玄武雲科技控股有限公司
Xuan Wu Cloud Technology Holdings Limited
Stock Code 股份代號：2392

# 2025

# Environmental, Social and Governance Report




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# ABOUT THE REPORT

This report is the fourth Environmental, Social and Governance Report (the "Report" or "this Report") issued by Xuan Wu Cloud Technology Holdings Limited (the "Company") and its subsidiaries and related consolidated entities (collectively, "Xuan Wu Cloud", the "Group", "we", "us" or "our"). The purpose of the Report is to reflect the philosophy, policies, measures, practises and key performance on ESG management of Xuan Wu Cloud in a truthful, objective and complete manner for the year 2025. The currency used in this Report is Renminbi.

## Reporting Standards

The Report has been prepared in accordance with the provisions of Environmental, Social and Governance Reporting Code (the "ESG Code") as set out in Appendix C2 of the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with reference to the Sustainable Development Goals of the United Nations (SDGs).

## Reporting Principles of the Report

### Materiality

The Group has identified material ESG issues through communication with relevant stakeholders and assessment on materiality, both of which are fully disclosed

### Quantitative

The Group has made quantitative disclosure of its ESG policies and key performance indicators information with written explanations

### Balance

This Report has reflected objective facts in all aspects and has sought to present the annual performance of Xuan Wu Cloud in an unbiased manner

### Consistency

The Group has adopted consistent methodology of disclosures so as to allow relevant stakeholders to analyse and assess the Group's performance during different period

## Data Source and Reliability Assurance

All data and information used in this Report are sourced from official records, statistical reports, and relevant public data of the Group. The board of directors (the "Directors") of the Group (the "Board") is responsible for the authenticity, accuracy and completeness of the content of this Report.

## Accessibility of the Report and Contact Information

The Chinese and English versions of this Report are available for viewing and downloading on the website of the Stock Exchange (www.hkexnews.hk) and the investor relations website of Xuan Wu Cloud (https://ir.wxchina.com/). We attach great importance to the views of our stakeholders and welcome readers to email us at ir@wxchina.com. Your feedback will help us further refine this Report and improve our ESG performance.



## External Assurance of the Report:

| Standards Followed | Issuing Agencies |
|---|---|
| CMMI — Capability Maturity Assessment Qualification — Level 5 | ISACA (International Association of Information Systems Auditors) (ISACA(國際資訊系統審計協會)) |
| ITSS — Information Technology Service Operation and Maintenance Standard Compliance Certificate — Level 3 | China Electronics Industry Standardization Technology Association (中國電子工業標準化技術協會) |
| ISO27001 — Information Security Management System Certification | Xingyuan Certification Center Co., Ltd. (興原認證中心有限公司) |
| CCRC — Information Security Service Qualification Certification — Software Security Development Services — Level 3 | China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網路安全審查認證和市場監管大數據中心) |
| Information Technology Service Management System ISO20000-1 | Xingyuan Certification Center Co., Ltd. (興原認證中心有限公司) |
| Quality Management System Certification — ISO9001 | China Quality Mark Certification Group (方圓標誌認證集團) |
| Environmental Management System Certification — ISO14001 | Xingyuan Certification Center Co., Ltd. (興原認證中心有限公司) |
| AAA Level Enterprise Credit Rating Certification | Beijing Guanjie Speed Credit Management Co., Ltd. (北京冠捷時速信用管理有限責任公司) |
| Occupational Health and Safety Management System — ISO15001 | Xingyuan Certification Center Co., Ltd. (興原認證中心有限公司) |
| Business Continuity Management System — ISO22301 | Beijing TIRT Certification Co., Ltd. (北京泰瑞特認證有限責任公司) |
| Privacy Information Management System — ISO27701 | Xingyuan Certification Center Co., Ltd. (興原認證中心有限公司) |
| Intellectual Property Management System Certification | Zhongzhi (Beijing) Certification Co., Ltd. (中知(北京)認證有限公司) |

## Statement from the Board

The Board of the Group is the highest responsible and decision-making body for ESG-related work, responsible for the strategy and reporting of ESG work, and will also fulfill the responsibility of continuously monitoring the progress of ESG-related practises to ensure that the Group achieves its sustainable development goals.

During the Reporting Period, the Board assessed and reviewed the materiality of the Group's ESG issues in 2025 based on the views and suggestions of various stakeholders. In 2025, the Group continued to strengthen its work on material issues such as compliance management of information disclosure, security and privacy protection, client service satisfaction, and climate risk. The ESG Working Team regularly monitors and reports to the Board on the progress of achieving ESG goals, and implements appropriate measures to strengthen the Group's environmental, social, and governance performance.

The Board undertakes that there are no false records, misleading statements or material omissions in the contents of this Report, and assumes responsibility for the truthfulness, accuracy and completeness of this Report. This Report provides detailed information on the progress and effectiveness of the Group's ESG work in 2025, which was deliberated and approved by the Board on 27 March 2026.

# CHAIRMAN'S STATEMENT

In 2025, as artificial intelligence technology moves towards large-scale application, new productive forces are profoundly reshaping the digital and intelligent transformation of enterprises. Xuan Wu Cloud has always adhered to its core mission of "digitalisation to assist sustainable development of enterprises," deeply integrating ESG principles into the strategic framework and daily operations of the Company. We have persisted in the dual-driven approach of "technology + business," actively responding to the United Nations Sustainable Development Goals and the national "dual-carbon" vision while pursuing high-quality performance growth. We are committed to transforming cutting-edge AI technology into a core engine that drives the comprehensive green transformation of the real economy and promotes sustainable social development.

## We strengthen risk management to ensure compliant operations

We have established a comprehensive ESG governance framework and continuously improve our ESG management system and practises in our daily operations. In terms of compliance management, we released multiple updates to our system this year, such as the Notice on Standardising the Use of Various Software. At the same time, we continuously improved the compliance awareness and professional ability of the members of the Board through training and other forms. We have also maintained compliance training for all employees, ensuring that the Company's overall compliance awareness remains at a high standard.

In terms of risk management, we continued to strengthen our management of business ethics and information security through various forms such as training and case promotion. We have maintained a "zero tolerance" attitude towards violations of business ethics such as fraud, bribery, and conflicts of interest. In addition, in terms of climate risk management, we devoted more efforts in 2025 to fully identify the potential impact of extreme climate events in operational scenarios, thereby comprehensively ensuring the sustainable development and operation of the Company. Based on the excellent performance of the Company in governance, we were awarded the Jinge Award on "Excellent ESG Corporate Governance" by GuruClub during the Reporting Period.

## We adhere to the principle of "client-first" and take innovation as the foundation

"Client first" is one of our core corporate values. While continuously improving client service, we deeply understand the importance of helping customers achieve high-quality digital transformation and upgrading through product innovation.

During the Reporting Period, our cPaaS has been fully integrated into the large open-source model, committed to creating an intelligent, secure, and efficient cloud communication platform for customers. At the same time, we successively launched applications of new AI-enabled intelligent scenarios such as SKU super models, AI remade detectives, and price tag recognition large models, continuously deepening our industry chain and enriching our product coverage scenarios. The innovation and upgrading of our products and servers have also continuously improved our customer satisfaction.

## We build a sustainable supply chain and strive to achieve ecological win-win

Going alone means fast, and going together means far. Since our establishment, we have always carried out business cooperation with upstream and downstream partners in the industry with an open, mutually beneficial, and win-win attitude.

During the Reporting Period, we continued to attach importance to the ESG performance of our suppliers and put forward standardised requirements for their environmental protection, compliance and security, as well as data and privacy protection. In terms of ecological cooperation, we have carried out strategic cooperation with leading domestic cloud service providers such as Tencent Cloud, Huawei Cloud, and Alibaba Cloud in various aspects, committed to building our own ecological win-win circle. In terms of overseas business, after two years of expansion and development, our services have covered more than 200 countries and regions, and established resource cooperation with over 100 local operators worldwide, with a focus on core enterprises' overseas regions such as Southeast Asia, Latin America, and the Middle East.

## We adhere to the principle of people-oriented co create a diversified growth platform

Talents are the primary resource for the development of enterprises. In terms of employee relations, we always adhere to the principle of anti-discrimination, advocate mutual achievement values, and provide specialised promotion paths and training resources for different categories of talents and employees at all levels of the Group to help employees achieve sustainable development. During the Reporting Period, we also introduced new forms of quarterly employee recognition and departmental recognition to further enhance employees' sense of achievement and stimulate the enthusiasm and vitality of all staff to work and innovate .

Meanwhile, as a technology enterprise with warmth, we have a sense of responsibility and actively practise corporate social responsibility. In the daily operation process, we have carried out internally multiple activities and measures to protect the occupational health and safety of employees, and carried out externally public welfare actions such as fire drills and training, advocating for employees to pay attention to ecological protection, and assisting education weak areas.

## We advocate green operation for a win-win zero-carbon future

We actively respond to the national "dual carbon" goal and integrate the concept of green and low-carbon into our daily business activities. During the Reporting Period, we continued to encourage paperless office, implemented smart lighting, unified management of refrigeration equipment, garbage sorting and disposal, and advocated water conservation to comprehensively promote our environmental protection concept of green development and low-carbon operation. At the same time, based on our own business attributes, we have fully identified the potential impacts of extreme climate events in operational scenarios and actively developed response strategies.

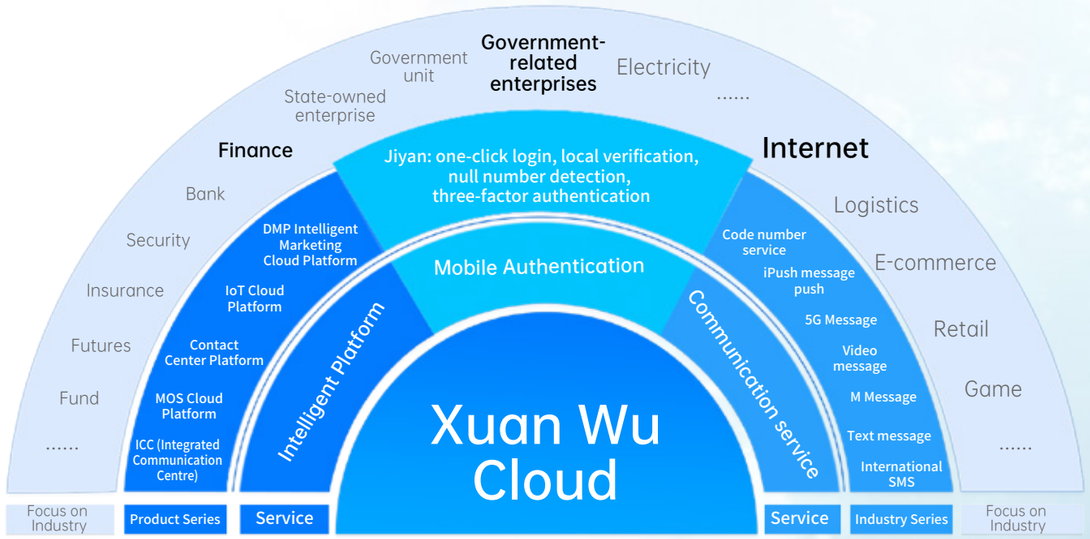
Looking ahead to the future, Xuan Wu Cloud will continue to integrate ESG concepts into various aspects of corporate governance, business operations and innovative development, continuously improving the Company's comprehensive performance in environmental, social, and governance aspects. We will take AI+cloud communication as the core driving force, adhere to green operation, compliance governance, and sustainable supply chain construction, work together with customers and partners to promote the green transformation and high-quality development of the industry, and create long-term and sustainable value for stakeholders.

*Chairman of Xuan Wu Cloud*

**Lian Jian**

# ABOUT XUAN WU CLOUD

Founded in 2010, Xuan Wu Cloud is a leading local AI+cloud communication service provider in China, and its domestic operating entity is Guangzhou Xuan Wu Wireless Technology Co., Ltd. (廣州市玄武無線科技股份有限公司). Xuan Wu Cloud has established a product matrix consisting of three major categories: AI+ intelligent platform, communication services, and mobile authentication. This matrix covers product applications such as SMS, international SMS, 5G messaging, ICC (Integrated Communication Centre), DMP intelligent marketing cloud platform, Jiyan, contact centre, and customer service voice robot. It can provide one-stop AI+ integrated communication digital solutions and services for customers across various industries, including finance, government-related enterprises, and TMT. This helps enterprises with their digital transformation and drives business innovation and development in communication scenarios.




## Corporate Vision

Client First

Continuous Struggle

Mutual Achievement

# Financial Highlights in 2025[1]

## Solid Sales Performance

**RMB763 million**
Revenue

**RMB485 million**
SaaS revenue scale

**63.5%**
The Proportion of SaaS Revenue

## Strong Customer Base

**3,109**
Total Number of Clients

**84.2%**
Percentage of Revenue Contributed by Core Clients

**2,124**
Total Number of SaaS Clients

## Excellent Product Stickiness

**RMB2.6 million**
ARPU[3] Contributed by Core Clients[2]

**RMB2.6 million**
ARPU Contributed by SaaS Core Clients

## Sailing Overseas with Rapid Growth

Business Covers **200+**
Countries and Regions Worldwide

**80.1%**
Year-on-year Growth in Overseas Business Revenue Scale

1.Due to the classification of Guangzhou Xuantong Technology Co., Ltd. ("Xuantong") as a discontinued operation as at 31 December 2025, the data contained in this report does not include any relevant data from Xuantong.
2.As at 31 December 2025, Core clients are defined as clients contributing RMB300,000 or above of revenue during the relevant year.
3.The average revenue per user (ARPU) contributed by core clients refers to the average revenue generated per core client during the Reporting Period, and denominated in RMB.



