
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Xuan Wu Cloud Technology Holdings Limited (the “Company”), you should at once hand this circular and the enclosed proxy form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Xuan Wu Cloud Technology Holdings Limited

玄武雲科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2392)

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

A notice convening an extraordinary general meeting (“EGM”) of the Company to be held by way of a virtual meeting on Wednesday, 17 December 2025 at 10:00 a.m. is set out on pages 56 to 58 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company ([https://ir.wxchina.com/](http://ir.wxchina.com/)).

Whether or not you are able to attend the EGM, you are advised to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) should you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

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DEFINITIONS

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

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

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

DEFINITIONS

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

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

SPECIAL ARRANGEMENTS FOR THE EGM

The EGM will be held by way of a virtual meeting on Wednesday, 17 December 2025 at 10 a.m. using the e-Meeting System as detailed below, which allows Shareholders to participate in the EGM online in a convenient and efficient way from anywhere with an internet connection, without the need to attend the same in person. All registered Shareholders will be able to join the EGM via the e-Meeting System. The e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer.

Through the e-Meeting System, our registered Shareholders will be able to view the live video broadcast, participate in voting and submit questions online. Login details and information will be included in our letters to registered Shareholders regarding the e-Meeting System.

HOW TO ATTEND AND VOTE

Shareholders who wish to attend the EGM and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the EGM via the e-Meeting System which enables live streaming of the EGM, provides an interactive platform for questions-and-answers and allows the Shareholders to submit their votes online; or
- (2) appoint the chairman of the EGM or other persons as your proxy by providing their email address for receiving the designated log-in username and password to attend and vote on your behalf via the e-Meeting System.

Your proxy's authority and instruction will be revoked if you attend and vote via the e-Meeting System at the EGM.

Completion and return of the form of proxy will not preclude a member from attending and voting via the e-Meeting System at the EGM or any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend, vote and submit questions online at the virtual EGM. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

Registered Shareholders attending the EGM through the e-Meeting System may vote and submit questions relevant to the proposed resolution online during the EGM. The Company will endeavour to respond to substantial and relevant queries from the Shareholders prior to and/or at the EGM.

For the avoidance of doubt, holders of treasury shares of the Company (if any) are not entitled to vote at the EGM.

SPECIAL ARRANGEMENTS FOR THE EGM

If you have any questions relating to the EGM, please contact the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, with the following details:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Website: www.computershare.com/hk/contact

Telephone: (852) 2862-8555

Facsimile: (852) 2865-0990

The Company may be required to adopt further changes to the EGM arrangements at short notice. Shareholders are advised to check the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://ir.wxchina.com/>) for the latest circular and information relating to the EGM.

LETTER FROM THE BOARD



Xuan Wu Cloud Technology Holdings Limited

玄武雲科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2392)

Executive Directors:

Chen Yonghui (陳永輝)

(Chairman and Chief Executive Officer)

Huang Fangjie (黃仿傑)

Li Hairong (李海榮)

Guo Haiqiu (郭海球)

Independent non-executive Directors:

Du Jianqing (杜劍青)

Wu Ruifeng (吳瑞風)

Wu Jintao (鄔金濤)

Registered Office:

Harneys Fiduciary (Cayman) Limited

4th Floor, Harbour Place

103 South Church Street

P.O. Box 10240

Grand Cayman KY1-1002

Cayman Islands

Headquarter and Principal

Place of Business in the PRC:

Room 904, 9/F

Dongsheng Yunding Building

38 Haizhou Road

Haizhu District

Guangzhou, Guangdong

PRC

Principal Place of Business

in Hong Kong:

4/F, Jardine House

1 Connaught Place

Central

Hong Kong

28 November 2025

To the Shareholders

Dear Sir or Madam,

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

LETTER FROM THE BOARD

I. INTRODUCTION

Reference is made to the announcement of the Company dated 20 October 2025 in relation to, among others, the entering into of the Capital Injection Agreement, the Equity Transfer Agreements, the Technical Services Procurement Framework Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide Shareholders with, among other things, (i) the details of the Capital Injection Agreement, the Equity Transfer Agreements and the Technical Services Procurement Framework Agreement (together with the proposed annual caps); (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the aforesaid agreements and the transactions contemplated thereunder; (iv) other information as required under the Listing Rules; and (v) a notice of the EGM.

