INSPUR DIGITAL ENTERPRISE TECHNOLOGY LIMITED

浪潮數字企業技術有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 596)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the "Board") of Inspur Digital Enterprise Technology Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025 as follows:

Financial highlights for the year ended 31 December 2025

— Turnover decreased by approximately 10.9% compared with 2024 to approximately RMB7,308,014,000, of which the turnover of Cloud services decreased by approximately 0.8% compared with 2024 to approximately RMB2,739,535,000, the turnover of Management Software decreased by approximately 12.5% compared with 2024 to approximately RMB2,236,424,000, and the turnover of Internet of Things (IoT) solutions decreased by approximately 19.1% compared with 2024 to approximately RMB2,332,055,000.

— Profit attributable to owners of the Company was approximately RMB237,546,000 (2024: RMB384,705,000).

— The adjusted profit attributable to owners of the Company (Non-HKFRS Accounting Standards measure) was approximately RMB301,372,000 (2024: the adjusted profit attributable to owners of the Company (Non-HKFRS Accounting Standards measure) was approximately RMB386,518,000) (Note 1).

— Basic earnings per share attributable to owners of the Company were approximately RMB20.59 cents (2024: RMB33.69 cents).

— A final dividend of HK$0.04 in respect of the year ended 31December 2025 (2024: HK$0.08) per ordinary share, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

Note 1: The adjusted profit attributable to owners of the Company refers to the profit attributable to owners of the Company, net of the amortization of option expenses and the impact of changes in the fair value of investment properties.

The Board is pleased to announce the consolidated annual results of the Group for the year ended 31 December 2025, which is an extract of the audited consolidated financial statements of the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	**Year ended 31 December 2025** ***RMB'000***	Year ended 31 December 2024 *RMB'000*
Revenue		**7,308,014**	8,200,805
Cost of sales		**(5,293,027)**	(5,992,386)
Gross profit		**2,014,987**	2,208,419
Other income	4	**119,226**	190,143
Other gains and losses	4	**(3,390)**	(850)
Impairment losses under expected credit loss model, net of reversal		**(109,491)**	(141,079)
Administrative expenses		**(403,019)**	(375,188)
Research and development expenses		**(726,006)**	(864,719)
Selling and distribution expenses		**(567,325)**	(496,596)
Finance costs		**(24,168)**	(9,257)
Changes in fair value of investment properties		**(100,313)**	(42,230)
Share of results of an associate		**12,522**	11,442
Share of result of a joint venture		**3,903**	306
Profit before tax		**216,926**	480,391
Income tax credit (expense)	6	**23,682**	(86,750)
Profit for the year	5	**240,608**	393,641
Profit for the year attributable to owners of the Company		**237,546**	384,705
Profit for the year attributable to non-controlling interests		**3,062**	8,936
Earnings per share	8		
– Basic (RMB Cent)		**20.59**	33.69
– Diluted (RMB Cent)		**20.46**	33.68

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	RMB'000	*RMB'000*
Profit for the year	**240,608**	393,641
Other comprehensive (expense) income:		
Items that will not be reclassified to profit or loss:		
Gain on revaluation upon transfer from property, plant and equipment to investment properties	**—**	5,483
Deferred tax on revaluation upon transfer from property, plant and equipment to investment properties	**—**	(822)
Remeasurement of deferred tax on revaluation of non-current assets	**—**	57,253
	—	61,914
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**50**	5,186
Other comprehensive income for the year, net of income tax	**50**	67,100
Total comprehensive income for the year	**240,658**	460,741
Total comprehensive income for the year attributable to:		
– Owners of the Company	**237,596**	451,805
– Non-controlling interests	**3,062**	8,936
	240,658	460,741

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		**406,774**	257,659
Investment properties		**529,099**	781,794
Right-of-use assets		**37,091**	47,868
Other intangible assets		**221,281**	73,026
Financial assets at fair value through profit or loss ("FVTPL")		**1,000**	1,000
Interest in an associate		**469,176**	456,654
Interest in a joint venture		**141,517**	137,614
		1,805,938	1,755,615
Current assets			
Inventories		**691**	2,816
Trade and bills receivables	9	**2,756,448**	3,141,322
Debt instruments at fair value through other comprehensive income("FVTOCI")		**13,053**	10,354
Prepayments, deposits and other receivables		**551,334**	488,577
Contract assets		**1,577,081**	1,059,191
Amount due from ultimate holding company	10	**14,402**	19,728
Amounts due from fellow subsidiaries	10	**756,550**	619,497
Pledged bank deposits		**65,489**	99,291
Bank balances and cash		**1,257,987**	908,405
		6,993,035	6,349,181

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
Current liabilities			
Trade payables	11	**2,568,911**	2,606,646
Other payables, deposits received and accrued expenses		**724,716**	927,314
Lease liabilities		**5,798**	10,518
Contract liabilities		**810,640**	1,144,112
Provisions		**15,833**	12,580
Amount due to ultimate holding company	12	**43,619**	2,488
Amounts due to fellow subsidiaries	12	**376,233**	333,196
Amount due to an associate		**468,966**	104,472
Deferred income - government grants		**10,392**	20,578
Borrowings		**328,550**	—
Tax liabilities		**21,224**	121,295
		5,374,882	5,283,199
Net current assets		**1,618,153**	1,065,982
Total assets less current liabilities		**3,424,091**	2,821,597
Non-current liabilities			
Lease liabilities		**6,162**	5,295
Borrowings		**16,870**	—
Deferred income - government grants		**34,667**	34,595
Deferred tax liabilities		**126,277**	170,288
Amount due to associate		**—**	26,672
		183,976	236,850
		3,240,115	2,584,747
Capital and reserves			
Share capital		**11,516**	10,796
Reserves		**3,156,361**	2,501,435
Equity attributable to owners of the Company		**3,167,877**	2,512,231
Non-controlling interests		**72,238**	72,516
Total equity		**3,240,115**	2,584,747