# Development Milestones

**2023**
Xuantao, a large multimodal consumer model, was launched through the establishment of ecological cooperation with Huawei Cloud; and the Overseas Cloud communication business was successfully launched

**2024**
The Company has become a native application partner of Huawei's HarmonyOS ecosystem

**2025**
The Company accepted strategic investors, and achieved strategic restructuring at the business level

**2022**
The shares were successfully listed on the Main Board of the Stock Exchange

**2020–2021**
Successively launched upgraded Sales Cloud Solutions — Smart Sales 100; launched AIoT intelligent fridge and intelligent shelf

**2019**
The Marketing Cloud with the integrated communication centre (ICC) was launched

**2015**
The aPaaS platform, a low code development platform, was launched, and the Fast Sales 100 was launched as a Sales Cloud

**2016**
Established the first AI lab in the industry

**2018**
Introducing Service Cloud Solutions through acquisition

**2012**
The MOS solution was launched as part of the Marketing Cloud, and the cPaaS platform was launched

**2011**
The universal message platform (UMP) was launched as a Marketing Cloud solution

**2010**
Xuan Wu Technology was established

# MAJOR EVENTS IN 2025

## January




- Released the Research Report on the Selection of CRM for Chinese Enterprises in 2025
- Awarded "LeXin Annual Excellent Partner in 2024"
- Won four consecutive bids for provincial power company projects of SGCC, with a bid amount exceeding RMB3 million
- Won the bid for the long-distance SMS service project of a rural credit union in Northeast China




## February




- Became one of the first batch of SaaS vendors in China to integrate their products into the DeepSeek
- Selected for the "2024 Guangzhou Artificial Intelligence Innovation and Development List"
- Selected for the "Research Report on the Development and Application of China's Large AI Model Industry" of the First New Voice
- Attended Huawei's Guangdong Partner Conference



- Disclosed the results for 2024, achieving a year-on-year turnaround from losses to profits
- Debuted at Huawei Cloud DeepSeek Experience Conference, sharing AI Agent capabilities
- Won the "Golden Cypress Award for Digital Service Providers"

## March

## April




- Released the 2024 ESG Report
- APaaS platform fully supported MCP protocol
- Awarded as the "Leading Entity for Digital Transformation of Small and Medium-sized Enterprises in Jieyang City"
- Selected for the "Annual High Growth Enterprises" series list by the First New Voice




- Signed a strategic cooperation agreement with Tencent Cloud
- APaaS platform integrated with Dify to accelerate the development of enterprise level intelligent agent applications
- Won bids for SMS service projects of multiple listed banks and large securities companies

## May




- Signed a contract with Rainbow Digital Technology
- Awarded the "Top 15 Industry Application Solutions" on the Guangdong Software Billboard
- Carried out industry + university + research exchange activities with South China University of Technology
- Held the "Entering Qiao Feng" event and successfully concluded it




## June

## July




- Donated computers to schools with weak educational resources in Weng'an County, Guizhou Province and Jintan Town, Qingyuan City, Guangdong Province
- Became an official member of the Chinese Association for Artificial Intelligence (中國人工智能學會)(CAAI)



## August




- Released the 2025 interim results announcement
- Debuted at the 2025 Big Data Expo & Huawei Cloud 828 Enterprise Festival
- Reached an SMS service cooperation with Financial Street Group
- Attended the 33rd Guangzhou International Fair




- Selected for the AI agent vendor graph of the First New Voice
- Deepened cooperation with a listed bank in East China for the integration of the news middle platform project
- Debuted at the closed-door meeting of AI+Smart Innovation Financial Leaders in North China

## September

## October

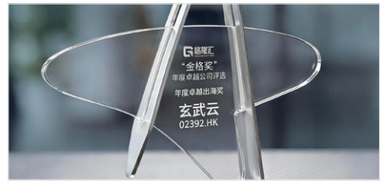



- Introduced strategic investors and focus on the development of our main business
- Certified as Robust Level (Level 3) by the National Data Management Capability Maturity Model (DCMM)
- Successfully won multiple key cloud communication projects in fields such as TMT and finance




- Reached an SMS service cooperation with BOCIM
- Attended the Conference on Rural Financial Technology Innovation and Shared Development
- Deepened school + enterprise exchanges with Guangzhou Institute of Science and Technology

## November




- Reached a cooperation agreement on SMS and flash messaging services with ByteDance
- Won the "Best TMT Company Award" at the Capital Market Annual Conference of Zhitong Finance
- Received the "Annual Excellent Go Overseas Award" from GuruClub
- Awarded the "Hong Kong Stock Value Growth Award" at the 8th CLS Investment Annual Conference




## December

# Key Performance in 2025

## Governance

The percentage of female members of the Board was **14.3%**

The percentage of Directors who have risk management expertise was **71%**

**1** director training course and **1** climate risk related sharing session were conducted respectively

The coverage rate of training was **100%**

The number of lawsuits filed and concluded against the Company or employees for violation of the code of conduct (e.g., corruption, discrimination, conflict of interest, money laundering and insider trading) was **0**

The number of major information security incidents and major privacy protection incidents in the year was **0**, **2** internal Risk Management Reports were issued

Business ethics and anti-corruption training rate was **100%**

## Society

The total number of employees[4] was **363**

Training coverage rate was **97%**

The average training time per employee was **68** hours

The cumulative number of software copyright and patent applications was **358**

## Environment

The quantity of hazardous waste batteries recycled was **186**

The weight of recycled non-hazardous waste, food waste and general office waste was **0.51** tonnes

Water consumption per capita was **0.25** (tonnes/person)

Power consumption density was **32.1** (kWh/m²)

4.The Company has 339 full-time employees and 24 part-time employees.



# Annual Honours



LeXin Annual Excellent Partner
(樂信年度優秀合作夥伴)




Guangdong Software Billboard
"Top 15 Industry Application Solutions
(行業應用解決方案TOP15)"




2024 Guangzhou Artificial Intelligence Innovation and Development List
"List for the Most Market Value Enterprises
(最具市場價值企業榜)"




2024 Guangzhou Artificial Intelligence Innovation and Development List
"List for Application Scenario Innovation
(應用場景創新榜)"




The First New Voice 2024 Annual
"Top 30 High Growth Listed Companies List
(高成長上市企業榜TOP30)"



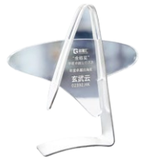

The First New Voice 2024 Annual
"Best Financial Technology Service Provider
(金融科技最佳服務商)"



Fintech Innovation in China
"Financial Data Intelligence Solution Awards · Excellent Case of the 6th Financial Institution Digital Transformation in 2025
(鑫智獎·2025第六屆金融機構數智化轉型優秀案例)"



Zhitong Finance
"Best TMT Company Award
(最佳TMT公司獎)"



GuruClub
"Annual Excellent Go Overseas Award
(年度卓越出海獎)"



CLS
"Hong Kong Stock Value Growth Award
(港股價值成長獎)"



The 4th China FMCG Dealer Conference
"Golden Cypress Award for Digital Service Providers
(數字化服務商金柏獎)"



Roadshow China
"Outstanding Value Creation Award
(卓越價值創造獎)"

# XUAN WU CLOUD ESG MANAGEMENT

The in-depth integration of the digital economy and the real economy is one of the core elements of China's high-quality economic development, and it is also an important foundation for enterprises to achieve sustainable development. As an enterprise focusing on Digital and Intelligent Product Services, Xuan Wu Cloud firmly believes that science and technology are the primary productive forces, and has established the ESG mission of "assisting the sustainable development of enterprises with digital intelligence" which aims at accelerating the formation of new quality productivity of enterprises by helping them realise digital intelligence transformation, achieve sustainable business success and contribute to the development of the real economy at the same time.

In line with ESG mission of the Group, we have been implementing ESG practises in multiple dimensions which include corporate governance, product and service quality, ecological construction and stakeholders' cooperation, to explore the path of high-quality sustainable development. During the Reporting Period, we also added a dedicated ESG webpage on our IR (Investor Relations) website, enabling stakeholders to gain a better understanding of the Company's progress in ESG practises.




## ESG Governance Structure

Xuan Wu Cloud recognises that integrating ESG concepts into the Group's day-to-day operations and management is crucial to the sustainable development of the enterprise. Therefore, we internalise ESG strategies into our practise in combination with the sustainable development goals (SDGs) as set out by the United Nations. In terms of ESG governance structure, the Group has established a four-tier ESG governance structure to carry out ESG management during its daily operation.




| | |
|---|---|
| **The Board and the Audit Committee** | The Board and the Audit Committee are responsible for assessing and identifying ESG risks and opportunities on an annual basis, and continuously overseeing the corresponding ESG-related strategies and approaches, and reviewing and approving the Group's annual ESG reports to ensure that the implementation of ESG management policies is in compliance with the law. Meanwhile, the Board will also be responsible for comprehensively overseeing the management of climate change responses. |
| **President's Office** | Under the authorisation of the Board, the President's Office is responsible for identifying, assessing and determining the risks and materiality related to the Company's ESG matters, making decisions on sustainable development strategies, setting sustainable development goals and overseeing the implementation by the ESG Working Group. |
| **The ESG Working Group** | The ESG Working Group, acting as the coordinating team, is responsible for planning, promoting and implementing ESG initiatives, as well as promptly summarising and reporting results and findings to members of the President's Office. In terms of climate risks and opportunities, the ESG Working Group will formulate measures to address climate change and assign them to responsible departments to ensure the orderly progress of climate change-related work. |
| **Other Departments** | Comprising multiple departments within the Group, they are responsible for implementing specific ESG tasks and assisting in achieving ESG objectives. |

## Analysis on Materiality of Issues

During the Reporting Period, Xuan Wu Cloud referred to the requirements of the stock exchange, investor concerns, industry characteristics and integrated the Company's overall strategy to identify 16 key ESG issues.

Through conducting systematic research and analysis, we gained insights into the level of attention paid by internal and external stakeholders to various ESG issues. We prioritised the importance of key ESG issues based on two dimensions: "materiality to Xuan Wu Cloud" and "materiality to stakeholders".

**Issue Identification**

The ESG Working Group identified potential material ESG issues by taking into account changes in the internal and external environment and referencing regulatory requirements, industry standards and the Company's actual business operations, among other relevant information.

**Issue Assessment**

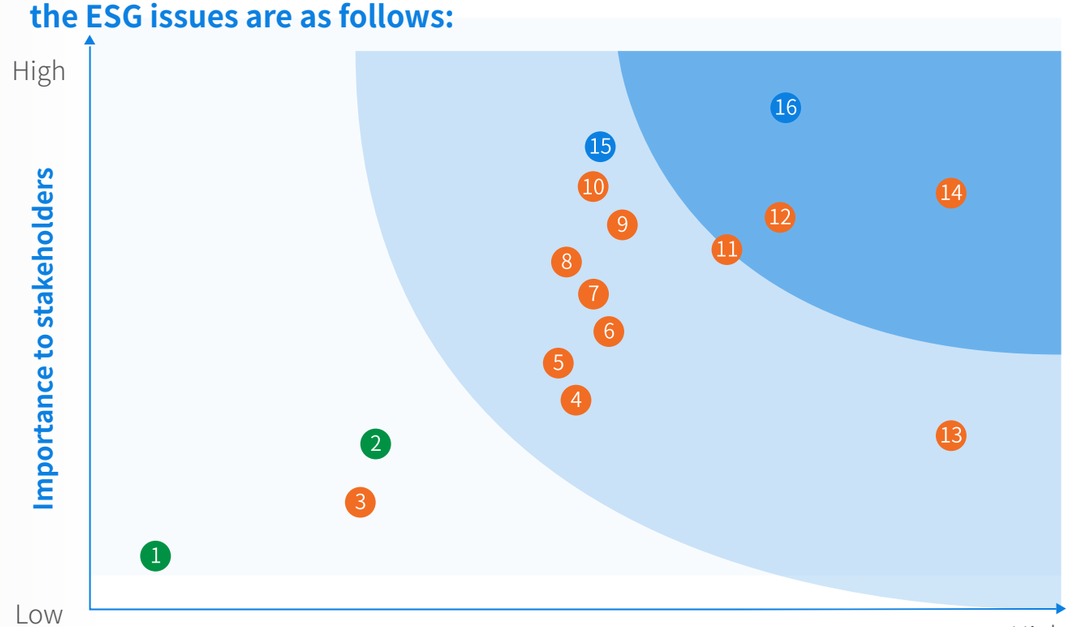
The importance of each issue was assessed through questionnaire surveys and interviews with relevant departments, as well as communication with the Group's management, shareholders, employees, suppliers and other stakeholders to understand their requirements and expectations regarding our ESG practises.

**Issue Prioritisation**

By analysing the questionnaire results and considering the demands of the Group's business and stakeholders, a materiality matrix was formulated. The importance assessment results were reported to the President Office for discussion. The Report then highlighted the relevant issues as well as the objectives and measures for the Group's future ESG management efforts.

During the Reporting Period, we comprehensively analysed and updated the matrix of significant issues in alignment with the strategic development direction and current status of the Group. Issues of higher significance are located in the upper right corner of the matrix, while those of lower significance are situated in the lower left corner. As illustrated in the figure to the right:

## During the year, the Group's materiality ranking and matrix of the ESG issues are as follows:




| Environment | | Society | | Governance | |
|---|---|---|---|---|---|
| 1 | Response to Climate Change | 3 | Community Involvement and Public Welfare | 15 | Business Ethics |
| 2 | Energy and Resource Management | 4 | Employee Training and Development | 16 | Corporate governance and compliance management |
| | | 5 | Product Innovation and Research & Development (R&D) | | |
| | | 6 | Diversity, Equality, and Inclusivity | | |
| | | 7 | Labour standards | | |
| | | 8 | Procurement and Supplier Management | | |
| | | 9 | Information Security and Privacy Protection | | |
| | | 10 | Intellectual Property Management | | |
| | | 11 | Employee Health and Safety | | |
| | | 12 | Product and Service Quality | | |
| | | 13 | Talent Attraction and Retention | | |
| | | 14 | Customer Communication and Satisfaction | | |

# Communication with Stakeholders and ESG Implementation Strategy

The Group has established close relationship with government and regulatory authorities, investors and shareholders, employees, clients, suppliers and business partners, community and environmental public organisations through various communication mechanisms, and has formulated ESG implementation strategies to respond actively to the expectations and requirements from stakeholders.

| Stakeholders | Expectations and requirements | Communication channels and implementation strategies |
|---|---|---|
| **Government and regulatory authorities** | · High-quality development<br>· Stable operation and tax payment in accordance with the law<br>· Serving the real economy<br>· Anti-corruption and compliance management<br>· Data security and privacy protection<br>· Green operation and environmental friendliness<br>· Attracting talents and promoting employment | · Innovate R&D technology and optimise product Services<br>· Actively pay taxes in accordance with the law<br>· Improve compliance risk control management system and adopt the advice from external professional consultants to enhance corporate governance level<br>· Continuously ensure network information and data security.<br>· Actively participate in government communication meetings and seminars to understand regulatory policies and implement regulatory requirements<br>· Implement energy saving and emission reduction policies<br>· Organise campus recruitment and social recruitment to create job positions |
| **Investors and shareholders** | · The Company's stable operation<br>· Transparent, fair, and accurate information disclosure<br>· Protection of investors and shareholders rights<br>· Leading in Corporate Technology and Product Innovation | · Implement business development strategy, drive the steady growth of performance and continue to create value for shareholders<br>· Closely communicate with investors and shareholders through organising result release meetings, shareholders' meetings and investor research activities<br>· Timely and accurately release periodic reports and other announcements<br>· Conduct multi-dimensional brand publicity and pay attention to market opinions |
| **Employees** | · Protection of employee rights<br>· Diversity and equal opportunities<br>· Communication and caring of employees<br>· Staff training and development<br>· Occupational health and safety | · Formulate practical mechanisms to safeguard employees' benefits and interests<br>· Improve the whistleblower system<br>· Organise and enrich employees' activities<br>· Improve staff promotion and salary performance system<br>· Organise staff training<br>· Safeguard the physical and mental health of employees |
| **Clients** | · High-quality products and services<br>· Client data security and privacy protection<br>· Client communication and client satisfaction<br>· Business ethics | · Continue to research on technology development, business model innovation and market promotion<br>· Standardise product quality system<br>· Enter into confidentiality agreements to allow clients to control data rights<br>· Improve client communication mechanism through client service hotlines, satisfaction surveys, etc.<br>· Establish a sound anti-corruption and Reporting Policy and system |
| **Suppliers and business partners** | · Industry communication<br>· Equal, open and fair procurement<br>· Business ethics | · Create a social ecological circle for managerial personnel from FMCG industry such as establishing industry private board meetings, and seminars<br>· Participate in industry summits such as consumption, finance, government and enterprises<br>· Set up a mechanism to review and supervise suppliers, and regularly review the quality of suppliers<br>· Conduct legal and compliant bidding and tendering<br>· Develop close ecological cooperation with business partner such as Huawei Cloud etc. |
| **Community and environmental public organisations** | · Community involvement and contribution<br>· Eco-environmental protection<br>· Resource recycling and use | · Actively organise and participate in voluntary activities for the public welfare<br>· Promote environmental protection concepts<br>· Implement the Group's energy saving and emission reduction initiatives<br>· Participate in ESG related training |

# DEEPEN COMPLIANCE GOVERNANCE

## Build a Solid Foundation for Robust Operations

Good corporate governance is a crucial cornerstone for an enterprise to achieve sustainable development. As a responsible enterprise, Xuan Wu Cloud has been striving to improve its corporate governance structure, strengthen risk and compliance management, emphasise business ethics training and governance, integrate principles such as integrity and fairness into daily business operations, effectively safeguard the interests of all stakeholders, and consolidate the foundation for sustainable development.







