



玄武雲科技控股有限公司

Xuan Wu Cloud Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 2392

2025 年 報 ANNUAL REPORT



CONTENTS

02	Corporate Information
04	Financial Highlights
05	Chairman's Statement
12	Management Discussion and Analysis
19	Directors and Senior Management
24	Directors' Report
52	Corporate Governance Report
72	Independent Auditor's Report
78	Consolidated Financial Statements
84	Notes to the Consolidated Financial Statements
163	Five-year Financial Summary
164	Definitions





CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. LIAN Jian (*Chairman*)
(*appointed on 9 February 2026*)
Mr. LI Hairong (*Chief Executive Officer*)
Mr. HUANG Fangjie
Dr. CHEN Zhengxu (*appointed on 9 February 2026*)
Mr. CHEN Yonghui
(*Chairman and Chief Executive Officer*)
(*resigned on 9 February 2026*)
Mr. GUO Haiqiu (*resigned on 9 February 2026*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WANG Guisheng (*appointed on 9 February 2026*)
Dr. XIAO Jingyi (*appointed on 9 February 2026*)
Mr. CAO Jianrong (*appointed on 9 February 2026*)
Mr. DU Jianqing (*resigned on 9 February 2026*)
Ms. WU Ruifeng (*resigned on 9 February 2026*)
Prof. WU Jintao (*resigned on 9 February 2026*)

AUDIT COMMITTEE

Mr. WANG Guisheng (*Chairman*)
(*appointed on 9 February 2026*)
Dr. XIAO Jingyi (*appointed on 9 February 2026*)
Mr. CAO Jianrong (*appointed on 9 February 2026*)
Ms. WU Ruifeng (*Chairman*)
(*resigned on 9 February 2026*)
Mr. DU Jianqing (*resigned on 9 February 2026*)
Prof. WU Jintao (*resigned on 9 February 2026*)

REMUNERATION COMMITTEE

Mr. CAO Jianrong (*Chairman*)
(*appointed on 9 February 2026*)
Dr. CHEN Zhengxu (*appointed on 9 February 2026*)
Dr. XIAO Jingyi (*appointed on 9 February 2026*)
Prof. WU Jintao (*Chairman*)
(*resigned on 9 February 2026*)
Mr. GUO Haiqiu (*resigned on 9 February 2026*)
Ms. WU Ruifeng (*resigned on 9 February 2026*)

NOMINATION COMMITTEE

Dr. XIAO Jingyi (*Chairman*)
(*appointed on 9 February 2026*)
Mr. LI Hairong (*appointed on 9 February 2026*)
Mr. WANG Guisheng (*appointed on 9 February 2026*)
Mr. CHEN Yonghui (*Chairman*)
(*resigned on 9 February 2026*)
Mr. DU Jianqing (*resigned on 9 February 2026*)
Prof. WU Jintao (*resigned on 30 June 2025*)
Ms. Wu Ruifeng (*appointed on 30 June 2025 and*
resigned on 9 February 2026)

LEGAL ADVISERS TO HONG KONG LAW

Zhong Lun Law Firm LLP
4/F, Jardine House
1 Connaught Place
Central
Hong Kong

JOINT COMPANY SECRETARIES

Ms. GE Ping
Ms. LAM Chi Ching Cecilia (*Solicitor of the High Court*
of Hong Kong)

AUTHORISED REPRESENTATIVES

Mr. LIAN Jian (*appointed on 9 February 2026*)
Ms. LAM Chi Ching Cecilia
Mr. CHEN Yonghui (*resigned on 9 February 2026*)

STOCK CODE

2392

COMPANY WEBSITE

<https://ir.wxchina.com/>

REGISTERED OFFICE

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Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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1 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Harneys Fiduciary (Cayman) Limited
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Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17M Floor
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AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
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PRINCIPAL BANKER

China Merchants Bank
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No. 101 Tiyu West Road
Tianhe District
Guangzhou, Guangdong
PRC

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Assets		
Non-current assets	25,981	39,765
Current assets	523,472	594,043
Total assets	549,453	633,808
Equity		
Equity attributable to owners of the Company	277,981	331,621
Non-controlling interests	(10,633)	(3,552)
Total equity	267,348	328,069
Liabilities		
Non-current liabilities	2,523	8,026
Current liabilities	279,582	297,713
Total liabilities	282,105	305,739
Total equity and liabilities	549,453	633,808

Note:

- (1) The consolidated statement of comprehensive income for the year ended 31 December 2024 has been restated for the discontinued operation. For details, please refer to Note 21, the section headed "Notes to the Consolidated Financial Statements".

CHAIRMAN'S STATEMENT

To the shareholders of Xuan Wu Cloud:

Charlie Munger once said, "If you truly have a competence, you clearly know where its boundary is." Over the past year, Xuan Wu Cloud has profoundly practiced this saying. For Xuan Wu Cloud, 2025 is a crucial year full of challenges, a period of profound self-reflection and radical reform, and also a year to sow quality seeds for the future.

As the newly appointed Chairman of the Board, I would like to report to you in the most candid and straightforward manner on our business progress over the past year, the recent major restructuring, as well as our thoughts on the Company's future transformation and shareholder wealth growth.

I. BUSINESS FUNDAMENTALS IN 2025: HOLDING FIRM AMIDST CHALLENGES AND WIDENING OF OUR AI COMPETITIVE EDGE

Over the past year, adjustments to regulatory policies in the domestic telecommunications industry have brought about significant changes to the market environment of the entire sector. Consequently, our PaaS services and certain SaaS services have experienced an inevitable decline in revenue in the short term. However, we have always adhered to prudent management principles, without excessively focusing on short-term revenue scale, but rather with a focus on enhancing business quality, long-term profitability, operational cash flow, and core competitiveness.

It is heartening to note that during the Reporting Period, we have made significant progress in our high-margin AI+SaaS core business. Our SaaS segment not only demonstrated exceptional client retention rates but also continuously reinforced its technological and product advantages:

- AI has evolved beyond conceptual exploration and has become a tangible productive force:** Instead of blindly following industry trends, we have authentically integrated AI into our clients' business scenarios. During the Reporting Period, leveraging our self-developed "Xuan Tao (玄韜)" large model and deep integration with open-source large models like DeepSeek, we enabled the large model to empower cloud communication products with intelligent operation and maintenance, analysis, and summarisation, thereby enhancing product operational efficiency and service capabilities. We have introduced the "SKU Super Model (SKU超級模型)" at the consumer product terminal and the industry's unique "AI Retouch Detective (AI翻拍偵探)" (anti-cheating detection model). In the Service Cloud domain, the voice-based chatbot we have developed significantly reduces the workload of manual customer service tasks.
- Integration of Information Technology and Ecosystem:** Our core product of Marketing Cloud, ICC (Integrated Communication Centre), has not only undergone a comprehensive upgrade for 5G messaging but also achieved full-chain adaptation to the HarmonyOS system.
- Setting sail to explore new paths:** Our overseas business achieved rapid growth in 2025, extending our service territory to Southeast Asia, Latin America, the Middle East, and other regions. We have also established direct cooperation with mainstream telecommunications operators in various places, which has opened up a new engine for our performance growth.

Despite the pressure on our overall revenue performance due to the macroeconomic environment and industry policy adjustments, we have proactively optimised our business structure by gradually withdrawing from projects with high resource occupation and weak profitability. Through strict financial discipline, our gross profit margin has remained stable, and our operating cash flow has demonstrated remarkable resilience.

II. RESTRUCTURING IN 2025-2026: OPTIMISING CORPORATE GOVERNANCE AND FOCUSING ON CORE BUSINESSES

Warren Buffett famously stated, "Should you find yourself in a chronically leaking boat, energy devoted to changing vessels is likely to be more productive than energy devoted to patching leaks."

In the latter half of 2025 and early 2026, Xuan Wu Cloud has undergone a series of systematic restructuring related to shareholders, the Board, and its business operations. The core logic behind these actions is singular: to enhance capital efficiency and focus on its core business.

Firstly, at the business level, in October 2025, we implemented a divestment and restructuring of "Xuantong (玄瞳)", a non-wholly-owned subsidiary which had been continuously operating at a loss. By transferring a majority of its equity, the Group effectively optimised its business portfolio, reduced the negative impact on overall financial performance, and recovered certain capital resources, thus allowing for a more focused allocation of capital towards core business areas like AI+ cloud communication.

Secondly, at the shareholder and governance level, the Company successfully introduced Grand Dynasty (漢唐明元) as a strategic investor in October 2025, with an approximately 20% shareholding, it became our single largest shareholder. Grand Dynasty and I have long been focused on enterprises that align with economic structural optimisation and possess technological advantages. We possess abundant industrial resources in the fields of technology, new energy, and "Chinese brands going global". Subsequently, in February 2026, we successfully completed the reorganisation of the new Board. The newly appointed Board team not only possesses profound industrial and investment backgrounds but also has extensive experience in financial management and capital markets.

The aforementioned adjustments are not aimed at improving short-term financial performance, but rather aim to introduce long-term capital with industrial synergistic capabilities, thereby strengthening the Company's strategic execution and resource integration abilities. After this restructuring, the Group's development direction has become clearer: **fully embracing AI, advancing international expansion, and embarking on a new phase of high-quality development.**

III. TRANSFORMATION IS A PROCESS: BE A FRIEND OF TIME, PATIENTLY WAITING FOR THE COMPOUND GROWTH OF INTRINSIC VALUE

Dear shareholders, no great enterprise is built in a day, and the transformation and upgrading of a business also requires a process.

The transition from the traditional model, which relies on volume through communication channels, to an intelligent service provider driven by "AI+SaaS" and equipped with a global perspective, will inevitably bring about some growing pains. However, we have always believed that, amidst the global turbulence and conflicts, coupled with China's stable development, the Company is progressing on a broader track with ample room for long-term growth. By divesting from loss-making businesses, focusing on high-gross-profit main products, and accelerating the deep application of AI in vertical fields such as finance, government-related enterprises, TMT, smart hardware, and embodied intelligence, our business model is becoming lighter, smarter, and more resilient to risks.

Meanwhile, as we intensify our efforts to expand overseas, replicating our mature SaaS and cloud communication capabilities from the Chinese market to the global stage, internationalization will become a key breakthrough for us to resume rapid growth in revenue and profits.

We are also keenly aware that we are currently in a critical stage of transformation. Under the general guidance of China's 14th Five-Year Plan, Xuan Wu Cloud has formulated its development plan for the next five years. We will not be oriented towards short-term market performance, but will continue to adhere to prudent and steady operating principles, strengthen capital discipline, and focus on organic growth and long-term value creation. The Management will, as always, utilise every resource with a high sense of responsibility and professional judgment, and are committed to continuously enhancing shareholder value.

Looking ahead, with the sharpening of the Company's focus on its core business, the large-scale deployment of AI applications, and the ongoing expansion into overseas markets, the Group's operational quality and profitability are expected to gradually improve and achieve high-quality growth. We firmly believe that as the Company's intrinsic value continues to increase, the long-term returns for shareholders will also be consistently realized.

We express our gratitude to our shareholders for their continuous trust and companionship. We are fully confident in the future of Xuan Wu Cloud.

Xuan Wu Cloud Technology Holdings Limited

Lian Jian

Chairman of the Board

THE PRINCIPAL BUSINESS OF THE GROUP

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

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

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

BUSINESS REVIEW

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

In terms of PaaS business, our cPaaS platform underwent significant upgrades and optimisations, focusing on dimensions such as policy compliance infrastructure, customer operation services, and AI empowerment. In response to new industry regulations, while strengthening communication and promotion with our clients, we introduced a standalone real-name authentication system on the cPaaS platform to assist clients in efficiently organising materials and quickly meeting compliance requirements. For us, this has effectively enhanced operational efficiency and prevented client churn. For clients requiring supplementary compliance materials, it will also significantly shorten the downtime of their communication needs. Additionally, we have deepened the AI empowerment of our platform. During the Reporting Period, the cPaaS platform integrated the Alibaba Qianwen large model, enhancing the efficiency and accuracy of intelligent inspection and operation maintenance on the platform. Through automated scheduled AI analysis, we can conduct specialised AI analysis and summarisation on the resource usage of our clients, and push the results to multiple roles such as customer service, operations, and sales, significantly enhancing office collaboration efficiency. Furthermore, we can intelligently locate the source of problems based on platform alert information and provide handling suggestions, thereby increasing the analysis efficiency of the cPaaS platform by over 30%.

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

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

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

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

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

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

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

BUSINESS PROSPECT

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

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

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

Notes:

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

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

The following table sets forth the Group's segment revenue both in absolute amount and as a percentage of its revenue for the periods presented. For the Reporting Period, the Group's total revenue decreased by 28.7% to RMB763.4 million (year ended 31 December 2024: RMB1,071.2 million). Such decrease was mainly attributable to the impact of regulatory policy adjustments in the domestic telecommunications industry, our domestic revenue from PaaS services and certain SaaS services has declined.

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

PaaS

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

SaaS

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

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

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

COST OF SALES

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

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

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

GROSS PROFIT AND GROSS PROFIT MARGIN

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

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

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

SELLING AND DISTRIBUTION EXPENSES

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

ADMINISTRATIVE EXPENSES

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

RESEARCH AND DEVELOPMENT EXPENSES

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

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

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

OTHER INCOME

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

FINANCE COSTS – NET

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

INCOME TAX EXPENSE

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

DISCONTINUED OPERATIONS

Loss from Discontinued Operations

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

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

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

TRADE, BILL AND OTHER RECEIVABLES AND PREPAYMENTS

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

TRADE AND OTHER PAYABLES

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

LIQUIDITY AND FINANCIAL RESOURCES

Treasury Policies

The Group adopts a prudent treasury management policy to actively monitor its liquidity position and maintain sufficient financial resources for future development. On this basis, the Group regularly reviews and adjusts its financial structure in response to dynamic changes in economic conditions to ensure financial resources are deployed in the best interests of the Group.

Cash and Cash Equivalents

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

Indebtedness

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

CONTINGENT LIABILITIES

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

CAPITAL COMMITMENT

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

GEARING RATIO

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

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

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

EMPLOYEES REMUNERATION AND RELATIONS

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

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

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

SIGNIFICANT INVESTMENTS

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

MATERIAL ACQUISITIONS

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

Note:

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

MATERIAL DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Capital Injection and the Equity Transfer

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

The aforementioned matters were completed on 30 January 2026. Upon Completion, the registered capital of the Target Company will be increased from RMB30,000,000 to RMB50,000,000, which will be owned as to (i) 40.0% by Mr. Chen; (ii) 20.0% by the Vendor; (iii) 10.0% by Xuantong Tongda; (iv) 12.0% by Xuantong Tonghe; and (v) 18.0% by the other shareholders. The financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group and will become an associate of the Mr. Chen. For further details, please refer to the announcement of the Company dated 20 October 2025, 10 November 2025, 17 December 2025 and 30 January 2026, and the circular of the Company dated 28 November 2025.

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

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

PLEDGE OF ASSETS

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

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

DIVIDEND

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

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Lian Jian (廉健) (“Mr. Lian”), aged 50, was appointed as an executive Director and the chairman of the Board with effect from 9 February 2026. Mr. Lian obtained his bachelor’s degree in industrial and civil architecture from The Zhengzhou Institute of Food Science* (鄭州糧食學院), currently known as School of Civil Engineering and Architecture, HUT (河南工業大學土木建築學院) in July 1999 and a master’s degree in business administration from the China Europe International Business School (中歐國際工商學院) in August 2016, all in the People’s Republic of China (the “PRC”). Mr. Lian is primarily responsible for coordinating the overall strategic planning of the Group, overseeing the overall operation of capital market activities, and leading the Board in ensuring the effective implementation of corporate governance and strategic objectives.

Mr. Lian has accumulated extensive experience in engineering and management. Prior to joining the Group, Mr. Lian served as an engineer in Jiaxing Jiaxipera Compressor Co., Ltd. (嘉興市加西貝拉壓縮機有限公司) from July 1999 to June 2001, and a sales manager in Shenzhen Beitai Display Technology Co., Ltd. (深圳市北泰顯示技術有限公司) from July 2001 to March 2003. He founded Shenzhen DPT Optoelectronic Display Technology Co., Ltd.* (深圳市德普特光電顯示技術有限公司) (now known as Ganzhou Hantang Minghui Investment Management Co., Ltd. (贛州市漢唐明慧投資管理有限公司)) and served as an executive director and general manager since April 2003. He acted as a director of Ganzhou DPT-Technology Co., Ltd. (贛州市德普特科技有限公司) from August 2008 to September 2019, and has been appointed as the chairman of the board of Shenzhen DPT Electronics Co., Ltd. (深圳市德普特電子有限公司) since April 2014. He also acted as a director of Wuhu Token Sciences Co., Ltd. (蕪湖長信科技股份有限公司) from May 2014 to November 2018, and was the executive director and legal representative of Dongguan DPT Electronics Co., Ltd. (東莞市德普特電子有限公司) from December 2015 to April 2018. Furthermore, he has been appointed as a director of Shenzhen Cannice Technology Co., Ltd. (深圳市科奈信科技有限公司) since February 2021, and an executive director of Shenzhen Hantang Mingyuan Investment Development Partnership (Limited Partnership)* (深圳市漢唐明元投資發展合夥企業(有限合夥)) since November 2022.

Mr. Li Hairong (李海榮) (“Mr. Li”), aged 49, is a co-founder of the Group and is currently serving as an executive Director, a senior vice president and the chief executive officer of the Company. Mr. Li was appointed as a Director on 11 August 2021 and re-designated as an executive Director on 15 June 2022. Mr. Li is fully responsible for the daily operations, management, and business development of the Group’s core business, as well as implements the Group’s business plans and strategies approved by the Board. Mr. Li received his bachelor’s degree in applied mathematics from South China University of Technology (華南理工大學) in June 1999, and obtained his executive master’s degree in business administration from China Europe International Business School (中歐國際工商學院) in August 2015.

Before founding the Group with other co-founders, Mr. Li had worked with Guangzhou Huagong Computer Network Engineering Co., Ltd. (廣州市華工電腦網絡工程有限公司) for the period between September 1999 and May 2000. Between June 2000 and October 2010, Mr. Li had served as a senior vice president at Xuanwu Information and Technology.

Mr. Huang Fangjie (黃仿傑) (“Mr. Huang”), aged 58, is a co-founder of the Group and is currently serving as an executive Director. Mr. Huang was appointed as a Director on 11 August 2021 and re-designated as an executive Director on 15 June 2022. Mr. Huang was a senior vice president of the Company between November 2010 and January 2023. Mr. Huang is mainly responsible for overseeing the Company’s Audit Department. Mr. Huang received an executive master’s degree in business administration from Cheung Kong Graduate School of Business (長江商學院) in September 2016.

Between June 2000 and October 2010, Mr. Huang had acted as a deputy general manager at Xuanwu Information and Technology.

Dr. Chen Zhengxu (陳正旭) (“Dr. Chen”), aged 57, was appointed as an executive Director with effect from 9 February 2026. Dr. Chen obtained his bachelor’s degree in geology from Xiangtan Mining Institute (湘潭礦業學院), which is currently known as Hunan University of Science and Technology (湖南科技大學), in June 1990, a master’s degree in business administration from Southwestern University of Finance and Economics (西南財經大學) in July 1997, a doctorate business management from Shanghai Jiao Tong University (上海交通大學) in November 2009, and a master’s degree in business administration from the China Europe International Business School (中歐國際工商學院) in August 2016, all in the PRC. Dr. Chen primarily focuses on the implementation, project advancement, and daily execution of the Group’s capital market-related work, assisting the Chairman and the Board in completing capital market-related matters.

Dr. Chen has accumulated extensive experience in finance and corporate governance during his career as an investment banker at several securities companies. His notable achievements include leading the initial public offering of Kweichow Moutai Co., Ltd. (貴州茅台酒股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600519) while at China Southern Securities Co., Ltd. (南方證券股份有限公司) in 2001.

Dr. Chen’s recent experience includes, but is not limited to, serving as: (i) executive director and general manager of Shenzhen Dingfeng Mingdao Asset Management Co., Ltd. (深圳鼎鋒明道資產管理有限公司) since August 2014; and (ii) director of Beijing Jielian Weixin Technology Co., Ltd. (北京捷聯微芯科技有限公司) since December 2017.

Furthermore, Dr. Chen has served as independent non-executive directors of the following companies (i) Shenzhen Jinzheng Technology Co., Ltd. (深圳市金證科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600446) from February 2017 to September 2020; (ii) Shenzhen BTR New Energy Materials Co., Ltd. (深圳市貝特瑞新能源材料股份有限公司) (a company listed on the Beijing Stock Exchange, stock code: 835185) from May 2019 to May 2022; (iii) Shenzhen Topband Co., Ltd. (深圳拓邦股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002139) since September 2023; (iv) Guangdong Feinan Resources Recycling Co., Ltd. (廣東飛南資源利用股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301500) since May 2025; and (v) Chengdu Olymvax Biopharmaceuticals Inc. (成都歐林生物科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688319) since July 2025.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Guisheng (王貴升) (“Mr. Wang”), aged 56, was appointed as an independent non-executive Director with effect from 9 February 2026. Mr. Wang obtained a bachelor’s degree in economics majoring in insurance from China School of Banking and Finance-UIBE (中國金融學院) which was merged with and is currently known as University of International Business and Economics (對外經濟貿易大學) in July 1993 and an executive master’s degree in business administration from China Europe International Business School (中歐國際工商學院), in August 2014. Mr. Wang is a Certified Public Accountant in China, a member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Wang has over 30 years of experience in financial management, accounting, taxation and business management, and in particular, Mr. Wang Guisheng has over 20 years of experience working as director and senior management for publicly listed companies on the Stock Exchange and other stock exchanges in the PRC.

Currently, Mr. Wang is an executive director, chief financial officer and joint company secretary of Smoore International Holdings Limited, a company listed on the Main Board of the Stock Exchange, stock code: 06969), and an independent non-executive director of Xinyi Electric Storage Holdings Limited (信義儲電控股有限公司), formerly known as Xinyi Automobile Glass Hong Kong Enterprises Limited, a company listed on the GEM of the Stock Exchange (stock code: 08328). In addition, in November 2010, Mr. Wang joined Man Wah Holdings Limited (敏華控股有限公司), a company listed on the Stock Exchange (stock code: 01999), where he was appointed as chief financial officer in January 2011 and also appointed as an executive director in May 2011 until he resigned in March 2018. Mr. Wang served as an independent director of Sunshine Global Circuits Co., Ltd. (深圳明陽電路科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300739) until 8 February 2022.