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL

Inspur Digital Enterprise Technology Limited (the "Company") is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Inspur Overseas Investment Limited ("Inspur Overseas"), a company incorporated in the British Virgin Islands and Inspur Group Limited ("IPG"), a company established in the People's Republic of China (the "PRC") are the immediate holding company and ultimate holding company of the Company, respectively. The addresses of the registered office and principal place of business of the Company are disclosed in the section "Corporate information" in the annual report.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The Company is an investment holding company. The principal activities of the subsidiaries (together with the Company, referred to as the "Group") are engaging in management software development, cloud services and sales of Internet of Things (IoT) solution.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning on 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[2]

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual periods beginning on or after 1 January 2027

3 Effective for annual periods beginning on or after a date to be determined.

Except as described below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace HKAS 1 Presentation of Financial Statements. The new HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss and other comprehensive income; provide disclosures on management- defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated financial statements. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future consolidated financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers ("CODM"), for the purpose of resources allocation and assessment of segment performance focuses on nature of types of services provided. These revenue streams and the basis of the internal reports about the components of the Group are regularly reviewed by the CODM.

Specifically, the Group's operating and reportable segments under HKFRS 8 are as follows:

1. Cloud services - Provision of cloud services

2. Management software - Provision of software development and other software services

3. Internet of things (IoT) solution - Provision of data center engineering services and sales of IT peripherals and software

The following is an analysis of the Group's revenue and results and information about reportable and operating segments.

3. **SEGMENT INFORMATION (Continued)**

	Year ended 31 December 2025			
	Cloud services	**Management software**	**Internet of things (IoT) solution**	**Consolidated**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue	**2,739,535**	**2,236,424**	**2,332,055**	**7,308,014**
Segment profit	**145,940**	**256,278**	**44,575**	**446,793**
Unallocated other income, gains and losses, net				**32,374**
Changes in fair value of investment properties				**(100,313)**
Share of result of an associate				**12,522**
Share of result of a joint venture				**3,903**
Share-based payments				**(14,594)**
Unallocated administrative expenses				**(30,100)**
Impairment losses under expected credit loss model, net of reversal				**(109,491)**
Finance costs				**(24,168)**
Profit before tax				**216,926**

3. SEGMENT INFORMATION (Continued)

	Year ended 31 December 2024			
	Cloud services	Management software	Internet of things (IoT) solution	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	2,761,458	2,556,116	2,883,231	8,200,805
Segment profit	132,519	430,948	95,957	659,424
Unallocated other income, gains and losses, net				50,179
Changes in fair value of investment properties				(42,230)
Share of result of an associate				11,442
Share of result of a joint venture				306
Share-based payments				(22,348)
Unallocated administrative expenses				(26,046)
Impairment losses under expected credit loss model, net of reversal				(141,079)
Finance costs				(9,257)
Profit before tax				480,391

4. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	2025	2024
	RMB'000	*RMB'000*
Other income:		
Interest income on bank deposits	**1,978**	4,407
Interest income from an associate	**2,761**	3,109
VAT refund	**43,259**	57,136
Government subsidies and grants	**40,203**	81,919
Rental income	**25,622**	43,331
Others	**5,403**	241
	119,226	190,143
Other gains and losses, net:		
Net foreign exchange loss	**(1,802)**	(459)
Net (loss) gain on disposal and written off of property, plant and equipment	**(193)**	59
Others	**(1,395)**	(450)
	(3,390)	(850)

5. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	2025	2024
	RMB'000	*RMB'000*
Depreciation for property, plant and equipment	**35,093**	23,802
Depreciation for right-of-use assets	**14,232**	21,972
Amortisation for other intangible assets	**26,233**	18,038
Total depreciation and amortisation	**75,558**	63,812
Auditor's remuneration	**2,120**	2,100
Expense relating to short-term leases	**45,130**	22,060
Gross rental income from investment properties	**(25,622)**	(43,635)
Less: Direct expenses	**3,102**	304
Net rental income from investment properties	**(22,520)**	(43,331)
Directors' remuneration	**4,773**	9,517
Other staff costs		
Salaries and other benefit	**1,736,008**	1,973,289
Share-based payments	**14,251**	21,659
Retirement benefits schemes contributions	**360,748**	325,277
Total staff costs	**2,111,007**	2,320,225
Cost of inventories recognised as expense in cost of sales	**2,084,492**	2,332,629
Interest expense on:		
– Lease liabilities	**719**	1,360
– Bank borrowings on discounted bills	**3,180**	1,812
– Bank borrowings	**11,560**	2,953
– Borrowings from an associate	**8,709**	3,132
	24,168	9,257

6. INCOME TAX (CREDIT) EXPENSE

	2025	2024
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**20,074**	81,494
Under provision in prior years	**255**	81
Deferred tax	**(44,011)**	5,175
	(23,682)	86,750

7. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend of HK$0.04 in respect of the year ended 31 December 2025 (2024: HK$0.08) per ordinary share, amounting to approximately HK$48,874,000, equivalent to approximately RMB43,017,000 (2024: HK$91,354,000, equivalent to approximately RMB83,029,000) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the profit for the year attributable to owners of the Company and on the number of shares as follows:

	2025	2024
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to the owners of the Company	**237,546**	384,705

	2025	2024
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,153,674**	1,141,920
Effect of dilutive potential ordinary shares arising from the outstanding share options	**7,199**	253
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,160,873**	1,142,173

9. TRADE AND BILLS RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade and bills receivables	**3,011,243**	3,310,183
Less: Allowance for impairment losses	**(254,795)**	(168,861)
Total trade and bills receivables	**2,756,448**	3,141,322

The following is an aged analysis of trade and bills receivables net of allowance for impairment losses presented based on the invoice date (or date of revenue recognition, if earlier) at the end of the reporting period:

	2025	2024
	RMB'000	*RMB'000*
0-30 days	**1,123,217**	1,609,251
31-60 days	**303,577**	429,004
61-90 days	**156,932**	162,446
91-120 days	**81,259**	125,933
121-180 days	**267,027**	169,652
Over 180 days	**824,436**	645,036
	2,756,448	3,141,322

10. AMOUNTS DUE FROM ULTIMATE HOLDING COMPANY AND FELLOW SUBSIDIARIES

	2025	2024
	RMB'000	*RMB'000*
Amounts due from related companies:		
Trading in nature		
Ultimate holding company	**14,188**	19,279
Fellow subsidiaries	**727,890**	593,455
	742,078	612,734
Non-trading in nature		
Ultimate holding company	**214**	449
Fellow subsidiaries	**28,660**	26,042
	28,874	26,491
	770,952	639,225
Analysed as:		
Amount due from ultimate holding company	**14,402**	19,728
Amounts due from fellow subsidiaries	**756,550**	619,497
	770,952	639,225

11. TRADE PAYABLES

The following is an aged analysis of trade payable presented based on the invoice date.

	2025	2024
	RMB'000	*RMB'000*
0-60 days	**1,003,831**	2,079,506
61-90 days	**108,420**	33,887
More than 90 days	**1,456,660**	493,253
	2,568,911	2,606,646

12. AMOUNTS DUE TO ULTIMATE HOLDING COMPANY AND FELLOW SUBSIDIARIES

	2025	2024
	RMB'000	*RMB'000*
Amounts due to related companies:		
Trading in nature		
Ultimate holding company	**43,381**	843
Fellow subsidiaries	**349,908**	311,082
	393,289	311,925
Non-trading in nature		
Ultimate holding company	**238**	1,645
Fellow subsidiaries	**26,325**	22,114
	26,563	23,759
	419,852	335,684
Analysed as:		
Amount due to ultimate holding company	**43,619**	2,488
Amounts due to fellow subsidiaries	**376,233**	333,196
	419,852	335,684

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2025, the Group's revenue was mainly derived from the PRC business. During the Reporting Period, the Group's revenue decreased by 10.9% and gross profit decreased by 8.8% as compared with the corresponding period last year.

(1) Turnover

During the Reporting Period, the Group recorded turnover of RMB7,308,014,000 (2024: RMB8,200,805,000), representing a decrease of 10.9% as compared with last year. Among which, revenue from cloud services amounted to RMB2,739,535,000 (2024: RMB2,761,458,000), representing a decrease of 0.8% as compared with the corresponding period last year, and revenue from cloud services business accounted for 55.1% of the Group's turnover from software and cloud services business during the year. Revenue from management software during the year amounted to RMB2,236,424,000 (2024: RMB2,556,116,000), representing a decrease of 12.5% as compared with the corresponding period last year. Revenue from Internet of Things solutions amounted to RMB2,332,055,000 (2024: RMB2,883,231,000), representing a decrease of 19.1% as compared with the corresponding period last year.

(2) Gross profit

In this report, the operating business recorded gross profit of RMB2,014,987,000 (2024: RMB2,208,419,000), representing a decrease of 8.8% as compared with the corresponding period last year. The overall gross profit margin was 27.6% (2024: 26.9%), representing an increase of 0.7% year-on-year.

(3) Administrative expenses, research and development expenses and selling and distribution costs

During the Reporting Period, administrative expenses amounted to RMB403,019,000 (2024: RMB375,188,000), representing an increase of 7.4%, mainly due to the increase in expenses resulting from the expansion of management staff.

During the Reporting Period, research and development expenses amounted to RMB726,006,000, and the capitalized amount of research and development expenses for the current period was RMB158,859,000, with total research and development expenditure of RMB884,865,000 (2024: RMB922,134,000), representing a decrease of 4.0% as compared with the corresponding period last year.

During the Reporting Period, selling and distribution costs amounted to RMB567,325,000 (2024: RMB496,596,000), representing an increase of 14.2% as compared with the corresponding period last year, mainly due to the Company's strengthened market promotion and increase in sales personnel.