II. BACKGROUND

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

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

Principal Terms of the Capital Injection Agreement and Equity Transfer Agreements

The Capital Injection Agreement

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

Date: 20 October 2025 (after trading hours)

Parties: Mr. Chen

the Target Company

the Vendor

LETTER FROM THE BOARD

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

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

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

The Equity Transfer Agreements

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

Date: 20 October 2025 (after trading hours)

Parties: the Vendor

Xuanton Tongda

Xuanton Tonghe

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

Basis of determination of the considerations for the Capital Injection and Equity Transfer (including the transfer of the Target Company to Xuanton Tongda and Xuanton Tonghe)

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

- (i) the consideration paid up by the existing shareholders of the Target Company upon its incorporation which is RMB1 for registered capital of RMB1;
- (ii) the current operations of the Target Company, encompassing its accumulated know-how and management expertise, as well as its strategic assets, including its established customer base, proprietary data assets, and institutionalized workflows, all of which underpin its long-term viability and competitive position;
- (iii) the net liabilities of the Target Company; and

LETTER FROM THE BOARD

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

With reference to the net liabilities of RMB16.8 million of the Target Company as of 31 August 2025, the consideration at RMB1 for registered capital of RMB1 payable by Mr. Chen and the Purchasers are justified by the current operations of and the initial costs incurred by the Target Company, encompassing its accumulated know-how and management expertise, as well as its strategic assets, including its established customer base, proprietary data assets and institutionalized workflows, all of which underpin its long-term viability and competitive position.

Future profitability is therefore contingent upon controlling initial R&D and fixed costs to achieve breakeven, a point on which the Group hold differing views from Mr. Chen and Purchasers’, regarding further capital injections. As a result, the Group decided not to participate in the further capital injections and agreed to accept the considerations under both the Capital Injection and Equity Transfer at RMB1 for registered capital of RMB1, in order to recover its original investments partially at cost upon the incorporation of the Target Company.

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

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

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

- (1) the Capital Injection Agreement and the Equity Transfer Agreements have been signed by the legal representative/representative of executive partner or authorised representative of all parties and affixed their official seals;
- (2) the Target Company has obtained the necessary approval(s) relating to the Capital Injection and Equity Transfer from the relevant PRC regulatory authorities;
- (3) the Capital Injection Agreement and Equity Transfer Agreements contemplated thereunder have been approved by the Independent Shareholders of the Company at a general meeting; and
- (4) all parties have conducted internal decision-making procedures such as convening board meetings and general meetings to review and approve the transaction.

The Capital Injection Agreement and the Equity Transfer Agreement are inter-conditional; and the above conditions have not been fulfilled as at the date of this circular and are not waiverable.

LETTER FROM THE BOARD

Payment of Considerations for Capital Injection and the Equity Transfer

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

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

Closing of the Capital Injection and Equity Transfer:

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

Shareholding structure of the Target Company before and after the Completion

Shareholders	Immediately before Completion		Transactions	Immediately after Completion	
	Amount of registered capital of the Target Company ⁽¹⁾ (RMB)	Percentage of equity interests in the Target Company (%)		Amount of registered capital of the Target Company ⁽¹⁾ (RMB)	Percentage of equity interests in the Target Company (%)
Mr. Chen	—	—	Capital Injection	20,000,000	40.0
Xuantao	21,000,000	70.0	Equity Transfer	10,000,000	20.0
Xuanton Tongda	—	—	Equity Transfer	5,000,000	10.0
Xuanton Tonghe	—	—	Equity Transfer	6,000,000	12.0
Other Shareholders	9,000,000	30.0		9,000,000	18.0
Total	30,000,000	100.0		50,000,000	100.0

Note:

- (1) The number of shares of in the Target Company is not available as the Target Company is a limited liability company in the PRC. The act of issuing and transferring registered capital of a limited liability company corresponds to issuing and transferring shares in a joint stock company.

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Information about the Target Company

The Target Company was incorporated in the PRC on 31 January 2024. Its principal business is provision of sales cloud services, encompassing the provision of comprehensive sales management solutions to customers by introducing a streamlined operation model and automated workflow to customers' sales management cycle, and also implementation services to customers. According to the unaudited financial statement of the Target Company, as of 31 August 2025, the total assets and net liabilities of the Target Company were RMB60.5 million and RMB16.8 million, respectively. According to the audited financial statement of the Target Company, as of 31 December 2024, the total assets and net liabilities of the Target Company were RMB18.5 million and RMB2.3 million, respectively.