### CORPORATE GOVERNANCE

The Group places significant emphasis on compliance operations and risk management, and has established a governance structure with clearly defined responsibilities. Meanwhile, we continue to enhance diverse and sustainable development practises at the Board level.

### RISK MANAGEMENT

The Group has always believed that effective risk management and internal control are the cornerstones of healthy development of enterprises. To ensure the effective operation of the risk management and internal control systems, we have formulated the Risk Management Policy and conduct annual evaluations.

### BUSINESS ETHICS

The Group recognises the significance of business ethics management to the sustainable development of an enterprise. To continuously enhance and improve the building of a clean culture, we adhere to high standards of business ethics in our daily operations and conduct frequent training on business ethics.

### COMPLIANCE MANAGEMENT

In the ever-changing business environment, compliance management is the bottom line of business operations and is crucial to ensuring the sustainable development of enterprises. The Group has formulated a compliance system in the areas of financial , network security, human resources, information disclosure and intellectual property rights.

# CORPORATE GOVERNANCE

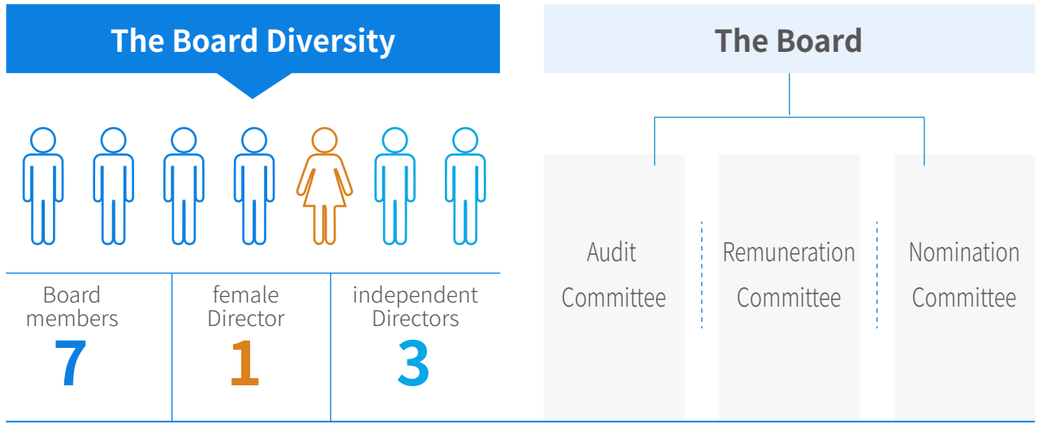
## Corporate Governance

The Group places significant emphasis on compliance operations and risk management, and has established a governance structure with clearly defined responsibilities to continuously enhance the effectiveness of our corporate management. We have established a sound and effective corporate governance framework, consisting of the general meeting, the Board and subordinate Audit Committee, Remuneration Committee, Nomination Committee, etc., in accordance with the requirements of the Listing Rules and the Articles of Association. We have also established internal management mechanisms such as the Nomination Policy and the Board Diversity Policy to ensure the efficient and compliant corporate governance。

## The Board Diversity

We place great emphasis on the diversity of the Board members, taking into account a variety of factors such as professional experience, skills, gender, age, cultural and educational backgrounds when nominating candidates for Board positions. As at the date of this report, the Group has completed the restructuring of the Board and its various specialised committees. Among them, Mr. Lian Jian, Mr. Li Hairong, Mr. Huang Fangjie, and Mr. Chen Zhengxu have been appointed as the new executive directors of the Group, with Mr. Lian Jian serving as the Chairman of the Board. Meanwhile, Mr. Wang Guisheng, Ms. Xiao Jingyi, and Mr. Cao Jianrong have been elected as the new independent non-executive Directors. This restructuring of the Board is also an important measure taken by the Group to optimise corporate governance, integrate advantageous resources, and enhance the Company' s competitiveness.

As at the date of this Report, there are a total of 7 members of the Board, comprising 4 executive Directors and 3 independent non-executive Directors, which includes 1 female Director. Independent non-executive Directors also account for more than one-third of the Board, complying with the requirements of the Listing Rules.




## The Board's Duties

- Convene Shareholders' general meeting: **2** times
- Convene the Board meeting: **7** times
- Convene Audit Committee meeting: **3** times
- Convene Remuneration Committee meeting: **1** time
- Convene Nomination Committee meeting:**1** time

## Sustainable Development Practises of the Board

The Group places great importance on enhancing the professional capabilities of the Directors, as such, we encourage Directors to participate in suitable continuous professional development training and courses. Additionally, to deepen independent non-executive Directors' understanding of the Group's business operations and assist them in better fulfilling their duties, this year we have adopted both on-site training and online thematic training sessions, which have involved training and sharing materials with the Group's Directors on topics such as the Guidelines on the Continuing Obligations of Issuers and the Directors in Hong Kong, and The Financial Impact, Response Strategies and Opportunities of Climate Risks for Enterprises. These efforts will continuously elevate and sustain the Group's high standards of corporate governance and sustainable development management.

### Key Performance

- Conducted **1** Director training session
- Conducted **1** session on climate risk sharing
- Achieved **100%** training coverage rate among Board members

## Remuneration and Performance Management of the Board

We are well aware of the importance of utilising remuneration incentives to motivate senior executives to drive corporate development. The Group's remuneration management mechanism for senior executives is transparency, incentivisation and institutionalisation. The Remuneration Committee regularly reviews and makes recommendations on the remuneration packages of executive directors and senior management on an annual basis. Furthermore, to enhance the professionalism of the senior management, their remuneration structure is designed to be long-term and flexible, with performance linked to certain financial indicators of the Group's operations.

# RISK MANAGEMENT

Xuan Wu Cloud has always believed that effective risk management and internal control are the cornerstones of healthy development of enterprises. To ensure the effective operation of risk management and internal control systems, the Group has formulated a Risk Management Policy with reference to the Corporate Governance Code of the Stock Exchange, which is reviewed by our Audit Committee and the Board on an annual basis for assessing the effectiveness of the risk management system.

## Internal Division of Responsibilities for Risk Management

| | |
|---|---|
| **The Board**<br>The highest decision-making body for comprehensive risk management work | · Review and approve the annual risk management work report and solutions<br>· Report risk management analysis and review to shareholders of the Company<br>· Continuously monitor and review the effectiveness of the Group's risk management and internal monitoring system<br>· Timely and truthfully disclose major risk-related events to the public as required by law |
| **President's Office**<br>The supervisory responsibility entity for risk management | · Review and approve risk assessment reports for major decisions<br>· Review and approve risk management opinions and risk assessment reports submitted by relevant departments of the Company<br>· Review and approve the establishment of risk management organisational structures and their responsibility plans |
| **Participating Departments** | · The Administrative and Legal Affairs Department is the comprehensive coordination department for comprehensive risk management, responsible for formulating, organising, and supervising the risk management system and operational mechanisms<br>· The Administrative and Legal Affairs Department is the comprehensive coordination department for comprehensive risk management, responsible for formulating, organising, and supervising the risk management system and operational mechanisms |
| **All Employees** | · Establish risk prevention awareness, receive risk prevention and compliance training<br>· Risks discovered should be reported promptly and truthfully, without concealment, omission, or false reporting<br>· Strictly carry out work in accordance with laws and regulations, regulatory requirements, rules and policies, operational norms, and relevant technical requirements |



## Risk Management Process

**Identification of risks and formulation of management plans**

Each department should, based on its own business characteristics and external environment, formulate corresponding risk management specific implementation plans around the Group's development strategies and business objectives.

**Risk monitoring and reporting**

When departments discover risks during their daily business activities, they should promptly report them and conduct risk assessment work with relevant departments to develop risk prevention and handling plans.

**Regular troubleshooting and optimisation**

For key links and departments with high risk exposure, no less than two special risk inspections shall be conducted annually, and inspection results shall be regularly reported to the Audit Committee in the form of reports. The Audit Committee shall report the relevant audit results to the Board each year and confirm the effectiveness of the system.

## Risk Management Enhancement Plan

In the future, we will continue to refine and optimise the comprehensive risk management system from the following four aspects:

### Training

Continuing to adhere to measures such as training, discussions and exchanges to strengthen the construction of the risk management culture. Regularly enhancing and consolidating the risk prevention awareness and integrity self-discipline awareness of all employees through a combination of online courses and offline training.

### Warning

Strengthening the monitoring and early warning of major risks and establishing mechanisms for collecting, reporting, and handling information on daily and unexpected risks, to improve the sensitivity to risk identification and the efficiency of risk handling.

### Assessment

Regularly assessing the overall risk control situation of the Company, with a focus on strengthening the identification and control of risks related to data security, compliance in personal information processing, labour and employment, as well as contract breaches, so as to timely detect and address relevant risks and vulnerabilities.

### Strengthening

Strengthening research on the latest risk management concepts, technological developments and industry trends, conducting in-depth internal investigations within the Company, promptly summarising experiences and lessons, explore the direction and implementation approaches for the Company's risk management development, and establishing effective mechanisms.

# BUSINESS ETHICS

The Group recognises the significance of business ethics management to the sustainable development of an enterprise. To continuously enhance and improve the building of a clean culture, we adhere to high standards of business ethics in our daily operations and conduct frequent training on business ethics. To ensure the effectiveness of business ethics policies, the Group conducts annual reviews of the effectiveness and soundness of internal policies such as the Employee Handbook, Anti-Corruption Policy, and Whistleblowing Policy.

## Adhere to Code of Conduct

In according to the Company Law of the PRC, the Anti-Money Laundering Law of PRC, and the Interim Provisions on Prohibiting of Commercial Bribery, the Group has formulated and improved existing internal policies such as the Employee Handbook, Anti-Corruption Policy, and Whistleblowing Policy. In addition, the Group adopts a "zero tolerance" attitude towards corruption. To continuously improve our honest management system in our daily operation, we will actively guide all employees to follow the following measures or guidelines:

- New employees are required to sign an undertaking on integrity and self-discipline, promising to strictly comply with the requirements of the Group's code of conduct on integrity
- Directors or employees should refuse to accept overly luxurious or frequent hospitality provided by individuals who have business dealings with the Group
- It is prohibited to utilise the cooperation with third parties or the convenience of cooperation between both parties to take advantage of the interests of the Group or engage in activities that harm the interests of the Group
- It is prohibited to engage in various money laundering activities under the pretext of cooperating with third parties or taking advantage of the convenience of cooperation between both parties, or to use cooperative relationships to conceal or attempt to conceal the source of illegal funds
- It is prohibited to engage in (or attempt to engage in) malicious business cooperation or infringe upon the commercial interests, intellectual property rights of the Group through business cooperation with third parties etc.

### Key Performance

**During the Reporting Period**, the number of corruption incidents involving bribery, extortion, fraud and money laundering in the Group was **0**

## Anti-commercial Bribery and Integrity Training

The Group advocates a culture of integrity, actively conducts internal training on honesty and integrity. During the year, the Group's thematic anti-corruption training continued to achieve full coverage of all employees through the form of online compulsory courses. Through the above systematic training, the business ethics and anti-corruption awareness of all employees were effectively enhanced, and the business philosophy of Xuan Wu Cloud, which is based on integrity, was continuously consolidated.

### Key Performance

Anti-commercial bribery and integrity training rate of the employees of the Group was **100%**

The number of corruption litigation cases filed by employees that were concluded was **0**

The number of reported incidents of non-compliance with laws and regulations was **0**






## Smooth Reporting Channels

The Group has established a dedicated reporting channel and handling process to encourage employees to report illegal and irregular behaviours, the Administrative and Legal Affairs Department served as the receiving department for reports. In relation to whistleblowers, the Group strictly adheres to the principles of confidentiality, rewards, and the protection of their legitimate rights and interests. It is explicitly prohibited to use any excuse to obstruct or suppress whistleblowers from reporting or retaliating.

**Reporting email**
jiancha@wxchina.com

**Mailing Address**
9/F, Dongsheng Yunding Building, Haizhu District, Guangzhou, Guangdong

# COMPLIANCE OPERATION MANAGEMENT

In the current ever-changing business environment, compliance management is the bottom line of business operation and is crucial to ensuring the sustainable development of enterprises. With reference to the Company Law of the PRC and other laws and regulations, Xuan Wu Cloud has formulated a compliance system in the areas of financial accounting, network security, human resources, information disclosure and intellectual property rights.

During the Reporting Period, the Company successively issued the Notice on Regulating the Use of Various Software and updated and optimised institutional documents such as the Reimbursement Management System, Loan Management System and Business Travel Management System. This has further enhanced the Group' s compliance risk prevention ability and protected the Company's long-term stable operation.

## Operation Sunflower · Special Compliance Campaign on Real-Name System

To effectively implement the adjusted requirements of industry regulatory policies and further strengthen the construction of a compliant operation and risk prevention and control system, the Group proactively advanced the development of real-name system capabilities during the Reporting Period. We continuously improved the full-process management mechanism, focusing on enhancing the business compliance awareness and risk identification capabilities of sales personnel. By establishing a solid compliance foundation at the source, we effectively safeguard customer information security and the stability of service operations.

Based on the aforementioned objectives, the Group conducted systematic and comprehensive special activities, including new regulation training, knowledge quizzes, and case reviews, targeting all marketing personnel in the cloud communication business. Through a combination of theoretical explanations, practical exercises, and assessment tests, we strengthened policy understanding and execution. The participation rate in this series of activities reached 100%, effectively promoting the internalisation and practical implementation of compliance requirements, and laying a solid foundation for the long-term, healthy and standardised development of our business.




## Key Performance

**During the Reporting Period**, the number of major incidents of non-compliance with laws and regulations in the Group was **0**.

## Information Disclosure Compliance

As a company, we strictly follow the principles of fairness, impartiality and openness in the disclosure of information. We release information and interact with investors on various public platforms, such as the Stock Exchange's website, the Company's official investor website, mainstream financial media, and social media platforms, to ensure that all shareholders have equal access to information.

## Key Performance

**During the Reporting Period**, the Company issued a total of **135** announcements.

## Investor Relations Management

The Company attaches great importance to the rights and interests of shareholders and actively seeks opinions and suggestions from shareholders and investors through various channels, such as the IR website, e-mail, professional third-party roadshow platforms, and authoritative financial information platforms. In addition, the Group has established an IR official account to promptly disseminate corporate updates and engage with investors.

## Key Performance

**During the Reporting Period**, the Company held **2** performance briefing sessions and published **63** news through IR official account.












# DRIVEN BY TECHNOLOGICAL INNOVATION

## Facilitating the Digital and Intelligent Transformation of Industries

Xuan Wu Cloud has always adhered to the double driving forces of "technology+business", upholding the product quality. The Company focuses on as digital and intelligent innovation to facilitate transformation of the real economy while ensuring security. It emphasises enhancing products service quality through a people-centred approach and mutual growth. Xuan Wu Cloud is committed to energy conservation and emission reduction, aiming for green development. By maintaining ESG key performance indicators and index, it upholds the bottom line and innovation as driving force for development to achieve high-quality digital and intelligent transformation and upgrading for clients. We have always adhered to the "client-centric" service concept, while continuously improving customer satisfaction rate, we also pay more attention to the protection of clients' privacy information. We strive to become a long-term partner for more enterprises on their path towards digital and intelligent development, and to assist in the transformation and development of industries and the real economy.