Dr. Xiao Jingyi (肖璟翊) (“Dr. Xiao”), aged 53, was appointed as an independent non-executive Director with effect from 9 February 2026. Dr. Xiao obtained her bachelor’s degree in law from Renmin University of China (中國人民大學) in July 1995, her master’s degree in law from Renmin University of China (中國人民大學) in January 1999, her master of common law from the University of Hong Kong in December 2023 and doctor of Civil and Commercial Law from Renmin University of China (中國人民大學) in January 2015.

Dr. Xiao has over 25 years of experience in the legal practice and professional services. Prior to joining our Group, Dr. Xiao co-founded the Benchmark Chambers International & Benchmark International Mediation Center (深圳市藍海法律查明和商事調解中心) in February 2014 and currently serves as the director of its strategic and development committee. Since December 2018, she has been the vice chairman and president of Lan Hai Institute (深圳市藍海大灣區法律服務研究院). In April 2024, she was appointed as an executive director of Meilex (HK) Co. limited (藍海法律服務國際有限公司).

Mr. Cao Jianrong (曹建榮) (“Mr. Cao”), aged 64, was appointed as an independent non-executive Director with effect from 9 February 2026. Mr. Cao obtained his bachelor’s degree in engineering from Zhejiang Institute of Silk Textiles (浙江絲綢工學院), currently known as Zhejiang Sci-Tech University (浙江理工大學) in July 1983.

Mr. Cao has over 20 years of experience in corporate management. Prior to joining our Group, Mr. Cao served as the deputy general manager of Zhejiang Zhengyuan Electric Co., Ltd. (浙江正原電氣股份有限公司) from March 2001 to December 2007, a deputy general manager of Shenzhen DPT Technology Co., Ltd. (深圳市德普特科技有限公司) from January 2008 to March 2014, and a vice president of Shenzhen DPT Electronics Co., Ltd. (深圳市德普特電子有限公司) from April 2014 to July 2019.

SENIOR MANAGEMENT

Ms. Ge Ping (葛萍) (“Ms. Ge”), aged 50, is the chief financial officer, senior vice president and joint company secretary of the Company. Ms. Ge was a vice president of the Company since November 2015 and she was promoted to senior vice president in January 2023. Ms. Ge is currently responsible for overseeing the Company’s Financial Department, Investor Relations Department, Government and Securities Affairs Department and the Board Secretary.

Before joining the Group in November 2015, Ms. Ge had worked as a deputy general manager and served as a director in Zhujiang Film & Media Corporation Limited (珠江影業傳媒股份有限公司) since June 2012. Between January 2008 and May 2012, Ms. Ge had served as a vice general manager and the chief financial officer at Yipinhong Pharmaceutical Co., Ltd. (一品紅藥業股份有限公司).

Ms. Ge was accredited as a member of the Chinese Institute of Certified Public Accountants in March 2004 and certified as an intermediate accountant in May 2000. Ms. Ge received her executive master’s degree in business administration from China Europe International Business School (中歐國際工商學院) in June 2013 and obtained her bachelor’s degree in management in June 2001 from Anhui University of Finance and Economics (安徽財經大學).

Mr. Liu Hanwei (劉漢威) (“Mr. Liu”), aged 47, is a vice president of the Company. Mr. Liu is mainly responsible for overseeing the FGT Regional Organisation and Business Development Centre. Mr. Liu obtained his bachelor’s degree in engineering (工學) from Tongji University (同濟大學) in June 2001.

Prior to joining the Group, he had served as the sales director for the East China region in Guangzhou Youyi Network Technology Co., Ltd. (廣州優逸網絡科技有限公司) from October 2010 to November 2012; and a general manager, a general manager of East China region and an assistant president in Shanghai Branch of Xuan Wu (廣州市玄武無線科技股份有限公司上海分公司) since December 2012.

JOINT COMPANY SECRETARIES

Ms. Lam Chi Ching Cecilia (林芷晴) (“Ms. Lam”), is the joint company secretary of the Company. Ms. Lam is a solicitor qualified to practice in Hong Kong and is currently an associate of Zhong Lun Law Firm LLP, specialising in corporate finance work including initial public offerings, mergers and acquisitions and post-listing compliance matters. Ms. Lam received her LLB degree from the University of Birmingham, United Kingdom in July 2017. Ms. Lam graduated from the Chinese University of Hong Kong with a Master of Laws in International Economic Law in November 2019 and Postgraduate Certificate in Laws in August 2020, respectively.

Ms. Ge Ping, is the joint company secretary of the Company. For details of her biography, please refer to the paragraph headed “Senior Management”.

Ms. Ge has obtained confirmation from the Stock Exchange on 25 July 2025 that she is qualified to act as the joint company secretary of the Company under Rule 3.28 and Rule 8.17 of the Listing Rules without further waiver upon expiry of the waiver period. (i.e. 7 July 2025). In addition, as the business and operations of the Group are principally located in the PRC, while Ms. Ge has been qualified as a company secretary under the Listing Rules, the Company will continue to retain the arrangement of joint company secretaries under which Ms. Lam, the current joint company secretary who is currently based in Hong Kong, will assist Ms. Ge in performing her duties.



DIRECTORS' REPORT

The Board is pleased to present this report of Directors together with the audited consolidated financial statements of the Group for the Reporting Period.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 26 April 2021 as an exempted company with limited liability under the Companies Act, and the Shares were listed on the Main Board of the Stock Exchange on 8 July 2022.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the provision of PaaS and SaaS. The Group strives to, through applying technologies such as AI, DI, cloud computing, mobile internet, communication and internet of things (IoT), help its clients to achieve cost reduction and efficiency enhancement from initial marketing to sales and to after-sales management, provide its clients with suggested solutions, and assist its clients to acquire new customers, perform customer management and enhance the connections among its clients and their customers. An analysis of the Group's performance for the Reporting Period by business segments is set out in note 5 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated financial statements of the Group on pages 78 to 162 of this annual report.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the Reporting Period (year ended 31 December 2024: Nil), as the Board considers it prudent to retain earnings to strengthen the Group's financial position and enhance its liquidity buffer in light of the current uncertain economic environment.

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

BUSINESS REVIEW

Overview and Performance for the Reporting Period

A fair review of the Group's business, an analysis of the use of financial key indicators by the Group, a description of the principal risks and uncertainties facing by the Group, and indication of likely future development in the Group's business, are set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" of this annual report. These discussions form part of this report.

Environmental Policies and Performance

The Group attaches great importance to environmental protection and resource conservation, and continuously pays attention to the impact of its business operations on the environment. The Group encourages environmental protection and promotes awareness towards environmental protection to the employees. The Group also strictly follows the relevant environment protection laws and regulations of the PRC. During the Reporting Period, the Company did not find any environmental-related violations. The Group reviews its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses and enhancing environmental sustainability.

The Group recognises that integrating ESG concepts into the Group's day-to-day operations and management is crucial to the long-term development of the enterprise. Therefore, we internalise ESG strategies into our practice in combination with the sustainable development goals (SDGs) as set out by the United Nations, understand the expectations and requirements of all relevant parties on the Company through communication and interaction with each stakeholder, and feedback such requirements to our corporate management.

The Group has always practiced the principle of anti-discrimination, advocated the values of mutual help and mutual growth, and facilitated the sustainable development of our employees. As a technology enterprise with a warm heart, we have a sense of responsibility and actively fulfill our corporate social responsibility. In the course of our daily operation, we have internally launched a number of activities and initiatives to protect the occupational health and safety of our employees, and we have externally carried out community donations, first-aid training, ecological protection, poverty alleviation and agricultural assistance and other public welfare activities.

For details of the Group's environmental policies and performance, the compliance with the relevant laws and regulations and the relations with its employees, suppliers and customers, please refer to the "Environmental, Social and Governance Report" which will be published on the same day of publication as this annual report.

Relationships with Stakeholders

The Company recognises that employees are its valuable assets. Thus, the Group provides competitive remuneration packages to attract and motivate its employees. The Group regularly reviews the remuneration packages of its employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with its business partners to achieve its long-term goals. Accordingly, the Directors or senior management have kept good communication, promptly exchanged ideas and shared business updates with them when appropriate. During the Reporting Period, there was no material and significant dispute between the Group and its business partners.

Compliance with Relevant Laws and Regulations

During the Reporting Period, as far as the Board is aware, the Group has complied with the relevant laws and regulations that had a significant impact on the business and operations on the Group.

Principal Risks and Uncertainties

The Group's business involves certain risks as set out in the section headed "Risk factors" in the Prospectus. The following list is a summary of certain principal risks and uncertainties that the Group faces, some of which are beyond its control.

- The Group relies on major telecommunication network operators for their provision of telecommunication resources. If the Group fails to maintain its collaborations with these telecommunication network operators or they keep increasing their service fees level, the Group's business, results of operations and financial condition will be materially and adversely affected.
- The Group's future business growth and expansion is dependent on the continued development of its services and its targeted clients' need for intelligent CRM services.
- If the Group fails to keep up with rapid changes in AI, DI, machine learning and other capabilities, its future success may be adversely affected.
- Regulatory, legislative or self-regulatory developments for provision of intelligent CRM services, including privacy and data protection regimes, are expansive, not clearly defined and rapidly evolving. These laws and regulations could create unexpected costs, subject the Group to enforcement actions for compliance failures, or restrict portions of its business or cause us to change our technology platform or business model.
- If the Group fails to perform our services in accordance with contractual requirements, it could be subject to significant costs or liability and our reputation could be harmed.
- Any severe or prolonged slowdown in the global or the PRC economy may adversely affect the Group's business, results of operations and financial condition.
- Adverse changes in the economic, political and social conditions, as well as changes in the policies of the PRC government, could have a material adverse effect on the Group's business, results of operations and financial condition.
- Uncertainties with respect to the PRC legal system could adversely affect the Group's business, results of operations and financial condition.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

During the Reporting Period, the transaction amount with the Group's top five customers accounted for 21.1% (year ended 31 December 2024: 31.7%) of the Group's total revenue, while the transaction amount with the Group's single largest customer accounted for 6.5% (year ended 31 December 2024: 10.0%) of the Group's total revenue.

Major Suppliers

During the Reporting Period, the transaction amount with the Group's top five suppliers accounted for 60.7% (year ended 31 December 2024: 53.8%) of the Group's total purchases, while the transaction amount with the Group's single largest supplier accounted for 27.5% (year ended 31 December 2024: 32.3%) of the Group's total purchases.

During the Reporting Period, none of the Directors, their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the total number of issued Shares) had any interest in any of the Group's five largest customers and suppliers.

During the Reporting Period, the Company maintained good relationships with its customers and suppliers.

RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

Customers

The Group has built strong, long-standing relationships with its major customers and established a strong customer base. The Group is committed to protecting the interests of its customers and end users and improving their experience. Good service is one of the key competencies of the Group and it always strives to reduce complaints.

During the Reporting Period, the Group attended industry conferences to solicit new potential customers and maintain relationships with existing customers. To further enhance the business relationship with its customers, its operations and sales teams also visit its customers on a regular basis to exchange views and collect feedback with a view to providing better services.

Suppliers

The Group has established stable business relationships with its suppliers which is essential to the smooth operation of the Group's business, as the Directors consider that timely delivery of services and provision of assistance can enable the Group to meet the schedules of its clients. The Group has also maintained a list of approved suppliers which is periodically reviewed and updated based on the internal assessment of their performance, to ensure that all works performed by the suppliers satisfy the requirements of the relevant contract.

Employees

The Group maintains a cooperative and good relationship with its management and employees, and provides competitive remuneration, staff welfare and benefits to them. In general, the Group reviews and determines the remuneration packages of its employees on a periodical basis by reference to, among other things, the market level of salaries paid by comparable companies, the respective responsibilities of its employees and the performance of the employees and the Group.

During the Reporting Period, there was no labour dispute or strike. The Board is of the view that the Group's current relationship with its employees is satisfactory.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 22 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group during the Reporting Period are set out in note 23 to the consolidated financial statements. During the Reporting Period, the Company had retained nil (2024: nil) profits as reserves available for distribution to the Shareholders.

BANK BORROWINGS

Particulars of bank borrowings of the Group as of 31 December 2025 are set out in note 25 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 163 of this annual report.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report are as follows:

Executive Directors

Mr. Lian Jian (*Chairman*) (*appointed on 9 February 2026*)
 Mr. Li Hairong (李海榮) (*Chief Executive Officer*)
 Mr. Huang Fangjie (黃仿傑)
 Dr. Chen Zhengxu (陳正旭) (*appointed on 9 February 2026*)
 Mr. Chen Yonghui (陳永輝) (*Chairman and Chief Executive Officer*) (*resigned on 9 February 2026*)
 Mr. Guo Haiqiu (郭海球) (*resigned on 9 February 2026*)

Independent Non-executive Directors

Mr. Wang Guisheng (王貴升) (*appointed on 9 February 2026*)
 Dr. Xiao Jingyi (肖璟翊) (*appointed on 9 February 2026*)
 Mr. Cao Jianrong (曹建榮) (*appointed on 9 February 2026*)
 Mr. Du Jianqing (杜劍青) (*resigned on 9 February 2026*)
 Ms. Wu Ruifeng (吳瑞風) (*resigned on 9 February 2026*)
 Prof. Wu Jintao (鄔金濤) (*resigned on 9 February 2026*)

In accordance with Article 108 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat.

According to Article 112 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next first annual general meeting of the Company and shall then be eligible for re-election at that meeting.

Accordingly, Mr. Lian Jian, Mr. Li Hairong, Mr. Huang Fangjie, Dr. Chen Zhengxu, Mr. Wang Guisheng, Dr. Xiao Jingyi and Mr. Cao Jianrong shall retire by rotation at the AGM and they being eligible, offer themselves for re-election.

Details of the Directors to be re-elected at the AGM are set out in the circular to the Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Company are set out on pages 19 to 23 of this annual report.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed in the section headed "Directors and Senior Management", there was no change of the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the 2025 interim report up to the date of this annual report.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the independent non-executive Directors are independent from the date of their appointments and up to the date of this annual report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the date of appointment and shall be automatically renewed thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from 9 February 2026 and shall be automatically renewed thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

None of the Directors has entered into, or has proposed to enter into, a service contract with the Company which is not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts, other than the employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

REMUNERATION POLICY

According to the Group's remuneration policy, in evaluating the amount of remuneration payable to the Directors and senior management, the factors to be considered by the Remuneration Committee include the salaries paid by similar companies, tenure, commitment, responsibilities and individual performance of Directors and senior management (as the case may be), etc.

The remuneration received by the Directors and senior management include salaries, bonuses, contributions to pension schemes, share-based incentives, housing and other allowances, and benefits in kind in compliance with applicable laws, rules and regulations.

Details of the remuneration of the Directors, senior management and the five highest paid individuals during the Reporting Period are set out in notes 8 and 33 to the consolidated financial statements.

No amount was paid to any Director or any of the five highest paid individual disclosed in note 8 to the consolidated financial statements as an inducement to join or upon joining the Company or as a compensation for loss of office. In addition, there was no arrangement under which a Director waived or agreed to waive any remuneration.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefit scheme of the Company are set out in notes 8 and 33 to the consolidated financial statements.

SHARE AWARD SCHEME

2022 Restricted Share Award Scheme

On 1 December 2022 (the “**Adoption Date**”), the Board adopted and approved the 2022 Restricted Share Award Scheme to grant restricted Award Shares to certain eligible employees who have served the Group for a lengthy period of time and are not connected persons of the Company.

The purpose of the 2022 Restricted Share Award Scheme is to (i) provide Selected Participants with an opportunity to acquire a proprietary interest in the Company; (ii) to encourage and retain such Selected Participants to work with the Group; (iii) to provide additional incentives for Selected Participants to achieve performance goals; (iv) to attract such Selected Participants for further development of the Group; and (v) to motivate such Selected Participants to maximise the value of the Company for the benefits of both the Selected Participants and the Company.

All Award Shares are existing Shares, no Shares are available for issue under the 2022 Restricted Share Award Scheme as at the date of this annual report. The total number of the Award Shares underlying all grants made pursuant to the 2022 Restricted Share Award Scheme shall not exceed 10% (i.e. 56,032,050 Shares) of the issued share capital of the Company as at the Adoption Date. As at 1 January 2025 and 31 December 2025, the total number of Awards Shares held by the trustee under the 2022 Restricted Share Award Scheme were 21,894,000 Shares and 21,894,000 Shares, respectively. The number of Award Shares available for grant under the 2022 Restricted Shares Award Scheme was 48,099,050 Shares and 51,758,050 Shares as at 1 January 2025 and 31 December 2025, respectively.

During the Scheme Period (as defined below), the maximum entitlement of each Selected Participant at any one time or in aggregate may not exceed 1% of the issued share capital of the Company on the Adoption Date (i.e. 5,603,205 Shares). RMB1.00 is payable by each Selected Participant to the Company on acceptance of an offer of the Award Shares, which shall be paid within five (5) business days from the offer date.⁽¹⁾ The 2022 Restricted Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date (the “**Scheme Period**”) and can be terminated or extended by a resolution of the Board at any time prior to the expiry of the Scheme Period. The remaining effective period for the 2022 Restricted Share Award Scheme was approximately six (6) years and six (6) months as at the date of this annual report.

For more details of the 2022 Restricted Share Award Scheme, please refer to the Company’s announcements dated 1 December 2022, 20 December 2022, 6 January 2023 and 20 May 2024.

Note:

(1) only applied to the batch granted on 6 January 2023.

Details of movements in the Award Shares granted under the 2022 Restricted Share Award Scheme during the Reporting Period are as follows:

Category/ Name of Grantee	Date of Grant	Closing price of Award Shares immediately before the date on which the Award Shares were granted (HK\$)	Unvested Award Shares as at 1 January 2025 (Note 1)	During the Reporting Period				Unvested Award Shares as at 31 December 2025	Fair value of Award Shares at the date of grant (HK\$) (Note 2)	Weighted average closing price of the Award Shares immediately before the vesting date (HK\$)
				Granted	Vested (Note 1)	Lapsed	Cancelled			
Director										
Mr. Li Hairong (executive Director) (Note 3)	27 September 2024	0.66	390,000	—	—	390,000	—	—	0.66	N/A
Employees										
Employees of the Group	6 January 2023	3.00	3,108,000	—	1,257,000	241,000	—	1,610,000	2.44	2.46
Employees of the Group	27 September 2024	0.66	3,028,000	—	—	3,028,000	—	—	0.66	N/A
Total			6,526,000	—	1,257,000	3,659,000	—	1,610,000	—	—

Notes:

- (1) For the batch granted on 6 January 2023, the vesting period shall be in three tranches with vesting date on 13 January of each year from 2024 to 2026 under the 2022 Restricted Share Award Scheme. The vesting of the Award Shares shall be subject to the grantee meeting the performance targets to be determined by the Administration Committee from time to time. The Company has established an appraisal mechanism to assess the fulfilment of performance targets by the grantee. The appraisal mechanism uses a grading system based on a matrix of qualitative and quantitative indicators that vary according to roles and responsibilities of the grantee. The indicators include, but not limited to, work quality and efficiency. The scoring system evaluates the grantee's regular duties and the strategic objectives or tasks assigned for the appraisal period.

For the batch granted on 27 September 2024, the vesting period shall be in one tranche with vesting date on 15 April 2026 under the 2022 Restricted Share Award Scheme. The vesting of the Award Shares shall be subject to the grantee meeting the performance targets to be determined by the Administration Committee from time to time. The Company has established an appraisal mechanism to assess the fulfilment of performance targets by the grantee. The appraisal mechanism uses a grading system based on a matrix of qualitative and quantitative indicators that vary according to roles and responsibilities of the grantee. The indicators include, but not limited to, the completion of the full-year performance targets. The scoring system evaluates the grantee's regular duties and the strategic objectives or tasks assigned for the appraisal period. The Award Shares granted in this batch have lapsed in full, as the Administration Committee determined, based on its assessment, that the relevant performance conditions were not met.

- (2) Details of the valuation of the share awards of the Company during the Reporting Period, including the accounting standard and policy adopted for the 2022 Restricted Share Award Scheme, are set out in note 24 to the consolidated financial statements.
- (3) The grant of Award Shares to Mr. Li Hairong has been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules. Mr. Li Hairong has abstained from voting on the resolution in respect of the grant of Awards to himself.
- (4) For the batch granted on 6 January 2023, the purchase price for the Award Shares was HK\$0.63 per Share, which was determined by the Administration Committee with reference to the net asset value per Share as at 30 June 2022.

For the batch granted on 27 September 2024, the purchase price for the Award Shares was HK\$0 per Share, which was determined by the Administration Committee.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO), or (b) pursuant to section 352 of the SFO, to be recorded in the register of the Company referred to therein, or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

Name of Director(s)	Capacity/Nature of interests	Number of Shares held	Approximate percentage of the total number of issued Shares
Mr. Chen Yonghui ("Mr. Chen")	Interest in a controlled corporation ⁽¹⁾	163,578,000	29.19%
Mr. Huang Fangjie ("Mr. Huang")	Interest in a controlled corporation ⁽²⁾	65,811,770	11.75%
Mr. Li Hairong ("Mr. Li")	Interest in a controlled corporation ⁽³⁾	68,517,460	12.23%
Mr. Guo Haiqiu ("Mr. Guo")	Interest in a controlled corporation ⁽⁴⁾	13,500,000	2.41%

Notes:

- (1) Mr. Chen beneficially owns (1) 100% of the issued share capital of Zhenghao Global Holding Limited ("**Zhenghao Global**") and (2) more than one third of the interest in Guangzhou Xuandong Investment Co., Ltd. (Limited Partnership) ("**Guangzhou Xuandong**"). As at 31 December 2025, Mr. Chen is deemed to be interested in 163,578,000 Shares held by Zhenghao Global, Guangzhou Xuandong, Guangzhou Xuannan Investment Co., Ltd. (Limited Partnership) ("**Guangzhou Xuannan**"), and Guangzhou Xuanxi Investment Co., Ltd. (Limited Partnership) ("**Guangzhou Xuanxi**"), representing 29.19% of the entire issued share capital of the Company.

By virtue of the SFO, as at the Latest Practicable Date, Mr. Chen is deemed to be interested in 37,818,000 Shares and 31,334,000 Shares held by Zhenghao Global and Guangzhou Xuandong, representing 6.75% and 5.59% of the entire issued share capital of the Company, respectively.