(4) Other income, other gains and losses

During the Reporting Period, other income amounted to RMB119,226,000 (2024: RMB190,143,000), representing a decrease of 37.3% as compared with the corresponding period last year. The main reasons were: 1) government grants amounted to RMB40,203,000 (2024: RMB81,919,000), representing a decrease of 50.9% as compared with the corresponding period last year; 2) rental income from investment properties amounted to RMB25,622,000 (corresponding period of 2024: RMB43,331,000), representing a decrease of 40.9% as compared with the corresponding period last year, mainly due to the internal conversion of Jinan properties for the Company's own use, coupled with a reduction in rental expenses.

During the Reporting Period, other gains and losses amounted to a loss of RMB3,390,000 (2024: a loss of RMB850,000).

(5) Investment income from associate and joint venture

During the Reporting Period, investment income from an associate amounted to RMB12,522,000 (2024: RMB11,442,000), representing an increase of 9.4% as compared with the corresponding period last year. During the Reporting Period, investment income from a joint venture amounted to RMB3,903,000 (2024: RMB306,000), representing an increase of RMB3,597,000 as compared with the corresponding period last year.

(6) Profit before tax

During the Reporting Period, the Company recorded profit before tax of RMB216,926,000 (2024: RMB480,391,000), representing a decrease of 54.8% as compared with the corresponding period last year, mainly due to: 1) faced with intense market competition, the operating profit of the management software segment decreased to RMB256,278,000 (2024: RMB430,948,000), representing a decrease of 40.5% as compared with the corresponding period last year; 2) the changes in fair value of investment properties for the current period amounted to RMB100,313,000 (2024: RMB42,230,000), representing an increase of 137.5% as compared with the corresponding period last year.

(7) Profit attributable to owners of the Company

During the Reporting Period, profit attributable to owners of the Company amounted to RMB237,546,000 (2024: RMB384,705,000). The decrease in profit attributable to owners of the Company as compared with last year was mainly due to the decline in operating profit of the management software business segment as compared with the corresponding period last year.

Basic earnings per share were RMB20.59 cents (2024: RMB33.69 cents) and diluted earnings per share were RMB20.46 cents (2024: RMB33.68 cents).

(8) Non-HKFRS Accounting Standards Measure

For the purpose of assessing the performance of the Group, the Company has also presented the underlying profit attributable to shareholders of the Company as an additional financial measure that is not required by, or presented in accordance with HKFRS Accounting Standards. The Group believes that this non-HKFRS Accounting Standards measure better reflects its underlying operational performance by eliminating certain non-operating items that are considered indicative of its operational performance. However, the presentation of this non-HKFRS Accounting Standards measure is not intended to be a substitute for, or superior to, the financial information prepared and presented in accordance with HKFRS Accounting Standards.

The following table set forth the reconciliations of the Group's non-HKFRS Accounting Standards measure for the years ended 31 December 2025 and 2024 to the nearest measures prepared in accordance with HKFRS Accounting Standards:

	2025	2024
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company	**237,546**	384,705
Changes in fair value of investment properties	**100,313**	42,230
Share-based payments	**14,594**	22,348
Effect on corresponding income tax and deferred tax	**(51,081)**	(62,765)
Adjusted profit attributable to owners of the Company	**301,372**	386,518

(9) Financial resources and liquidity

As at 31 December 2025, equity attributable to owners of the Company amounted to RMB3,167,877,000 (31 December 2024: RMB2,512,231,000). Current assets amounted to RMB6,993,035,000, mainly comprising trade and bills receivable of RMB2,756,448,000, bank deposits and cash balances and pledged bank deposits of RMB1,323,476,000, which were primarily RMB deposits. Current liabilities amounted to RMB5,374,882,000, mainly including trade and bills payable, other payables and accrued expenses. The Group's current assets were approximately 1.30 times its current liabilities (31 December 2024: 1.20 times).

Foreign exchange risk

The Group's purchases and sales are primarily denominated in Renminbi. The Group has not used any derivative instruments to hedge its currency risk. The Directors believe that, given the Group's sound financial position, the Group will be able to meet its foreign exchange liabilities when they fall due.

The functional currency of the Company is Renminbi ("RMB").

Capital structure

The Group primarily finances its operations with shareholders' funds, internally generated funds and operating results.

Employee information

As of 31 December 2025, the Group had 7,974 employees. During the Reporting Period, total remuneration of employees under operating activities (including Directors' remuneration and mandatory provident fund contributions) amounted to approximately RMB2,111,350,000.

According to the comprehensive remuneration policy, which was formulated by the Group and reviewed by the management, employees are remunerated based on their performance and experience. On top of basic salaries, discretionary bonus and share options may be granted to eligible employees with reference to the Group's and the employees' performances. In addition, the Group provides mandatory provident fund, medical and insurance schemes for employees. The Group also offers continuous education and training programs to the management and other employees to enhance their skills and knowledge.

Charge on assets

As at 31 December 2025, the Group's bank deposits of approximately RMB65,489,000 (31 December 2024: approximately RMB99,291,000) were pledged.

BUSINESS REVIEW

During the Reporting Period, the Group adhered to the "AI First" strategy, fully embraced artificial intelligence large model technologies, and focused on the enterprise services sector. It continued to develop the Inspur Haiyue large model and full-stack tool services, built AI-native Inspur Haiyue enterprise software, launched the out-of-the-box intelligent agent cluster Inspur Haiyue Commercial AI, and implemented high-value intelligent application scenarios, providing customers with leading AI solutions to help enterprises achieve a leap in digital and intelligent transformation.

