; and (ii) decrease in trade receivables from RMB286.4 million as at 31 December 2024 to RMB175.1 million as at 31 December 2025.

TRADE AND OTHER PAYABLES

As at 31 December 2025, the Group's trade and other payables amounted to RMB86.9 million, representing a decrease of 20.1% as compared with RMB108.8 million as at 31 December 2024. Such decrease was primarily due to the reduction in trade payables from RMB85.8 million as at 31 December 2024 to RMB53.4 million as at 31 December 2025, of which the trend of its variation is consistent with the downward trend of sales costs.

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 31 December 2025, the Group's cash and cash equivalents were RMB120.8 million, representing an increase of 69.2% from RMB71.4 million as at 31 December 2024.

Indebtedness

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings	127,848	144,040
Lease liabilities	<u>4,198</u>	<u>15,224</u>
	<u>132,046</u>	<u>159,264</u>

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

CAPITAL COMMITMENT

As at 31 December 2025, the Group did not have any material capital commitment (31 December 2024: Nil).

GEARING RATIO

As at 31 December 2025, the Group's gearing ratio (i.e. percentage of total liabilities divided by total equity, and total liabilities is calculated as the aggregate of total borrowings and lease liabilities) was 49.4% (31 December 2024: 48.5%).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's businesses are principally conducted in RMB. The Group has transactional currency exposures. Such exposures arise from financing and operating activities of the Group's entities conducted in currencies other than the functional currency. As at 31 December 2025, major non-RMB assets and liabilities are cash and cash equivalents, trade receivables, trade payables and contract liabilities, which denominated in Hong Kong dollar ("HK\$") or United States dollar ("US\$"). Fluctuation of the exchange rate of RMB against HK\$ or US\$ could affect the Group's results of operations. The Group has not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

EMPLOYEES REMUNERATION AND RELATIONS

As at 31 December 2025, the Group had a total of 363 employees⁽³⁾. The Group's total employee costs (including directors' emoluments) for the Reporting Period was RMB103.8 million (year ended 31 December 2024: RMB95.4 million). The Group believes the abilities to attract, retain and motivate qualified personnel are the key factors to its success. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees. Remuneration packages for employees and directors are structured according to market terms as well as individual performance and experience. The remuneration policy will be reviewed by the Board from time to time.

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

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

SIGNIFICANT INVESTMENTS

As at 31 December 2025, the Group did not hold any significant investments with a value of 5% or more of the Group's total assets.

MATERIAL ACQUISITIONS

As at 31 December 2025, the Group did not have any material acquisitions.

Note:

⁽³⁾ Due to the classification of Guangzhou Xuantong Technology Co., Ltd. ("**Xuantong**") as a discontinued operation as at 31 December 2025, the total number of employees of the Group for the year ended 31 December 2025 was 363, which excludes 262 employees of Xuantong.

MATERIAL DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Capital Injection and the Equity Transfer

On 20 October 2025 (after trading hours), the Company, Mr. Chen, Guangzhou XuantaSmart Cloud Technology Co., Ltd. (廣州市玄韜智慧雲科技有限公司), (the “**Vendor**”), Guangzhou Xuantong Technology Co., Ltd. (廣州市玄瞳科技有限公司) (the “**Target Company**”), Guangzhou Xuantong Tongda Investment Partnership (Limited Partnership)* (廣州玄瞳同達投資合夥企業(有限合夥)) (the “**Xuantong Tongda**”) and Guangzhou Xuantong Tonghe Investment Partnership (Limited Partnership)* (廣州玄瞳同和投資合夥企業(有限合夥)) (the “**Xuantong Tonghe**”), entered into the Capital Injection Agreement and Equity Transfer Agreements in relation to (i) the capital injection of RMB20,000,000 by Mr. Chen into the Target Company; and (ii) the transfer of approximately 16.67% and 20.0% of the total registered capital of the Target Company by the Vendor to Xuantong Tongda and Xuantong Tonghe for considerations of RMB5,000,000 and RMB6,000,000, respectively.

The aforementioned matters were completed on 30 January 2026. 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. 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. For further details, please refer to the announcement of the Company dated 20 October 2025, 10 November 2025, 17 December 2025 and 30 January 2026, and the circular of the Company dated 28 November 2025.

Unless otherwise specified, capitalised terms used in this section shall have the same meanings as set out in the announcement dated 20 October 2025.

Save as disclosed in this announcement, the Group did not have any material disposals of subsidiaries, associates or joint ventures during the Reporting Period.

PLEDGE OF ASSETS

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

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, save as disclosed herein, the Group did not have any future plans for material investments and capital assets. However, the Group will continue to explore investment opportunities that would benefit the Shareholders as a whole.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Reporting Period (year ended 31 December 2024: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company strives to maintain high standards of corporate governance in order to safeguard the interests of its Shareholders and enhance the corporate value and accountability. In addition, the Group is also committed to continuously improving its corporate governance practices.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. We believe that such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company and can create long term value for the shareholders of the Company and is beneficial for the Group's sustainable growth.