### CONTINUOUS INNOVATION IN TECHNOLOGY PLATFORMS

The Group is well aware of the importance of technological innovation and has always adhered to the development strategy of double driving forces of "technology+business" and independent R&D of technology. This enables us to provide our clients with more powerful and efficient digital and intelligent transformation solutions.

### ATTACH IMPORTANCE TO TECHNICAL TALENTS

We attach great importance to technological R&D and innovation and have thus formed an industry-leading technical team. At the same time, we have established a management system for our technical talents and will conduct regular check and assessment of our technical talents.

### ECOLOGICAL WIN-WIN SITUATION

For a long time, Xuan Wu Cloud has been actively embracing the industry ecosystem and continuously integrating resources from the supply chain, channels, clients and partners to achieve optimal allocation of resources and value sharing, thus enhancing our popularity and competitiveness in the market.

### PROMOTION OF INDUSTRIAL DEVELOPMENT

We continuously monitor the latest news, technological trends and market demands of our clients in the industry, at the same time, we have also been actively sharing our own digital and intelligent transformation solutions and practical experience with the industry to enhance enterprises' awareness in digital and intelligent transformation.

# CONTINUOUS INNOVATION IN TECHNOLOGY PLATFORMS

As a technology enterprise, the Group is well aware of the importance of technological innovation and has always adhered to the development strategy of double driving forces of "technology+business" and independent R&D of technology. During the Reporting Period, we continued to focus on the upgrading and iteration of these platforms as well as the innovative R&D of product scenarios, Marketing Cloud which not only strengthened our own underlying strength, but also provided our clients with more powerful and efficient digital and intelligent transformation solutions.

## Case study cPaaS fully integrates open-source large models to build an intelligent, secure and efficient cloud communications platform

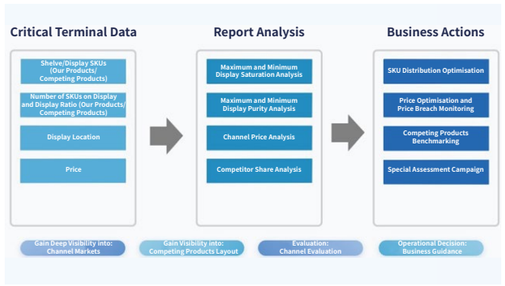
cPaaS platform is a communication service platform developed by Xuan Wu Cloud based on cloud computing technology and service model, focusing on enriching client communication channels and providing stable, efficient and secure communication services. The number of messages processed daily can reach **100 million+**, and the amount of data detected by the content security risk control model reaches **10 billion+**, with an accuracy rate of **97.5%**.

During the Reporting Period, the cPaaS platform integrated open-source large models into critical operations and maintenance such as anomaly alerts and channel inspections, enabling more intelligent maintenance. This initiative not only reduced internal management costs but also enabled the Company to provide customers with safer and more efficient cloud communication services.

## Case study Continuously expanding the coverage of AI+ application scenarios

As one of the first SaaS vendor in China to achieve full in-house research and development of AI technology. During the Reporting Period, we adhered to our original vision of "focusing on industry scenarios and empowering businesses with intelligence", continuing to deeply integrate AI with our products, and successively launched applications for new AI-enabled intelligent scenarios such as the SKU super model, AI Retouch Detective, and price tag recognition large model, enriching our product coverage scenarios.




# ATTACH IMPORTANCE TO TECHNICAL TALENTS

We attach great importance to technological R&D and innovation and have thus formed an industry-leading technical team. At the same time, we have established a management system for our technical talents and will conduct regular check and assessment of our technical talents.

## Case study Conducting "Mentoring the New through the Experienced (老带新)" activity across four technology topics

During the Reporting Period, we conducted internal training sessions on data intelligence, algorithm architecture, and big data. On one hand, this enabled our technical personnel update their knowledge base, master cutting-edge technical tools and industry standards, and accurately address technical pain points in business advancement, thereby improving work efficiency. On the other hand, it promoted the accumulation and sharing of internal technical experience and methodologies, unified technical specifications and operational procedures, and reduced team collaboration costs.

At the same time, through targeted training, we built a tiered technical talent pipeline, enhancing the team's innovation vitality and core competitiveness, thereby establishing a solid technical foundation for the Company to respond to market changes and achieve sustainable development.





## Key Performance

### By the end of the Reporting Period

The R&D team had a total of **91** members and the proportion of the total employees was R&D investment reached **25.1**%

R&D investment reached **RMB32.4 million**

Our personnel efficiency (average operating income generated per employee) reached **RMB2.1 million**

# ECOLOGICAL WIN-WIN SITUATION

Constructing its own business ecosystem is one of the significant guarantees for enterprise to achieve benign development. For a long time, Xuan Wu Cloud has been actively embracing the industry ecosystem and continuously integrating resources from the supply chain, channels, clients and partners to achieve optimal allocation of resources and value sharing, thus enhancing our popularity and competitiveness in the market.

We have established strategic collaborations with leading domestic vendors such as Tencent Cloud, Huawei Cloud, and Alibaba Cloud across multifaceted areas, committed to building our own mutually beneficial ecosystem. In terms of overseas business, through two years of development and expansion, we now cover over 200 countries and regions, have established direct partnerships with more than 100 local operators worldwide, with a focus on core overseas markets such as Southeast Asia, Latin America, and the Middle East.




# PROMOTION OF INDUSTRIAL DEVELOPMENT

We continuously monitor the latest news, technological trends and market demands of our clients in the industry by actively participating in industry activities, at the same time, we have also been actively sharing our own digital and intelligent transformation solutions and practical experience with the industry to enhance enterprises' awareness in digital and intelligent transformation. These initiatives have enhanced our brand awareness and given us the opportunity to contribute to the development of digital intelligence in the real economy.

## Banking Industry

### Xuan Wu Cloud attended the 2025 Rural Financial Technology Innovation and Shared Development Conference

As an excellent service provider for the digital and intelligent transformation of the financial industry, Xuan Wu Cloud showcased its integrated communication centre solutions for financial sector at the conference. The Company engaged in discussions with guests from multiple rural credit cooperatives and rural commercial banks on the methods and pathways for digital transformation of rural financial institutions, empowering their high-quality development.



## Security Industry

### Xuan Wu Cloud made an appearance at the East China Securities Industry IT Micro-Salon

The 11th East China Securities Industry IT Micro-Salon, hosted by Financial Advisory Network, was held in Shangrao, Jiangxi Province. Nearly 30 guests from securities, fund, futures, and related industry sectors gathered to share practical achievements in the digital transformation of the securities industry and to explore new opportunities and challenges emerging against the backdrop of evolving technologies. Xuan Wu Cloud was invited to the event and delivered a keynote speech titled 'One-Stop Integrated Messaging Hub: Empowering Institutional Marketing Digital Transformation'.



## Consumption Industry

### Xuan Wu Cloud made an appearance at HUAWEI CONNECT 2025, pioneering a new paradigm for intelligent entities in the consumer goods industry

During the Reporting Period, Xuan Wu Cloud was invited to participate in the 10th HUAWEI CONNECT as a key ecological partner of Huawei Cloud, comprehensively showcasing the Company's product capabilities, solutions, and leading practises.



# MAINTAINING INFORMATION SECURITY

## Crafting Exceptional Customer Experiences

As a responsible internet technology enterprise, Xuan Wu Cloud has always taken the protection of data privacy security as one of the important cornerstones of corporate development, we have constructed a perfect data, privacy security management system, so that clients' information and data have a strong security barrier. At the same time, we adhere to the "client-first" business development philosophy, according to the actual needs of clients, we will continue to improve our own product capabilities and service system in the daily operation, striving to achieve long-term 100% client's satisfaction.




### INFORMATION SECURITY AND PRIVACY PROTECTION

We are well aware of the importance of ensuring information security and consumer data protection. The Group continues to strictly abide by relevant laws and regulations and has established a comprehensive system for information security and privacy protection.

### SUSTAINABLE SUPPLIER MANAGEMENT

We are well aware of the importance of the supply chain to the quality of our products and services, and sustainable development with upstream and downstream partners is a key objective of our supplier management.

### CLIENT SERVICE MANAGEMENT

The Group has compiled a Quality Management Manual to track and manage the quality of the entire process of product development, and has obtained external certification. Meanwhile, the Group endeavours to ensure that we maintain a high standard of service and product quality through internal control.

### INTELLECTUAL PROPERTY MANAGEMENT

As a high-tech enterprise, the level of intellectual property management is an important aspect of its scientific and technological R&D and technological innovation capabilities and the Group has established a comprehensive management system. We have also won the title of "Guangdong Intellectual Property Demonstration Enterprise".

# INFORMATION SECURITY AND PRIVACY PROTECTION

We are well aware of the importance of ensuring information security and consumer data protection. The Group continues to strictly abide by relevant laws and regulations and has established manuals and procedural documents such as the Information Security Management Manual, the IT Service Management Manual, the Business Continuity Management Manual and the Information Security Management Specifications, providing standardised guidance for the daily practise of information security management. During the Reporting Period, we introduced 11 new security policies covering development standards, log management, data security, and infrastructure. In addition, the Group further enhanced the cybersecurity awareness of all employees through special activities and regular awareness campaigns.

## Information Security Management Structure

| | |
|---|---|
| **Information security leading team** | The information security leading team is composed of the management of the Group and assumes the primary security responsibility, comprehensively deploys the security management, formulates security policies and strategies, schedules and coordinates resources, and inspects the implementation of security work. |
| **Management representative** | The management representative is authorised and appointed by the general manager of the Group, and is responsible for the information security management system and reports the operation of the information security management system to the information security leading team of the Group. |
| **Information security working group** | The information security working group is composed of the IT Management Department, the Technology Center and the information security officers from each department, and is responsible for the specific coordination and implementation of information security work. |
| **Departments and their part-time security officers** | The manager of each department is the first person responsible for the information security of the department. At the same time, each department shall designate a part-time security officer to implement the Group's security management requirements. |

## External Certification of Information Security

We have obtained a series of information security management certifications, including but not limited to the CMMI-5 Capability Maturity Measurement certification, ISO27001 — Information Security Management System certification, ISO22301 Business Continuity Management System certification. These certifications also signify that the Group has reached industry-leading standards in software development management system, security guarantee, implementation and delivery services, and project management.





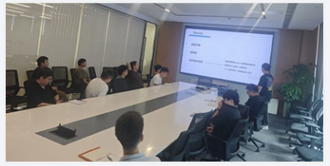



## Information Security Special Activity

The Group sets September of each year as its Information Security Month and will carry out a number of special activities based on the information security theme on information security to allow employees to immerse themselves in information security and deepen their awareness of security management.

### Activity 1: Organising Information Security Sharing Sessions

The IT department launched Information Security Sharing Sessions for all Group employees during Security Month. Through case studies, these sessions enhanced employees' daily cybersecurity awareness and helped prevent risky operations.



### Activity 2: "Weekly Security Hotspots Express"

Our IT department launched a series of information titled "Weekly Security Hotspots Express" for all employees. Featuring information security knowledge and real-world risk prevention cases, the series made cybersecurity topics more accessible and engaging for our colleagues, achieving the goal of learning through entertainment.




### Activity 3: High-risk Security Early-warning Publicity

In response to the hot or high-risk information security risks and security breaches in the market, our IT department will regularly launch security risk warning articles and provide targeted prevention solutions, thus achieving prevention and greatly reducing the probability of information security risks.




## Information Security Management Achievements

**Compliance Recognition**
Passed **7** Major Client Security Audits

**Honeypot System**
Covering Target Areas to Collect Cyber Attack Intelligence

**Product Security Self-Assessment**
Completed Software Vulnerability Scanning for **6** Product Lines of the Company

**Annual Cyber Attack Protection**
Over **ten million** malicious access attempts blocked, with a success rate exceeding **99.5%**

## Key Performance

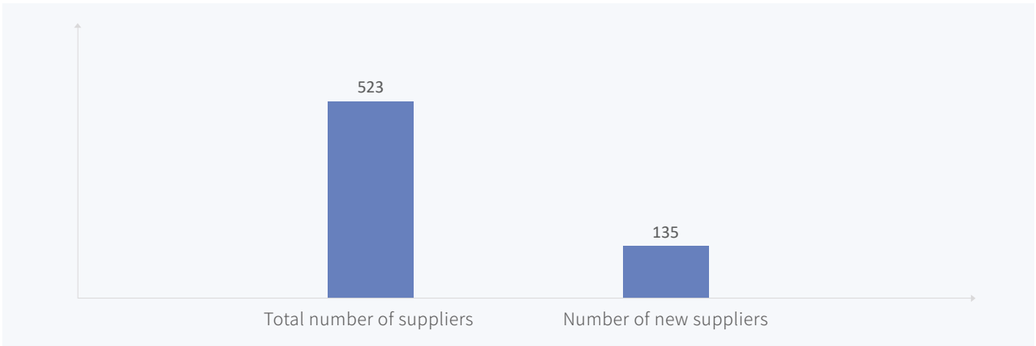
- The number of major information security incidents in the year was **0**.

# SUSTAINABLE SUPPLIER MANAGEMENT

Xuan Wu Cloud is fully aware that building a resilient and responsible supply chain is the key to achieving a sustainable business model. We extend our ESG principles comprehensively to the entire lifecycle of supplier access, assessment, and performance evaluation, and are committed to collaborating with upstream and downstream ecological partners to build a sustainable green industrial ecosystem.

During the Reporting Period, all of our suppliers were located in Chinese mainland. The Group's major suppliers are divided into three main categories, i.e. telecommunication network operators, software and hardware services providers, and logistics services providers. The Group's core suppliers are telecommunication network operators, which provide telecommunication resources such as general short messages, special short messages, multi-media messages, video messages and international messages.

## Statistics on the Number of Suppliers




**Suppliers System**

The Group adheres to internal quality requirements, establishes clear criteria for supplier qualifications in supplier access management, conducts thorough investigations, and has formulated and comprehensively implemented the Resource Management Measures for Harnessing the Cloud Department among all suppliers.

**Suppliers Selection Threshold**

In selecting suppliers, the Group prioritises those with environmental certifications to ensure compliance with environmental laws and regulations. At the same time, the Group also evaluates suppliers' performance in delivery, quality, service, safety, and environmental compliance, and conducts regular reviews of their operations to ensure they meet relevant standards.

**Suppliers Assessment**

The Group conducts quarterly assessments of suppliers' overall capabilities, and the evaluation results are linked to the allocation of high-volume customer message deliveries. Suppliers that consistently fail to meet the standards are removed from our supplier list.