The Group adheres to innovation-driven development and seizes the strategic opportunities arising from technological revolution, industrial transformation and enterprise software ecosystem restructuring. Supported by products such as intelligent ERP, PaaS platform, industrial software and Haiyue large model, it assists enterprises in the digital transformation of their entire businesses from the two dimensions of management digitalization and production digitalization.

During the Reporting Period, the Group continued to deepen its presence in the central and state-owned enterprise market, achieving new breakthroughs with central enterprises including China Southern Power Grid, SDIC, China Resources Group, China MINRESOURCE, China Electrical Equipment and China Digital Logistics. It continued to serve large central and state-owned enterprises such as Energy China, Aluminum Corporation of China, China Tower, China National Building Material Group, China Datang, China Rare Earth, Sinopharm Group, PipeChina and China Southern Airlines. To date, it has provided digital and intelligent transformation services to large customers including 94 central enterprises, 210 China Top 500 enterprises.

1. Accelerated Implementation of the AI First Strategy and Iterative Upgrade of the AI Native Product Ecosystem

During the Reporting Period, the Group thoroughly implemented the "AI First" strategy and continuously conducted cutting-edge technological research in the AI field, achieving breakthroughs in new technologies including "model fusion technology for vertical domain multi-tasking and efficient inference", "intelligent question answering integrating knowledge graph with chain-of-thought" and "low-computation multi-modal human-machine interaction technology". It deepened the transformation of technological achievements, took AI-native as the main line, integrated AI technologies into all products, and continuously built a new-generation intelligent native product layout of "Haiyue Large Model + Haiyue Software + Haiyue Commercial AI", driving the iterative upgrade of the product system comprehensively with AI technologies. During the Reporting Period, the contract value of AI signed amounted to approximately RMB660 million.

During the Reporting Period, the Group launched Haiyue Large Model V3.0. Leveraging its scenario insight capabilities and enterprise-level data assets accumulated through years of in-depth industry engagement, the model achieved deep adaptation of AI large models to enterprise business logic and precise perception of industry-specific semantics, facilitating the implementation of artificial intelligence in enterprise-level application scenarios. Among them, in enterprise knowledge governance and efficient retrieval scenarios, "Tax Doctor", developed for a large construction enterprise based on the Haiyue Large Model, established an enterprise-specific tax knowledge base, with industry-leading response speed and accuracy in the question-and-answer process. In the chemical industry, the salt chemical intelligent control large model developed for Shandong Haihua Group based on the Haiyue Large Model carried out intelligent transformation of workshop production, equipment maintenance, operation management and other links, achieving efficiency improvements in product output, spare parts turnover rate, equipment maintenance cost and other aspects. Meanwhile, the Haiyue Large Model comprehensively upgraded its intelligent platform capabilities, significantly improving the development efficiency of intelligent agents, supporting the large-scale construction and operation of the Company's intelligent agents, and enabling minute-level customisation of multi-agent scenarios such as "AI + Human Resources". The Haiyue Large Model is the first large model in the domestic enterprise service vertical field to complete the "dual filing" of model and algorithm, ranking first in both market position and development capability of large models in China's enterprise service vertical field (CCID). The chemical version of the Haiyue Large Model topped the internationally renowned ChemBench ranking, and was awarded as an excellent supplier of China's industrial large model, chemical large model, construction large model and water conservancy large model (IDC). To date, it has been implemented and applied in large enterprises including Beijing Tongrentang and China Tungsten High-tech.

During the Reporting Period, the Group launched Haiyue Commercial AI V1.0, an out-of-the-box intelligent agent cluster built on the Haiyue Large Model, offering more than 100 intelligent agents including procurement intelligent agent and contract review intelligent agent, covering 63 scenarios such as ChatBI, intelligent review, intelligent scheduling and cash flow forecasting. Among them, through multi-agent collaboration and task orchestration including conversational form filling and intelligent itinerary planning, full-link automated and unobtrusive processing of business travel was realised. Intelligent assisted bid evaluation was conducted through the procurement intelligent agent, reducing the review time per project from 3-6 hours to 15 minutes. The digital employee + AI intelligent review collaborative application developed for Dongfang Electric achieved an overall 70% improvement in work efficiency in general ledger, sales, procurement, capital and other fields. For an international engineering enterprise with 140,000 contracts, the application of the contract review intelligent agent realised a 90% risk identification rate in settlement, margin, construction period and other aspects, and a 60% improvement in cross-border contract processing efficiency. Haiyue Commercial AI received the First Prize of Shandong Artificial Intelligence Science and Technology Progress Award, the Silver Award of China International Software Expo, and was recognised as a typical demonstration case in the software industry by the China Software Industry Association. It was also selected as an excellent supplier of China enterprise-level AI Agent (IDC). The Haiyue contract review intelligent agent was rated as a highly recommended enterprise-level AI Agent application (IDC), and the Group was rated as a recommended brand of China enterprise-level intelligent agent development platform (IDC). It has been implemented and applied in customers including the State-owned Assets Supervision and Administration Commission of Shandong Province, Dongfang Electric and Shanxi Guoyun.