- (2) Mr. Huang beneficially owns 100% of the issued share capital of Honghan Worldwide Limited ("**Honghan Worldwide**"). As at 31 December 2025, Mr. Huang is deemed to be interested in 65,811,770 Shares held by Honghan Worldwide, representing 11.75% of the entire issued share capital of the Company.

By virtue of the SFO, as at the Latest Practicable Date, Mr. Huang is deemed to be interested in 19,047,670 Shares held by Honghan Worldwide, representing 3.40% of the entire issued share capital of the Company.

- (3) Mr. Li beneficially owns 100% of the issued share capital of Double Winner Worldwide Limited ("**Double Winner**"). Further, as at 31 December 2025, Mr. Li was the sole general partner of Guangzhou Xuanbei Investment Co., Ltd. (Limited Partnership) ("**Guangzhou Xuanbei**"). As at 31 December 2025, Mr. Li is deemed to be interested in 55,152,460 Shares and 13,365,000 Shares held by Double Winner and Guangzhou Xuanbei, representing 9.84% and 2.39% of the entire issued share capital of the Company.

Mr. Li was appointed as sole general partner of Guangzhou Xuanxi and Guangzhou Xuannan on 4 January 2026 and 6 January 2026, respectively. Further, Mr. Li resigned from the sole general partner of Guangzhou Xuanbei on 2 April 2026. By virtue of the SFO, as at the Latest Practicable Date, Mr. Li is deemed to be interested in 55,152,460 Shares, 13,390,000 Shares and 17,886,000 Shares held by Double Winner, Guangzhou Xuannan and Guangzhou Xuanxi, representing 9.84%, 2.39% and 3.19% of the entire issued share capital of the Company.

- (4) Mr. Guo beneficially owns 100% of the issued share capital of East Pride Development Limited ("**East Pride**"). By virtue of the SFO, Mr. Guo is deemed to be interested in the 13,500,000 Shares held by East Pride, representing 2.41% of the entire issued share capital of the Company as at 31 December 2025 and as at the Latest Practicable Date.

Mr. Lian Jian has been appointed as an executive Director with effect from 9 February 2026. By virtue of SFO, Mr. Lian Jian is deemed to be interested in the 112,064,100 Shares and 13,365,000 Shares held by The Grand Dynasty of Investment Co., Limited ("**Grand Dynasty**") and Guangzhou Xuanbei, representing 20.00% and 2.39% of the entire issued share capital of the Company as at the Latest Practicable Date. Mr. Lian Jian is also interested in the 9,216,424 Shares as beneficial owner, representing 1.64% of the entire issued share capital of the Company as at the Latest Practicable Date.

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she was taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, so far as the Directors are aware of, the following persons or entities (other than the Directors or the chief executive of the Company) had, or were deemed to have interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder(s)	Capacity/Nature of interests	Number of Shares held	Approximate percentage of the total number of issued Shares
Zhenghao Global	Beneficial owner	100,968,000	18.02%
Honghan Worldwide	Beneficial owner	65,811,770	11.75%
Double Winner	Beneficial owner	55,152,460	9.84%
Baoya Group Holdings Limited	Beneficial owner	51,083,170	9.12%
Mr. Song Xiaohu	Interest in a controlled corporation ⁽¹⁾	51,083,170	9.12%
Guangzhou Xuandong	Beneficial owner	31,334,000	5.59%
Ms. Ge Ping	Interest in a controlled corporation ⁽²⁾	31,334,000	5.59%

Notes:

- (1) Mr. Song Xiaohu beneficially owns 100% of the issued share capital of Baoya Group Holdings Limited. As at 31 December 2025, Mr. Song Xiaohu is deemed to be interested in 51,083,170 Shares held by Baoya Group Holdings Limited, representing 9.12% of the entire issued share capital of the Company.

By virtue of the SFO, as at the Latest Practicable Date, Mr. Song Xiaohu is deemed to be interested in 42,683,170 Shares held by Baoya Group Holdings Limited, representing 7.62% of the entire issued share capital of the Company.

- (2) Ms. Ge Ping, being the sole general partner of Guangzhou Xuandong as at 31 December 2025, is deemed to be interested in 31,334,000 Shares held by Guangzhou Xuandong under the SFO, representing 5.59% of the entire issued share capital of the Company.

As at the Latest Practicable Date, Ms. Ge Ping is deemed to be interested in 31,334,000 Shares held by Guangzhou Xuandong under the SFO, representing 5.59% of the entire issued share capital of the Company.

By virtue of SFO, Mr. Lian Jian is deemed to be interested in the 112,064,100 Shares and 13,365,000 Shares held by Grand Dynasty and Guangzhou Xuanbei, representing 20.00% and 2.39% of the entire issued share capital of the Company as at the Latest Practicable Date. Mr. Lian Jian is also interested in the 9,216,424 Shares as beneficial owner, representing 1.64% of the entire issued share capital of the Company as at the Latest Practicable Date.

Save as disclosed above, so far as the Directors are aware of, as at 31 December 2025, no persons or entities (other than the Directors or the chief executive of the Company) had, or was deemed to have any interests or short position in the Shares or underlying Shares, which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company under section 336 of the SFO.

EQUITY-LINKED AGREEMENT

Save as disclosed in this annual report, no equity-linked agreement was entered into or renewed by the Company during the Reporting Period or subsisting as at 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Repurchase Mandate

The Directors have been granted the general mandate (the "**Repurchase Mandate**") pursuant to resolutions of the Shareholders passed on 26 June 2025, to repurchase Shares in the open market from time to time. Pursuant to the Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued Shares (i.e. 55,706,650 Shares) as at the date of passing such resolution.

Share Repurchase

During the Reporting Period, the Company repurchased 569,000 Shares under the Repurchase Mandate on the Stock Exchange for an aggregate consideration of HK\$574,345.15 which are held as treasury shares (as defined under the Listing Rules) of the Company. The Company may consider using such treasury Shares as permitted under the Listing Rules, including but not limited to, funding the 2022 Restricted Share Award Scheme, future resales and transfer, and for other purposes permitted under the Articles of Association and the applicable laws of the Cayman Islands, subject to market conditions and its capital management needs. Holding treasury shares will give the Company flexibility in managing its capital structure without having to issue new shares.

Details of the Shares repurchased during the Reporting Period and up to the date of this annual report are as follows:

Month of repurchase	No. of Share repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Aggregate consideration paid (HK\$)
January 2025	99,000	0.88	0.82	86,072.23
February 2025	30,500	1.16	0.86	32,042.69
April 2025	87,000	1.01	0.85	81,907.86
May 2025	69,500	0.97	0.9	65,438.47
June 2025	90,000	1.15	0.9	91,551.89
July 2025	46,500	1.15	1.05	51,020.39
September 2025	7,000	1.28	1.27	8,990.12
November 2025	69,500	1.23	1.08	79,777.90
December 2025	70,000	1.13	1.05	77,543.60
Total	569,000			574,345.15
January 2026	833,500	1.45	1.38	1,189,381.96
February 2026	446,000	1.58	1.40	667,140.78
March 2026	144,500	1.34	1.30	192,749.79
April 2026 (up to the Latest Practicable Date)	37,000	1.35	1.29	48,539.82
Total	1,461,000			2,097,812.35

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

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

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

PRE-EMPTIVE RIGHTS

For the Reporting Period, there were no provisions relating to pre-emptive rights, which required the Company to offer new Shares on a pro-rata basis to existing Shareholders under the Articles of Association or the laws of the Cayman Islands.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective associates had any interests in business, which compete or are likely to compete either directly or indirectly, with the business of the Group.

TAX RELIEF AND EXEMPTION FOR HOLDERS OF LISTED SECURITIES

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Stock Exchange on 8 July 2022. The net proceeds from the Global Offering (as defined in the Prospectus) (after deducting underwriting fees, commissions and estimated expenses paid and payable by the Company in connection with the Global Offering) were approximately HK\$163.3 million, which have been and will be used in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

The following table sets forth the status of the use of net proceeds from the Global Offering:

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

Note:

- (1) The expected timeline for utilising the remaining net proceeds is made based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business development and need, and is therefore subject to change.

To strive for better business performance of the Group, the Board will continuously assess the plans for the use of the unutilised net proceeds and may revise or amend such plans where necessary to cope with, among other things, the changing market conditions in order to strive for a better performance of the Group. Should there be any further change in the use of the net proceeds, further announcement(s) will be made by the Company as and when appropriate.

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2025, save as disclosed in this annual report, no related party transaction disclosed in note 32 to the consolidated financial statements falls under the definition of “connected transaction” or “continuing connected transaction” in Chapter 14A of the Listing Rules for which disclosure is required.

The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the Reporting Period.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The following transactions of the Group constituted continuing connected transactions for the Group for the year ended 31 December 2025.

A. CONTRACTUAL ARRANGEMENTS

Background and reasons for the adoption of the Contractual Arrangements

The businesses which the Group currently operate, i.e. provision of PaaS and SaaS, are subject to foreign investment restrictions under the current PRC laws and regulations. The provision of PaaS and SaaS falls within the scope of value-added telecommunication services which are subject to holding of valid SP Licence, and therefore, subject to foreign investment restriction. The Group believes that to maintain the business operation and the effectiveness of SP Licence held by the Consolidated Affiliated Entities, the Consolidated Affiliated Entities must be controlled by the Group through the Contractual Arrangements. The Contractual Arrangements are therefore narrowly tailored and are used to merely enable the Group to conduct businesses in industries that are subject to foreign investment restriction.

Due to regulatory restrictions on foreign ownership in the PRC, the Group conducts its business operations indirectly in the PRC through the Consolidated Affiliated Entities while complying with applicable PRC laws and regulations. For details of the Contractual Arrangements, please refer to the paragraph headed “Summary of the Contractual Arrangements”. Through the Contractual Arrangements, the Company exercise effective control over the Consolidated Affiliated Entities. The Contractual Arrangements enable the Company to (i) receive the economic benefits generated by the Consolidated Affiliated Entities; (ii) exercise effective control over the Consolidated Affiliated Entities; and (iii) hold an irrevocable and exclusive right to require (1) each of the Registered Shareholders to transfer any or all their equity interests in Guangzhou Xuan Wu, (2) Guangzhou Xuan Wu to transfer any or all of the assets it held, (3) Guangzhou Xuan Wu to transfer any or all their equity interests in any of its subsidiaries and/or (4) any of the subsidiaries of Guangzhou Xuan Wu to transfer any or all of the assets it held, to Xuanta and/or a third party designated by it, at any time and from time to time, at the lowest purchase price that is permitted by the PRC laws.

The revenue contribution of all of the Consolidated Affiliated Entities to the Group amounted to approximately 98.5% of the total revenue of the Group for the year ended 31 December 2025. As at 31 December 2025, the total assets of the Consolidated Affiliated Entities in aggregate represent approximately 74.4% of the total assets of the Group.

Risks relating to the Contractual Arrangements and Actions Taken to Mitigate the Risks

The Group believes the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 66 to 70 of the Prospectus.

- If the PRC government finds that the agreements that establish the structure for operating the Group's operations in the PRC do not comply with applicable PRC regulations, or if these regulations or the interpretation of existing regulations change in the future, the Group could be subject to severe consequences, including the nullification of the Contractual Arrangements and being forced to relinquish our interests in those operations.
- The Contractual Arrangements may not be as effective in providing operational control as direct ownership. Any failure by any Consolidated Affiliated Entity or its shareholders to perform the obligations under the Contractual Arrangements would have a material adverse effect on the Group's business, results of operations and financial condition.
- The shareholders of the Consolidated Affiliated Entities may have actual or potential conflicts of interest with the Group, which may materially and adversely affect the Group's business, results of operations and financial condition.
- Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and the Implementation Rules and how they may impact the viability of the Group's current corporate structure, corporate governance and business operations.
- The Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and they may determine that the Company or the Consolidated Affiliated Entities owe additional taxes, which could materially and adversely affect our business, results of operations and financial condition.
- If the Group exercises the option to acquire equity ownership and assets of the Consolidated Affiliated Entities, the ownership or asset transfer may subject the Group to certain limitations and substantial costs.

The Company's management works closely with its external legal counsels and advisers to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the Contractual Arrangements.

The Group has adopted measures to ensure the implementation of the Contractual Arrangements for the effective operation of the Group's businesses and its compliance with the Contractual Arrangements, including, among others:

- (i) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion as and when they arise;
- (ii) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (iii) the Company will disclose the overall performance and compliance with the Contractual Arrangements in the annual reports;
- (iv) the Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of the Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements; and
- (v) the independent non-executive Directors will review the compliance of the Contractual Arrangements on an annual basis and their confirmation will be disclosed in the Company's annual report.

Listing Rules Implications and Waivers

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from (i) strict compliance with the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements; (ii) setting a maximum aggregate annual value, i.e. an annual cap, for the transactions under the Contractual Arrangements; and (iii) limiting the term of the Contractual Arrangements to three years or less, for so long as the Shares are listed on the Stock Exchange subject to certain conditions. For details, please refer to the section "Connected Transactions" in the Prospectus.

PRC Laws and Regulations

Pursuant to the Foreign Investment Negative List, provision of value-added telecommunication services falls within the "restricted" category. As such, the shareholding percentage of a foreign investor in companies engaged in value-added telecommunication services shall not exceed 50%.

According to the Regulations on the Administration of Short Message Service (通信短信息服务管理規定), those who operate SMS shall obtain the telecommunication business licence according to the PRC laws. In particular, Article 6 of the Regulations on the Administration of Short Message Service provides that an operator of basic telecommunication business shall not, without telecommunication business licence, provide network or access service for sending SMS to any institution or individual. Accordingly, for access to the network maintained by telecommunication network operators for sending SMS, each of the Consolidated Affiliated Entities must obtain and has obtained the SP Licence.

Qualification Requirements

On 11 December 2001, the State Council promulgated the Administrative Provisions on the Administration of Foreign Invested Telecommunications Enterprises (the “**2016 Regulations**”), which was last amended on 6 February 2016. According to the 2016 Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services. Article 10 of the 2016 Regulations further provides that a major foreign investor which invests in a value-added telecommunication business in the PRC must possess prior experience in, and a proven track record of good performance of, operating value-added telecommunication businesses overseas (the “**Qualification Requirements**”). Foreign investors that meet these requirements must obtain approvals from the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (the “**MIIT**”) which retains discretion in granting such approvals.

The MIIT issued the Guidance Memorandum (外商投資經營電信業務審批服務指南). According to this Guidance Memorandum, a foreign investor applicant is required to provide the proof of the satisfaction of the Qualification Requirements. The Guidance Memorandum, however, does not provide any further guidance on the proof, record or document required to support the proof satisfying the Qualification Requirements.

On 29 March 2022, the State Council promulgated the Decision of the State Council on Revising or Abolishing Some Administrative Regulations (the “**2022 Decision**”) that took effect from 1 May 2022 made certain significant changes to the 2016 Regulations. The 2022 Decision repeals the Qualification Requirements. As such, the restrictions of Qualification Requirements no longer apply to foreign investors, and foreign investors may be allowed to hold no more than 50% of the equity interests of a company providing value-added telecommunications services. However, as at the date of this annual report, no applicable PRC laws, regulations or rules have provided clear guidance or interpretation about the 2022 Decision. It remains uncertain as to the interpretation and enforcement of the 2022 Decision in practice and relevant regulations by government authorities.

Summary of the Contractual Arrangements

During the Reporting Period, on 14 and 27 April 2025, the Group has set up two new operating subsidiaries, Guangzhou Tianluo Communication Technology Co., Ltd (廣州天絡通信科技有限公司) and Guangzhou Mingyun Information Technology Co., Ltd (廣州鳴雲信息科技有限公司), respectively. Each of them falls within the “restricted” category as stipulated under the Foreign Investment Negative List. As such, a series of Contractual Arrangements were entered into, of which the terms and conditions are substantially the same as the existing Contractual Arrangements.

The Contractual Arrangements which were in place during the Reporting Period were as follows:

- Exclusive Business Cooperation Agreements. Under the exclusive business cooperation agreements (the “**Exclusive Business Cooperation Agreements**”) dated 10 August 2021, 29 December 2021, 9 May 2023, 2 December 2024, 14 April 2025 and 27 April 2025 entered into among Xuantao, Guangzhou Xuan Wu and its subsidiaries and the Registered Shareholders, in exchange for an annual service fee, Xuan Wu and its subsidiaries agreed to engage Xuantao as their exclusive provider of technical support, consultation and other services.
- Exclusive Option Agreements. Under the exclusive option agreements (the “**Exclusive Option Agreements**”) dated 10 August 2021, 29 December 2021, 9 May 2023, 2 December 2024, 14 April 2025 and 27 April 2025 among Xuantao, Guangzhou Xuan Wu and its subsidiaries and the Registered Shareholders, Guangzhou Xuan Wu and its subsidiaries and the Registered Shareholders agreed to grant Xuantao an irrevocable and exclusive right to require, without additional conditions, (i) each of the Registered Shareholders to transfer any or all their equity interests in Guangzhou Xuan Wu; (ii) Guangzhou Xuan Wu to transfer any or all of the assets it held; (iii) Guangzhou Xuan Wu to transfer any or all their equity interests in any of its subsidiaries and/or (iv) any of the subsidiaries of Guangzhou Xuan Wu to transfer any or all of the assets it held, to Xuantao and/or a third party designated by it, at any time and from time to time, at the lowest purchase price that is permitted by the PRC laws.
- Equity Pledge Agreements. Under the equity pledge agreements (the “**Equity Pledge Agreements**”) dated 10 August 2021, 29 December 2021, 9 May 2023, 2 December 2024 entered into among Xuantao, Guangzhou Xuan Wu and its subsidiaries and the Registered Shareholders, Guangzhou Xuan Wu and the Registered Shareholders agreed to pledge all their respective equity interests in Guangzhou Xuan Wu and its subsidiaries that they own, including any dividend or other benefits arising therefrom, to Xuantao as charge to guarantee the performance of contractual obligations under the Exclusive Business Cooperation Agreements, the Exclusive Option Agreements and the Proxy Agreements (as defined below).
- Proxy Agreements and Powers of Attorney. Guangzhou Xuan Wu and the Registered Shareholders had entered into the proxy agreements (the “**Proxy Agreements**”) and executed the powers of attorney (the “**Powers of Attorney**”) on 10 August 2021, 29 December 2021, 9 May 2023, 2 December 2024, 14 April 2025 and 27 April 2025, respectively. Under the Proxy Agreements, Guangzhou Xuan Wu and the Registered Shareholders appointed Xuantao and/or any person designated by Xuantao as their proxy to manage their equity interest in Guangzhou Xuan Wu and/or its subsidiaries and exercise all shareholder's rights in Guangzhou Xuan Wu and/or its subsidiaries on behalf of the Registered Shareholders and/or Guangzhou Xuan Wu.

- Undertakings from the Registered Shareholders. Each of the Registered Shareholders has confirmed to the effect that among other things, (i) his spouse (where applicable) does not own and does not have the right to claim any interests in the equity interest of Guangzhou Xuan Wu (together with any other interests therein) or exert influence on the day-to-day management by Guangzhou Xuan Wu, (ii) where applicable, in the event of his/their death, incapacity, bankruptcy, divorce, insolvency, liquidation or any other event which causes his/their inability to exercise his/their rights as a shareholder of Guangzhou Xuan Wu, he/they will take actions deemed necessary by Xuantaotao to safeguard the performance of the Exclusive Business Cooperation Agreements, the Exclusive Option Agreements, the Equity Pledge Agreements, the Proxy Agreements and the Powers of Attorney, and his/their successors, guardians, managers, liquidators, creditors, spouse or any other person that has a claim on his/their equity interest in Guangzhou Xuan Wu or related rights will not, under any circumstance and in any way, take any action, when such action may affect or hinder the respective Registered Shareholder and/or Guangzhou Xuan Wu in performing their obligations under the Exclusive Business Cooperation Agreements, the Exclusive Option Agreements, the Equity Pledge Agreements, the Proxy Agreements and the Powers of Attorney.
- Spouse Undertakings. The spouse of each of the Registered Shareholders, where applicable, has signed undertakings to the effect that (i) the respective individual Registered Shareholder's interests in Guangzhou Xuan Wu (together with any other interests therein) do not fall within the scope of communal properties, and (ii) she has no right to such interests of the respective Registered Shareholder and will not have any claim on such interests.

For details of the major terms of the Contractual Arrangements, please refer to the section headed "Contractual Arrangements" in the Prospectus.

Save as disclosed above, during the Reporting Period and up to the date of this annual report, there were no other new Contractual Arrangements entered into, renewed or reproduced. Save as disclosed above or in the Prospectus, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted for the year ended 31 December 2025.

For the year ended 31 December 2025, none of the Contractual Arrangements had been terminated as none of the restrictions that led to the adoption of the contracts under the Contractual Arrangements has been removed.

Confirmation of Independent Non-executive Directors

The independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that, during the Reporting Period:

- (i) the transactions carried out during the year have been entered into in accordance with the relevant provisions of the Contractual Arrangements to the effect that the revenue generated by the Consolidated Affiliated Entities has been substantially retained by Xuantao;
- (ii) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group;
- (iii) no new contracts were entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the year other than the ones disclosed above;
- (iv) the Contractual Arrangements have been entered into in the ordinary and usual course of business of the Group;
- (v) the Contractual Arrangements have been entered into on normal commercial terms or better; and
- (vi) the Contractual Arrangements have been entered into in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Confirmation of the Company's Independent Auditor

PwC, the independent auditor of the Company, has carried out procedures in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants on the transactions carried out pursuant to the Contractual Arrangements and has confirmed in a letter to the Board, with respect to Contractual Arrangements and the transactions contemplated therein:

- (i) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (ii) nothing has come to their attention that causes them to believe that the transactions have not been entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iii) nothing has come to their attention that causes them to believe that dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of the equity interests of the Consolidated Affiliated Entities which are not otherwise subsequently assigned or transferred to our Group.

Details of related party transactions in the normal course of business are set out in note 32 to the consolidated financial statements. During the Reporting Period, save as disclosed in this annual report, there were no other connected transactions or continuing connected transactions which are required to be disclosed by the Company in accordance with the provisions concerning the disclosure of connected transactions under Chapter 14A of the Listing Rules.

Set out below is a table in relation to the continuing connected transactions conducted by the Group during the Reporting Period and required under the Listing Rules to be disclosed in the annual report and consolidated financial statements of the Company.