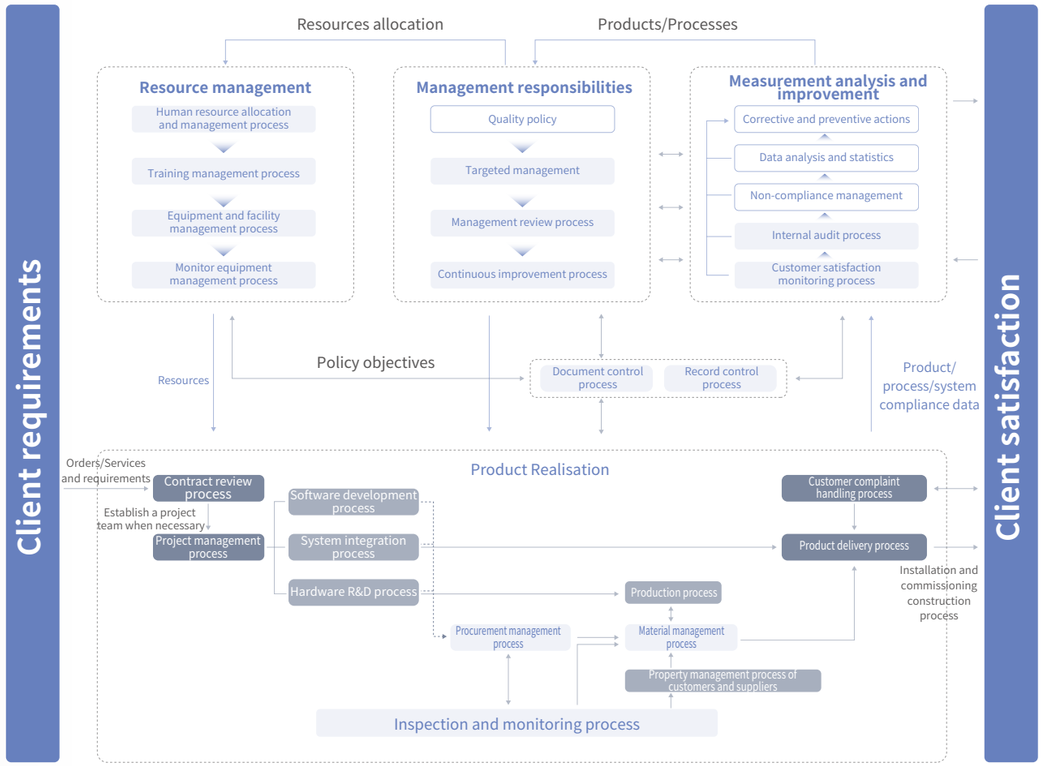
# CLIENT SERVICE MANAGEMENT

## Product Quality Management

The Group has established a comprehensive quality management system with reference to the Law of the PRC on Product Quality and the Software Product Management Approach and has compiled a Quality Management Manual to track and manage the quality of the entire process of product development. Meanwhile, to ensure the delivery of high-quality projects, the Group endeavours to ensure that we maintain a high standard of service and product quality through internal control. The Group has completed the internal and external audits for the ISO9001 quality management system certification, which effectively ensures the continuity of quality.

### Key Performance

**During the Reporting Period,** the number of products subject to recalls for safety and health reasons was **0**.



## Clients Satisfaction

The Group is always client-oriented, provides attentive service, we will be in accordance with the Company's internal Customer Service Operations Manual, and continuously follows up on clients' needs and opinions through online 400 and offline means, so as to improve clients satisfaction.

**During the Reporting Period**, the number of complaints received by the Group in relation to products and services was **0**

Our client satisfaction rate (including very satisfied and satisfied) in terms of cloud-based communication was **99.8%**

### Complaint Management

Adhering to the "client-first" service concept, Xuan Wu Cloud highly attaches importance to the customer complaint situation, in accordance with the "client feedback and handling process" and other internal systems, we established a complete closed loop client complaint handling and feedback mechanism, to ensure that every client's complaint can be quickly responded and resolved.

### Key Performance

Our service assessment standard is a **100%** achievement rate for the first return visit to customers within **48** hours

In **2025**, the incidence of customer return visits exceeding the allotted time was **0**



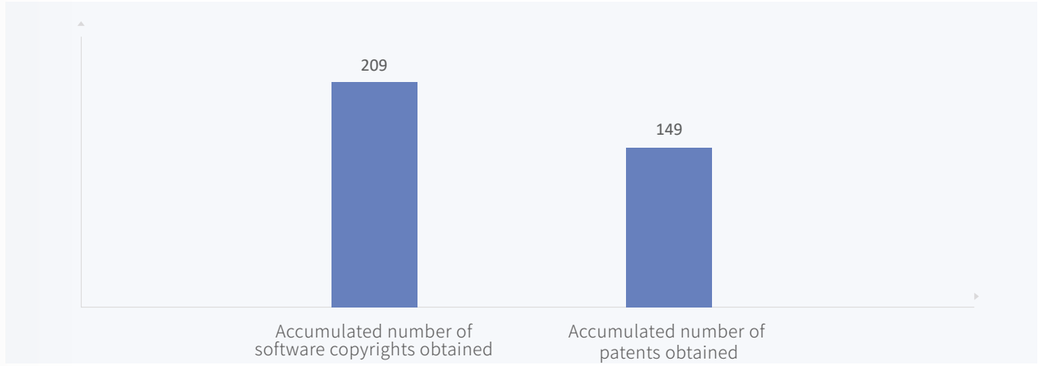




# INTELLECTUAL PROPERTY MANAGEMENT

As a high-tech enterprise, the level of intellectual property management is an important aspect of its scientific and technological R&D and technological innovation capabilities and the Group has established a comprehensive management system in this field, based on it, we have also won the title of "Guangdong Intellectual Property Demonstration Enterprise" during the year, meanwhile, we have also formulated a series of internal policies, such as the Patent Management Policy, the Trademark Management Policy, the Copyright Management Policy, and the Patent and Papers Incentive Policy, to protect the Group's service invention achievements and stimulate the enthusiasm of employees for technological innovation.

## Number of Intellectual Properties




During the Reporting Period, we officially passed the Data Management Capability Maturity Model (DCMM) Robust Level (Level 3) certification, marking that our Group has met the national authoritative standards in the construction of eight capability areas, including data strategy, data governance, data security, and data quality.

Additionally, in the critical domain of personal information protection, the Group has obtained both the ISO 27701 Privacy Information Management System certification and the ISO 29151 certification for Personally Identifiable Information protection. These two certifications collectively form a comprehensive privacy protection framework, ensuring the security and compliance of users' personal information throughout the processing lifecycle.

## Incentives for Patents and Academic Papers

In order to encourage invention and creation, enhance our scientific and technological research and development and technological innovation capabilities, promote the enthusiasm of our employees for technological innovation, and protect our service invention achievements, the Group has set up patent application awards, patent implementation remuneration, and academic paper publication awards, and different cash incentives are given according to the category of patents and the level of academic papers.

# ADHERE TO A PEOPLE-ORIENTED APPROACH

## Jointly Create a Diverse Workplace Ecosystem

Talent is the primary productive force. Xuan Wu Cloud is well aware that the health, happiness, and growth of employees are directly related to the competitiveness and innovation capability of the enterprise. Therefore, we are committed to creating an inclusive and diversified work environment, ensuring that every employee feels respected and their value is recognised. We firmly believe that valuing the well-being and development of employees can not only enhance employee satisfaction and loyalty, but also stimulate their potential and jointly drive Xuan Wu Cloud towards a more brilliant future.




### TALENT INTRODUCTION

The Group has always practised the principle of anti-discrimination and provided equal opportunities to all employees. We insist on equal pay for equal work in terms of employment, promotion and remuneration. We will not discriminate against any employee on the basis of ethnicity, marital status, gender, location or religious beliefs.

### EMPLOYEE REMUNERATION SYSTEM

We provide our employees with a comprehensive and competitive remuneration and incentive system to attract and retain talent. At the same time, we have established an equity incentive mechanism, aiming to share the Company's development achievements with employees and thus reward core personnel who have made significant contributions to the Company's development.

### CARING AND TRAINING OF EMPLOYEES

The Group prioritises the occupational health and safety of its employees and strictly complies with relevant laws and regulations that have a significant impact on it. At the same time, the Group continued to implement a number of activities and initiatives to protect the occupational health and safety of its employees.

### ENTHUSIASM ABOUT WELFARE

As a technology enterprise with warmth, Xuan Wu Cloud holds a sense of responsibility and actively fulfills the social responsibility of a corporate entity. In the daily operation process, combined with the Company' s own business situation, the Company has carried out public welfare activities such as donating computers to schools with weak educational resources during the year.

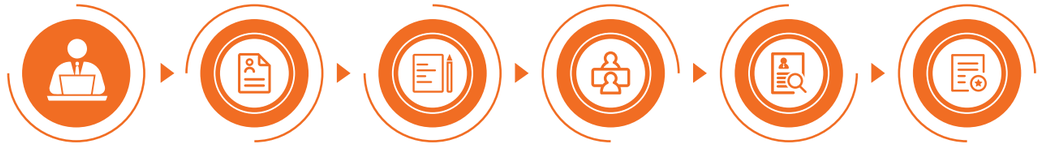
# TALENT INTRODUCTION

The Group has always practised the principle of anti-discrimination and provided equal opportunities to all employees. We insist on equal pay for equal work in terms of employment, promotion and remuneration. We will not discriminate against any employee on the basis of ethnicity, marital status, gender, location or religious beliefs. We have thus established a diversified and inclusive talent structure, under which we had a total of 363 employees during the year.

The Group strictly complies with the relevant laws and regulations that have a significant impact, including but not limited to the Labour Law of the PRC, the Labour Contract Law of the PRC, the Provisions on the Prohibition of Using Child Labour, and others, and has formulated internal policies on the Employee Handbook. During the Reporting Period, the Company did not experience any incidents of child labour, forced labour, or compulsory labour.

To avoid child labour and forced labour, the Group requires job applicants to provide identity documents during interviews and conducts rigorous verification to confirm the age of the applicants. If any instances of child labour or forced labour are discovered, the employment contract will be immediately terminated and a comprehensive investigation will be initiated. During the Reporting Period, the Company did not experience any incidents of child labour, forced labour, or compulsory labour.

We have established a comprehensive talent introduction system, committed to actively recruiting outstanding external talents through social and campus channels, in order to attract professionals with diverse backgrounds and experiences to join the Company. In addition, the Group promotes the values of internal mutual help and mutual growth and adheres to the recruitment principle of "open recruitment, internal priority, fair competition and selection of excellence" and has formulated an effective internal recruitment and promotion mechanism. Therefore, our employees can make adjustments to their positions in conjunction with their individual career planning instead of leaving the Group directly. This management strategy is also aimed at reducing our employee turnover rate (please refer to the appendix on page 79 for the turnover rate of employees by gender, age group and geographical region).




## Employee Composition

### As at the end of the Reporting Period

The Group has a total of **363** employees

**10** ethnic minority employees

### By gender

Male: **57.0%**

Female: **43.0%**

Percentage of female in management[5]: **24.1%**

### By age group

Under 30: **35.8%**

Between 30 to 50: **63.9%**

Above 50: **0.3%**

### By educational background

Master degree: **3.6%**

Bachelor degree: **76.0%**

Other educational qualifications: **20.4%**

### By geographical region

**100%** in the PRC

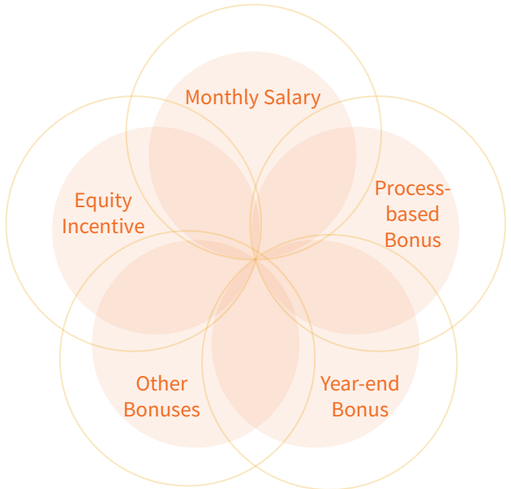
5. Management refers to members of the Company holding positions of second-level managers and above

# EMPLOYEE REMUNERATION SYSTEM

We provide our employees with a comprehensive and competitive remuneration and incentive system to attract and retain talent. Currently, our remuneration model embodies five principles: sustainable development, market matching, broadband remuneration, performance-based, and dynamicity.

At the same time, to stimulate employees' innovation vitality and sense of identification with the Company, we have established an equity incentive mechanism, aiming to share the Company's development achievements with employees and thus reward core personnel who have made significant contributions to the Company's development.

## Composition of Xuan Wu Cloud's Remuneration:




## Xuan Wu Cloud Value Achievers (價值觀達人)

As a distinctive thematic activity for corporate culture and employee incentives within our Group, we adhere to the Group's value system of "client-first", "forge ahead", and "mutual achievement". We assess employee performance monthly and annually, and conduct a case collection and selection of "value achievers" within the Group. For employees who become monthly value achievers, we will not only provide certain incentives, but also use this as an important basis for future promotions and remuneration adjustments.






## Employee Benefits

The Group has a sound time and attendance system and adopts a five-day-a-week, eight-hour-a-day working arrangement, encouraging its employees to complete their assignments efficiently during normal working hours and not advocating overtime work. If there is a genuine need to work on national holidays and weekends, prior approval must be sought and the Group will arrange for the employees to take a compensatory leave and provide them with overtime allowance.

In addition, the employees of the Group are entitled to national holidays, paid annual leave, marriage leave, prenatal check-up leave, paternity leave, parental leave, maternity leave, sick leave, personal leave, work injury leave and funeral leave. Regarding employee benefits, the Group legally contributed to social insurance and the housing provident fund for its employees establishing a comprehensive welfare and security system. In addition to meeting the statutory employee benefits stipulated by the state, we also provide the following additional supplementary benefits for our employees:

| Supplementary accident insurance | Subsidies for IT equipment | Other subsidies |
|---|---|---|
| The Company has purchased additional traffic accident insurance and accidental injury insurance for all employees, thus providing them with more comprehensive protection. | The Company advocates energy conservation and emission reduction, and provides a certain amount of cash subsidies to employees who use their own IT equipment for work each month. | The Company also provides regular health check-ups for its employees, as well as occasional festive care activities and departmental afternoon tea events. |

## Women's Day Themed Activity

On the eve of International Women's Day, we organised a themed event dedicated to this special day, aiming to provide a relaxing and enjoyable time for female customers and colleagues to interact. Through interactive fun games and aromatherapy plaster handcrafting experiences, we conveyed warmth and care, reflecting the Company's respect and protection towards female employees, further fostering emotional cohesion and creating a harmonious and inclusive environment.



# CARING AND TRAINING OF EMPLOYEES

## Employee Health

The Group prioritises the occupational health and safety of its employees and strictly complies with relevant laws and regulations that have a significant impact on it, including but not limited to the Production Safety Law of the PRC, the Fire Control Law of the PRC, the Law of the PRC on Prevention and Control of Occupational Diseases and the Measures for the Administration of Occupational Health Examination and others. During the Reporting Period, the Group did not violate any of the relevant laws and regulations relating to the provision of a safe working environment and the protection of employees against occupational hazards.

In each of the past three years, the number of fatalities due to work-related accidents and the number of working days lost due to work-related injuries were **0**.

The Group implemented a number of activities and initiatives to protect the occupational health and safety of its employees. For example, organised basketball and running clubs, to encourage employees to adopt a healthy lifestyle; regularly arranged inspections and maintenance of workplaces, building structures, and fire safety facilities to avoid safety hazards; and regularly organised medical check-ups for employees.

Due to the nature of business of the Group, employees mainly work in office premises where they are not exposed to dust, radioactive substances and other toxic and hazardous substances.

### Xuan Love Week — BINGO Care · Unleashing Vitality (玄愛周-關愛BINGO·活力全開)

#### Healthy Triad Power (健康三原力) Activity

Xuan Love Week is a series of activities we provide for our employees, aimed at regularly organising themed care activities. For example, during the Xuan Love Week event held in April and May, we organised the "Healthy Triad Power" event. The Group brought multiple body safety monitoring instruments and invited professional doctors to enable employees to fully understand the triad power of heart health, immunity, and traditional Chinese medicine wisdom for health preservation, and to identify potential sub-health risks.





## Caring of Employees

Listening to their suggestions is a crucial foundation for the steady development of our enterprise. To this end, we have designated employee relations specialists who, through online and offline communication channels, promptly gather feedback and demands from employees regarding various aspects of the Group. Through interactive communication among them, we aim to solve problems arising in the daily operation of the Group and promote its steady development.