During the Reporting Period, the Company has complied with all the applicable code provisions under the CG Code with the exception for the deviation from code provision C.2.1 of the CG Code. Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and CEO should be separated and should not be performed by the same individual; and Mr. Chen was the chairman and 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 complied with all the code provisions including C.2.1 of the CG Code, of which Mr. Lian Jian is the Chairman and Mr. Li Hairong is the CEO.

COMPLIANCE WITH THE MODEL CODE FOR 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 strictly complied with the required standard set out in the Model Code for the Reporting Period.

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 as at the date of passing such resolution.

Share Repurchase

During the Reporting Period, the Company repurchased 569,000 Shares under the Repurchase Mandate on the Stock Exchange for an aggregate consideration of HK\$574,345.15 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 2025	99,000	0.88	0.82	86,072.23
February 2025	30,500	1.16	0.86	32,042.69
April 2025	87,000	1.01	0.85	81,907.86
May 2025	69,500	0.97	0.9	65,438.47
June 2025	90,000	1.15	0.9	91,551.89
July 2025	46,500	1.15	1.05	51,020.39
September 2025	7,000	1.28	1.27	8,990.12
November 2025	69,500	1.23	1.08	79,777.90
December 2025	<u>70,000</u>	<u>1.13</u>	<u>1.05</u>	<u>77,543.60</u>
Total	<u>569,000</u>			<u>574,345.15</u>
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 (up to the date of this announcement)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>1,848,500</u>			<u>2,430,867.89</u>

The Directors believe that such Shares repurchased would increase the net asset value per Share and/or earnings per Share and increase the long-term value to the Shareholders, which is in the interest of the Company and its Shareholders as a whole.

During the Reporting Period, no Shares were purchased by the trustee pursuant to the 2022 Restricted Share Award Scheme.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including selling treasury Shares).

AUDIT COMMITTEE

The Audit Committee discussed with the senior management of the Company and the external auditor of the Company, and reviewed the annual results of the Group for the Reporting Period together with the applicable accounting principles, standards and practices adopted by the Group. The Audit Committee has agreed with the senior management of the Company on the annual results of the Group for the Reporting Period.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of comprehensive income and consolidated statement of financial position and the related notes thereto for the Reporting Period as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

EVENTS AFTER THE REPORTING PERIOD

Termination of Acting in Concert Agreement, Completion of disposal of Shares by Controlling Shareholders and Change in Controlling Shareholders

Reference is made to the announcements of the Company dated 20 October 2025, 27 October 2025 and 6 February 2026 (the "**Announcements**") and the prospectus of the Company dated 24 June 2022 (the "**Prospectus**"). Unless otherwise stated, capitalised terms used herein have the same meaning as those defined in the Announcements.

Termination of Acting in Concert Agreement

On 13 July 2015, Mr. Chen, Mr. Huang, Mr. Li, Zhenghao Global, Honghan Worldwide and Double Winner (collectively, the “**AIC Parties**”) entered into an acting in concert agreement (the “**AIC Agreement**”), which was renewed on 17 August 2021. As one of the conditions precedent to the Sale and Purchase Agreement (the “**SPA**”), the AIC Parties entered into the Termination Agreement to terminate the AIC Agreement on 27 October 2025. Upon the execution of the Termination Agreement, the AIC Parties ceased to be the Controlling Shareholders and are no longer contractually bound to vote on any resolution to be passed by at any Shareholders’ meeting in a unanimous matter as set out in the AIC Agreement.

For more details, please refer to pages 271 and 272 of the Prospectus and the Announcements.

Completion of Disposal of Shares by Controlling Shareholders under the SPA

On 20 October 2025, the Zhenghao Global, Honghan Worldwide and Baoya (the “**Vendors**”) and the Grand Dynasty of Investment Co., Ltd. (the “**Purchaser**”) entered into the SPA, pursuant to which, the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing 20.00% of the entire issued share capital of the Company (including its treasury shares) as at 20 October 2025, at a total consideration of HK\$65,198,893 (the “**Transaction**”). On 6 February 2026, conditions precedent set out in the SPA have been fulfilled and the Transaction was completed.

Change in Controlling Shareholders

Upon the completion of the Transaction in accordance with the terms of the SPA, including among other things, (i) the termination of AIC Agreement and (ii) the resignation of Mr. Chen and the appointment of Mr. Li as the general partner of each of Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei, the Purchaser, of which Mr. Lian Jian as its ultimate controller, becomes the single largest shareholder of the Company holding 20.00% of the total issued Shares (including its treasury shares).

For more details, please refer to the Announcements (as defined above).

Save as disclosed in this announcement, there were no other significant events that might affect the Group after the Reporting Period.

PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://ir.wxchina.com/>). The annual report of the Company 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 of corporate communication⁽⁴⁾ in due course.

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

Hong Kong, Friday, 27 March 2026

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

Note:

- (4) 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.