Continuing Connected Transactions	Proposed Annual Cap in 2025 (RMB'000)	Actual Transaction Amount in 2025 (RMB'000) ⁽¹⁾
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Non-exempt continuing connected transactions

Technical Services Procurement Framework Agreement

Technical service fees payable by the Group to the Target Company	9,500	—
Technical service fees payable by the Target Company to the Group	2,500	—

1. Technical Services Procurement Framework Agreement

On 20 October 2025 (after trading hours), the Company and the Guangzhou Xuantong Technology Co., Ltd. (廣州市玄瞳科技有限公司) (the "**Target Company**") entered into the Technical Services Procurement Framework Agreement, pursuant to which the Group will continue to (i) provide technical services to the Target Company; and (ii) procure technical services from the Target Company from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 30 November 2028. The Technical Services Procurement Framework Agreement shall be effective from 1 December 2025 (subject to the completion of Equity Transfer) to 30 November 2028, and the Technical Services Procurement Framework Agreement was approved by the Shareholders on 17 December 2025.

Further details of the Technical Services Procurement Framework Agreement are set out in the announcements of the Company dated 20 October 2025, 10 November 2025, 17 December 2025 and the circular dated 28 November 2025.

Note:

- (1) As at 31 December 2025, the disposal of the Target Company had not yet been completed, and the Target Company remained as a subsidiary of the Group. Accordingly, the actual transaction amount recognised in 2025 is presented as nil.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS" in this annual report and note 32 (Related party disclosures) to the consolidated financial statements, no contract of significance had been entered into between the Company or any of its subsidiaries and the controlling Shareholders or any of its subsidiaries and no contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling Shareholders or any of its subsidiaries had been entered into.

DONATIONS

During the Reporting Period, there were no cash donations made by the Group. The Group donated computer equipment worth approximately RMB100,000 to schools during the period to support educational development.

MATERIAL LEGAL PROCEEDINGS AND COMPLIANCE

During the Reporting Period and up to the date of this annual report, to the knowledge of Directors, the Company has complied with the applicable laws and regulations in all material aspect, and there are no material legal proceedings which are pending or threatened against the Company.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or legal liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. During the year, there was appropriate directors' and senior officers' liability insurance coverage for the Directors and senior officers of the Group.

CORPORATE GOVERNANCE

For details, please refer to the Corporate Governance Report on pages 52 to 71 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% (being the minimum public float prescribed by the Stock Exchange and the Listing Rules) of the total issued Shares was at all times held by the public during the Reporting Period and up to the date of this annual report. The Company has maintained a sufficient public float that is in compliance with Rule 8.08 of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee discussed with the senior management of the Company and the Auditor, and reviewed the audited consolidated financial statements of the Group for the Reporting Period together with the applicable accounting principles, standards and practices adopted by the Group. The Audit Committee has agreed with the senior management of the Company on the annual report for the Reporting Period.

AUDITOR

PricewaterhouseCoopers is appointed as the Auditor during the Reporting Period and PricewaterhouseCoopers has audited the accompanying financial statements which were prepared in accordance with HKFRS.

There has been no change in auditor since the Listing Date.

EVENTS AFTER THE REPORTING PERIOD

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

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

Termination of Acting in Concert Agreement

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

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

Completion of Disposal of Shares by Controlling Shareholders under the SPA

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

Change in Controlling Shareholders

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

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

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

By order of the Board
Xuan Wu Cloud Technology Holdings Limited
Lian Jian
Chairman

Hong Kong, 27 March 2026



CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report as set out in this annual report for the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

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

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

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

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

CORPORATE GOVERNANCE FUNCTIONS

The Board is collectively responsible for performing the corporate governance functions set out in code provision

A.2.1 of Part 2 of the CG Code, including at least the following:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the Company's code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

THE BOARD OF DIRECTORS

Responsibilities

The Board is responsible for leading and controlling the Company and overseeing the Group's business, strategy making and performance, and is collectively responsible for facilitating the success of the Company by directing and supervising its affairs.

The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that internal control is sound and risk management systems are in place. The Board has delegated responsibilities to the Board committees, which have been set out in their respective terms of reference.

Delegation by the Board

The Board reserves its right to decide on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could seek independent professional advice in performing their duties at the Company's expense. Directors are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. The senior management has to obtain the Board approval prior to entering into any significant transaction.

BOARD COMPOSITION

As at the date of this annual report, the Board consists of seven Directors, including four executive Directors, and three independent non-executive Directors. The list of the Board members and their positions is set out below. All Directors ensure that they are able to devote sufficient time and attention to the affairs of the Company.

Executive Directors

Mr. Lian Jian (*Chairman*) (*appointed on 9 February 2026*)

Mr. Li Hairong (李海榮) (*Chief Executive Officer*)

Mr. Huang Fangjie (黃仿傑)

Dr. Chen Zhengxu (陳正旭) (*appointed on 9 February 2026*)

Mr. Chen Yonghui (陳永輝) (*Chairman and Chief Executive Officer*) (*resigned on 9 February 2026*)

Mr. Guo Haiqiu (郭海球) (*resigned on 9 February 2026*)

Independent Non-executive Directors

Mr. Wang Guisheng (王貴升) (appointed on 9 February 2026)

Dr. Xiao Jingyi (肖璟翊) (appointed on 9 February 2026)

Mr. Cao Jianrong (曹建榮) (appointed on 9 February 2026)

Mr. Du Jianqing (杜劍青) (resigned on 9 February 2026)

Ms. Wu Ruifeng (吳瑞風) (resigned on 9 February 2026)

Prof. Wu Jintao (鄔金濤) (resigned on 9 February 2026)

The biographical details of each Director are set out on pages 19 to 23 of this annual report.

We are also committed to promoting diversity of the management (including but not limited to the senior management) of the Company to enhance the effectiveness of our corporate governance as a whole. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have always acted in the interests of the Company and the Shareholders.

None of the Directors has any relationship (including financial, business, family members or other material/relevant relationship) with any other Directors or chief executives (particular the Chairman and the CEO) of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period and up to the date of this annual report, the Board has complied with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules in relation to the appointment of at least three independent non-executive Directors with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise at all time.

The Company has also complied with the requirement of Rule 3.10A of the Listing Rules relating to appointing the independent non-executive Directors as equivalent to one-third members of the Board.

Each of the independent non-executive Directors has confirmed its independence under Rule 3.13 of the Listing Rules during the Reporting Period. Therefore, the Company regarded them as independent parties.

BOARD SKILLS MATRIX

The Board places strong emphasis on maintaining an appropriate balance of skills, experience and diversity to support the Company's strategic development and governance responsibilities. The Board regularly reviews its composition to ensure that both the Board as a whole and each individual Director can effectively contribute to the long-term development and sustainable growth of the Company, leveraging their relevant skills, professional knowledge, and experience.

The skills matrix below sets out the skills, expertises, diversity, knowledge and experience of the Board that are most relevant to Company's strategy, governance and business and to enabling the Board to effectively discharge its duties and responsibilities in attaining Company's strategic objectives and achieving sustainable and balanced development for the Group, particularly in terms of:

- Overseeing the implementation of the Company's strategic priorities to reinforce the Group's market position in the field of intelligent CRM services, continuously advance the development of PaaS and SaaS businesses, and promote the deep integration of the core "AI+SaaS" business with client application scenarios and market demands;
- Promoting sustainability and better governance and corporate responsibility practices across its business, markets and communities; and
- Overseeing implementation of robust risk management framework and internal controls.

Name of Directors	Strategy & Governance	Financial & Capital Markets	Risk & Regulatory	Industry Insight	Technology/ Cloud Computing
Executive Directors					
Mr. Lian Jian (<i>Chairman</i>)	✓	✓	✓	✓	✓
Mr. Chen Yonghui (<i>resigned on 9 February 2026</i>)	✓	✓	✓	✓	✓
Mr. Li Hairong (<i>Chief Executive Officer</i>)	✓	✓	✓	✓	✓
Mr. Huang Fangjie	✓	✓	✓	✓	✓
Dr. Chen Zhengxu	✓	✓	✓	✓	✓
Mr. Guo Haiqiu (<i>resigned on 9 February 2026</i>)	✓	✓	✓	✓	✓
Independent non-Executive Directors					
Mr. Wang Guisheng	✓	✓	✓	✓	
Dr. Xiao Jingyi		✓	✓	✓	
Mr. Cao Jianrong	✓		✓	✓	✓
Mr. Du Jianqing (<i>resigned on 9 February 2026</i>)		✓	✓	✓	
Ms. Wu Ruifeng (<i>resigned on 9 February 2026</i>)	✓	✓	✓	✓	
Prof. Wu Jintao (<i>resigned on 9 February 2026</i>)			✓	✓	✓

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Code provision B.2.2 of Part 2 of the CG Code states that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

The procedures and process of appointment, re-election and removal of Directors are contained in the Articles of Association. Each of the executive Directors has been appointed for a term of three years from the date of appointment, which is automatically renewable until terminated by not less than three months' notice in writing served by either party on the other, subject to retirement by rotation and re-election at the AGM in accordance with the Articles and the Listing Rules. The service contract may be terminated in accordance with its terms.

Each of the independent non-executive Directors has signed the letters of appointment with the Company. The terms and conditions of respective letters of appointment are similar in all material aspects. Each of the independent non-executive Directors has been appointed for a term of three years from the Listing Date, which is automatically renewable until terminated by not less than three months' notice in writing served by either party on the other, subject to retirement by rotation and re-election at the AGM in accordance with the Articles and the Listing Rules. The letter of appointment may be terminated in accordance with its terms.

According to Article 112 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next first annual general meeting of the Company and shall then be eligible for re-election at that meeting.

According to Article 108 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director required to stand for re-election pursuant to the Articles of Association shall be not considered in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. At any annual general meeting at which any Director retires, the Company may fill the vacated office by electing a like number of persons to be Directors.

BOARD MEETING AND GENERAL MEETING

During the Reporting Period, the attendance records of each Directors at Board and committees meetings are set out as follows:

Name of Directors	Regular Board Meetings	Audit Committee Meetings	Remuneration Committee Meeting	Nomination Committee Meeting	General Meetings
Executive Directors					
Mr. Lian Jian ⁽¹⁾	—	—	—	—	—
Mr. Li Hairong	4/4	—	—	—	2/2
Mr. Huang Fangjie	4/4	—	—	—	2/2
Dr. Chen Zhengxu ⁽²⁾	—	—	—	—	—
Mr. Chen Yonghui ⁽³⁾	4/4	—	—	1/1	2/2
Mr. Guo Haiqiu ⁽⁴⁾	4/4	—	1/1	—	2/2
Independent non-executive Directors					
Mr. Wang Guisheng ⁽⁵⁾	—	—	—	—	—
Dr. Xiao Jingyi ⁽⁶⁾	—	—	—	—	—
Mr. Cao Jianrong ⁽⁷⁾	—	—	—	—	—
Mr. Du Jianqing ⁽⁸⁾	4/4	3/3	—	1/1	2/2
Ms. Wu Ruifeng ⁽⁹⁾	4/4	3/3	1/1	1/1	2/2
Prof. Wu Jintao ⁽¹⁰⁾	4/4	3/3	1/1	—	2/2

Notes:

- (1) Mr. Lian Jian was appointed as an executive Director on 9 February 2026.
- (2) Dr. Chen Zhengxu was appointed as an executive Director on 9 February 2026.
- (3) Mr. Chen Yonghui resigned as an executive Director on 9 February 2026.
- (4) Mr. Guo Haiqiu resigned as an executive Director on 9 February 2026.
- (5) Mr. Wang Guisheng was appointed as an independent non-executive Director on 9 February 2026.
- (6) Dr. Xiao Jingyi was appointed as an independent non-executive Director on 9 February 2026.
- (7) Mr. Cao Jianrong was appointed as an independent non-executive Director on 9 February 2026.
- (8) Mr. Du Jianqing resigned as an independent non-executive Director on 9 February 2026.
- (9) Ms. Wu Ruifeng resigned as an independent non-executive Director on 9 February 2026.
- (10) Prof. Wu Jintao resigned as an independent non-executive Director on 9 February 2026.

During the Reporting Period, the chairman of the Board held a meeting with the independent non-executive Directors without the presence of executive Directors in compliance with code provision C.2.7 of the CG Code.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director will be provided with necessary induction training and information to ensure that he/she has a proper understanding of the Company's operation and business as well as his/her responsibilities under relevant statutes, laws, rules and regulations in accordance with code provision C.1.1 of the CG Code. .

The Company will also arrange regular seminars and directors' training to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. In order to enhance the communication with the Directors and to enable them to deepen their understanding of the Company's business, the Company has regularly organised enterprise day activities, on which the Directors are invited to visit the Company and hear about the strategic approaches and business development of the Company. Each of the Directors has confirmed that he/she has understood his/her obligations as a Director during the Reporting Period.

All Directors are encouraged to participate in continuous professional development by attending seminars, trainings provided by external professional bodies, in-house briefings and/or reading materials to develop and refresh their knowledge and skills. The joint company secretaries of the Company have from time to time updated and provided written training materials relating to the roles, functions and duties of Directors.

All Directors have complied with code provision C.1.4 of the CG Code in relation to the training of Directors. During the Reporting Period. The Directors have attended seminars and training sessions arranged by relevant business and professional/financial institutions/law firms, and have read latest materials relating to issuers' obligations and regulatory updates, industry developments and business strategies, corporate governance and ESG matters, risk management and internal controls and directors' duties, roles and functions. The relevant details are set out below and The Company has also provided management with internal training in relation to the Company.

A summary of training received by the Directors for the Reporting Period is summarised as follows:

Director	Directors' Duties, Roles and Functions	Issuers' Obligations & Regulatory updates	Corporate Governance & ESG Matters	Risk Management & Internal Controls	Industry Developments & Business Strategies
Mr. Chen Yonghui (Resigned on 9 February 2026)	✓	✓	✓	✓	✓
Mr. Li Hairong	✓	✓	✓	✓	✓
Mr. Huang Fangjie	✓	✓	✓	✓	✓
Mr. Guo Haiqiu (Resigned on 9 February 2026)	✓	✓	✓	✓	✓
Mr. Du Jianqing (Resigned on 9 February 2026)	✓	✓	✓	✓	✓
Ms. Wu Ruifeng (Resigned on 9 February 2026)	✓	✓	✓	✓	✓
Prof. Wu Jintao (Resigned on 9 February 2026)	✓	✓	✓	✓	✓

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for Directors' in securities transactions. After making specific enquiry of all Directors, all Directors have confirmed that they have strictly complied with the Model Code for the Reporting Period.

JOINT COMPANY SECRETARIES

Ms. Ge Ping ("**Ms. Ge**") is the joint company secretary of the Company and is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed.

Ms. Lam Chi Ching Cecilia ("**Ms. Lam**") has been appointed as the joint company secretary on 12 June 2023. In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company engages Ms. Lam, a solicitor practicing in Hong Kong, to assist Ms. Ge to discharge her duties as joint company secretary of the Company. Ms. Ge is the primary contact person of the Company.

For the Reporting Period, each of Ms. Ge and Ms. Lam has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

BOARD COMMITTEES

Audit Committee

With effect from 9 February 2026, the composition of the Audit Committee has been restructured. Ms. Wu Ruifeng resigned as the chairperson of the Audit Committee and Mr. Du Jianqing and Prof. Wu Jintao resigned as the members of the Audit Committee. The restructured Audit Committee consists of 3 members, namely Mr. Wang Guisheng (Chairman), Dr. Xiao Jingyi and Mr. Cao Jianrong (with Mr. Wang Guisheng possessing the appropriate professional qualifications and accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules), all being independent non-executive Directors.

The main duties of the Audit Committee are as follows:

1. to review the audited consolidated financial statements, annual results announcement and the annual report for the year ended 31 December 2025;
2. to review the unaudited condensed consolidated financial statements, interim results announcement and the interim report for the six months ended 30 June 2025;
3. to review the adequacy and effectiveness of the risk management and internal control systems, and the effectiveness of the internal audit function of the Group; and
4. to make recommendations to the Board on the appointment, re-appointment and removal of external auditor of the Company, and approve the remuneration and terms of engagement of the external auditor.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Audit Committee held two meetings and has reviewed the accounting principles and practices adopted by the Group, including the review of the audited consolidated financial statements of the Company for the Reporting Period. The Audit Committee also reviewed the continuing connected transactions of our Group, the significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, the appointment of external auditor and engagement of non-audit services and relevant scope of works, and the arrangements for employees to raise concerns about possible improprieties.

The Audit Committee is of the opinion that the preparation of the relevant financial statements has complied with the applicable accounting standards and requirements and that adequate disclosure has been made. In addition, the Audit Committee reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions.

During the Reporting Period, there was no disagreement between the Board and the Audit Committee regarding the re-appointment of the external auditor of the Company.

Remuneration Committee

With effect from 9 February 2026, the composition of the Remuneration Committee has been restructured. Prof. Wu Jintao resigned as the chairman of the Remuneration Committee and Mr. Guo Haiqiu and Ms. Wu Ruifeng resigned as the members of the Remuneration Committee. The restructured Remuneration Committee consists of 3 members, including two independent non-executive Directors and one executive Director, namely Mr. Cao Jianrong (Chairman), Dr. Xiao Jingyi and Dr. Chen Zhengxu.

The main duties of the Remuneration Committee are as follows:

1. to discuss the remuneration of all Directors and senior management;
2. to assess the performance of executive Directors and approve the terms of the executive Directors' service contracts;
3. to review and make recommendations to the Board on the remuneration policy and structure for all Directors and senior management;
4. to review and make recommendations to the Board on the remuneration packages of individual Directors and senior management (i.e. code provision E.1.2(c)(ii) of the CG Code was adopted); and
5. to review and/or approve matters relating to share scheme of the Company.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Remuneration Committee held one meeting and has performed duties such as reviewing the Group's policy on remuneration of all Directors and senior management of the Group, evaluating the performance of executive Directors and approving the terms of the executive Directors' service contracts. The Remuneration Committee, after assessing their performance, had advised the Board on the remuneration packages of all executive Directors and senior management of the Group, and the remuneration of the independent non-executive Directors.

During 2025, there were no material matters relating to the 2022 Restricted Share Award Scheme that required review or approval by the Remuneration Committee. No Shares were granted to Directors or senior management with vesting period shorter than 12 months. Details of the 2022 Restricted Share Award Scheme and the movement of share awards during the year are set out in the section of the "Share Award Scheme" of the Directors' Report.

Nomination Committee

With effect from 9 February 2026, the composition of the Nomination Committee has been restructured. Mr. Chen Yonghui resigned as the chairman of the Nomination Committee and Mr. Du Jianqing and Ms. Wu Ruifeng resigned as the members of the Nomination Committee. The restructured Nomination Committee consists of 3 members, including two independent non-executive Directors and one executive Director, namely Dr. Xiao Jingyi (Chairperson), Mr. Wang Guisheng and Mr. Li Hairong.

The main duties of the Nomination Committee are as follows:

1. to review the structure, size and composition (including the skills, diversity, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skill matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to formulate and review the appropriateness and effectiveness of the Company's board diversity policy (the "**Board Diversity Policy**") and nomination policy (the "**Nomination Policy**") of the Directors on an annual basis, and to prepare the appropriate disclosure on such policies in the corporate governance report;
3. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
4. to assess the independence of independent non-executive Directors;
5. to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the chairperson and the chief executive; and
6. to support the Company's regular evaluation of the Board's performance;

7. before appointments are made by the Board, to evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation, to prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall (where applicable and appropriate) consider candidates from a wide range of backgrounds, on merit and against objective criteria, taking care that appointees have enough time available to devote to the position; and
8. to recommend on-going qualification standards for Directors, including standards for determining Director independence and criteria for the evaluation of Director performance.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill, diversity and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Nomination Committee held one meeting and has performed duties, including reviewing the structure, size and composition of the Board (including the skills, diversity, knowledge and experience), disclosing its assessment of each director's time commitment and contribution to the Board, taking into consideration their professional qualifications and work experience, listed issuer directorships, other significant external time commitments and other factors or circumstances relevant to their character, integrity, independence and experience. The Nomination Committee also assessed the independence of independent non-executive Directors, making recommendations to the Board on the succession of Directors and disclosing the policy on nomination of Directors, including the nomination process adopted by the Nomination Committee for director candidates and the selection and recommendation criteria.

Directors' Time Commitment and Contribution to the Board

All Directors are expected to devote sufficient time and attention to the affairs of the Company in order to discharge their duties effectively. In accordance with the applicable Listing Rules and corporate governance requirements, each Director is required, at the time of his or her appointment, to disclose to the Company and the Stock Exchange the number and nature of offices held in public companies or other organisations and other significant commitments, and to notify the Company and the Stock Exchange in a timely manner of any subsequent changes. The Company maintains a register of Directors' external appointments and commitments and monitors any potential impact on their availability and performance.

On 27 March 2026, the Nomination Committee conducted its annual review of each Director's time commitment, level of participation and overall contribution to the Board and its committees for the year ended 31 December 2025, and assessed each Director's ability to continue to discharge his or her responsibilities effectively. In carrying out the assessment, the Nomination Committee considered, among other factors:

- the skills, experience and expertise of each Director, as reflected in the Directors' skills matrix set out in the "Board Composition" section of the Corporate Governance Report, and their relevance to the Group's strategic direction and business needs;

- each Director's roles and responsibilities within the Company and its subsidiaries, including memberships and chairmanships of Board committees, as well as their external directorships, public service roles and other major commitments; and
- each Director's attendance and active participation at Board, committee and general meetings of the Company and its subsidiaries during the year, as disclosed in the "Board Meeting and General Meeting" section of the Corporate Governance Report.

Having considered the above factors, the Nomination committee was satisfied that each Director had devoted adequate time and attention to the Company's affairs and had effectively discharged his or her duties and responsibilities during the year under review.

Policy for Nomination of Directors

The Board has adopted a Nomination Policy for nomination of Directors and the summary is as follows: the Company values its selection process of the Board members with high transparency. The Nomination Policy aims to ensure that the Board keeps balance on the skills, experience and diversity of views to meet the business needs of the Company. The Nomination Committee has been appointed to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. The Board is ultimately responsible for (i) the selection and appointment of new Directors, and (ii) the relevant matters in relation to retirement by rotation and re-election at annual general meetings pursuant to the Articles of Association.