### Health Survey of the Group's Organisation

To better understand the current status and existing issues within the Group's internal environment, and to continuously optimise the Group's various systems, policies, and processes, improve the working environment and atmosphere for everyone, and build a positive and cohesive team, we annually distribute the "Xuan Wu Cloud Organisation Health Survey (玄武雲組織健康度調查問卷)" to all employees. The coverage rate of employee survey completion reaches **100%**. During the Reporting Period, the overall health level of our organisation was above **90%**.




### Quarterly Employee Recognition Activity

To recognise excellence and set examples, fostering the spirit of dedication, commitment, and striving for excellence, and to further stimulate the enthusiasm and vitality of all employees in their work and entrepreneurial endeavours, since the second quarter of the Reporting Period, the Group has initiated a new special recognition programme for outstanding employees on a quarterly basis. Employees who have achieved two or more Performance A ratings or one Performance S rating within the quarter will be collectively recognised and publicly promoted within the Company.



### Employee Service Recognition Activity

We annually organise special activities recognising employees who have been with us for one, three, five, and eight years, respectively, to acknowledge their long-term dedication and contributions to the Group.



## Staff Training

The Group attaches great importance to the sustainable development of employees. The career paths of employees are divided into technical professional line, management professional line, and marketing professional line. Targeted at different categories of talents and employees at all levels of the Group, we provide a large number of training resources, including newcomers' training, on-the-job training, professional development seminars and accredited educational courses, and online learning platform, X-Learning.

During the Reporting Period, in addition to regular training, we have also carried out a series of entertaining activities based on the actual situation of the Group. For example, we invited all employees to participate in an AI efficiency improvement initiative, aiming to promote the application of AI tools that enhance work efficiency in internal teaching. In terms of technical training, we regularly launch technical thematic training courses, with technical experts from the Group serving as instructors, effectively improving our technical talent reserves.

Through training, employees not only enhance their professional knowledge but also acquire "company-issued tokens (飞象幣)" which can be redeemed for cash rewards, effectively boosting their enthusiasm for training and learning.

### During the Reporting Period

The number of employees: **363**

Percentage of employees trained: **97%**

Average training time of employees: **68** hours

#### Average training hours of employees by gender

| | |
|---|---|
| Male | 66.4h |
| Female | 75h |

#### Average training hours of employees by age

| | |
|---|---|
| Under 30 | 65.4h |
| Between 30 to 50 | 71.5h |
| Above 50 | 23.7h |

#### Average training hours of employees by grade

| | |
|---|---|
| Junior employees | 64.3h |
| Middle management | 106h |
| Senior management | 17h |

The number of participants in technology-related training was **91**

Average training time was **75.3** hours

The number of participants in management training was **58**

Average training time was **76.3** hours

The number of participants in management training was **101**

Average training time was **107** hours



## Employee Promotion Assessment and Development Mechanism

### Technology-related case

#### Technical Engineering Practises

We organise training sessions to assist colleagues from the testing and development departments in learning about the key tasks involved in each stage of a performance project, as well as practical applications. Through this, they gain a deeper understanding of the value of performance and performance development from a broader, more holistic perspective. Consequently, this enhances the practical application capabilities of colleagues in the technical department.



### Marketing case

#### Wolf Journey Training Camp V3.0

To enhance the sales capabilities of our sales department employees, we have continued to promote training courses and established a platform for sales exchange and sharing, thereby laying a solid foundation for the Company's performance improvement. During the Reporting Period, we organised a total of eight "Wolf Pack" training camps, with an average participation rate of 88.2%, and produced eight research assets.



### Management case

#### Business Unit Managers Training Camp 3.0

To further retain talent and cultivate qualified leaders for our business units, we conducted the third phase of our Business Unit Managers Training Camp during the Reporting Period. As at the end of the Reporting Period, we had conducted three sessions of 11 offline thematic courses, with an average participation rate of 84%. The management capabilities of the trainees have been significantly enhanced.



# ENTHUSIASM ABOUT WELFARE

As a technology enterprise with warmth, Xuan Wu Cloud holds a sense of responsibility and actively fulfills the social responsibility of a corporate entity. In our daily operations, combined with the Company' s own business situation, the Company has carried out public welfare activities such as donating computers to schools with weak educational resources during the year.

## Xuan Wu Cloud donates computers to schools with limited educational resources

During the Reporting Period, the Group actively responded to the call of the "Hundred-Thousand-Million Project (百千萬工程)" educational initiative launched by the Science and Technology Association of Haizhu District, Guangzhou City (Haizhu District Science and Technology Association), and donated computer equipment to schools with weak educational resources in Weng'an County, Guizhou Province, and Jintan Town, Qingyuan City, Guangdong Province, aiming to inject new momentum into the development of rural educational informatisation.

During the Reporting Period, the Group donated a total of 40 computer devices, with a market appraised value of RMB100,000.












## Fire Public Welfare Training: Boosting Safety Awareness Promotion

In June, the Headquarter of Xuan Wu Cloud hosted a fire safety drill training and safety education public welfare event at Dongsheng Yunding Building with the theme of "Everyone Pays Attention to Safety, Everyone Knows Emergency Response — Keep the Emergency Exit Passable"(人人講 安全、個個會應急 — 暢通生命通道). As one of the major tenants in this office building, Xuan Wu Cloud actively responded to the call from the property management team and organised its employees to participate in the fire safety drill and training. At the event site, Xuan Wu Cloud employees enhanced their awareness of fire safety, knowledge base, and self-rescue capabilities through on-site operation of mini fire trucks, fire extinguishers, gas masks, and other fire equipment, as well as on-site teaching by professional fire departments.





## Public Welfare Initiative: Guiding Employees to Pay Attention to Ecological Festivals

As an enterprise with a strong sense of social responsibility and a commitment to public welfare, Xuan Wu Cloud has always firmly believed that the harmonious resonance between enterprise development and ecological protection is the sustainable and long-term path to take. In this context, during the Reporting Period, we released posters on multiple global ecological festivals to advocate for all employees to pay attention to ecological environmental protection and strengthen their awareness of protecting the ecological environment.






# PURSUING GREEN OPERATIONS

## Co-creating a Zero-carbon Future

Xuan Wu Cloud firmly believes that environmental protection is a crucial pillar for the sustainable development of enterprises. We actively engage in environmental protection initiatives, promote green office practises, and integrate the concept of green development into our daily operations. We emphasise the efficient utilisation of energy resources and strive to establish an environmentally friendly operational model. Simultaneously, we strengthen environmental risk management, actively respond to the challenges posed by climate change, explore green technologies, and undertake comprehensive environmental protection actions, contributing to the building of a zero-carbon future.




### GREEN DEVELOPMENT SYSTEM

Xuan Wu Cloud actively responds to the national "3060" dual carbon targets, integrating green environmental protection concepts into daily operations. We continuously improve our climate governance framework and actively address the challenges of climate change by setting and continuously monitoring climate targets.

### GREEN TECHNOLOGY AND EQUIPMENT

Xuan Wu Cloud is committed to promoting green operation and maintenance. By optimising our equipment management and monitoring systems, we achieve efficient energy utilisation and minimise environmental risks. At the same time, to enhance the resilience of green operation and maintenance, we have also strengthened our disaster backup system to ensure business continuity.

### GREEN OFFICE

In light of the actual operational conditions of the office space, Xuan Wu Cloud actively promotes measures related to paper conservation and water conservation in daily operations. Additionally, various measures are taken to encourage employees to choose green travel modes, jointly creating a low-carbon and environmentally friendly office environment.

### RESPONDING TO CLIMATE CHANGE

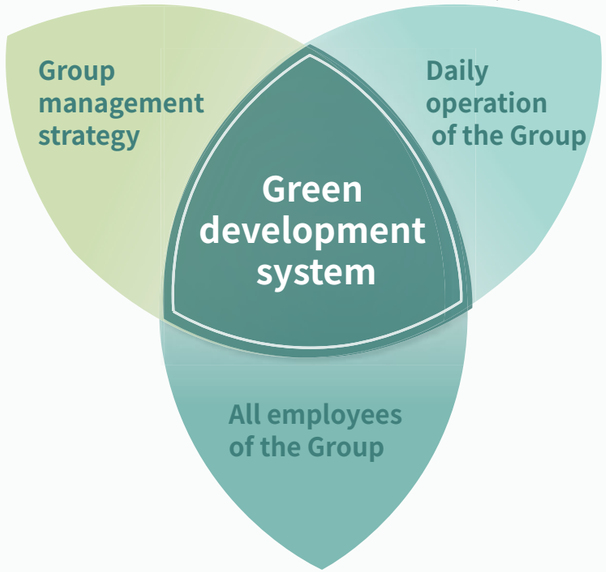
Xuan Wu Cloud continuously identifies and analyses climate change factors that impact the Group's operations, referencing standards such as the "Climate-related Disclosures" section in Part D of the Stock Exchange's ESG Code. Based on actual conditions, it formulates a series of strategies and measures to address climate risks and opportunities, actively responding to climate change.

# GREEN DEVELOPMENT SYSTEM

Xuan Wu Cloud strictly adheres to relevant environmental protection laws and regulations such as the Environmental Protection Law of the PRC, the Energy Conservation Law of the PRC, and the Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Waste. We actively respond to the national "3060" dual-carbon goals, integrate green environmental protection concepts into daily operations, and fulfil our commitment to green operations through practical actions. We continue to improve our climate governance framework, optimise climate governance strategies, strengthen climate risk management, and actively address the challenges of climate change by setting and continuously tracking climate goals. **During the Reporting Period, we did not find any serious violations of environmental protection laws and regulations.**

Identify the potential impacts of climate change on the Group's operations and devise appropriate response measures

Promote green office practises and implement proactive energy-saving measures and utilise energy-efficient equipment




Promote water conservation, energy conservation, and garbage classification, encourage the use of public transportation, etc.



# GREEN TECHNOLOGY AND EQUIPMENT

Xuan Wu Cloud is committed to promoting green operation and maintenance, achieving efficient energy utilisation and minimising environmental risks through optimising equipment management and monitoring systems.

## Dynamic Environmental Monitoring System

We continuously optimise our dynamic environmental monitoring system, integrating functions such as image surveillance, alarm threshold setting, fault alerts, emergency event handling, and data recording and analysis. This enables timely and accurate identification of environmental issues in the server room, thereby preventing energy wastage caused by equipment malfunctions. By leveraging Internet of Things (IoT) control technology, we have deployed a network of intelligent sensors to monitor equipment status in real-time and automatically adjust operational parameters. For instance, the system can monitor temperature, humidity, and electrical parameters in real-time. Once preset thresholds are exceeded, an alert is triggered to ensure swift response from the operation and maintenance team, thereby reducing unnecessary energy consumption.

## Server Room Patrol Mechanism

We have formulated a server room patrol mechanism, conducting comprehensive inspections weekly centering around aspects such as equipment operational parameters, operational status, personnel management, and work records. Special inspections are also conducted based on climatic conditions and external environments to identify potential environmental risks and eliminate operational risks to the greatest extent possible.

## Noise Management

In terms of noise management, we have installed shock absorbers, soundproof doors, and other sound insulation and absorption facilities in the machine room to reduce the noise and vibration generated. We have also strengthened the regular maintenance of key components such as exhaust fans and motor shafts. Additionally, we have maintained the sealing strips of the fireproof doors in the machine room to further reduce noise dispersion and create a more pleasant working environment.

## Disaster Recovery System

To enhance the resilience of green operation and maintenance, we have strengthened our disaster recovery system. Through data centre backups and automatic switching mechanisms, we ensure business continuity in the event of extreme events such as natural disasters. At the same time, we optimise the energy efficiency configuration of backup equipment to avoid redundant energy consumption.

# GREEN OFFICE

## Resource and Energy Use Management

In combination with the actual operational conditions of the office space, Xuan Wu Cloud actively promotes measures related to paper and water conservation in daily operations, and adopts various measures to encourage employees to choose green travel modes, jointly creating a low-carbon and environmentally friendly office environment. In terms of packaging material resources, based on the business characteristics of Xuan Wu Cloud, we do not need to purchase packaging materials separately. The usage of sample packaging and its impact on the environment are negligible, and our business operations do not have a significant negative impact on the environment and natural resources.

## Save Water

We strictly adhere to the Water Law of the PRC and other applicable laws and regulations in our operational locations. We establish water conservation goals, regularly assess water usage, identify instances of water resource wastage, and explore potential opportunities to enhance water efficiency. Simultaneously, we actively seek ways to optimise water resource management, striving for a more efficient water usage model.

Our daily water supply primarily comes from municipal water supply, and we do not face pressure in terms of water resource usage. To reduce water consumption, we actively adopt water-saving devices, such as automatic sensing faucets, which effectively prevent water waste and enhance water usage efficiency during operations. At the same time, we continuously promote the concept of water conservation to our employees through methods such as posting water conservation slogans, creating a corporate culture atmosphere of water conservation.

**Water resource consumption goal**

**Using 2025 as the baseline, we plan to maintain the same or decrease year-on-year in 2026**

- All water faucets are equipped with automatic sensing systems to prevent employees from forgetting to turn them off and wasting water resources
- Post reminders to remind employees to conserve water

## Energy Saving and Efficiency Improvement

We strictly adhere to the Energy Conservation Law of the PRC and actively promote the rational use of energy. In our daily operations, our primary source of energy is outsourced electricity. Simultaneously, we continuously collect and monitor energy consumption data, actively seeking opportunities to optimise energy efficiency.

We regularly turn off the lights in elevator lobbies, corridor lights, and lighting equipment in non-essential work areas after employees have finished work. Additionally, the office area is equipped with a smart lighting system that employs multi-mode control and utilises LED and energy-saving lamps, allowing the lights to automatically turn off within a specified time frame. We also post reminders in meeting rooms to encourage employees to turn off screens and lights when leaving.



Regarding air conditioning equipment, our main office area employs a centralised cooling system for office buildings. While ensuring comfortable indoor temperatures, we require the building property management to optimise the air conditioning operational load reasonably and scientifically adjust the cooling temperature according to seasonal changes and office hours. During non-working hours and holidays, the air conditioning supply in both public and office areas is uniformly shut off. At the same time, professional technicians are arranged to regularly clean and maintain the fan coils, ventilation equipment filters, and strainers to ensure efficient and stable operation of the air conditioning system.

**Electricity consumption goal**

**Using 2025 as the baseline, we plan to maintain the same or decrease year-on-year in 2026**

- Adopt a multi-mode control lighting system and utilise LED and energy-saving lamps
- Post reminders in the meeting room reminding employees to turn off screens and lights when they leave
- Intelligent lighting in the office area, which automatically turns off within specified time periods

## Save Paper

The Group vigorously promotes paperless office practises both internally and externally to reduce paper waste. Internally, we handle and store documents through an electronic document management system, which facilitates employees' uploading, viewing, and sharing of documents while reducing paper usage. In addition, we encourage employees to adopt double-sided printing, minimise the duplication and printing of images, and promote double-sided printing and waste paper recycling. Externally, in accordance with the new Rule 2.07A of the Stock Exchange's Listing Rules and the Articles of Association, we commit to distributing relevant corporate documents to shareholders through electronic communication, and will only send printed documents to shareholders upon their request.

## Waste Management

Xuan Wu Cloud strictly adheres to the requirements of relevant regulations on waste disposal, such as the Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Waste, to ensure the compliant treatment of various types of waste. We annually summarise the total amount of harmless and harmful waste to identify and seize opportunities to reduce waste generation. At the same time, we set waste management goals and strive to minimise waste as much as possible.