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

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

Use of Proceeds

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

The proceeds from the Equity Transfer (i.e. RMB11,000,000) will be used by the Group to supplement its general working capital among which approximately RMB8,000,000 will be used for purchases from suppliers and approximately RMB3,000,000 will be used for employees' compensation. Upon completion of the Equity Transfer, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

LETTER FROM THE BOARD

Reasons for and Benefits of the Capital Injection and Equity Transfer

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

Transferring the Target Company to Mr. Chen will enable the Group to enhance capital efficiency by reallocating resources to business segments with stronger growth potential and higher investment returns. As of the date of this circular, our SaaS solutions comprise three business segments:

- (i) **Marketing cloud:** This segment offers comprehensive CRM SaaS solutions that equip enterprises with a comprehensive digital marketing operations system. It is engineered to enhance precision marketing conversion by facilitating new client acquisition, stimulating engagement within the existing client base and enabling sophisticated customer relationship management.
- (ii) **Sales cloud:** This segment provides CRM software that increases client operational efficiency through robust customer portrait analysis and predictive business opportunity identification.
- (iii) **Service cloud:** This segment delivers intelligent CRM SaaS for customer service, leveraging a human-machine integration model. The solutions provide end-to-end support across the full industry chain, enabled by multi-channel client communication and integrated, full-process business management.

Following a re-assessment of its overall business layout and development strategy, the Group has decided to focus on core business segments, which includes marketing cloud and service cloud of SaaS, and also PaaS, with stronger competitiveness and long-term growth prospects. In line with this strategic realignment, the Group plans to gradually cease its self-operated sales cloud business, which is the principal operation of the Target Company. Allocating capital to other business areas with greater profitability is expected to generate higher returns and enhance overall shareholder value. The Group's decision not to participate in further capital injections into the Target Company is therefore consistent with its transformation, upgrading and sustainable development objectives.

In recent years, Mr. Chen's responsibilities within the Group have been gradually adjusted. Although he has consistently dedicated himself to contributing to Group's development during his tenure, as Group's business has evolved, Mr. Chen's work has also received increased support and assistance from other Directors and the management team. This collaborative model has also provided Mr. Chen with more space to focus on areas where he excels, such as the management and investment in the Target Company. Throughout this process, the Company's nomination committee has been closely monitoring the composition and development needs of the company's management

LETTER FROM THE BOARD

to ensure a smooth transition and the continuous development of the business. The existing Directors and management of the Company possess extensive industry experience and outstanding management capabilities. They have always played important roles in their respective positions and are well-equipped to effectively take over Mr. Chen's relevant responsibilities while continuing to drive the sustained development of the Company's various business operations.

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

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

The Group

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

The Vendor

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

Mr. Chen

Mr. Chen is an executive Director and the chairman of the Company. Mr. Chen ceased to be the Controlling Shareholder after the termination of the AIC Agreement (as defined below) on 27 October 2025, and has become a Substantial Shareholder, indirectly controlling approximately 26.15% (the percentage is calculated based on the number of issued shares of the Company, excluding its treasury shares) of the voting rights in the Company.

Xuantong Tongda

Xuantong Tongda is a limited partnership established in the PRC and an investment holding company. Xuantong Tongda principally engages in investment holding. The ultimate beneficial owner of Xuantong Tongda is Ms. Lin Yueying. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Xuantong Tongda and its ultimate beneficial owner are Independent Third Parties.

Xuantong Tonghe

Xuantong Tonghe is a limited partnership established in PRC and an investment holding company. Xuantong Tonghe principally engages in investment holding. The ultimate beneficial owner of Xuantong Tonghe is Ms. Deng Hailing. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Xuantong Tonghe and its ultimate beneficial owner are Independent Third Parties.

III. POST-COMPLETION CONTINUING CONNECTED TRANSACTIONS

Introduction

The existing sales cloud business of the Target Company involves the provision of technical services in respect of provision of sales cloud solutions to and procurement of technical services in respect of provision of cloud computing servers from the Group from time to time.