Board Diversity Policy

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") in order to achieve diversity of the Board and to maintain high standard of corporate governance. The Company is convinced that the diversity of the Board is beneficial to improve the quality of its performance. When setting up composition of the Board, the Company considers the diversity of the Board from various measurable aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Our Directors have a balanced mix of experiences, including but not limited to information and technology, business management, legal, finance and accounting and risk management. All appointments to the Board are based on the principle of meritocracy, while considering diversity, including gender diversity. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Board members have a wide range of age, ranging from 46 years old to 56 years old. With respect to the succession of Directors, the Nomination Committee will also assist in identifying potential female Board members as and when necessary. The Board has set a goal to increase the percentage of female directors on the Board to 20% by 2030 and reviews the progress against this target annually as part of its succession planning efforts. In addition, to maintain a robust pipeline of potential director candidates, with a particular focus on female director talent, the Company will from time to time engage external search firms to identify suitable candidates from a broad talent pool. The Company will also regularly conduct internal assessments of, and provide development opportunities to, senior female management personnel with the potential to be promoted to the Board. Furthermore, Directors are also encouraged to nominate potential candidates from their expanded professional networks, with a specific focus on introducing high-potential female leaders to the Nomination Committee.

Details of the current members of the Board are set out as follows:

Gender			Male	Female
			6	1
Age Group	40–45	46–50	51–55	56–60
	0	3	3	1
Length of service	1 year or below		2 to 4 years	Over 4 years
			0	7
			7	0

In 2025, the Group had 363 full-time employees, of which 207 were male and 156 were female. The gender ratio of all employees (including senior management) is approximately 57.0% (male) and approximately 43.0% (female), respectively (2024: 67.4% (male) and 32.6% (female)).

The Board is currently of the opinion that it generally meets the diversity requirements under the Listing Rules. Currently, one out of seven Directors is female, bringing the female representation to 14.3% of the Board and the joint company secretaries of the Company are females. Yet, the Board will continue to take opportunities to promote gender diversity at all levels of the Company and increase the proportion of female members over time as and when suitable candidates are identified. We will also continue to apply the principle of appointments based on merits with reference to our diversity policy as a whole.

The Board strives to ensure that it has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies in order for the Board to be effective. The diversity policy is subject to annual review by the Nomination Committee. The Company will continue to monitor and evaluate the Board Diversity Policy from time to time to ensure its continuous effectiveness.

Workforce Diversity Policy

The Group has adopted a workforce diversity policy (the “**Workforce Diversity Policy**”) which sets out the approach to achieve and maintain diversity of employees. The Group is committed to creating and maintaining a diversified and inclusive working environment where individual differences are respected and all employees are treated with dignity, and is also committed to fostering gender empowerment, gender equality and gender diversity across its workforce.

The Group recognises that diversity encompasses a broad range of attributes, including race, ethnicity, gender, creed, religion, age, disability, sexual orientation and cultural background, as well as experience, skills and views. Each of these elements enriches the workplace experience and reflects the diversity of the communities in which the Group operates. The Group strictly adheres to non-discriminatory employment practices and procedures. It also actively promotes diversity and inclusion initiatives, celebrates diverse perspectives and contributions, and encourages collaboration and engagement among its workforce. It is committed to providing a positive work environment that values the wide-ranging perspectives inherent in its diverse workforce, free from all forms of discrimination or harassment. Workforce Diversity Policy applies to all facets of employment, including recruitment and selection, professional development and training, compensation and benefits, performance evaluation, and career advancement.

The Company from time to time provides training and development opportunities that address the specific needs and career aspirations of diverse employees. It also offers training programs on diversity and inclusion-related topics.

As of December 31, 2025, the senior management of the Group has a gender composition of 33.3% female and 66.7% male, while among the Group's total employees (excluding senior management), the proportions of female and male employees are 43.1% and 56.9%, respectively. The Board considers that, taking into account the industry characteristics, business development needs and existing talent structure of the Group, the current gender ratio of the Group's workforce remains relatively balanced.

To further promote gender diversity at the workforce level, the Company has set a target to gradually increase the proportion of female employees of the Group to approximately 50% by 2030. The Group will continue to promote the achievement of this target through fair recruitment, equal training and promotion opportunities, talent development programmes and the continuous cultivation of female talents. The Board will review the progress towards the relevant target and the effectiveness of the employee diversity policy on an annual basis, and will make appropriate adjustments where necessary.

BOARD INDEPENDENCE MECHANISM

During the Reporting Period, the Board reviewed the implementation and effectiveness of the mechanisms in place to ensure that independent views and opinions are available to the Directors. Having considered the following aspects, the Board considered that the Company maintained an effective mechanism to ensure a potent and sufficient element of independence in the Board:

- the independent non-executive Directors account for no less than one-third of the total number of Directors of the Board, all of whom continued to devote sufficient time to the Company; other Board Committees are also comprised of a sufficient number of independent non-executive Directors to ensure that independent views are available to each Board Committee;
- the Nomination Committee assesses the independence of all independent non-executive Directors annually in accordance with the independence standards set out in the Listing Rules to ensure that they are always able to exercise independent judgment;
- all Directors (including independent non-executive Directors) have equal opportunities and multiple channels to convey and express their independent views and perspectives to the Board and Board Committees;

- all Directors (including independent non-executive Directors) may request further data and documentation from the management of the Company on matters discussed at Board meetings;
- all Directors may seek assistance from the secretary to the Board and the company secretary and seek external independent professional advice at the Company's expense;
- all Directors (including independent non-executive Directors) shall not vote on any Board resolution approving any contract or arrangement in which he/she or any of his/her associates has a material interest nor shall he/she be counted in the quorum of the meeting; and
- the Chairman of the Board should at least annually hold a meeting with the independent non-executive Directors without the presence of other Directors to discuss matters and address concerns.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") in accordance with the CG Code, which outlines the factors that should be taken into account in determining any dividend for distribution to the Shareholders. Accordingly, the Dividend Policy aims to allow Shareholders to participate in the Company's profits whilst preserving the Company's liquidity to capture future growth opportunities. Pursuant to the Dividend Policy, in considering the declaration and payment of dividends, the Board shall take into account the following factors of the Group:

- general financial conditions;
- liquidity, capital and debt level;
- cash flow situation;
- future cash requirements and availability for business operations, business strategies and future development needs;
- any statutory and regulatory restrictions;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- general market conditions; and
- any other factors that the Board considers appropriate.

The payment of dividend is also subject to compliance with applicable laws and regulations including the laws of the Cayman Islands and the Articles of Association. The Board will continually review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period. It is confirmed that all dividend decisions made by the Board were made in accordance with the Dividend Policy.

The Board did not recommend the payment of a final dividend for the Reporting Period (year ended 31 December 2024: Nil), as the Board considers it prudent to retain earnings to strengthen the Group's financial position and enhance its liquidity buffer in light of the current uncertain economic environment.

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

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors understand and acknowledge their responsibility for preparing the consolidated financial statements of the Company for the Reporting Period which give a true and fair view of the Group's conditions, results and cash flows.

The management has provided to the Board such explanation and information as necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. The statement by the auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the section headed "Independent Auditor's Report" of this annual report.

DIRECTORS' AND SENIOR MANAGEMENT'S LIABILITY INSURANCE

The Company has insurance coverage for all Directors and members of senior management to minimise the risks they may incur in the normal course of performing their duties. The Board reviews the relevant insurance coverage annually.

REMUNERATION OF SENIOR MANAGEMENT

Our senior management receive remuneration in the form of salaries, bonuses, contributions to pension schemes, long-term incentives (including share-based incentives), housing allowances and other allowances and benefits in kind subject to applicable laws, rules and regulations.

The remuneration of senior management of the Company (whose biographies are set out in the section headed "Directors and Senior Management" of this annual report) for the Reporting Period falls under the following bands:

Band of remuneration (in RMB)	Number of individuals
Nil to 1,000,000	1
1,000,001 to 1,500,000	1

REMUNERATION OF AUDITOR

For the Reporting Period, the remuneration in respect of the audit and non-audit services rendered by the auditor of the Company, PwC, are as follows:

Classification of Services	Amount (in RMB)
Audit and audit-related services	1,400,000
Non-audit services	—
Total	1,400,000

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is the responsibility of the Board for maintaining sound, efficient and adequate risk management, internal control systems and internal audit function to manage the risks identified, safeguard the assets of the Company, prevent and detect fraud, misconduct and losses, ensure the accuracy and reliability of financial reporting, and ensure compliance with applicable laws and regulations. The Company has established an internal audit function and has internal risk management policy in place to guide and standardise risk management and internal audit systems. Our internal audit function conducts internal audit on different department and functions within our Group on an ongoing basis to assess the effectiveness and identify weaknesses in the existing internal control, legal and regulatory compliance and risk management systems of our Group. The Board reviews such systems on an annual basis.

The Audit Committee assists the Board in leading the management and monitoring and overseeing the risk management and internal control systems through the internal audit department, and reporting and making recommendations to the Board where appropriate. The Board, supported by the Audit Committee and management, reviewed the management reports and the internal audit reports. The management shall be responsible for implementing the Board's risk management and internal control policies and procedures, designing, implementing and monitoring the risk management and internal control systems, and confirming the effectiveness of such systems to the Board. During the Reporting Period, the Board has obtained the written confirmation on the effectiveness of the issuer's risk management and internal control systems from the management.

Good risk management and internal control systems are designed to manage, not eliminate, risks that may prevent the Company from achieving its business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. To this end, appropriate policies and procedures have been established and implemented to ensure that key risks that could affect the Company's performance are properly identified and managed, that the Company's assets are not used or disposed of without permission, that financial and accounting information is accurately recorded and maintained in accordance with relevant accounting standards and regulatory reporting requirements, and that all operations comply with relevant rules and regulations.

During the Reporting Period, the management and the Board conducted an annual review on the effectiveness of the risk management and internal control systems (including, among others, material risks relating to ESG) of the Company, and they were of the view that the financial reporting system, the risk management and internal control systems were adequate and effective and that the Company had complied with the code provisions relating to risk management and internal control of the CG code during the Reporting Period.

WHISTLEBLOWING POLICY

The whistleblowing policy has been put in place for all employees and those who have business dealings with the Group (including customers and suppliers) to deal with concerns related to fraudulent or unethical acts or non-compliances with laws and the Group's policies that have or could have significant adverse financial, legal or reputational impacts on the Group. They may raise concerns about the possible improprieties in any matters related to the Group, in person or in writing to the legal department of the Company who shall report to the chairman of the Audit Committee in confidence and anonymity. The chairman of the Audit Committee shall then determine the course of action to pursue, with power to delegate, with respect to the report.

ANTI-CORRUPTION POLICY

The Group has formulated its own anti-corruption policy to ensure the Directors and employees within the Group comply with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering Law of the PRC, where applicable. The policy sets out the integrity and conduct requirements and policies or controls in place which applies to all Directors and employees of the Group at all levels, and external parties doing business with the Group and those acting in an agency or fiduciary capacity on behalf of the Group (e.g., agents, consultants and contractors). The policy is reviewed from time to time to ensure that it remains appropriate.

INSIDE INFORMATION

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company has developed a policy on disclosure of inside information which provides guidelines and procedures to the Directors, senior management and employees of the Company in evaluating and handling confidential information and monitoring information disclosure. Internal control measures have been implemented to ensure that the procedures for the handling and disclosure of inside information are in compliance with the continuous disclosure obligations under the Listing Rules and the disclosure of inside information requirements under the SFO.

SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Procedures and Rights for Shareholders to Convene an Extraordinary General Meeting and Putting Forward Proposals/Resolutions

Pursuant to Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The Shareholders who wish to put forward proposals and/or resolutions may requisition an extraordinary general meeting and include a proposal and/or resolution at such meeting pursuant to Article 64 of the Articles of Association.

Shareholders may send the requisition letter to the Company's headquarter and principal place of business for the attention of the company secretary of the Company in the PRC at 9/F, Dongsheng Yunding Building, 38 Haizhou Road, Haizhu District, Guangzhou, Guangdong.

Procedures for Shareholders to Send Enquiries to The Board

Shareholders may send their enquiries in writing with contact details (including registered name, address, telephone number and email address) to the Company's headquarter and principal place of business in the PRC for the attention of the company secretary of the Company at 9/F, Dongsheng Yunding Building, 38 Haizhou Road, Haizhu District, Guangzhou, Guangdong.

The Company welcomes the views of and enquiries from the Shareholders. Enquiries will be dealt with in an informative and timely manner.

SHAREHOLDERS' COMMUNICATION POLICY AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information on the Company for the Shareholders and investors to make informed investment decisions. The Company establishes an investor relations department and liaison mailbox (IR@wxchina.com), which is responsible for providing Shareholders and investors with the necessary information and services. It maintains proactive communications with Shareholders, investors and other capital market participants, which enable Shareholders and investors to fully understand the Company's operation and development, by various means such as participating in domestic and foreign investor exchanges, performance conferences and investment analysts meetings.

The annual general meetings of the Company provide opportunity for Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board committees will attend the annual general meetings to answer the Shareholders' questions. The auditor will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.

To promote effective communication and to build an inter-relationship and communication channel between the Company and the Shareholders, the Company adopts a shareholders' communication policy (the "**Shareholders' Communication Policy**") and maintains a website at <https://ir.wxchina.com/> where the up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

During the Reporting Period, the Company has reviewed the Shareholders' Communication Policy. After evaluating and considering the actual communication circumstance between the Company and the Shareholders during the year, the Company is satisfied with its current implementation and effectiveness.

AMENDMENT TO CONSTITUTIONAL DOCUMENTS

The Articles was adopted on 15 June 2022 and were effective on the Listing Date, which is available on the websites of the Company and the Stock Exchange. Save for the aforementioned changes, for the Reporting Period and up to the Latest Practicable Date, there was no change in the Articles.



INDEPENDENT AUDITOR'S REPORT



To the Shareholders of Xuan Wu Cloud Technology Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Xuan Wu Cloud Technology Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”), which are set out on pages 78 to 162, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to assessment of the expected credit losses ("ECL") of trade receivables.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Assessment of the ECL of trade receivables</p> <p>Refer to Note 3.1.2, Note 4(a) and Note 19 to the consolidated financial statements.</p> <p>As at 31 December 2025, the gross amount of the Group's trade receivables amounted to RMB209,259 which represented approximately 38% of the total assets of the Group. Management has estimated the ECL on the trade receivables, and a loss allowance of approximately RMB34,206 was made against the trade receivables as at 31 December 2025.</p> <p>The Group's trade receivables were grouped based on their nature and risk characteristics. Management estimated the ECL on trade receivables based on estimation about risk of default and expected credit loss rates. Management applied judgements in making the estimation and selecting the inputs used in the ECL calculation, based on credit ratings, financial capability and historical default rate as well as forward-looking information.</p> <p>We considered this area as a key audit matter due to the magnitude of the balance of trade receivables as well as the significant judgements and estimates involved in the estimation of the related ECL given the complexity of the methodology and subjectivity of significant assumptions used.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's assessment process over ECL of trade receivables. We discussed with management to understand the ECL model, key assumptions and estimates as they adopted for determining the ECL rates; • Understood and evaluated the key controls, in place over management's assessment on the ECL and ageing analysis review of trade receivables; • Assessed the inherent risk of material misstatement of ECL of trade receivables by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity and subjectivity; • Evaluated the outcome of prior year assessment of provision for ECL of trade receivables by comparing the ECL as estimated in the prior year against the actual collection performance of the debtors in the current year to assess the effectiveness of management's estimation process;

Key Audit Matter

How our audit addressed the Key Audit Matter

- Challenged and evaluated management's estimation on the ECL by considering the appropriateness of customer grouping based on our understanding on the Group's business process, credit ratings and the historical default rate against the historical payment records;
- Evaluated the reasonableness of the current and forward-looking macroeconomic factors as adopted by management in the ECL assessment by reference to our industry knowledge and relevant authoritative macroeconomic data, and assistance from our internal experts;
- Tested, on a sample basis, the accuracy of ageing analysis of trade receivables prepared by management to the related supporting documents;
- Checked the mathematical accuracy of the ECL calculation for the loss allowance on trade receivables; and
- Assessed the adequacy of the disclosures related to assessment of the ECL of trade receivables.

Based on the above, we considered that the significant judgements and estimates made by management in relation to the assessment of the ECL of trade receivables were supportable by the evidence obtained and procedures performed.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is LAM, Chun Yee, Johnny (practising certificate number: P06566).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts expressed in RMB unless otherwise stated)

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000 Restated*
Continuing operations			
Revenue	6	763,367	1,071,207
Cost of sales	7	(653,720)	(906,243)
Gross profit		109,647	164,964
Selling and distribution expenses	7	(78,667)	(71,269)
Administrative expenses	7	(32,069)	(36,180)
Research and development expenses	7	(32,413)	(30,283)
Net impairment losses on financial assets	3.1.2	(1,304)	(6,421)
Other income	9	2,710	5,210
Other (losses)/gains — net	10	(814)	406
Operating (loss)/profit		(32,910)	26,427
Finance income	11	121	767
Finance costs	11	(3,390)	(4,565)
Finance costs — net	11	(3,269)	(3,798)
(Loss)/profit before income tax		(36,179)	22,629
Income tax expense	12	(1,434)	(150)
(Loss)/profit from continuing operations		(37,613)	22,479
Loss from discontinued operation	21	(23,533)	(23,549)
Loss and total comprehensive loss for the year		(61,146)	(1,070)
(Loss)/profit and total comprehensive (loss)/income for the year is attributable to:			
— Owners of the Company		(54,345)	6,914
— Non-controlling interests		(6,801)	(7,984)
		(61,146)	(1,070)
(Loss)/profit and total comprehensive (loss)/income attributable to owners of the Company arises from:			
— Continuing operations		(37,890)	23,469
— Discontinued operation		(16,455)	(16,555)
		(54,345)	6,914

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000 Restated*
(Losses)/earnings per share for (loss)/profit from continuing operations attributable to the ordinary equity holders of the Company (expressed in RMB per share)			
— Basic (losses)/earnings per share		(0.070)	0.042
— Diluted (losses)/earnings per share	13	(0.070)	0.042
(Losses)/earnings per share for (loss)/profit attributable to the ordinary equity holders of the Company (expressed in RMB per share)			
— Basic (losses)/earnings per share		(0.101)	0.012
— Diluted (losses)/earnings per share	13	(0.101)	0.012

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

* The consolidated income statement for the year ended 31 December 2024 has been restated for the discontinued operation (Note 21).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts expressed in RMB unless otherwise stated)

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	14	1,491	3,894
Right-of-use assets	15	3,455	12,093
Intangible assets	16	12,864	14,115
Deferred income tax assets	28	8,156	9,590
Prepayments	19	15	73
		25,981	39,765
Current assets			
Contract fulfilment costs	18	3,982	9,418
Contract assets	6	—	178
Trade, bill and other receivables and prepayments	19	378,209	513,034
Restricted cash	20	5,174	—
Cash and cash equivalents	20	120,843	71,413
Asset of disposal group classified as held for sale	21	15,264	—
		523,472	594,043
Total assets		549,453	633,808
Equity			
Equity attributable to owners of the Company			
Share capital	22	360	360
Share premium	22	441,737	440,616
Treasury shares	23	(27,591)	(29,189)
Other reserves	23	(12,915)	(11,222)
Accumulated losses		(123,610)	(68,944)
		277,981	331,621
Non-controlling interests		(10,633)	(3,552)
Total equity		267,348	328,069

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
Liabilities			
Non-current liabilities			
Non-current contract liabilities	6	1,586	—
Lease liabilities	27	937	8,026
		2,523	8,026
Current liabilities			
Borrowings	25	127,848	144,040
Contract liabilities	6	33,828	37,535
Trade, bill and other payables	26	86,930	108,764
Lease liabilities	27	3,261	7,198
Current income tax liabilities		180	176
Liabilities of disposal group classified as held for sale	21	27,535	—
		279,582	297,713
Total liabilities		282,105	305,739
Total equity and liabilities		549,453	633,808

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 78 to 162 were approved by the board of directors on 27 March 2026 and were signed on its behalf.

Mr. Lian Jian
Director

Mr. Huang Fangjie
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts expressed in RMB unless otherwise stated)

	Attributable to owners of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Share capital	Share premium	Treasury shares	Other reserves	Accumulated losses	Total		
	RMB'000 (Note 22)	RMB'000 (Note 22)	RMB'000 (Note 23)	RMB'000 (Note 23)	RMB'000	RMB'000		
Balance at 1 January 2024	360	439,569	(17,080)	(14,394)	(72,490)	335,965	3,055	339,020
Comprehensive income/(loss)								
Profit/(loss) for the year	—	—	—	—	6,914	6,914	(7,984)	(1,070)
Transactions with owners of the Company								
Appropriation of statutory reserves	—	—	—	3,368	(3,368)	—	—	—
Share-based compensation	—	—	—	2,417	—	2,417	—	2,417
Repurchase of shares in connection with employee share scheme	—	—	(12,007)	—	—	(12,007)	—	(12,007)
Exercise of shares in connection with employee share scheme	—	1,047	2,371	(2,613)	—	805	—	805
Repurchase of shares	—	—	(2,473)	—	—	(2,473)	—	(2,473)
Transactions with Non-controlling interests								
Capital Injection	—	—	—	—	—	—	3,000	3,000
Dividend (Note 29)	—	—	—	—	—	—	(1,623)	(1,623)
Balance at 31 December 2024	360	440,616	(29,189)	(11,222)	(68,944)	331,621	(3,552)	328,069
Balance at 1 January 2025	360	440,616	(29,189)	(11,222)	(68,944)	331,621	(3,552)	328,069
Comprehensive loss								
Loss for the year	—	—	—	—	(54,345)	(54,345)	(6,801)	(61,146)
Transactions with owners of the Company								
Appropriation of statutory reserves	—	—	—	321	(321)	—	—	—
Share-based compensation	—	—	—	501	—	501	—	501
Exercise of shares in connection with employee share scheme	—	1,121	2,125	(2,515)	—	731	—	731
Repurchase of shares	—	—	(527)	—	—	(527)	—	(527)
Transactions with Non-controlling interests								
Capital Injection	—	—	—	—	—	—	20	20
Dividend (Note 29)	—	—	—	—	—	—	(300)	(300)
Balance at 31 December 2025	360	441,737	(27,591)	(12,915)	(123,610)	277,981	(10,633)	267,348

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts expressed in RMB unless otherwise stated)

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from/(used) in operations	30(a)	76,759	(79,629)
Interest received		126	773
Income tax refund		—	38
Net cash generated from/(used in) operating activities		76,885	(78,818)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,288)	(55)
Purchase of intangible assets		(2,689)	(3,033)
Acquisition of financial assets at fair value through profit or loss		(328,000)	(251,499)
Proceeds from disposal of financial assets at fair value through profit or loss		328,498	252,565
Proceeds from disposal of property, plant and equipment		1,088	—
Net cash used in investing activities		(2,391)	(2,022)
Cash flows from financing activities			
Repurchase of ordinary shares		(527)	(14,480)
Principal elements and interest elements of lease payments	30(b)	(6,804)	(9,315)
Proceeds from borrowings	30(b)	153,557	169,590
Repayments of borrowings	30(b)	(164,040)	(182,665)
Interest paid for borrowings	30(b)	(4,009)	(4,280)
Capital injection from non-controlling interests		20	3,000
Dividends paid to non-controlling interests		(300)	(1,623)
Net cash used in financing activities		(22,103)	(39,773)
Net increase/(decrease) in cash and cash equivalents			
Exchange losses on cash and cash equivalent		(240)	(252)
Cash and cash equivalents at beginning of the year		71,413	192,278
Cash and cash equivalents of the Disposal Group	21(c)	(2,721)	—
Cash and cash equivalents at the end of the year	20	120,843	71,413
Non-cash financing and investing activities	30		
Cash flows of discontinued operation	21		

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts expressed in RMB unless otherwise stated)

1 GENERAL INFORMATION

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

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the provision of intelligent customer relationship management (“CRM”) services in the People’s Republic of China (the “PRC”). Details of the ultimate controlling shareholders and companies are disclosed in Note 32(a).