Due to the nature of our business, our operations do not involve emissions of waste gas. The waste water discharged mainly consists of domestic sewage, while the waste generated primarily consists of daily office waste (such as waste paper boxes and paper) produced by employees during their workday, as well as household kitchen waste (garbage generated by employees eating at the company), and hazardous waste mainly consists of used batteries. We strictly implement waste classification management, with recyclable waste being uniformly collected. For non-recyclable waste and hazardous waste, we entrust it to qualified units for standardised disposal.

## Hazardous Waste

- We will regularly organise activities to promote the recycling of used batteries. Meanwhile, we will set up a drop-off point for used batteries at the front desk. If any employee needs to replace a battery, they must first dispose of the old used battery in the recycling bin.

## Non-hazardous Waste

**Using 2025 as the baseline, we plan to maintain the same or decrease year-on-year in 2026**

- Encourage a paperless office environment, minimise the copying and printing of images, and promote double-sided printing and the reuse of waste paper
- Encourage employees to bring their own lunch boxes to reduce the use of disposable tableware
- Regularly clean up garbage and strictly classify it, recycle and encourage the reuse of reusable waste

In addition, we actively promote waste recycling programmes, especially targeting battery waste generated in offices, and encourage employees to participate in recycling activities, thereby reducing the potential harm of used batteries to the environment. **During the Reporting Period, we held the "Disappearing Batteries" environmental theme event for the third consecutive year.**

### "Disappearing Batteries"

This is the third consecutive year that Xuan Wu Cloud has hosted this environmental protection-themed event. A button battery can pollute 600,000 litres of water after being discarded in nature, and the toxic elements of lead, mercury and tin contained in waste batteries will damage human health, and the recycling of batteries is imperative!

The quantity of batteries recycled during the year was **186**






# RESPONDING TO CLIMATE CHANGE

Xuan Wu Cloud refers to the "Climate-related Disclosures" standard in Part D of the ESG Reporting Code of the Stock Exchange, the "International Financial Reporting Standard 2 — Climate-related Disclosures" (IFRS S2) issued by the International Sustainability Standards Board (ISSB), and the framework of the Task Force on Climate-related Financial Disclosures (TCFD), which recommends continuously identifying and analysing climate change factors that impact operations of the Group, and developing a series of strategies and measures to address climate risks and opportunities in light of actual circumstances, in order to actively respond to climate change.

## Governance

Xuan Wu Cloud has always integrated the concept of sustainable development into its corporate strategy and earnestly fulfilled its emission reduction commitments. We attach great importance to climate change governance, continuously optimise our internal climate change management mechanism, and have clearly set carbon emission management targets.

| | |
|---|---|
| **Board of Xuan Wu Cloud** | The highest decision-making body for climate change matters within the Group bears ultimate responsibility for the Group's climate-related strategies and reporting. The Board authorises the Audit Committee to oversee and provide recommendations on climate risk identification, assessment, and management, as well as the formulation and progress of climate-related goals. The Board regularly reviews the ESG report each year and is regularly informed of climate-related risks and opportunities, ensuring that climate factors are integrated into the Group's strategic planning. In overseeing the Group's strategies, major transaction decisions, and risk management processes, the Board and Audit Committee will consider climate-related risks and opportunities, including weighing relevant trade-offs such as transformation costs against long-term sustainable benefits. |
| **President's Office** | Assist the Audit Committee in making comprehensive decisions regarding our climate-related matters, guide and supervise relevant departments in carrying out and implementing climate-related response actions, and report the progress of annual work to the Board and the Audit Committee. |
| **ESG Working Group** | Responsible for implementing strategies related to climate issues and regularly reporting to the management and the President's Office on action plans and progress related to climate issues. For details of the governance structure, please refer to the previous section "ESG Governance Structure". |

During the Reporting Period, we conducted training and information sharing sessions for directors of the Group on topics such as The Financial Impacts, Responses, and Opportunities of Climate Risk on Businesses, to help them understand the latest changes in climate change guidelines and response measures, and enhance their professional understanding and competency in climate-related matters. The Group has not yet incorporated climate-related considerations into its compensation policy.

## Strategy

Xuan Wu Cloud regularly assesses the impact of climate-related risks and opportunities on the Group's operations and value chain. During the year, we have taken into account our own business operations, referenced internationally accepted climate change trend predictions, and consulted external experts' advice to further identify and analyse the potential short-term, medium-term, and long-term impacts of climate-related risks and opportunities on the Group's operations and finances.

In light of the relief arrangements provided by the Stock Exchange (including reasonable information waiver, capability relief, and financial effects relief), this report temporarily refrains from disclosing specific details regarding financial impact and climate-related scenario analysis, and primarily focuses on qualitative descriptions. Furthermore, we have not yet finalised our climate-related transformation plan. The Group commits to continuously enhancing relevant capabilities and gradually improving them in future reports.

## Climate-related Physical Risks

Xuan Wu Cloud has fully identified the potential impacts that extreme weather events may bring in operational scenarios. The company systematically evaluated acute and chronic climate risks from three aspects: risk type, time dimension, and impact degree.

| Risk type | Impact on business and value chain | Potential financial impact | Time range[6] | Countermeasures |
|---|---|---|---|---|
| Acute physical risks (extreme weather events such as floods, rainstorms, typhoons, etc.) | Extreme weather events such as floods, rainstorms, and typhoons can damage infrastructure, electronic equipment, and other facilities, resulting in the impairment or disposal of the Company's fixed assets. The health and safety of employees, customers, or business partners may be affected by extreme weather, potentially disrupting business operations. | Fixed asset impairment, increase in operating costs, and decrease in operating income | Short-term, medium-term, long-term | During the process of selecting locations for owned and leased assets such as office buildings, comprehensive consideration should be given to geographical location and local natural conditions to minimise the impact of extreme weather on business operation stability. Establish emergency operation procedures for extreme weather conditions that cover operational locations, formulate standardised response measures and mechanisms before, during, and after the occurrence of such events, and conduct daily emergency drills to comprehensively enhance flood prevention and typhoon emergency response capabilities. Pay attention to employees' occupational health and safety, prepare emergency plans for extreme weather conditions, minimise outdoor activities for employees during extreme weather, and provide them with corresponding protective measures. |

6. Taking into comprehensive consideration core business planning, the time frame for achieving social low-carbon development goals, climate-related disclosure standards, and management recommendations, we have set the time frame as follows: within 2 years (inclusive) after the end of the Reporting Period (short-term); 2 to 5 years (inclusive) after the end of the Reporting Period (medium-term); and more than 5 years after the end of the Reporting Period (long-term), in order to conduct a reasonable assessment of the impact of climate on the Group's business development across different time periods.





| Risk type | Impact on business and value chain | Potential financial impact | Time range[6] | Countermeasures |
|---|---|---|---|---|
| Chronic physical risk (average temperature rise) | An increase in average temperature may lead to an increase in water consumption by employees, necessitating the installation of more cooling equipment in office buildings or extending the operating hours of existing cooling equipment, thereby increasing energy consumption. Persistent high temperatures may increase the likelihood of fire disasters within the Group, preventing employees from working outdoors for extended periods, and thus affecting operational efficiency. | Decrease in operating income while increase in operating costs | Medium-term and long-term | During the site selection phase of the office area, identify and assess the water resources and energy supply pressure in the area, and make reasonable site layout decisions; regularly inspect and repair the electrical system and cooling facilities to prevent fires; and continuously enhance cooling efficiency through various technological upgrades during the operational phase. |
| Chronic physical risk (sea level rise) | Rising sea levels may inundate coastal office areas, cause asset or equipment losses and affecting normal business operations. | Fixed asset impairment, decline in operating income, and increase in operating costs | Medium-term and long-term | Based on historical data on sea level rise, and taking into account the location of data centres and office areas in coastal areas, we can make a reasonable prediction of potential risks. |

## Climate-related Transition Risks

With the escalating global climate change, we are facing unprecedented challenges. Frequent extreme weather events, rising sea levels, and loss of biodiversity constantly remind us that we must take action to address this global crisis.

| Risk type | Impact on business and value chain | Potential financial impact | Time range[6] | Countermeasures |
|---|---|---|---|---|
| Policy and legal risks (information disclosure) | The requirements for climate-related information disclosure are becoming increasingly stringent. Failure to promptly establish robust information disclosure capabilities and relevant data statistics management capabilities may lead to compliance disclosure risks and have a negative impact on our reputation. | Increase in compliance costs | Short-term, medium-term, long-term | Continuously track and interpret the dynamics of climate-related information disclosure standards, gradually establish and improve data management systems, such as climate-related financial impacts, continuously enhance the ability to identify and respond to climate-related risks, and steadily improve climate-related disclosure performance. |
| Technical risk (development and application of emerging low-carbon technologies) | As various sectors of society continuously raise the standards for low-carbon environmental technologies and solutions, enterprises that fail to swiftly identify and adopt relevant technologies may exacerbate the impact of climate change risks. Their products and services may also lag behind those of their competitors, affecting the overall revenue of the enterprise and increasing competitive pressure. | Decrease in operating income | Short-term, medium-term, long-term | We are actively adjusting our green development strategy, adhering to the dual-driven approach of "technology + business". When developing new technologies, we always prioritise customer needs and continuously follow market dynamics to optimise our technologies and products. |
| Market risk (energy price volatility) | The requirements for climate-related information disclosure are becoming increasingly stringent. Failure to promptly establish robust information disclosure capabilities and relevant data statistics management capabilities may lead to compliance disclosure risks and have a negative impact on our reputation. | Increase in operating costs | Short-term, medium-term, long-term | Continuously track and interpret the dynamics of climate-related information disclosure standards, gradually establish and improve data management systems, such as climate-related financial impacts, continuously enhance the ability to identify and respond to climate-related risks, and steadily improve climate-related disclosure performance. |
| Market risk (market preference) | With the increasing public awareness of green consumption, customers tend to choose green and low-carbon service providers. The shift in market preference may affect the market promotion of a company's core business. If a company cannot meet the low-carbon demands of the market, it may lead to a decline in revenue and market share. | Decrease in operating income | Short-term, medium-term, long-term | We adhere to the "client first" philosophy, regularly assessing customer preferences. We promptly adjust to meet the market's low-carbon demand, establish an efficient communication and feedback mechanism, and understand customer business needs. At the same time, we actively carry out green environmental protection publicity work in communities and other areas to enhance our corporate environmental image. |
| Reputational risk (change in investment philosophy) | Global investors are increasingly concerned about climate change issues. Delayed response or lack of information transparency may damage corporate reputation, weaken investor confidence, and affect corporate earnings, institutional rating results, and public credibility. | Reduction in financing channels | Short-term, medium-term, long-term | Establish an effective risk assessment system and evaluation model to regularly assess the impact of climate change-related matters on our reputation; improve the information disclosure mechanism, enhance information transparency, and actively respond to the concerns of investors, customers, and other stakeholders regarding the climate issues of Xuan Wu Cloud; strengthen public opinion monitoring on climate risk-related matters, promptly respond to stakeholders' concerns about climate issues, and provide quick feedback. |

## Climate-related Opportunities

| Risk type | Impact on business and value chain | Potential financial impact | Time range[6] | Countermeasures |
|---|---|---|---|---|
| Resource efficiency (use of clean technology/energy) | New technologies provide enterprises with more low-cost options in the use of renewable energy, energy conservation, and emission reduction, helping them reduce operating costs while further reducing carbon emissions. | Decrease in operating costs | Short-term, medium-term, long-term | During the operation process, we procure green energy and increase the proportion of clean energy usage. |
| Products and services (providing green and low-carbon products and services) | Provide customers with products and services that align with their green and low-carbon preferences, assisting them in achieving carbon neutrality across their value chain, thereby increasing market share. | Increase in operating income | Short-term, medium-term, long-term | Rationally allocate resources to create low-carbon products and services, strengthen research and development of green and low-carbon products, meet demand, and potentially increase the group's revenue. |
| Market (sustainable financing) | With the continuous improvement of policies related to sustainable financing, the Group's achievements in the field of low-carbon energy conservation will provide it with more diversified financing channels. | Increase in financing channels | Short-term, medium-term, long-term | Identify and respond to supportive government policies and green projects. |

## Risk Management

Xuan Wu Cloud is in the process of incorporating climate-related risks into the Company's risk management procedures. By combining actual business conditions, industry analysis, and external expert advice, we identify potential risks and development opportunities brought about by various climate-related risks. Based on feedback from various departments, we comprehensively consider the likelihood of risk and opportunity occurrence and their impact on the Company, prioritise risks and opportunities, and develop targeted response measures. The Company regularly monitors climate-related risks and gradually enhances its resilience in dealing with climate change.

### Risk Identification

Regularly carry out risk identification work, collaborate with external consultants to analyse external policies and industry development trends, and identify climate-related risks and opportunities related to Xuan Wu Cloud. Through internal communication meetings, determine the list of climate-related risks and opportunities.



### Risk Assessment

Assess the likelihood and severity of impacts of risks, determine the comprehensive risk level using a risk matrix, thereby determining the priority of climate change risks, and identify significant risks.

### Risk Response

For identified major risks, develop response measures for climate risk to eliminate, reduce, or transfer risks.

### Risk Monitoring and Control

Continuously monitor climate risks and opportunities, regularly update the list of climate risks and opportunities, and ensure that management receives regular reports on climate-related risks and opportunities.

## Indicators and Targets

To better understand our current carbon emission status, we conducted a greenhouse gas emissions inventory for Scope 3 for the first time during the Reporting Period, based on the "GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011 Edition)" developed by the World Resources Institute (世界資源研究所) and the World Business Council for Sustainable Development (世界可持續發展工商理事會).

- Scope 1 (Direct emissions): Direct GHG emissions from sources owned or controlled by the Group. The amount for the Reporting Period was 0 kg $CO_2e$ (no direct emissions).
- Scope 2 (Indirect energy emissions): Indirect emissions from the purchase of electricity. The amount during the Reporting Period was 92,196.6 kg $CO_2e$.
- Scope 3 (Other indirect emissions): Originating from upstream and downstream activities within the value chain. During the Reporting Period, the total amount was 286,283.2 kg $CO_2e$, with the main components including:
  - Upstream leased assets: 17,889.2 kg $CO_2e$ (primarily related to energy use in data centre leases).
  - Business travel: 268,394.0 kg $CO_2e$ (emissions from employee travel).

During the Reporting Period, the Group did not incur any capital expenditure, financing, or investment related to climate-related risks and opportunities, and did not set an internal carbon price. For other cross-industry indicators, we have decided to adopt reasonable data exemption and temporarily refrain from disclosing the amount and percentage of assets or business activities that are susceptible to climate-related risks and opportunities.

In addition, Xuan Wu Cloud has initially set GHG emission reduction targets to further promote the Company's low-carbon development: using 2023 as the baseline, we aim to reduce absolute GHG emissions in Scope 1 and Scope 2 by 20% by 2030. This target has not yet been verified by an independent third party. For our long-term goal, we strive to achieve carbon neutrality by 2060, aligning with China's national commitment to achieve carbon neutrality by 2060. We will review the GHG emission reduction targets and performance for Scope 1 and Scope 2 annually and assess whether any revisions are necessary.