The existing business arrangements are as follows:

- (i) both the Target Company and other members of the Group pursue contracts for provision of sales cloud solutions with end customers. The underlying technology of sales cloud is owned by Target Company, and therefore other members of the Group have to purchase sales cloud solutions in order to fulfill their performance obligations under their contracts with end customers; and
- (ii) the Target Company's sales cloud solutions involve cloud computing servers. To deliver its sales cloud solutions to its end customers, the Target Company itself relies on cloud computing servers sourced from within the Group, which form an integral part of its cost of sales.

After the Completion, the Target Company will no longer be consolidated into the consolidated financial statements of the Group and will become an associate of Mr. Chen, and therefore a connected person as defined in Chapter 14A of the Listing Rules. While the Group intends to downsize its business of sales cloud solutions after the Completion, this does not preclude the other members of the Group from continuing to deliver sales cloud solutions to existing customers and to pursue contracts with end customers for the provision of sales cloud solutions. This ongoing activity is supported by the established customer relationships of the Group. Over time, the proportion of sales cloud solutions channeled through the Group will decline as the Target Company increases its market exposure and secures more direct contracts with end customers. As these contractual arrangements for sales cloud solutions are subject to customer preference, the Group does not have a definite timeline to completely delineate the sales cloud business from its operations.

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

LETTER FROM THE BOARD

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

The Technical Service Procurement Framework Agreement

Principal terms

Date: 20 October 2025 (after trading hours)

Parties: The Company

The Target Company

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

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

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

Pricing policy

(1) Regarding the technical service fees payables by the Group to the Target Company in respect of the provision of sales cloud solutions, the price negotiation mechanism in relation to the purchases of the sales cloud solutions from the Target Company involves the Group first agreeing the service fees with the end-customers (i.e. the Group's selling price to the end-customers), which is then followed by the Group purchasing relevant technical services from the Target Company at a cost fixed at 98% of this selling price. The Board is of the view that the 2% profit margin can ensure that the above transactions are conducted on normal commercial terms and on terms no less favourable than those offered by independent third-party suppliers to the Group, which are mainly based on the following considerations:

- (a) the sales cloud solutions are usually non-standardised solutions which are tailored to the requirements of the Group's in the form processes, technical requirements and technical specifications according to end customers own needs. There are thus no market prices for the Target Company's sales cloud solutions which are applicable;

LETTER FROM THE BOARD

- (b) the mark-up of 2% is in line with the Group's efforts in delivering the sales cloud solutions to its end customers; and
 - (c) under the current arrangement, the Target Company has been delivering sales cloud solutions to other Member of the Group at cost since the incorporation of the Target Company and such transactions are eliminated in the consolidated financial statements of the Group until the Completion.
- (2) The technical service fees payable by the Target Company to the Group in respect of the provision of cloud computing servers will be determined on a "cost-plus" basis. On a "cost-plus" basis, the Group's cost of rentals of the servers plus a percentage mark-up of not be less than 2%. The Board is of the view that the mark-up rate of 2% can ensure that the above transactions are conducted on normal commercial terms and on terms no less favourable than those offered by the Group to independent third-party customers, which are mainly based on the following considerations:
- (a) considering the Group's business model, the Group's provision of servers to its customers is generally ancillary to its SaaS and PaaS solutions, and it generally does not charge a markup for the delivery of servers;
 - (b) the mark-up of 2% is in line with the Group's minimal efforts in delivering the cloud computing servers from rented from suppliers; and
 - (c) under the current arrangement, the Group has been delivering cloud computing servers at cost since the incorporation of the Target Company and such transactions are eliminated in the consolidated financial statements of the Group until the Completion.

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

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Annual caps and basis of determination

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

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

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

- (i) historical purchase amount of the technical services payable by the Group from the Target Company during the period from 31 January 2024 (date of incorporation of the Target Company) to 31 December 2024 and the eight months ended 31 August 2025 which amounted to approximately RMB75,500,000 and approximately RMB26,400,000, respectively;
- (ii) historical purchase amount of the technical services payable by the Target Company from the Group during the period from 31 January 2024 (date of incorporation of the Target Company) to 31 December 2024 and the eight months ended 31 August 2025 which amounted to approximately RMB61,700,000 and approximately RMB10,900,000, respectively;
- (iii) purchase orders budgeted to be made for (i) the period from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 31 December 2025, (ii) the year ending 31 December 2026; (iii) the year ending 31 December 2027; and (iv) the period from 1 January 2028 to 30 November 2028;