During the Reporting Period, the Group actively responded to policies of the State-owned Assets Supervision and Administration Commission including deepening the "AI+" special action and strengthening penetrating supervision of state-owned assets, and launched Penetrating Supervision V1.0. Targeting the enterprise supervision sector, Penetrating Supervision V1.0 is pre-installed with 81 supervision models, covering the entire chain of enterprises from macro strategic risks to specific operational risks. Focusing on 11 major categories of issues such as excessive debt, unrelated diversification, multi-layered structure and fictitious trade, it has built a "full-level, full-process, full-factor" penetrating supervision system for enterprise business empowered by AI. It is currently being implemented in a number of central enterprises.

2. Continuous Deepening of Cloud Service Transformation and Comprehensive Empowerment for Digital and Intelligent Upgrading of Customers

During the Reporting Period, the cloud services business recorded revenue of RMB2,739,535,000, representing a year-on-year decrease of 0.8% (corresponding period of 2024: RMB2,761,458,000).

During the Reporting Period, targeting the large enterprise market and focusing on core enterprise demands such as intelligent ERP, group control, talent management and data governance, the Group launched Inspur Haiyue PaaS Platform iGIX V8.0, large enterprise intelligent ERP GS Cloud V8.0, and Inspur Haiyue HCM V7.0, providing enterprises with comprehensive cloud services to empower the digital and intelligent upgrade of enterprise operation and management.

During the Reporting Period, the Group launched Inspur Haiyue PaaS Platform iGIX V8.0, which takes the Haiyue Large Model as its intelligent hub and is driven by AI-native and cloud-native technologies. It has achieved breakthroughs in 17 core PaaS platform technologies including low-code/no-code integrated fusion development technology and intelligent process deduction and autonomous verification technology, forming a PaaS platform product system encompassing sub-platforms such as low-code, data middle office, Internet of Things, cloud-native, hybrid integration and intelligent operation and maintenance. The Group developed more than 10 intelligent applications and services including ChatBI (conversational data decision analysis), intelligent application assistant and intelligent development assistant, providing convenient enterprise intelligent services and robust technical infrastructure support capabilities for enterprise service sectors including finance, treasury, supply chain and software development, so as to support enterprises in their intelligent transformation and upgrading. Inspur Haiyue PaaS Platform ranks first in China's low-code software market (IDC) and first in both market position and development capability in China's aPaaS market (CCID), and has won honors including the 2025 Red Dot International Design Award (Design Zentrum Nordrhein Westfalen). During the Reporting Period, the Group signed contracts with large group customers including China Datang Corporation, Guohua Energy and Yunnan Tin Industry.

During the Reporting Period, the Group launched Inspur Haiyue Large Enterprise Intelligent ERP GS Cloud V8.0, which reconstructed the software based on an AI-native architecture, established an artificial intelligence hub, integrated multiple models to form composite AI capabilities, and built a digital and intelligent financial platform covering treasury management, financial sharing, strategic finance, business finance and other fields. It strengthened the core ERP, realised a comprehensive upgrade of the MRP computing engine, enhanced the coverage depth in industry scenarios such as discrete manufacturing and process manufacturing, and improved the level of refined cost control for integrated business and finance. It built an international technical infrastructure supporting multiple accounting standards, multi-currency settlement, multi-language switching and intelligent translation, supporting the global management and integrated operation of customers such as Tongrentang and XCMG Group. The product has ranked first in China's group management software market for 16 consecutive years (CCID), won the Second Prize of Science and Technology Progress of the Chinese Institute of Electronics and New Generation Information Technology Innovative Product (CCID), and passed the scientific and technological achievement evaluation by the National Industrial Information Security Development Research Center, being recognised as reaching the international advanced level. During the Reporting Period, the Group signed contracts with customers including Beijing Tourism Group, Shandong Gold, Henan Communications Investment Group, Shanxi Communications Control Group, Ningxia Construction Investment Group, Tianjin Pharmaceutical, Zhengzhou Coal & Electricity, Kunming Iron and Steel Holding and Huanchuan State-owned Investment Group.

During the Reporting Period, the Group launched Inspur Haiyue HCM V7.0 and introduced Moirai, a new-generation human resource agent, which reconstructed the interaction mode and operation logic of traditional human resource systems through the integration of large language models, process orchestration engines, semantic search, knowledge graphs and digital employee invocation capabilities, realized the intellectualization of core human resource management scenarios such as recruitment, employment and performance management, and formed an agent matrix covering the entire talent lifecycle. Inspur Haiyue HCM was awarded the 2024-2025 Human Resource Technology Best Product Award and the New Generation Information Technology Innovative Product Award, and ranked among the TOP 3 in China's human capital application market (IDC). During the Reporting Period, the Group signed contracts with customers including State Power Investment Corporation and China Pacific Insurance, achieved new breakthroughs with strategic customers such as China Southern Airlines, China Chengtong and Shaanxi Nonferrous Metals, with the total number of contracted customers reaching 170.

During the Reporting Period, the Group launched Inspur Haiyue Intelligent Online Supervision Platform for State-owned Assets V8.0. Through in-depth integration of AI technologies, it implemented penetrating supervision models in ten major areas including investment, finance, remuneration, procurement and supply chain, and contracts, driving a leapfrog development of state-owned assets supervision from "manual-led" to "intelligent collaboration". It realised proactive identification of potential risks and automatic generation of dynamic supervision reports, significantly enhancing the predictability and accuracy of supervision. Among them, the financial supervision risk control algorithm model can automatically optimise early warning thresholds through deep learning, improving the early warning accuracy by more than 30% compared with traditional fixed rule models. During the Reporting Period, the Group newly signed contracts with the state-owned assets supervision and administration commissions of Guizhou Province, Liaoning Province, Inner Mongolia Autonomous Region and Suzhou City. It has cumulatively served the construction of state-owned assets supervision platforms for 23 provincial-level state-owned assets supervision and administration commissions, 80 prefecture-level state-owned assets supervision and administration commissions and more than 30 central enterprises, ranking first in the state-owned assets supervision market in terms of market share.