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

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

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

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

HKFRS Accounting Standards comprise the following authoritative literature:

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

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

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group

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

Amendments to HKAS 21	Lack of exchangeability
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The amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

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

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

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

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

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

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

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

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item "other gains/(losses) — net" in consolidated income statement might need to be disaggregated, with some foreign exchange gains or losses presented below or above operating profit.
 - HKFRS 18 has specific requirements on the category in which assets generate a return individually and largely independently of other resources. Although the Group currently recognizes the gains or losses of these assets in other gains/(losses), net, there might be a change to where these gains or losses are recognized, and the Group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the balance sheet, the Group will disaggregate goodwill and other intangible assets and present them separately in the consolidated balance sheet.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

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

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated income statement — this break-down is only required for certain nature expenses; and
 - for the first annual period of application of HKFRS 18, a reconciliation for each line item in the consolidated income statement between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.
- From a consolidated statement of cash flows perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as cash flows from financing activities and interest received as cash flows from investing activities, which is a change from current presentation as part of cash flows from operating activities.

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.1 Market risk

(a) Foreign exchange risk

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

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in RMB, was as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash and cash equivalents		
— HK\$	2,982	3,094
— US\$	5,286	4,759
Trade receivables		
— US\$	1,854	6,206
Trade payables		
— US\$	(1,816)	(2,247)
Contract liabilities		
— HK\$	(48)	(50)
— US\$	(298)	(5,266)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.1 Market risk (Continued)

(a) Foreign exchange risk (Continued)

The following table demonstrates the effect of sensitivity to reasonably possible changes in US\$ and HK\$ exchange rates, with all other variables held constant, on the Group's other gains/(losses) — net:

	Year ended 31 December			
	2025		2024	
	Change in exchange rate %	(Decrease)/ increase in other (losses)/ gains — net RMB'000	Change in exchange rate %	(Decrease)/ increase in other (losses)/ gains — net RMB'000
If HK\$ weakens against RMB	5%	(147)	5%	(152)
If HK\$ strengthens against RMB	5%	147	5%	152
If US\$ weakens against RMB	5%	(251)	5%	(173)
If US\$ strengthens against RMB	5%	251	5%	173

(b) Cash flow and fair value interest rate risk

The Group's income and operating cash flows were substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for cash and cash equivalents, details of which have been disclosed in Note 20.

The Group has no significant variable interest-bearing assets or liabilities except for the bank balances. Borrowings were granted at fixed rate and expose the Group to fair value interest risk. The directors of the Company do not anticipate there is any significant impact resulted from the changes in interest rates.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk

The Group is exposed to credit risk in relation to its trade, bill and other receivables, contract assets, cash and cash equivalents and restricted cash. The carrying amounts of trade, bill and other receivables, contract assets, cash and cash equivalents and restricted cash represent the Group's maximum exposure to credit risk in relation to financial assets.

(a) Cash and cash equivalents and restricted cash

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at state-owned banks and other medium or large-sized listed banks whose credit rating are AAA or AA+. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(b) Trade, bill and other receivables and contract assets

For trade, bill and other receivables and contract assets, the management of the Group has monitoring procedures to ensure that follow-up action is taken to recover all debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables and contract assets.

To measure the expected credit losses of trade receivables and contract assets, trade receivables and contract assets were grouped based on shared credit risk characteristics and ageing period.

Receivables from state-owned enterprises, collectively-owned enterprises and companies controlled by state-owned or collectively-owned enterprises are grouped as one category ("Group 1"), and remaining receivables from other customers are classified as another category ("Group 2").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade, bill and other receivables and contract assets (Continued)

(i) *Trade receivables and contract assets*

Trade receivables from sizable state-owned enterprises, collectively-owned enterprises and companies invested by state-owned or collectively-owned enterprises are grouped as Group 1. The Group uses external credit ratings from reputable rating agencies as a reference to map to internal credit risk grades. External ratings are supplemented with internal assessments of the counterparty's financial position, industry risk and historical payment performance.

Remaining receivables are grouped as Group 2. The loss allowance is determined using a provision matrix based on the ageing of receivables. The provision rates are determined based on historical default rate and industry credit loss rate, in respect of those groups of customers.

The expected credit losses also incorporate forward-looking information, includes industrial value-added, Broader money ("M2"), Consumer Price Index and so on.

As at 31 December 2025, the loss allowance provision for the trade receivables and contract assets due from third parties was determined as follows.

	Group 1	Group 2					Total
		Up to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	Over 2 years	

Trade receivables and contract assets

At 31 December 2025

Individually assessed

Expected loss rate	77.01%	—	—	—	—	—	
Gross carrying amount (RMB'000)	4,832	—	—	—	—	—	4,832
Loss allowance provision (RMB'000)	3,721	—	—	—	—	—	3,721

Collectively assessed

Expected loss rate	0.32%	1.68%	3.34%	30.30%	63.50%	99.56%	
Gross carrying amount (RMB'000)	137,649	27,643	3,889	5,307	5,439	24,500	204,427
Loss allowance provision (RMB'000)	436	465	130	1,608	3,454	24,392	30,485

At 31 December 2024

Expected loss rate	0.21%	1.85%	3.01%	32.05%	64.90%	99.45%	
Gross carrying amount (RMB'000)	213,786	47,337	17,175	11,207	6,790	23,228	319,523
Loss allowance provision (RMB'000)	456	878	517	3,592	4,407	23,099	32,949

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade, bill and other receivables and contract assets (Continued)

(ii) *Bill receivable*

For bill receivable, the expected credit losses were mainly assessed by taking into account the credit rating for issuing financial institutions. The Group assessed that the expected credit loss rate for bill receivable from bank was low, since the banks are state-owned or other medium or large-size bank whose credit rating are AAA or AA+ and have a strong capacity to meet its contractual cash flow obligation in the near term. The Group assessed that the expected credit losses rate for bill receivable from the bank is immaterial and considered them to have a low credit risk, and thus the loss allowance is immaterial.

(iii) *Other receivables*

Other receivables mainly included deposits and others.

The Group uses the expected credit loss model to determine the expected loss provision for other receivables.

The Group considers the probability of default whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behaviour of the borrowers, including changes in the payment status of borrowers and changes in the operating results of the borrowers.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade, bill and other receivables and contract assets (Continued)

(iii) *Other receivables (Continued)*

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Under-performing	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses
Non-performing	Interest and/or principal repayments are 60 days past due	Lifetime expected losses

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical default rates for each category of receivables and adjusts for forward-looking macroeconomic data.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade, bill and other receivables and contract assets (Continued)

(iii) *Other receivables (Continued)*

The Group has assessed that there is no significant increase of credit risk for other receivables since initial recognition. Thus the Group used the 12 months expected credit losses model to assess credit loss of other receivables.

	Performing	Under-performing	Non-performing	Total
Other receivables				
At 31 December 2025				
Gross carrying amount (RMB'000)	12,984	—	—	12,984
Loss allowance provision (RMB'000)	201	—	—	201
At 31 December 2024				
Gross carrying amount (RMB'000)	16,104	—	—	16,104
Loss allowance provision (RMB'000)	217	—	—	217

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

(b) Trade, bill and other receivables and contract assets (Continued)

(iii) *Other receivables (Continued)*

As at 31 December 2025, the loss allowance provision for trade and other receivables and contract assets reconciles to the opening loss allowance for that provision as follows:

	Trade receivables RMB'000	Contract assets RMB'000	Other receivables RMB'000	Total RMB'000
At 1 January 2024	26,834	42	161	27,037
Net impairment losses on financial assets	6,391	(30)	56	6,417
Receivables written off during the year as uncollectible	(288)	—	—	(288)
At 31 December 2024	32,937	12	217	33,166
At 1 January 2025	32,937	12	217	33,166
Net impairment losses on financial assets	1,269	(12)	(16)	1,241
At 31 December 2025	34,206	—	201	34,407

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.3 Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities and lease liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
--	--------------------------------	--	--	------------------

Financial liabilities

As at 31 December 2025

Trade, bill and other payables (excluding accrued payroll and other tax payables)	70,821	—	—	70,821
Lease liabilities	3,301	941	—	4,242
Borrowings	133,775	—	—	133,775
	207,897	941	—	208,838

As at 31 December 2024

Trade, bill and other payables (excluding accrued payroll and other tax payables)	91,469	—	—	91,469
Lease liabilities	7,393	5,071	—	12,464
Borrowings	146,012	—	—	146,012
	244,874	5,071	—	249,945

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the asset-liability ratio. This ratio is calculated as total liabilities divided by total assets.

As at 31 December 2025 and 2024, asset-liability ratio of the Group are as follows:

	As at 31 December	
	2025	2024
Asset-liability ratio	51%	48%

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of certain critical accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Assessment of the expected credit losses of trade receivables

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past collection history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables as doubtful debt expenses in the periods in which such estimate has been changed. For details of the key assumptions and inputs used, see Note 3.1.2 above.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

5 SEGMENT INFORMATION

(a) Description of segments and principal activities

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

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

(i) CRM PaaS services

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

(ii) CRM SaaS services

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

5 SEGMENT INFORMATION (Continued)

(b) Segment performance

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

5 SEGMENT INFORMATION (Continued)

(b) Segment performance (Continued)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

6 REVENUE

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

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

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

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

(a) Contract assets

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

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Contract assets	—	190
Less: allowance for contract assets	—	(12)
	—	178

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

6 REVENUE (Continued)

(b) Contract liabilities

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contract liabilities	39,304	37,535
Non-current contract liabilities	6,043	—
Less: Liabilities of disposal group classified as held for sale	(9,933)	—
	35,414	37,535

(i) Significant changes in contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. The decrease in contract liabilities was mainly due to the decrease in new prepayments from customers.

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	18,999	34,835

(iii) Unsatisfied performance obligations

The Group has elected the practical expedient for not to disclose the remaining performance obligations because the performance obligation is part of contracts that do not have fixed aggregate amount of transaction price.

(iv) Assets recognised from incremental costs to obtain a contract

During the years ended 31 December 2025 and 2024, there was no significant incremental costs incurred to obtain contracts.

6 REVENUE (Continued)

(c) Accounting policy of revenue recognition

Revenue is measured when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. In determining whether the Group acts as the principal or an agent, the Group follows the accounting guidance for principal-agent considerations in HKFRS 15 to assess whether the Group controls the specified service before it is transferred to the end customer, the indicators of which including but not limited to (i) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (ii) whether the entity has inventory risk before the specified service has been transferred to a customer; and (iii) whether the entity has discretion in establishing the prices for the specified goods or service. Such determination involves judgment and is based on an evaluation of the terms of each arrangement.

6 REVENUE (Continued)

(c) Accounting policy of revenue recognition (Continued)

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due from the customer).

Contract fulfilment costs are stated at the lower of cost and net realisable value. Cost mainly comprises direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs to fulfil a contract comprise the implementation cost including direct labour and an appropriate proportion of variable and fixed overhead expenditure related to an existing contract that will be used to satisfy performance obligations in the future. The costs to fulfil a contract are recorded in contract fulfilment costs if they are expected to be recovered.

The Group generates revenues separately or in combination, from providing CRM platform as a service ("PaaS") and CRM software as a service ("SaaS") to customers.

PaaS

The Group mainly provides communication platform as a service ("cPaaS") to encapsulate messaging communication capabilities of the three major telecommunication network operators for the customers to be integrated into the customer's business systems, thereby enabling the customers to access and utilise the Group's communication capabilities as a service.

The Group directs telecommunication network operators to provide text message and then combined with its services to provide a integrated communication service to customers via the Group's own platform. Therefore, the Group controls the specified service before it is transferred to customer and is acting as a principal in the transaction.

PaaS revenues primarily consist of usage of text message fees provided to end customers, which is recognised at a point in time. The Group's service fees are determined by applying the contractual unit price to the monthly usage volume of text messages sent.

6 REVENUE (Continued)

(c) Accounting policy of revenue recognition (Continued)

SaaS

SaaS are cloud-based and primarily categorised into three cloud solutions, namely marketing cloud, sales cloud and service cloud covering customers' entire business cycle to meet the aforesaid requests. The cloud and the encapsulated communication capability of the major telecommunication network operators, which consolidate the cPaaS platform, as well as CRM functions, altogether form the integrated and comprehensive SaaS of the Group.

Marketing cloud primarily offers a range of modules to customers, which consolidate the cPaaS platform, e.g. UMP solution — a private cloud-based solution that allows dissemination of marketing messages; MOS solution — a public cloud-based solution that allows dissemination of marketing message; and ICC solution — a solution that allows clients to manage comprehensive communication channels for intra and extra-organisational purposes. The Group directs telecommunication network operators to provide text message and then combined with its services to provide a integrated communication service to customers via the marketing cloud. Therefore, the Group controls the specified service before it is transferred to customer and is acting as a principal in the transaction. Revenue of marketing cloud primarily generates from fees based on usage of text messages, which is recognised at a point in time by applying the contractual unit price to the monthly usage volume of text messages sent.

Sales cloud provides a comprehensive sales management solutions Revenue from subscription service is recognised over the service contract period. Revenue from implementation service is recognised at a point in time upon completion of the implementation service and acceptance by customers of the promised products and services.

Sales cloud business was presented as discontinued operation in 2025 (Note 21) and has been sold in 2026 subsequently.

Service cloud provides customers with a range of post-sales customer services-related solutions which offers in Cloud Call Centre — a customer service solution that brings the traditional call centre onto the cloud. Revenue from service cloud primarily generates from fees based on usage of voice call, which is recognised at a point in time by applying the contractual unit price to monthly usage minutes of voice calls placed, and subscription fees, which is recognised over the service period.

The Group also provides product support service to customers, which is recognised ratably over the service contract period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

7 EXPENSES BY NATURE

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (Restated)
Costs of telecommunications resources	646,457	889,857
Employee benefit expenses (Note 8)	103,834	95,428
Travel and entertainment expenses	10,568	12,462
Outsourcing customer service expenses	9,496	9,714
Depreciation and amortisation expenses (Notes 14, 15 and 16)	7,922	11,025
Conference and office expenses	4,068	3,405
Professional service fees	3,957	5,115
Infrastructure and equipment expenses	2,997	3,266
Taxes and other levies	1,290	1,962
Outsourcing implementation costs	802	4,338
Marketing and promotion expenses	738	1,930
Auditor's remuneration		
— Audit and audit related services	1,400	1,400
Lease payments on short term leases (Note 27)	580	572
Others	2,760	3,501
	796,869	1,043,975

8 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (Restated)
Salaries, wages, and bonuses	89,793	79,002
Social insurance expenses, housing benefits and other employee benefits (Note (a))	13,540	14,009
Share-based compensation expenses (Note 24)	501	2,417
	103,834	95,428

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

8 EMPLOYEE BENEFIT EXPENSES (Continued)

- (a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the employee salary to the scheme to fund the retirement benefits of the employees.

Other employee benefits mainly include team building expenses, termination benefits, meal and traveling allowances.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group included no director for the year ended 31 December 2025 (2024: 1) whose emolument is reflected in the analysis shown in Note 33. The emoluments payable to the remaining 5 individuals during the year ended 31 December 2025 (2024: 4) are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Basic salaries, housing allowances, share options, other allowances and benefits in kind	3,892	3,588
Contribution to pension scheme — defined contribution plans	52	38
Discretionary bonuses	2,628	—
	6,572	3,626

(c) The emoluments fell within the following bands:

	Year ended 31 December	
	2025	2024
Emolument bands in HK\$		
Nil – HK\$1,000,000	—	2
HK\$1,000,001 – HK\$1,500,000	4	2
More than HK\$1,500,000	1	—
	5	4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

8 EMPLOYEE BENEFIT EXPENSES (Continued)

(d) Pension costs — defined contribution retirement plans

During the years ended 31 December 2025 and 2024, the Group has no forfeited contributions that were able to be utilised by the Group to reduce its contributions.

9 OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (Restated)
Value-added tax refund	1,884	3,413
Government grants	605	1,433
Others	221	364
	2,710	5,210

10 OTHER (LOSSES)/GAINS — NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (Restated)
Net (losses)/gains from early termination of lease agreements	(519)	376
Net loss from disposal of property, plant and equipment and intangible assets	(444)	(4)
Net fair value gain on investments in financial assets at fair value through profit or loss	498	457
Net foreign exchange loss	(240)	(252)
Others	(109)	(171)
	(814)	406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

11 FINANCE COSTS — NET

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000 (Restated)
Finance income		
Interest income from bank deposits	121	767
Finance costs		
Interest expenses of lease liabilities (Note 27)	(149)	(414)
Interest expenses of borrowings	(3,241)	(4,151)
	(3,390)	(4,565)
Finance costs — net	(3,269)	(3,798)

12 INCOME TAX EXPENSE

(a) Cayman Islands and BVI Income Tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from British Virgin Islands income tax.

(b) Hong Kong Profits Tax

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entities will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong during the years ended 31 December 2025 and 2024.

12 INCOME TAX EXPENSE (Continued)

(c) PRC Enterprise Income Tax

Income tax provision of the Group in respect of operations in Chinese mainland has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in PRC is 25%.

Guangzhou Xuan Wu Wireless Technology Co., Ltd. (“Xuan Wu”), a subsidiary of the Company, had applied to the relevant tax bureau and was granted the qualification as High and New Technology Enterprise (“HNTE”) in 2012 which will expire in December 2027. It is subject to a preferential income tax rate of 15%. Based on management’s assessment, it is highly probable that Xuan Wu will continue to meet the requirements of High-tech Enterprise.

Certain subsidiaries of the Group in the PRC were qualified as “Small Low-Profit Enterprise” since 2019. “Small Low-Profit Enterprise” was entitled to a preferential income tax rate that was calculated in accordance with the two-tiered profits tax rates regime. From 1 January 2023 to 31 December 2027, the taxable income of qualified entities are taxed at 5%. Thus the subsidiaries were subject to a preferential income tax rate of 5% for the year ended 31 December 2025 (2024: 5%).

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the subsidiaries in Chinese mainland are incorporated in Hong Kong and fulfill the requirements to the tax treaty arrangements between Chinese mainland and Hong Kong.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current income tax	—	—
Deferred income tax (Note 28)	1,434	150
Income tax expense	1,434	150
Income tax expense is attributable to:		
(Loss)/profit from continuing operations	1,434	150
Loss from discontinued operation	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

12 INCOME TAX EXPENSE (Continued)

(c) PRC Enterprise Income Tax (Continued)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the group entities as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (Restated)
(Loss)/profit from continuing operations before income tax	(36,179)	22,629
Loss from discontinued operation before income tax	(23,533)	(23,549)
	(59,712)	(920)
Tax calculated at the statutory PRC tax rate of 25%	(14,928)	(230)
Tax effects of:		
— Different tax rates available to different jurisdictions	9,881	2,077
— Expenses not deductible for tax purposes	800	259
— Tax losses and deductible temporary differences for which no deferred income tax asset was recognised	10,729	6,122
— Utilisation of previously unrecognised tax losses	(778)	(850)
— Write-off of previously recognized deferred tax assets	1,057	—
— The impact of change in tax rate applicable to subsidiaries	294	110
— Super deduction of research and development expenses (Note (i))	(5,621)	(7,338)
Income tax expense	1,434	150

- (i) From 1 January 2023 to 31 December 2027, according to Caishui [2023] No. 7 (財稅 [2023]7號), an extra 100% of the actual amount of research and development expenses can be deducted before tax. As a result, Xuan Wu was subject to an extra 100% deduction of the actual amount of research and development expenses before tax from 1 January 2025 to 31 December 2025 (2024: 100%).