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- (iv) estimated Group's need for technical services for (i) the period from 1 December 2025 (subject to Shareholder's approval at the EGM and the Completion) to 31 December 2025, (ii) the year ending 31 December 2026; (iii) the year ending 31 December 2027; and (iv) the period from 1 January 2028 to 30 November 2028;
- (v) estimated purchase amount for the technical services to be purchased by the Target Company from the Group for (i) the period from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 31 December 2025; (ii) the year ending 31 December 2026; (iii) the year ending 31 December 2027; and (iv) the period from 1 January 2028 to 30 November 2028; and
- (vi) the decreasing proportion of contracts for sales cloud solutions with end customers being channeled through other Members of the Group and an increasing proportion of business being secured by the Target Company directly. This shift is a direct result of the Group's strategic downsizing of its direct sales cloud operations.

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

The Target Company has been in cooperation with other Members of the Group since its incorporation. It is the Group's exclusive sales cloud operator before the Completion and has engaged in continuous technical service procurement and provision with other Members of the Group from time to time. The Company believes that, despite the proposed changes in shareholding in the Target Company, the resumption of the current technical service exchanges with the Target Company and the arrangement for the Technical Services Procurement Framework Agreement will provide the greatest flexibility and reliability for the Group in its business, and provide stability to its services the Group's customers. In the long run, in line with the strategic realignment of the Group, the Group will gradually downsize its sales cloud business, stated in the section headed "II. Background — Reasons for and benefits of the Capital Injection and Equity Transfer" above, and reduce its reliance on such continuing connected transactions.

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

LETTER FROM THE BOARD

Internal Control Measures

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

- (i) the Group has established a series of measures to ensure that the transactions contemplated under the Technical Services Procurement Framework Agreement will be conducted in accordance with the principal terms of the Technical Services Procurement Framework Agreement, including but not limited to the implementation of separate agreements governing each particular transaction must be approved by the internal control team to ensure that it is in accordance with the pricing policy;
- (ii) the internal control team will keep proper documentation of the agreements governing each particular transaction entered into between the parties pursuant to the Technical Services Procurement Framework Agreement, and the internal control team will report to the audit committee on a quarterly basis whether the internal control measures in respect of the transactions contemplated under the Technical Services Procurement Framework Agreement remain complete and effective;
- (iii) the internal control team shall be responsible for monitoring the transactions contemplated under the Technical Services Procurement Framework Agreement on a monthly basis to ensure such transactions are conducted in accordance with the terms of the Technical Services Procurement Framework Agreement and the transaction amounts do not exceed the annual caps as set out above;
- (iv) the independent non-executive Directors will review the transactions contemplated under the Technical Services Procurement Framework Agreement, at least annually, to ensure, among other matters, that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the Technical Services Procurement Framework Agreement and relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (v) the external auditors of the Company will conduct an annual review on the transactions contemplated under the Technical Services Procurement Framework Agreement, together with the annual caps and their actual utilisation, and confirm, among other matters, whether anything has come to their attention that causes them to believe such transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions.

LETTER FROM THE BOARD

Information of the Target Company

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

IV. IMPLICATION UNDER THE LISTING RULES

Capital Injection Agreement and Equity Transfer Agreements

As at the date of this circular, Mr. Chen is a Director, and, after the termination of the AIC Agreement on 27 October 2025, indirectly controls approximately 26.15% (the percentage is calculated based on the number of issued shares of the Company, excluding its treasury shares) of the voting rights in the Company, he is a Substantial Shareholder therefore a connected person of the Company. The transaction contemplated under the Capital Injection Agreement constitutes a connected transaction of the Company.

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

The Technical Services Procurement Framework Agreement

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

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

Voting on board resolutions

On 20 October 2025, the Board has resolved to approve the resolutions on the entering into (i) the Capital Injection Agreement and Equity Transfer Agreements, and (ii) the Technical Services Procurement Framework Agreement, and the transaction contemplated thereunder. Except Mr. Chen, Mr. Huang and Mr. Li, who were AIC Parties under the AIC Agreement which was subsequently terminated on 27 October 2025 and therefore deemed to be interested in the transactions, no other Directors have abstained from voting on the relevant resolution(s) approving the transaction contemplated under the Capital Injection Agreement Equity Transfer Agreements.