During the Reporting Period, the Group launched Inspur Haiyue inSuite Professional Edition V5.0 for medium-sized enterprises, Inspur Haiyue inSuite by DELMIAWorks for growth-oriented enterprises with strong manufacturing and high complexity, and Inspur Haiyue inSuite ONE V1.0 for small enterprises. The Inspur Haiyue inSuite product series deeply integrates AI capabilities and launches a number of business agents capable of independent decision-making and real-time optimization, which are deeply embedded in core enterprise scenarios and fully support the digital and intelligent transformation needs of small and medium-sized enterprises in R&D and design, production execution, operation and management, operation and maintenance services and other aspects, and was awarded the 2024-2025 Excellent Innovative Software Product by the China Electronic Information Industry Federation. During the Reporting Period, for micro and small enterprises, Inspur Ecloud launched Cloud Business-Finance V6.0 and introduced "Yun Xiaoyi", an AI intelligent assistant, which provides core scenario services such as intelligent procurement, financial report interpretation and intelligent Q&A, covering diverse needs including enterprise operation analysis, decision-making suggestions and risk early warning; the Group realized platform ecosystem expansion, maintained long-term and stable cooperation with strategic customers including Bank of Communications and Postal Savings Bank of China, and reached in-depth cooperation with platforms such as DingTalk, Feishu and WPS, continuously strengthening the product's market coverage and customer acquisition capabilities.

3. Focus on core customers of management software and continuously strengthen the leading industry advantages.

During the Reporting Period, the management software business recorded revenue of RMB2,236,424,000, representing a decrease of 12.5% as compared with the corresponding period last year (corresponding period of 2024: RMB2,556,116,000).

During the Reporting Period, focusing on the network management software and private network digital intelligence services businesses, the Group continued to promote product R&D and innovation and enhance service capabilities. Targeting emerging network sectors such as global operator networks and low-altitude communications, it developed a series of industry-leading products and solutions, and continuously consolidated and improved the technological competitiveness of its management software. Among them, the Group launched the Operator Intelligent Chain Scheduling Platform, which addressed core pain points long existing in the communications industry supply chain including difficulties in massive data governance and low digital intelligence levels, and drove the full-link upgrade of the supply chain through technological innovation. It released the Command and Dispatch Virtual Assistant, which resolved issues such as low scheduling efficiency, high reliance on decision-making experience and high labour costs in view of the insufficient automation level in operator command and dispatch scenarios, and was recognised as having reached the "international advanced level" by the Shandong Software Industry Association. The Group launched the Low-altitude Intelligent Network Integrated Operation Service Platform v2.0, which provides professional technical product services for low-altitude applications and was selected as a typical case of the Low-altitude Economy Leader by the China Academy of Information and Communications Technology. During the Reporting Period, the Group's communications information business won the Diamond Medal, the highest honour in the TM Forum Open API field, ranking third globally. It was selected into the Gartner Magic Quadrant, becoming one of the world's leading 12 BSS solution providers. Products including the "Inspur Low-altitude Intelligent Network Integrated Operation Service Platform" and "Inspur Intelligent Planning Platform" were included in the 9th batch of Shandong Provincial First-time High-end Software List. During the Reporting Period, while deeply serving operator customers, the Group actively expanded into other markets, with 261 new customers signed, covering governments, central and state-owned enterprises, large private enterprises and overseas customers.

During the Reporting Period, anchoring the core sector of software and information technology service outsourcing, the Group thoroughly implemented the innovation-driven development strategy and participated in the formulation of the national standard "Automation Systems and Integration – Digital Twin Framework for Manufacturing" for the first time. Adhering to a customer-centric approach, the Group successfully signed contracts with central and state-owned enterprise customers including COFCO Corporation, Aluminum Corporation of China, China Energy Engineering Group, China General Technology Group, Shandong Heavy Industry and Zhongtai Securities, and reached in-depth cooperation with a number of strategic customers such as Haier Group and Aspire Information.

4. **Deep integration of Internet of Things solutions to seize the commanding heights of intelligent computing centre business growth.**

During the Reporting Period, the Internet of Things solutions business recorded revenue of RMB2,332,055,000, representing a year-on-year decrease of 19.1% (corresponding period of 2024: RMB2,883,231,000).