For those companies which were granted the qualification as "Small and Medium-sized Sci-tech Enterprise", they could claim additional 100% deduction of their research and development expenses before tax during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

13 (LOSSES)/EARNINGS PER SHARE

(a) Basic (losses)/earnings per share

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

13 (LOSSES)/EARNINGS PER SHARE (Continued)

(b) Diluted (losses)/earnings per share

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

14 PROPERTY, PLANT AND EQUIPMENT

	Computer and electronic equipment RMB'000	Office furniture and equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
Year ended 31 December 2024				
Opening net book amount	3,142	275	2,506	5,923
Additions	55	—	—	55
Disposals	(4)	—	—	(4)
Depreciation charge	(967)	(227)	(886)	(2,080)
Closing net book amount	2,226	48	1,620	3,894
At 31 December 2024				
Cost	12,679	770	3,095	16,544
Accumulated depreciation	(10,453)	(722)	(1,475)	(12,650)
Net book amount	2,226	48	1,620	3,894
Year ended 31 December 2025				
Opening net book amount	2,226	48	1,620	3,894
Additions	1,288	—	—	1,288
Disposals	(961)	—	(408)	(1,369)
Assets classified as held for sale	(828)	—	—	(828)
Depreciation charge	(764)	(8)	(722)	(1,494)
Closing net book amount	961	40	490	1,491
At 31 December 2025				
Cost	10,781	770	1,664	13,215
Accumulated depreciation	(9,820)	(730)	(1,174)	(11,724)
Net book amount	961	40	490	1,491

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Cost of sales	129	165
Selling and distribution expenses	705	299
Administrative expenses	173	693
Research and development expenses	487	923
	1,494	2,080
Less: depreciation expenses from discontinued operation	(150)	—
	1,344	2,080

No property, plant and equipment was restricted or pledged as security for liabilities as at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

15 RIGHT-OF-USE ASSETS

	Offices RMB'000
Year ended 31 December 2024	
Opening net book amount	18,643
Additions	1,642
Disposals	(101)
Depreciation charge	(8,091)
Closing net book amount	12,093
At 31 December 2024	
Cost	34,604
Accumulated depreciation	(22,511)
Net book amount	12,093
Year ended 31 December 2025	
Opening net book amount	12,093
Additions	1,857
Early termination	(5,127)
Depreciation charge	(5,265)
Assets classified as held for sale	(103)
Closing net book amount	3,455
At 31 December 2025	
Cost	25,808
Accumulated depreciation	(22,353)
Net book amount	3,455

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

15 RIGHT-OF-USE ASSETS (Continued)

Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of sales	360	761
Selling and distribution expenses	1,542	2,380
Administrative expenses	2,589	3,103
Research and development expenses	774	1,847
	5,265	8,091
Less: depreciation expenses from discontinued operation	—	—
	5,265	8,091

No right-of-use assets was restricted or pledged as security for liabilities as at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

16 INTANGIBLE ASSETS

	Software And Platform RMB'000	Goodwill (Note(a)) RMB'000	Total RMB'000
Year ended 31 December 2024			
Opening net book amount	1,446	10,490	11,936
Additions	3,033	—	3,033
Amortisation charge	(854)	—	(854)
Closing net book amount	3,625	10,490	14,115
At 31 December 2024			
Cost	8,485	10,490	18,975
Accumulated amortisation	(4,860)	—	(4,860)
Net book amount	3,625	10,490	14,115
Year ended 31 December 2025			
Opening net book amount	3,625	10,490	14,115
Additions	2,689	—	2,689
Disposals	(163)	—	(163)
Assets classified as held for sale	(2,054)	—	(2,054)
Amortisation charge	(1,723)	—	(1,723)
Closing net book amount	2,374	10,490	12,864
At 31 December 2025			
Cost	8,254	10,490	18,744
Accumulated amortisation	(5,880)	—	(5,880)
Net book amount	2,374	10,490	12,864

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

16 INTANGIBLE ASSETS (Continued)

Amortisation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Cost of sales	495	40
Selling and distribution expenses	664	115
Administrative expenses	234	491
Research and development expenses	330	208
	1,723	854
Less: depreciation expenses from discontinued operation	(410)	—
	1,313	854

No intangible assets was restricted or pledged as security for liabilities as at 31 December 2025 and 2024.

(a) Impairment test for goodwill

The goodwill of RMB10,490,000 represents the excess of the acquisition consideration transferred and amount of non-controlling interests in Guangzhou Dejiu Information Technology Co., Ltd. ("Dejiu") over the fair value of the net identifiable assets acquired as at the acquisition date. Goodwill is monitored by the management at the level of voice and video communication capabilities business CGU related to Dejiu. Goodwill has been assessed based on the related CGU for impairment testing.

The following table sets forth each key assumption on which management has based its 5 years cash flow projections to undertake impairment testing of goodwill as at 31 December 2025 and 2024:

	As at 31 December	
	2025	2024
Annual growth rate of revenue during the projection period	10%–25%	15%
Gross margin during the projection period (% of revenue)	20%	24%–28%
Long term growth rate	1.6%	1.6%
Pre-tax discount rate	21%	20%

16 INTANGIBLE ASSETS (Continued)

(a) Impairment test for goodwill (Continued)

As at 31 December 2025, the recoverable amount of the CGU in Dejiu, which is estimated to exceed the carrying amount of the CGU, is approximately RMB40,617,000 (31 December 2024: RMB45,287,000). Such recoverable amount of the CGU is determined based on cash flows discount calculations. The calculation requires the Group to estimate the future cash flows expected to arise from CGU and a suitable discount rate in order to calculate the present value.

As at 31 December 2025, the percentage of headroom to the recoverable amount of the CGU in the goodwill impairment test is 36% (31 December 2024: 42%).

There is no reasonably possible change in key parameters that would cause the carrying amount of the CGU to exceed its recoverable amount.

By reference to the recoverable amount assessed as at 31 December 2025 and 2024, the directors of the Company determined that no impairment provision on goodwill was required as at 31 December 2025 and 2024.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets at amortised cost		
Trade, bill and other receivables (excluding prepayments and prepaid taxes) (Note 19)	188,031	303,797
Restricted cash	5,174	—
Cash and cash equivalents (Note 20)	120,843	71,413
	314,048	375,210
Financial liabilities at amortised cost		
Borrowings (Note 25)	127,848	144,040
Trade, bill and other payables (excluding accrued payroll and other taxes payables) (Note 26)	70,821	91,469
Lease liabilities (Note 27)	4,198	15,224
	202,867	250,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

18 CONTRACT FULFILMENT COSTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contract fulfilment costs	3,982	9,418

Contract fulfilment costs mainly comprise the implementation cost directly related to existing contracts that will be used to satisfy performance obligations in the future.

19 TRADE, BILL AND OTHER RECEIVABLES AND PREPAYMENTS

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

19 TRADE, BILL AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

- (a) As at 31 December 2025, the bill and other receivables and prepayment were denominated in RMB, and the trade receivables were denominated in RMB and US\$ (Note 3.1.1)(2024: same).
- (b) Other receivables due from third parties mainly represent deposits and tender deposits.
- (c) Prepayments mainly represents prepaid telecommunication expenses to suppliers and other prepaid expenses.
- (d) The Group normally allows credit terms to its customers ranging from 30 to 90 days. Ageing analysis of the trade receivables as at 31 December 2025 and 2024, based on recognition date were as follows:

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

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2025, a provision of RMB34,206,000 (31 December 2024: RMB32,937,000) was made against the gross amounts of trade receivables (Note 3.1.2).

20 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash at bank	120,843	71,413
Denominated in:		
— RMB	112,575	63,560
— HK\$	2,982	3,094
— US\$	5,286	4,759
	120,843	71,413

(b) Restricted cash

As at 31 December 2025, RMB2,715,000 of restricted bank deposit was pledged as collateral for bills payable, and about RMB2,459,000 of restricted bank deposit was frozen due to one pending litigation.

21 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) Discontinued operation

On 20 October 2025, the Group, Mr. Chen Yonghui ("Mr. Chen") and two independent third parties ("Two Buyers") entered into agreements, pursuant to which (i) Mr. Chen agreed to inject RMB20,000,000 to the Guangzhou Xuantong Technology Co., Ltd. ("Xuan Tong"), a non wholly-owned subsidiary of the Group, as its new registered capital; (ii) The Group agreed to sell certain equity interests in Xuan Tong to Two Buyers at a total consideration of RMB11,000,000 (collectively "Disposal of Xuan Tong"). Upon the completion of the Disposal of Xuan Tong, the Group's equity interests in Xuan Tong will decrease from 70% to 20% while the Group will lose control of Xuan Tong. Xuan Tong's principal business is provision of sales cloud services.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

21 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(Continued)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

21 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(Continued)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

22 SHARE CAPITAL AND SHARE PREMIUM

(a) Share capital

	Number of ordinary shares	Share capital US\$'000
Authorised		
As at 1 January 2024 and 31 December 2024	1,000,000,000	100
As at 1 January 2025 and 31 December 2025	1,000,000,000	100

	Number of ordinary shares	Share capital US\$'000	Equivalent share capital RMB'000
Issued			
As at 1 January 2024 and 31 December 2024	560,320,500	55	360
As at 1 January 2025 and 31 December 2025	560,320,500	55	360

(b) Share premium

	Share premium RMB'000
As at 1 January 2024	439,569
Exercise of options	1,047
At 31 December 2024	440,616
As at 1 January 2025	440,616
Exercise of options	1,121
At 31 December 2025	441,737

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

23 TREASURY SHARES AND OTHER RESERVES

	Shares held for employee share scheme RMB'000	Treasury shares RMB'000	Share-based compensation reserve RMB'000	Merger reserves RMB'000	Statutory reserves RMB'000	Total RMB'000
As at 1 January 2024	(17,080)	—	5,081	(26,720)	7,245	(31,474)
Appropriation of statutory reserves	—	—	—	—	3,368	3,368
Share-based compensation expenses (Note 24)	—	—	2,417	—	—	2,417
Repurchase of shares in connection with employee share scheme	(12,007)	—	—	—	—	(12,007)
Exercise of shares in connection with employee share scheme	2,371	—	(2,613)	—	—	(242)
Repurchase of Shares	—	(2,473)	—	—	—	(2,473)
As at 31 December 2024	(26,716)	(2,473)	4,885	(26,720)	10,613	(40,411)
As at 1 January 2025	(26,716)	(2,473)	4,885	(26,720)	10,613	(40,411)
Appropriation of statutory reserves	—	—	—	—	321	321
Share-based compensation expenses (Note 24)	—	—	501	—	—	501
Exercise of shares in connection with employee share scheme	2,125	—	(2,515)	—	—	(390)
Repurchase of Shares (Note (a))	—	(527)	—	—	—	(527)
As at 31 December 2025	(24,591)	(3,000)	2,871	(26,720)	10,934	(40,506)

- (a) For the year ended 31 December 2025, the Group repurchased 569,000 shares of the Company with unit price from HK\$1.27 to HK\$0.83, totalling HK\$574,345 (equivalent to approximately RMB527,178).

24 SHARE-BASED COMPENSATION

(a) Share-based compensation plans of the Company

On 1 December 2022, a share scheme was approved by the board of directors and adopted by the Group ("the Scheme"), the Scheme is designed to incentivize employees for their contribution to the Group.

The Group has delegated a trust company to set up one structured entity ("Scheme Trust"), namely Xuan Wu Fighter Trust, which has been appointed as the trustee pursuant to the trust deed to administrate the Scheme. Xuan Wu Fighter Trust was consolidated by the Group as to the Group is able to execute power over the control and management over Xuan Wu Fighter Trust.

(i) Stock Option Incentive Plans

On 6 January 2023, the Group granted 4,985,000 share options under the Scheme to certain eligible employees. Pursuant to the Scheme, subject to grantee's employment or service to the Group through the applicable vesting date, and performance condition are met, the share options shall become vested with respect to 30%, 30% and 40% of the share options after 12, 24 and 36 months from the grant date.

Movements in the number of share options granted to employees were as follows:

	Exercise price per share option	Number of share options (in thousands)	
		Year ended 31 December 2025	2024
At the beginning of the year		3,108	4,690
Exercised	HK\$0.63	(1,257)	(1,407)
Forfeited		(241)	(175)
As the end of the year		1,610	3,108

The share-based compensation expenses recognised in the consolidated statement of comprehensive income for the year ended 31 December 2025 was RMB635,000 (year ended 31 December 2024: RMB2,283,000).

As at 31 December 2025 and 2024, all vested share options are exercised.

24 SHARE-BASED COMPENSATION (Continued)**(a) Share-based compensation plans of the Company** (Continued)**(ii) Restricted Share Incentive Schemes**

On 27 September 2024, the Group granted 3,438,000 restricted shares under the Scheme to certain eligible employees. Pursuant to the Scheme, subject to grantee's employment or service to the Group through the applicable vesting date, and performance condition are met, the restricted shares shall become vested after 12 months from the grant date.

The Group determines the fair value of restricted shares on the basis of the single-day closing price of the circulating shares on the date when the equity instruments are granted, less the consideration. The fair value of granted shares was HK\$0.66.

Movements in the number of Restricted Share granted to employees were as follows:

	Number of restricted share (in thousands)	
	Year ended 31 December 2025	2024
As at 1 January 2025	3,418	3,438
Forfeited	(3,418)	(20)
As at 31 December 2025	—	3,418

During the year ended 31 December 2025, the Group reversed share-based compensation for share incentive of RMB134,000 since the management assessed that the performance condition are not met (year ended 31 December 2024: recognized of RMB134,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

25 BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current		
Bank borrowings	35,022	67,971
Other borrowings	92,826	76,069
	127,848	144,040

- (a) As at 31 December 2025, the bank borrowing amounting to RMB35 million was secured by certain patents of the Group and carries interest rates of 2.55% per annum.
- (b) As at 31 December 2025, the amount drawn under letters of credit arrangements was approximately RMB93 million, which is repayable within one year and carries interest rates ranging from 1.27% to 2.08% per annum.
- (c) As at 31 December 2025 and 2024, the borrowings were repayable as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	127,848	144,040

- (d) The weighted average effective interest rates per annum of borrowings were as follows:

	As at 31 December	
	2025	2024
Bank borrowings	2.12%	2.53%

- (e) As at 31 December 2025, all borrowings were denominated in RMB. Due to the short-term maturities, their carrying amount is considered to be the same as their fair value(2024: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

26 TRADE, BILL AND OTHER PAYABLES

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

27 LEASES

(a) Amounts recognised in the consolidated statement of financial position

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Right-of-use assets		
Properties (Note 15)	3,455	12,093
Lease liabilities		
Current	3,261	7,198
Non-current	937	8,026
	4,198	15,224

(b) Amounts recognised in the consolidated statement of comprehensive income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation charge		
Properties (Note 15)	5,265	8,091
Interest expenses (included in finance costs) (Note 11)	149	414
Expenses relating to short-term leases (included in selling and distribution expense and administrative expenses) (Note 7)	580	572
Cash outflows for lease payments	7,384	9,887

(c) The Group's leasing activities and how these are accounted for

The Group leases certain offices. Rental contracts for offices are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

28 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority.

The amounts are shown on the consolidated statement of financial position as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred income tax assets:		
— to be recovered after more than 12 months	4,989	6,392
— to be recovered within 12 months	3,178	3,250
— Set-off of deferred income tax liabilities pursuant to set-off provisions	(11)	(52)
	8,156	9,590
Deferred income tax liabilities:		
— to be recovered within 12 months	(11)	(52)
— Set-off of deferred income tax liabilities pursuant to set-off provisions	11	52
	—	—
	8,156	9,590

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

28 DEFERRED INCOME TAX (Continued)

The movement in deferred income tax assets during the years ended 31 December 2025 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Allowance on doubtful debts RMB'000	Tax losses RMB'000	Lease RMB'000	Total RMB'000
As at 1 January 2024	3,188	6,527	93	9,808
Credited/(charged) to profit or loss	10	(135)	(41)	(166)
As at 31 December 2024	3,198	6,392	52	9,642
As at 1 January 2025	3,198	6,392	52	9,642
Charged to profit or loss	(31)	(1,403)	(41)	(1,475)
As at 31 December 2025	3,167	4,989	11	8,167

As at 31 December 2025, in accordance with the accounting policy set out in Note 38.17(b), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB412,435,000 (31 December 2024: RMB300,192,000), as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Unrecognized tax losses in Chinese mainland will expire from 2026 to 2036 and unrecognized tax losses in Cayman Islands, British Virgin Islands and Hong Kong can be carried forward indefinitely.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

28 DEFERRED INCOME TAX (Continued)

The movement in deferred income tax liabilities during the years ended 31 December 2025 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Lease RMB'000
As at 1 January 2024	(68)
Credited to profit or loss	16
As at 31 December 2024	(52)
As at 1 January 2025	(52)
Credited to profit or loss	41
As at 31 December 2025	(11)

29 DIVIDEND

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

30 CASH FLOW INFORMATION

(a) Cash used in operations

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
(Loss)/profit before income tax from		
Continuing operations	(36,179)	22,629
Discontinued operation	(23,533)	(23,549)
Loss before income tax including discontinued operations	(59,712)	(920)
Adjustments for:		
— Depreciation of property, plant and equipment (Note 14)	1,494	2,080
— Depreciation of right-of-use assets (Note 15)	5,265	8,091
— Amortisation of intangible assets (Note 16)	1,723	854
— Net impairment losses on financial assets	1,241	6,417
— Losses on disposal of property, plant and equipment	444	4
— Net foreign exchange loss	240	252
— Net fair value gains on investment in financial assets at fair value through profit or loss (Note 10)	(498)	(565)
— Finance costs — net	3,326	3,792
— Share-based compensation expenses (Note 8)	501	2,417
Changes in working capital:	(45,976)	22,422
— Contract fulfilment cost	(1,218)	5,288
— Contract assets	190	16
— Trade, bill and other receivables and prepayments	131,458	(81,644)
— Contract liabilities	7,812	(13,740)
— Trade, bill and other payables	(10,333)	(11,971)
— Restricted cash	(5,174)	—
Cash generated from/(used in) operations	76,759	(79,629)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

30 CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities generated from financing activities

	Borrowings RMB'000	Leases liabilities RMB'000	Total RMB'000
As at 1 January 2024	157,244	22,483	179,727
Cash flows			
— Inflow from financing activities	169,590	—	169,590
— Outflow from financing activities	(186,945)	(9,315)	(196,260)
Non-cash changes			
— Acquisition — leases	—	1,642	1,642
— Finance expense recognised	—	414	414
— Accrued interest	4,151	—	4,151
As at 31 December 2024	144,040	15,224	159,264
As at 1 January 2025	144,040	15,224	159,264
Cash flows			
— Inflow from financing activities	153,557	—	153,557
— Outflow from financing activities	(168,049)	(6,804)	(174,853)
Non-cash changes			
— Modifications to lease agreements	—	(6,228)	(6,228)
— Acquisition — leases	—	1,961	1,961
— Finance expense recognised	—	149	149
— Accrued interest	3,300	—	3,300
— Liabilities classified as held for sale	(5,000)	(104)	(5,104)
As at 31 December 2025	127,848	4,198	132,046

31 COMMITMENTS

The Group did not have any material capital commitments or operating leases commitments as at 31 December 2025 and 2024.

32 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subjected to common control. Members of key management and their close family members of the Group are also considered as related parties.

(a) Controlling shareholders and ultimate holding companies

An acting in concert agreement was entered into on 13 July 2015 and renewed on 17 August 2021 (the "AIC Agreement") by Mr. Chen Yonghui ("Mr. Chen"), Mr. Huang Fangjie ("Mr. Huang") and Mr. Li Hairong ("Mr. Li ") and their wholly-owned companies Zhenghao Global Holding Limited, Honghan Worldwide Limited and Double Winner Worldwide Limited (collectively, the "AIC Parties"). According to this arrangement, Mr. Chen, Mr. Huang and Mr. Li became controlling shareholders of the Company while Zhenghao Global Holding Limited, Honghan Worldwide Limited and Double Winner Worldwide Limited became ultimate holding companies of the Company, which made them the Controlling shareholders of the Company.

The AIC Agreement was terminated on 27 October 2025. Since termination date till 31 December 2025, the Company has no controlling shareholder or ultimate holding company.

(b) Key management compensation

Compensations for key management other than those for directors and as disclosed in Note 32 is set out below.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other short-term employee benefits	1,964	1,337

None of the above related party transactions falls under the definition of connected transaction as defined in Chapter 14A of the Listing Rules.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

33 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The directors received emoluments from the Group for the year ended 31 December 2025 as follows:

Name	Fees RMB'000	Salaries and bonus RMB'000	Housing allowance and contributions to a retirement benefit scheme RMB'000	Total RMB'000
Executive Directors				
— Mr. Chen	—	629	39	668
— Mr. Huang	—	639	28	667
— Mr. Li	—	778	16	794
— Mr. Guo Haiqiu	—	781	39	820
Independent Non-executive Directors				
— Mr. Du Jianqing	100	—	—	100
— Ms. Wu Ruifeng	100	—	—	100
— Prof. Wu Jintao	100	—	—	100
	300	2,827	122	3,249

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

33 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

The directors received emoluments from the Group for the year ended 31 December 2024 as follows:

Name	Fees RMB'000	Salaries and bonus RMB'000	Housing allowance and contributions to a retirement benefit scheme RMB'000	Total RMB'000
Executive Directors				
— Mr. Chen	—	475	37	512
— Mr. Huang	—	504	15	519
— Mr. Li	—	747	15	762
— Mr. Guo Haiqiu	—	621	37	658
Independent Non-executive Directors				
— Mr. Du Jianqing	100	—	—	100
— Ms. Wu Ruifeng	100	—	—	100
— Prof. Wu Jintao	100	—	—	100
	300	2,347	104	2,751

- (i) During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.
- (ii) During the years ended 31 December 2025 and 2024, none of the directors of the Company waived their emoluments nor has agreed to waive their emoluments.

33 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors' retirement benefits and termination benefits

During the years ended 31 December 2025 and 2024, there were no termination benefit nor no additional retirement benefit received by the directors except for the attributions to a retirement benefit scheme in accordance with the rules and regulations in the PRC.

(c) Consideration provided to third parties for making available directors' services

During the years ended 31 December 2025 and 2024, the Group did not pay consideration to any third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favor of director, controlled bodies corporate by and connected entities with such director

During the years ended 31 December 2025 and 2024, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of director.

(e) Directors' material interest in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted as at 31 December 2025 and 2024 or at any time during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

34 THE COMPANY'S STATEMENT OF FINANCIAL POSITION AND EQUITY MOVEMENT

(a) The Company's statement of financial position is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Assets		
Non-current assets		
Investment in subsidiaries	277,290	276,789
Amount due from subsidiaries	106,412	106,412
	383,702	383,201
Current assets		
Amount due from subsidiaries	23,595	31,110
Cash and cash equivalents	3,847	3,275
	27,442	34,385
Total assets	411,144	417,586
Equity		
Share capital	360	360
Share premium	441,737	440,616
Treasury share	(27,591)	(29,189)
Other reserves	2,871	4,885
Accumulated losses	(47,043)	(39,373)
Total equity	370,334	377,299
Liabilities		
Current liabilities		
Other payables	1,550	1,465
Amount due to subsidiaries	39,260	38,822
Total liabilities	40,810	40,287
Total equity and liabilities	411,144	417,586

The statement of financial position of the Company was approved by the board of directors on 27 March 2026 and was signed on its behalf.