# KEY PERFORMANCE INDICATORS AND INDEX

| Aspect | Requirement | | Chapter |
|---|---|---|---|
| A1: Emissions | **General Disclosure**<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | | Green Development System<br>Green Office<br>Metrics and Targets |
| | Note: | Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations | |
| | | Hazardous wastes are those defined by national regulations | |
| | KPI A1.1 | The types of emissions and respective emissions data. | Green Office<br>Metrics and Targets<br>KEY PERFORMANCE INDICATORS AND INDEX |
| | KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | KEY PERFORMANCE INDICATORS AND INDEX |
| | KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | KEY PERFORMANCE INDICATORS AND INDEX |
| | KPI A1.5 | Description of emission target(s) set and steps taken to achieve them. | Green Office<br>Metrics and Targets |
| | KPI A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Green Office |
| A2: Use of Resources | **General Disclosure**<br>Policies on the efficient use of resources, including energy, water and other raw materials | | Green Operation |
| | Note: | Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. | |
| | KPI A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | KEY PERFORMANCE INDICATORS AND INDEX |
| | KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | KEY PERFORMANCE INDICATORS AND INDEX |
| | KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | Green Office<br>KEY PERFORMANCE INDICATORS AND INDEX |
| | KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | Green Office |
| | KPI A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Not applicable. The Group's business does not involve the use of any packaging material |
| A3: The Environment and Natural Resources | **General Disclosure**<br>Policies on minimising the issuer's significant impacts on the environment and natural resources. | | Green Development System<br>Green Office |
| | KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Green Development System<br>Green Office |
| B1: Employment | **General Disclosure**<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | | Talent Introduction<br>Employee Remuneration and Benefits System |
| | KPI B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | Talent Introduction<br>KEY PERFORMANCE INDICATORS AND INDEX |
| | KPI B1.2 | Employee turnover rate by gender, age group and geographical region. | KEY PERFORMANCE INDICATORS AND INDEX |
| B2: Health and Safety | **General Disclosure**<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | | Caring and Training of Employees |
| | KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Caring and Training of Employees |
| | KPI B2.2 | Lost days due to work injury. | Caring and Training of Employees |
| | KPI B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. | Caring and Training of Employees |
| B3: Development and Training | **General Disclosure**<br>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | | Caring and Training of Employees |
| | Note: | Training refers to vocational training. It may include internal and external courses paid by the employer. | |
| | KPI B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Caring and Training of Employees |
| | KPI B3.2 | The average training hours completed per employee by gender and employee category. | Caring and Training of Employees |

| | | | |
|---|---|---|---|
| **B4: Labour Standards** | **General Disclosure**<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | | Talent Introduction |
| | KPI B4.1 | Description of measures to review employment practises to avoid child and forced labour. | Talent Introduction |
| | KPI B4.2 | Description of steps taken to eliminate such practises when discovered. | Talent Introduction |
| **B5: Supply Chain Management** | **General Disclosure**<br>Policies on managing environmental and social risks of the supply chain. | | Sustainable Supplier Management |
| | KPI B5.1 | Number of suppliers by geographical region. | Sustainable Supplier Management |
| | KPI B5.2 | Description of practises relating to engaging suppliers, number of suppliers where the practises are being implemented, and how they are implemented and monitored. | Sustainable Supplier Management |
| | KPI B5.3 | Description of practises used to identify environmental and social risks at each stage along the supply chain, and how they are implemented and monitored. | Sustainable Supplier Management |
| | KPI B5.4 | Description of practises used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Sustainable Supplier Management |
| **B6: Product Responsibility** | **General Disclosure**<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | | Client Service Management |
| | KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Client Service Management |
| | KPI B6.2 | Number of products and service related complaints received and how they are dealt with. | Clients Satisfaction |
| | KPI B6.3 | Description of practises relating to observing and protecting intellectual property rights. | Intellectual Property Management |
| | KPI B6.4 | Description of quality assurance process and recall procedures. | Product Quality Management |
| | KPI B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. | Information Security and Privacy Protection |
| **B7: Anti-corruption** | **General Disclosure**<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | | Adhere to Code of Conduct |
| | KPI B7.1 | Number of concluded legal cases regarding corrupt practises brought against the issuer or its employees during the reporting period and the outcomes of the cases. | Anti-commercial Bribery and Integrity Training |
| | KPI B7.2 | Description of preventive measures and whistleblowing procedures, how they are implemented and monitored. | Smooth Reporting Channels |
| | KPI B7.3 | Description of anti-corruption training provided to directors and staff. | Sustainable Development of Director<br>Anti-commercial Bribery and Integrity Training |
| **B8: Community Investment** | **General Disclosure**<br>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | | Enthusiasm about Welfare |
| | KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Enthusiasm about Welfare |
| | KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. | Enthusiasm about Welfare |

## Index of Indicators (Climate-related Disclosures)

| Category | Sub-category | Description | Chapter |
|---|---|---|---|
| **Governance** | | The governance body(s) responsible for oversight of climate-related risks and opportunities. | Responding to Climate Change, Governance |
| **Governance** | | Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities. | Responding to Climate Change, Governance |
| **Strategy** | **Climate-related risks and opportunities** | Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.<br>Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk.<br>Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur.<br>Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. | Responding to Climate Change, Strategy |

| Category | Sub-category | Description | Chapter |
|---|---|---|---|
| **Strategy** | Business model and value chain | A description of the current and anticipated effects of climate-related risks and opportunities on the issuer' s business model and value chain.<br><br>A description of where in the issuer' s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). | Responding to Climate Change, Strategy |
| **Strategy** | Strategy and decision-making | Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.<br><br>Information about how the issuer currently and will in the future allocate resources for actions aimed at addressing significant climate-related risks and opportunities in its strategies and decision-making, both already implemented and those planned for the future. | Responding to Climate Change, Strategy<br><br>During the Reporting Period, we have not yet implemented a climate-related transformation plan, and this work is currently in progress. |
| **Strategy** | Financial position, financial performance and cash flows Current financial effect | How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.<br><br>When there is a significant risk that will result in a material adjustment to the carrying value of assets and liabilities in the relevant financial statements of the next reporting year, information on how climate-related risks and opportunities affect the issuer's financial position, financial performance, and cash flows during the Reporting Period is required to be disclosed. | Responding to Climate Change, Strategy<br>Financial Effects Relief<br>Competence Relief |
| **Strategy** | Financial position, financial performance and cash flows Anticipated financial effect | How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration.<br><br>How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. | Financial Effects Relief<br>Competence Relief |
| **Strategy** | Climate resilience | The issuer shall disclose the issuer' s assessment of its climate resilience as at the reporting date.<br><br>How and when the climate-related scenario analysis was carried out. | Financial Effects Relief<br>Competence Relief |
| **Risk management** | | An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks and opportunities. | Responding to Climate Change, Risk Management |
| **Risk management** | | The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities). | Responding to Climate Change, Risk Management |
| **Risk management** | | The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer' s overall risk management process. | Responding to Climate Change, Risk Management |

| Category | Sub-category | Description | Chapter |
|---|---|---|---|
| **Metrics and Targets** | GHG emissions | An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of $CO_2$ equivalent, classified as: scope 1 GHG emissions; scope 2 GHG emissions; scope 3 GHG emissions. | Reasonable Information Relief |
| **Metrics and Targets** | Climate-related transition risks | An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks. | Reasonable Information Relief |
| **Metrics and Targets** | Climate-related physical risks | An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks. | Reasonable Information Relief |
| **Metrics and Targets** | Climate-related opportunities | An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities. | Reasonable Information Relief |
| **Metrics and Targets** | Capital deployment | An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. | During the Reporting Period, we did not incur any capital expenditure, financing, or investment related to climate-related risks and opportunities. |
| **Metrics and Targets** | Internal carbon prices | Whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis).<br><br>The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions. Or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. | By the end of the Reporting Period, we have not yet applied an internal carbon pricing mechanism in our internal decision-making processes. |
| **Metrics and Targets** | Remuneration | An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. | By the end of the Reporting Period, the Company has not yet directly incorporated specific climate-related performance indicators into the compensation assessment system of senior management. The Company will regularly monitor the alignment of its compensation policy with its long-term sustainable development goals. |
| **Metrics and Targets** | Industry-based metrics | An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. | During the Reporting Period, we have not yet referred to disclosure guidelines for other industries for the disclosure of industry indicators, and relevant work is still in progress. |
| **Metrics and Targets** | Climate-related targets | An issuer shall disclose the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals and any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. | Responding to Climate Change — Metrics and Targets |

**Total employees by gender, employment type, age group and geographical region**

| | | Number of employees (person) | Percentage (%) |
|---|---|---|---|
| By gender | Male | 207 | 57.0% |
| | Female | 156 | 43.0% |
| By employment type | Full-time | 339 | 93.4% |
| | Part-time | 24 | 6.6% |
| By age group | Under 30 | 130 | 35.8% |
| | Between 30 to 50 | 232 | 63.9% |
| | Above 50 | 1 | 0.3% |
| By geographical region | The PRC | 363 | 100% |
| Total number of employees | | 363 | |

**The number of turnovers, number of new hires and turnover rate of employees by gender, age group and geographical region**

| | | Number of resignations | Number of new hires | Employee turnover rate |
|---|---|---|---|---|
| By gender | Male | 53 | 37 | 11.9% |
| | Female | 114 | 122 | 33.4% |
| By age group | Under 30 | 131 | 147 | 45.0% |
| | Between 30 to 50 | 36 | 12 | 14.5% |
| | Above 50 | 0 | 0 | 0.0% |
| By geographical region | The PRC | 167 | 159 | 28.8% |
| Total number of turnovers/ total number of new hires | | 167 | 159 | 28.8% |

**The proportion of male and female employees by management, sales, and R&D work**

| | Number of males | Percentage | Number of females | Percentage |
|---|---|---|---|---|
| Senior management | 7 | 87.5% | 1 | 12.5% |
| Middle management | 37 | 74.0% | 13 | 26.0% |
| Sales personnel | 58 | 57.4% | 43 | 42.6% |
| R&D personnel | 71 | 78.0% | 20 | 22.0% |



**Percentage of employees trained and average duration of training**

| Number of employees | Number of employees trained | Percentage of employees trained | Total training hours | Average training hours |
|---|---|---|---|---|
| 363 | 352 | 97.0% | 23,936 | 68 |

**Number of male and female employees trained**

| Number of male employees | Number of male employees trained | Percentage of male employees trained | Total training hours of male employees | Average training hours of male employees | Number of female employees | Number of female employees trained | Percentage of female employees trained | Total training hours of female employees | Average training hours of female employees |
|---|---|---|---|---|---|---|---|---|---|
| 207 | 202 | 97.6% | 13,413 | 66.4 | 156 | 151 | 96.9% | 11,325 | 75 |

**Percentage of employees trained by employee category and average duration of training**

| Number of senior managements | Number of senior managements trained | Percentage of senior managements trained | Total training hours of senior managements | Average training hours of senior managements |
|---|---|---|---|---|
| 8 | 8 | 100% | 136 | 17 |
| Number of middle managements | Number of middle managements trained | Percentage of middle managements trained | Total training hours of middle managements | Average training hours of middle managements |
| 50 | 50 | 100% | 5,300 | 106 |
| Number of junior employees | Number of junior employees trained | Percentage of junior employees trained | Total training hours of junior employees | Average training hours of junior employees |
| 305 | 296 | 97.0% | 19,033 | 64.3 |

**Percentage of employees trained by age and average duration of training**

| Number of employees under 30 | Number of employees trained under 30 | Percentage of employees trained under 30 | Total training hours under 30 | Average training hours under 30 |
|---|---|---|---|---|
| 130 | 122 | 94.0% | 7,979 | 65.4 |
| Number of employees between 30 to 50 | Number of employees trained between 30 to 50 | Percentage of employees trained between 30 to 50 | Total training hours between 30 to 50 | Average training hours between 30 to 50 |
| 232 | 232 | 100% | 16,588 | 71.5 |
| Number of employees above 50 | Number of employees trained above 50 | Percentage of employees trained above 50 | Total training hours above 50 | Average training hours above 50 |
| 1 | 1 | 100% | 23.7 | 23.7 |

**Percentage of employees trained by training skills and average duration of training**

| Number of employees participated in technological trainings | Total training hours participated in technological trainings | Average training hours participated in technological trainings |
|---|---|---|
| 91 | 6,852 | 75.3 |
| Number of employees participated in management trainingsin technological trainings | Total training hours participated in management trainings | Average training hours participated in management trainings |
| 58 | 4,425 | 76.3 |
| Number of employees participated in marketing trainings | Total training hours participated in marketing trainings | Average training hours participated in marketing trainings |
| 101 | 10,807 | 107 |

| $CO_2$ emissions | |
|---|---|
| Type of GHG emissions | 2025 |
| | Equivalent $CO_2$ emissions (kg) |
| Direct GHG emissions (Scope 1) | 0[7] |
| Indirect GHG emissions (Scope 2) | 92,196.6 |
| Other indirect GHG emissions (Scope 3) | 286,283.2 |
| Upstream leased assets[8] | 17,889.2 |
| Business travel[9] | 268,394.0 |
| Total | 378,479.9 |
| Intensity (Scope 1 and Scope 2) | 17.2kg/$m^2$ |

| Energy and water consumption | |
|---|---|
| Type of energy | 2025 |
| Electricity (kWh) | 171,816.3 |
| Energy intensity | 32.1kWh/$m^2$ |
| Water consumption (tonnes) | 91.1 |
| Per capita water consumption | 0.25 tonnes/person |

| Waste management | | |
|---|---|---|
| 2025 | | |
| Type of waste | Quantity | Treatment method |
| Non-hazardous food waste and general office waste | 0.51 tonnes | Recycle |
| Hazardous waste-used batteries | 186 pieces | Recycle |

7 The calculation formula for the employee turnover rate this year is as follows: Employee turnover rate = (Annual cumulative number of resignations in this category)/(Annual final number of employees in this category + Annual cumulative number of resignations in this category) * 100%, excluding the number of internal job transfers.

8 The upstream leased asset emissions (Scope 3 Category 8) refer to the emissions generated by the third-party cloud servers we lease, with specific data derived from reasonable estimations based on partial data provided by the supplier.

9 The emissions from business travel (Scope 3 Category 6) are calculated based on relevant data from the Travel Impact Model (TIM) and International Civil Aviation Organisation (ICAO).





# COMMENTS FEEDBACK FORM

Dear Readers,

Thank you very much for reading the Xuan Wu Cloud's 2025 Environmental, Social and Governance (ESG) Report in your busy schedule. We look forward to your comments and suggestions on the report and our efforts. You can send us your valuable feedback by post or email after completing the "Comments Feedback Form". If you have filled out the Feedback Form, please send it to: ir@wxchina.com

1. What kind of stakeholder do you belong to Xuan Wu Cloud?

☐ Governmental departments/regulatory authorities ☐ Internal management ☐ Shareholders/investors ☐ Employees

☐ Suppliers / business partners ☐ Clients/potential clients ☐ Non-governmental organisations ☐ Other (Please explain)

2. Your assessment of our fulfillment of environmental, social, and governance responsibilities

| | | | | | |
|---|---|---|---|---|---|
| Environmental | ☐ Good | ☐ Better | ☐ Fair | ☐ Worse | ☐ Poor |
| Social | ☐ Good | ☐ Better | ☐ Fair | ☐ Worse | ☐ Poor |
| Governance | ☐ Good | ☐ Better | ☐ Fair | ☐ Worse | ☐ Poor |

3. What do you think about the clarity, accuracy and completeness of the information, data and indicators disclosed in the Report?

| | | | | | |
|---|---|---|---|---|---|
| Clarity | ☐ Good | ☐ Better | ☐ Fair | ☐ Worse | ☐ Poor |
| Accuracy | ☐ Good | ☐ Better | ☐ Fair | ☐ Worse | ☐ Poor |
| Completeness | ☐ Good | ☐ Better | ☐ Fair | ☐ Worse | ☐ Poor |

Any other comments and suggestions you may have about our work and the Report: _____

_____

_____

We welcome all investors to scan the QR code to follow the Xuan Wu Cloud Investor Relations official account. This will allow you to stay informed of the Company's latest developments and important information, and to engage in communication and interaction with us.