During the Reporting Period, focusing on serving the new-type information infrastructure as the core, the Group deployed the entire industrial chain around the data center business, providing services including planning and design, engineering construction, operation and maintenance for data centers, as well as electromechanical products such as high-efficiency power distribution and intelligent management and control for the whole industry. Over the years, it has constructed more than 50 Class A and national green data centers, with projects covering 85% of provinces nationwide, and customers covering government, finance, transportation and other industries, having built project cases including Dongying Intelligent Computing Center, Postal Savings Bank of China Headquarter Data Center and Guangdong Communications Group Transportation Big Data Center. During the Reporting Period, the Group launched a series of industry-leading products, including: Yaotai prefabricated modular data center high-efficiency elastic liquid cooling source product, which integrates prefabricated modular architecture and liquid cooling core technologies to build an industry-leading liquid cooling source construction model, providing green and energy-saving computing infrastructure solutions for high-density scenarios such as ultra-large-scale intelligent computing centers and AI training clusters; dynamic dual-cooling source prefabricated data center product, which addresses core problems in traditional data center cooling products such as low utilization of natural cooling capacity, poor heat exchange efficiency and long construction and deployment cycle through intelligent regulation of dynamic dual-cooling sources and prefabricated integrated innovation. The Group won the "Golden Scale Award · Intelligent Cooling Pioneer Award for Data Centers" at the 2025 Global Data Center Liquid Cooling Innovation Development and Application Technology Conference. The "Air-liquid Homologous Elastic Liquid Cooling Prefabricated Modular Data Center" received the "2025 China IDC Industry Innovative Technology Product Award". During the Reporting Period, the Group newly signed contracts with strategic customers including Shandong Tianrui Heavy Industry and Jiangsu Shifang Communication.

During the Reporting Period, focusing on scenarios such as large-scale equipment manufacturing, discrete manufacturing and process manufacturing, the Group built a full-stack service system of "equipment-production line-factory-industry" and formed professional overall solutions covering the full value chain including intelligent factories, intelligent warehousing and logistics, safety management and equipment management, fully supporting the in-depth development of intelligent factories. During the Reporting Period, the Group built national intelligent manufacturing demonstration factory benchmark cases including Tianjin Tebian and Xikai Limited, establishing a "replicable model" for intelligent factories in the discrete manufacturing sector, further consolidating its leading position in intelligent manufacturing solutions and ranking first in market share of MES solutions for China's equipment manufacturing industry (IDC). During the Reporting Period, targeting the grain industry and focusing on core business scenarios such as industry supervision, intelligent operation, warehousing and preservation, and safe production, the Group reconstructed the AI-native product system in the grain storage sector based on the Haiyue Large Model, and launched a cluster of intelligent agents for grain storage operation and management including warehousing and preservation intelligent agent, equipment predictive maintenance intelligent agent, and material and emergency dispatch intelligent agent, empowering 22 intelligent grain storage scenarios and achieving a leapfrog upgrade from "Internet of Things automation" to "business scenario intelligence", continuously enabling the digital and intelligent transformation of the "national granary". During the Reporting Period, the Group newly signed contracts with key customers including Sinograin Wuhu Depot Co., Ltd., Sinograin Laobian Depot Co., Ltd. and Sinograin Tongling Warehousing Co., Ltd.

During the Reporting Period, the Group achieved remarkable results in expanding overseas markets. The Algeria Medical Data Center and Informatization Project commenced construction, becoming the first data center and intelligent project to be implemented in Northwest Africa. The Group won the bid for the South Africa Sentech OSS project and launched its delivery, achieving full coverage of OSS products among the three major state-owned operators in South Africa and further consolidating its leading position in the field of communications operation support in Southern Africa. It won the bid and commenced construction under the EPC general contract for the expansion project of Thailand Supernap Data Center, marking a major breakthrough in the general contracting sector of high-end data centers in Southeast Asia, particularly in Thailand. The Group successfully signed the Indonesia Damac JK01 Data Center project, achieving a new breakthrough in the Indonesian data center market and laying a solid foundation for the subsequent expansion of Indonesia and surrounding markets.

Future Outlook

In 2026, the Group will adhere to the "AI First" strategy. Focusing on the enterprise services sector and taking AI-native as the main thread, it will focus on developing management software, industrial software and platform-enabling software, serving the full-business digital and intelligent transformation of enterprises from the two dimensions of management digitalisation and production digitalisation, and accelerating its progress towards becoming a world-leading provider of enterprise software and enterprise AI product technologies and services, as well as a leading service provider for enterprise digital and intelligent transformation.

Purchase, redeem or sell the listed securities of the Company

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, redeemed or sold any listed securities of the Company.

Corporate governance

For the year ended 31 December 2025, the Group has complied with the code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix C1 to the Main Board Listing Rules.

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 10 to the Main Board Listing Rules (the "Model Code"). Following specific enquiries made by the Company to all directors, all directors have confirmed that they have complied with the standards set out in the Model Code during the year ended 31 December 2025.

Review the accounts

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2025, including the accounting principles and practices adopted by the Group, and is of the view that the preparation of the said results complies with applicable accounting standards and regulations and that sufficient disclosures have been made.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following dates:

The register of members will be closed from 12 June 2026 to 17 June 2026 (both dates inclusive), during which period no transfer of shares will be effected, the record date is 17 June. In order to qualify to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 11 June 2026.

The register of members will be closed from 2 July 2026 to 6 July 2026 (both dates inclusive), during which period no transfer of shares will be effected, the record date is 6 July. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 30 June 2026.

By Order of the Board
Inspur Digital Enterprise Technology Limited
Wei Daisen
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprised Mr. Wei Daisen, Mr. Wang Yusen and Mr. Cui Hongzhi, as executive Directors, Ms. Li Chunxiang as non-executive Director and Mr. Wong LitChor, Alexis, Ms. Zhang Ruijun and Mr. Ding Xiangqian as independent non-executive Directors.