Mr. Lian Jian
Director

Mr. Huang Fangjie
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

34 THE COMPANY'S STATEMENT OF FINANCIAL POSITION AND EQUITY MOVEMENT (Continued)

(b) Movement of the Company's equity is as follows:

	Share capital RMB'000	Share premium RMB'000	Treasury share RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at January 1 2024	360	439,569	(17,080)	5,081	(40,203)	387,727
Profit for the year	—	—	—	—	830	830
Share-based compensation expenses	—	—	—	2,417	—	2,417
Repurchase of shares in connection with employee share scheme	—	—	(12,007)	—	—	(12,007)
Repurchase of Shares	—	—	(2,473)	—	—	(2,473)
Exercise of shares in connection with share award scheme	—	1,047	2,371	(2,613)	—	805
Balance at 31 December 2024	360	440,616	(29,189)	4,885	(39,373)	377,299
Balance at January 1 2025	360	440,616	(29,189)	4,885	(39,373)	377,299
Profit for the year	—	—	—	—	(7,670)	(7,670)
Share-based compensation expenses	—	—	—	501	—	501
Repurchase of shares	—	—	(527)	—	—	(527)
Exercise of shares in connection with share award scheme	—	1,121	2,125	(2,515)	—	731
Balance at 31 December 2025	360	441,737	(27,591)	2,871	(47,043)	370,334

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

35 PRINCIPAL SUBSIDIARIES

The Group had direct or indirect interests in the following subsidiaries as at 31 December 2025 and 2024:

Company name	Country/place and date of incorporation/ establishment	Registered/ issued and paid-in capital	Attributable equity interest of the Group		Principal activities and place of operation
			As at 31 December 2025	2024	
Directly owned:					
Xuan Wu Cloud (BVI) Limited	BVI, 28 May 2021	US\$50,000/Nil	100%	100%	Investment holding in BVI
Indirectly owned:					
Xuan Wu Cloud HK Limited	Hong Kong, 17 June 2021	HKD10,000/Nil	100%	100%	Investment holding in Hong Kong
Xuantao 廣州市玄韜智慧雲科技有限 公司	The PRC, 6 August 2021	US\$11,000,000/ US\$11,000,000	100%	100%	Investment holding in Guangzhou
Xuan Wu 廣州市玄武無線科技股份有限 公司	The PRC, 2 November 2010	RMB52,593,000/ RMB52,593,000	100%	100%	Intelligent CRM services in Guangzhou
Guangzhou Jixin Communication Technology Co., Ltd. 廣州市即信通信科技有限 公司	The PRC, 5 May 2017	RMB10,000,000/ Nil	100%	100%	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
Guangzhou Xuanxun Information Technology Co., Ltd. 廣州市玄訊信息技術有限 公司	The PRC, 20 May 2014	RMB10,000,000/ RMB10,000,000	100%	100%	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
Guangzhou Xuxin Information Technology Co., Ltd. 廣州市煦鑫信息科技有限 公司	The PRC, 18 February 2013	RMB10,000,000/ RMB10,000,000	100%	100%	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
Guangzhou Zhengjun Information Technology Co., Ltd. 廣州市正君信息科技有限 公司	The PRC, 28 January 2013	RMB10,000,000/ RMB10,000,000	100%	100%	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
Guangzhou Zhongmai Guangwei Information Technology Co., Ltd. 廣州中邁廣維信息科技有限 公司	The PRC, 26 September 2012	RMB10,000,000/ RMB10,000,000	100%	100%	Undertaking code numbers and procurement of channel resources from operators in Guangzhou

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

35 PRINCIPAL SUBSIDIARIES (Continued)

Company name	Country/place and date of incorporation/ establishment	Registered/ issued and paid-in capital	Attributable equity interest of the Group		Principal activities and place of operation
			As at 31 December 2025	2024	
Guangzhou Guanghan Information Technology Co., Ltd. 廣州市廣瀚信息科技有限公司	The PRC, 21 October 2011	RMB10,000,000/ RMB10,000,000	100%	100%	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
Guangzhou Shangyu Wireless Technology Co., Ltd. 廣州市商域無線科技有限公司	The PRC, 4 June 2007	RMB10,000,000/ RMB10,000,000	100%	100%	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
Beijing Xiuwu Wenyu Technology Co., Ltd. 北京秀武文昱科技有限公司	The PRC, 9 May 2008	RMB10,000,000/ RMB10,000,000	100%	100%	Undertaking the product sales business, code numbers and procurement of channel resources from operators in Beijing
Henan Shangfang Communication Technology Co., Ltd.(i) 河南上方通信技術有限公司(i)	The PRC, 14 June 2011	RMB10,010,000/ RMB10,010,000	—	100%	Undertaking code numbers and procurement of channel resources from operators in Henan
Dejiu 廣州德久信息科技有限公司	The PRC, 4 January 2017	RMB10,000,000/ RMB10,000,000	70%	70%	Provision of voice and video communication capabilities in Guangzhou
Tianjin Xingjian Xintong Technology Co., Ltd. (i) 天津行健信通科技有限公司(i)	The PRC, 9 May 2017	RMB10,000,000/ Nil	—	70%	Undertaking code numbers in Tianjin
Guangzhou Xingjian Xintong Technology Co., Ltd. 廣州行健信通科技有限公司	The PRC, 10 March 2020	RMB1,000,000/Nil	70%	70%	Undertaking code numbers in Guangzhou
Guangzhou Xuanke Technology Co., Ltd. (i) 廣州市玄氫科技有限公司(i)	The PRC, 19 August 2022	RMB10,000,000/Nil	—	100%	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
Dongguan Boxun Information Technology Co., Ltd. 東莞市博訊信息科技有限公司	The PRC, 9 May 2023	RMB10,000,000/Nil	100%	100%	Undertaking code numbers and procurement of channel resources from operators in Dongguan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts expressed in RMB unless otherwise stated)

35 PRINCIPAL SUBSIDIARIES (Continued)

Company name	Country/place and date of incorporation/ establishment	Registered/ issued and paid-in capital	Attributable equity interest of the Group		Principal activities and place of operation
			As at 31 December 2025	2024	
Shang Yu International Communications (HK) Co., Limited 商域國際通信(香港)有限公司	Hong Kong, 31 March 2023	HKD10,000,000/ Nil	100%	100%	Undertaking the product sales business and procurement of channel resources from operators overseas
Guangzhou Xuantong Technology Co., Ltd. 廣州市玄瞳科技有限公司	The PRC, 30 January 2024	RMB30,000,000/ RMB21,000,000	70%	70%	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
Guangzhou Xuanji Technology Co., Ltd. 廣州玄璣科技有限責任公司	The PRC, 10 October 2024	RMB10,000,000/ RMB2,060,090	51%	51%	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
Guangzhou Tianluo Communications Technology Co., Limited 廣州天絡通信科技有限公司	The PRC, 14 April 2025	RMB10,000,000/ Nil	70%	N/A	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
Guangzhou Mingyun Information Technology Co., Ltd. 廣州鳴雲信息科技有限公司	The PRC, 27 April 2025	RMB10,000,000/ Nil	70%	N/A	Undertaking code numbers and procurement of channel resources from operators in Guangzhou
SHANGYU CLOUD COMMUNICATION INC. 商域雲通信有限公司	Philippines, 11 November 2025	PHP12,000,000/ Nil	100%	NA	Undertaking the product sales business and procurement of channel resources from operators overseas

(i) These subsidiaries were deregistered in 2025.

36 CONTINGENCIES

The Group did not have any material contingent liabilities as at 31 December 2025 and 2024.

37 EVENT AFTER THE BALANCE SHEET DATE

(a) On 20 October 2025, companies controlled by Mr. Chen and Mr. Huang and another shareholder entered into a Sales and Purchase agreement and conditionally agreed to sell 112,064,100 shares of the Company to an entity controlled by Mr. Lian Jian. The share transfer was completed in February 2026. Upon completion of the share transfer, Mr. Lian became the single largest shareholder of the Company.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of the Company and its subsidiaries.

38.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

Subsidiaries controlled through Contractual Arrangements

In order to comply with the PRC laws and regulations which prohibit or restrict foreign control of companies involved in provision of certain restricted businesses, in particular, intelligent CRM services. The Group operates its restricted businesses in the PRC through certain PRC operating entities, whose equity interests are held by shareholders ("Nominee Shareholders"). The Group obtained control over certain PRC operating entities via a series of the Contractual Arrangements signed between certain directly or indirectly held subsidiaries of the Company in the PRC, PRC operating entities operating the restricted businesses (the "Controlled Structured Entities") and their respective Nominee Shareholders. The Contractual Arrangements, includes exclusive business cooperation agreement, exclusive option agreement, equity pledge agreement, proxy agreements and powers of attorney, and spouse undertakings which enables those directly or indirectly held subsidiaries of the Company and the Group to:

- (i) Govern the financial and operating policies of the Controlled Structured Entities;
- (ii) Exercise Nominee Shareholders' voting rights of the Controlled Structured Entities;
- (iii) Exercise effective financial and operational control over of Controlled Structured Entities;

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.1 Subsidiaries (Continued)

Subsidiaries controlled through Contractual Arrangements (Continued)

- (iv) Receive substantially all of the economic interests and returns generated by the Controlled Structured Entities in consideration for the business support, technical and consulting services provided by Guangzhou Xuantao Intelligent Cloud Technology Co., Ltd. (“Xuantao”), at Xuantao’s discretion;
- (v) Obtain an irrevocable and exclusive right to purchase all equity interests in the Controlled Structured Entities from its Nominee Shareholders at a nominal consideration unless the relevant government authorities request that another amount be used as the purchase consideration and in which case the purchase consideration shall be such amount. Where the purchase consideration is required by the relevant government authorities to be an amount other than a nominal amount, the Nominee Shareholders of the Controlled Structured Entities shall return the amount of purchase consideration they have received to Xuantao. At Xuantao’s request, the Nominee Shareholders of the Controlled Structured Entities will promptly and unconditionally transfer their respective equity interests in the Controlled Structured Entities to Xuantao (or its designee within the Group) after Xuantao exercises its purchase right; and
- (vi) Obtain pledges over the entire equity interests in the Controlled Structured Entities from its Nominee Shareholders to secure, among others, performance of their obligations under the Contractual Arrangements.

The Group does not have any equity interest in the Controlled Structured Entities. However, as a result of the Contractual Arrangements, the Group has rights to variable returns from its involvement with the Controlled Structured Entities and has the ability to affect those returns through its power over the Controlled Structured Entities and is considered to control the Controlled Structured Entities. Consequently, the Company regards the Controlled Structured Entities as indirect subsidiaries under HKFRSs.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the Controlled Structured Entities and their respective subsidiaries and such uncertainties presented by the PRC legal system could impede the Group’s beneficiary rights of the results, assets and liabilities of the Controlled Structured Entities and their respective subsidiaries. The directors of the Company, based on the advice of its legal counsel, consider that the Contractual Arrangements are in compliance with the relevant PRC laws and regulations and are legally binding and enforceable.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)**38.2 Investment in subsidiaries**

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

38.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who makes strategic decisions.

38.4 Foreign currency translation**(a) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Consolidated financial statements are presented in RMB, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within "Other gains — net" in the consolidated statement of comprehensive income.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or, in case of leasehold improvements, the shorter lease term, as follows:

— Office Furniture and equipment	3–5 years
— Computers and electronic equipment	3–5 years
— Leasehold improvements	the shorter of the lease term or the useful life

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains — net" in the consolidated statement of comprehensive income.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)**38.6 Intangible assets****(a) Goodwill**

Goodwill is measured as described in Note 16. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Software

Separately acquired computer softwares were shown at historical cost less accumulated amortisations and accumulated impairment losses. Cost represents consideration paid for the rights to use the computer software for 1–3 years or with no expiry date. For the computer software with no expiry date, as the computer softwares are well-developed off the shelf software used for financial reporting and the Group can use the software as long as it can meet the Group's financial reporting needs, based on the current functionalities equipped by this software and the daily operation needs, the Group considers a useful life of 10 years is the best estimation under current financial reporting needs. Amortisation of computer software are calculated on the straight-line method.

Costs associated with maintaining software are recognised as expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software controlled by the Group were recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software, and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software was available; and
- the expenditure attributable to the software during its development can be reliably measured.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.6 Intangible assets (Continued)

(b) Software (Continued)

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The development costs meeting these criteria and capitalised as intangible assets for the year ended 31 December 2025 is approximately RMB 2,464,000 (year ended 31 December 2024: RMB2,483,000).

(c) Platform

Platform acquired in a business combination is recognised at fair value at the acquisition date. platform has a finite useful life and is carried at cost less accumulated amortisations.

(d) Research and development expenditures

Research and development expenditures that do not meet the criteria in (b) above are recognised as expenses as incurred. Development costs previously recognised as expenses were not recognised as assets in subsequent period.

(e) Amortisation method and period

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- | | |
|------------|------------|
| • Software | 1–10 years |
| • Platform | 5 years |

38.7 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.8 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI"). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.8 Investments and other financial assets (Continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains — net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gains — net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains — net" and impairment expenses are presented as separate line item in the statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "Other gains — net" in the period in which it arises.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

38.10 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3 details how the Group determines whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

38.11 Trade and other receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 19 for further information about the Group's accounting for trade receivables and Note 3.1.2 for a description of the Group's impairment policies.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.12 Cash and cash equivalents and restricted cash

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank deposits which are restricted to use are included in "restricted cash" of the consolidated statement of financial position.

38.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

38.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

38.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance cost.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the group is required to comply with after the reporting period do not affect the classification at the reporting date.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)**38.16 Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

38.17 Current and deferred income tax

The income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.17 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

38.18 Employee benefits

(a) Pension obligations

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(b) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)**38.18 Employee benefits (Continued)****(c) Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

38.19 Share-based payments

Share-based compensation benefits are provided to employees via an employee share scheme. The fair value of equity-settled share-based payments for the services received from employees was measured at the grant date of the equity instruments. It was recognised as share-based compensation expenses in the profit or loss and as share-based payment reserve respectively. The total amount to be expensed is determined by reference to the fair value of the shares granted as at grant date, including any market performance conditions, excluding the impacts of any service and non-market performance vesting conditions as well as including any non-vesting conditions, when applicable.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.20 Leases

The Group leases certain offices. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as of the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease if that rate can be determined, or the Group's incremental borrowing rate. To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.20 Leases (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associate with short-term leases terms of 12 months or less and leases of low-value assets are recognised on a straight-line basis over the lease term as an expense in profit or loss.

38.21 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

38.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

38.23 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and groups of contracts within the scope of HKFRS 17 Insurance Contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

FIVE-YEAR FINANCIAL SUMMARY

(All amounts expressed in RMB unless otherwise stated)

	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				Restated*	
Revenue	991,941	1,043,378	1,281,276	1,071,207	763,367
Gross profit	232,392	225,647	204,649	164,964	109,647
Operating gains/(losses)	14,307	(33,352)	(68,901)	26,427	(32,910)
Profit/(losses) before income tax	12,480	(36,302)	(71,709)	22,629	(36,179)
Profit/losses attributable to equity owners of the Company	14,513	(35,676)	(72,364)	6,914	(54,345)
Adjusted net profit/(losses)	30,968	(11,997)	(71,770)	(1,070)	(61,146)
ASSETS					
Non-current assets	63,240	55,215	46,499	39,765	25,981
Current assets	484,727	619,436	644,517	594,043	523,472
Total assets	547,967	674,651	691,016	633,808	549,453
LIABILITIES					
Non-current liabilities	24,268	18,165	11,888	8,026	2,523
Current liabilities	236,545	233,697	340,108	297,713	279,582
Total liabilities	260,813	251,862	351,996	305,739	282,105
EQUITY					
Equity attributable to owners of the Company	285,401	420,328	335,965	331,621	277,981
Non-controlling interests	1,753	2,461	3,055	(3,552)	(10,633)
Total equity	287,154	422,789	339,020	328,069	267,348
Total equity and liabilities	547,967	674,651	691,016	633,808	549,453



DEFINITIONS

In this annual report, the following expressions have the meanings set out below unless the context requires otherwise:

“Administration Committee”	a sub-committee of the Board, members of which shall be determined by the chairman of the Board from time to time, with consultation with the chairman of the remuneration committee of the Board, delegated with the power and authority by the Board to administer the 2022 Restricted Share Award Scheme;
“affiliate”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AGM”	the forthcoming annual general meeting of the Company to be held on 26 June 2025
“AI”	artificial intelligence
“ARPU”	Average Revenue Per User
“all-channel”	the online and offline channels between enterprises and their customers for the purpose of products and services distribution or delivery
“aPaaS”	application platform as a service
“Articles” or “Articles of Association”	the amended and restated articles of association of the Company
“Audit Committee”	the audit committee of the Company
“Award Shares”	Shares granted pursuant to terms and conditions of the 2022 Restricted Share Award Scheme
“Board”	the board of Directors
“BVI”	British Virgin Islands
“CEO”	the chief executive officer of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

“Chairman”	the chairman of the Board
“cloud-based”	applications, services or resources made available to users on demand via the internet from a cloud computing provider’s server with access to shared pools of configurable resources
“Company” or “Xuan Wu Cloud”	Xuan Wu Cloud Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange under stock code 2392
“Consolidated Affiliated Entities”	the entities the Company control through the contractual arrangements, namely, Guangzhou Xuan Wu and its subsidiaries (each a “Consolidated Affiliated Entity”), the financial results of which have been consolidated and accounted for as the subsidiaries of the Group by virtue of the contractual arrangements
“Contractual Arrangements”	the series of contractual arrangements entered into between Xuanta, Guangzhou Xuan Wu and its subsidiaries and the Registered Shareholders
“cPaaS”	communication platform as a service
“CRM”	customer relationship management
“DI”	data intelligence, all the analytical tools and methods a company employs to form a better understanding of and get insights from the information
“Director(s)”	the director(s) of the Company
“ESG”	environmental, social and governance
“ESOP Platforms”	Guangzhou Xuandong Investment Co., Ltd. (Limited Partnership) (廣州玄東投資有限合夥企業(有限合夥)), Guangzhou Xuanxi Investment Co., Ltd. (Limited Partnership) (廣州玄西投資有限合夥企業(有限合夥)), Guangzhou Xuannan Investment Co., Ltd. (Limited Partnership) (廣州玄南投資有限合夥企業(有限合夥)) and Guangzhou Xuanbei Investment Co., Ltd. (Limited Partnership) (廣州玄北投資有限合夥企業(有限合夥)) or any one or more of them as the context requires
“Foreign Investment Negative List”	the Special Administrative Measures on Access to Foreign Investment (Negative List) (2021 Edition) (外商投資准入特別管理措施(負面清單) (2021 年版)) which was promulgated jointly by the MOFCOM and the NDRC on 27 December 2021 and became effective on 1 January 2022



DEFINITIONS (CONTINUED)

“Global Offering”	the Hong Kong public offering and the international offering of the offer shares
“grant”	individually or collectively, a grant of Award Shares under the Restricted Share Award Scheme
“Group”	the Company, its subsidiaries and consolidated affiliated entities or any of them
“Guangzhou Xuan Wu”	Guangzhou Xuan Wu Wireless Technology Co., Ltd. (廣州市玄武無線科技股份有限公司), a joint stock limited company incorporated in the PRC on 2 November 2010, which is one of our Consolidated Affiliated Entities
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“ICC”	integrated communication centre
“Latest Practicable Date”	17 April 2026, being the latest practicable date for ascertaining certain information in this annual report
“Listing Date”	8 July 2022, being the date on which the Shares became listed and commenced trading on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“PaaS”	platform as a Service

“Participant”	(i) directors and employees of the Company or any of its consolidated affiliated entities (including persons who are granted Award Shares under the Restricted Share Award Scheme as an inducement to enter into employment contracts with these companies); (ii) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company; and (iii) Service Providers
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this annual report only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 24 June 2022
“PwC”	PricewaterhouseCoopers, the independent auditor of the Company
“Registered Shareholders”	the registered shareholders of Guangzhou Xuan Wu, collectively, Mr. Chen Yonghui (陳永輝), Mr. Song Xiaohu (宋小虎), Mr. Huang Fangjie (黃仿傑), Mr. Li Hairong (李海榮), the ESOP Platforms, Shanghai Fosun Weishi Fund (上海復星惟實一期股權投資基金合夥企業(有限合夥)), Mr. Xie Lejun (謝樂軍), GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司), Mr. Guo Haiqiu (郭海球), Guangzhou Zhengxin Investment Partnership (Limited Partnership) (廣州正信投資合夥企業(有限合夥)), Gongqing City Blue Stone Investment Partnership (Limited Partnership) (共青城蘭石創業投資合夥企業(有限合夥)), Shenzhen Zhongou Runlong Investment Management Co., Ltd. (深圳市中歐潤隆投資管理有限公司), Mr. Chen Zhengxu (陳正旭), Mr. Wu Fugui (吳富貴), GF Securities Co., Ltd. (廣發證券股份有限公司), Chengda Coastal Industry (Dalian) Fund Phase I (Limited Partnership) (成大沿海產業(大連)基金壹期(有限合夥)), Mr. Zhang Wei (張煒), CITIC Securities Company Limited (中信証券股份有限公司), Zhuhai Qingshi Investment Partnership (Limited Partnership) (珠海擎石投資合夥企業(有限合夥)), Mr. Zhang Boxiao (張博曉), Mr. Tang Bin (唐斌) and Mr. Sun Junwen (孫軍文)
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the year ended 31 December 2025
“R&D”	research and development
“RMB”	Renminbi yuan, the lawful currency of the PRC
“SaaS”	software as a service
“Selected Participant(s)”	any Participant selected by the Administration Committee in accordance with the terms of and entitled to receive a grant under the 2022 Restricted Share Award Scheme



DEFINITIONS (CONTINUED)

“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of the Company with nominal value of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“SMS”	short message service
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“TMT”	technology, media and telecom
“US”	the United States of America
“US\$”	US dollars, the lawful currency of US
“Xuantao”	Guangzhou Xuantao Intelligent Cloud Technology Co., Ltd. (廣州市玄韜智慧雲科技有限公司), a limited liability company incorporated in the PRC on 6 August 2021, which is our indirect wholly-owned subsidiary
“2022 Restricted Share Award Scheme”	the restricted share award scheme approved and adopted by the Board on 1 December 2022, as amended from time to time
“%”	per cent

Note: The English transliteration of the Chinese name(s) in this annual report, where indicated by an asterisk (*), is included for identification purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).



Stock Code 股份代號: 2392