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

V. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all independent non-executive Directors has been established to consider and advise the Independent Shareholders as to whether the terms of (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps), and the respective transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in the same regard.

LETTER FROM THE BOARD

VI. EGM

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with proposed annual caps), and the transactions contemplated thereunder. Mr. Chen is a Director and a Substantial Shareholder, he is therefore a connected person of the Company. Mr. Chen beneficially owns more than 30% of the interest in each of Zhenghao Global, Guangzhou Xuandong, Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei. Therefore, Mr. Chen, Zhenghao Global, Guangzhou Xuandong, Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei are required to abstain from voting on the resolutions in relation to (i) the discloseable and connected transactions under the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) transactions contemplated under the Technical Services Procurement Framework Agreement (together with the proposed annual caps) at the EGM. An acting in concert agreement (the “**AIC Agreement**”) was entered into on 13 July 2015 and renewed on 17 August 2021 by Mr. Chen, Mr. Huang, Mr. Li, Zhenghao Global, Honghan Worldwide and Double Winner (collectively, the “**AIC Parties**”). Pursuant to the AIC Agreement, each of the AIC Parties shall act in concert in exercising their voting rights in general meetings of the Company. The AIC Agreement has subsequently been terminated on 27 October 2025. Therefore, Mr. Huang, Mr. Li, Honghan Worldwide and Double Winner will voluntarily abstain from the aforementioned resolutions.

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

The notice of the EGM is set out on pages 56 to 58 of this circular.

For determining the eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 12 December 2025 to Wednesday, 17 December 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer of Shares documents, accompanied by the relevant share certificates, must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 11 December 2025.

LETTER FROM THE BOARD

Proxy Arrangement

A form of proxy for use at the EGM will be enclosed with the circular. Whether or not you intend to attend the EGM, you are required to complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Delivery of any instrument appointing a proxy shall not preclude you from attending and voting in person at the EGM (or any adjourned meeting thereof) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

Voting by way of poll

Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Directors' Views

The Directors (other than Mr. Chen Yonghui, Mr. Huang Fangjie and Mr. Li Hairong, and including the independent non-executive Directors) are of the view that the continuing connected transactions and the proposed annual caps contemplated under the Technical Services Procurement Framework Agreement are entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Mr. Chen Yonghui is a Director, Substantial Shareholder and the ultimate purchaser of the equity interests in the Target Company, and Mr. Huang Fangjie and Mr. Li Hairong are Directors, the AIC Parties under the AIC Agreement which was subsequently terminated on 27 October 2025 and each of Mr. Chen, Mr. Huang and Mr. Li had abstained from voting on the relevant resolutions at the meeting of the Board on 20 October 2025 for approving the Capital Injection Agreement, the Equity Transfer Agreements, the Technical Services Procurement Framework Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

VII. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee which are set out in this circular. The Independent Board Committee, having taken into account the advice of Somerley, the text of which is set out in this circular, form its view on whether the terms of the (i) Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps) contemplated thereunder are fair and reasonable and are in the interests of the Company and the Independent Shareholders.

Taking into account of the further details of the Capital Injection Agreement, the Equity Transfer Agreements and the Technical Services Procurement Framework Agreement, the Board (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee in this circular after taking into account the advice from the Independent Financial Adviser), is of the view that the transactions contemplated under each Capital Injection Agreement, the Equity Transfer Agreements and the Technical Services Procurement Framework Agreement (together with the proposed annual caps) and the terms thereof and the respective transactions contemplated thereunder are, in the ordinary and usual course of business of the Group, on normal commercial terms and are fair and reasonable, and in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Capital Injection Agreement, the Equity Transfer Agreements and the Technical Services Procurement Framework Agreement (together with the proposed annual caps) and the respective transactions contemplated thereunder.

Yours faithfully

By Order of the Board

Xuan Wu Cloud Technology Holdings Limited

Mr. Chen Yonghui

Chairman, Chief Executive Officer and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is a full text of the letter from the Independent Board Committee to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



Xuan Wu Cloud Technology Holdings Limited

玄武雲科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2392)

28 November 2025

To the Independent Shareholders

Dear Sir/Madam,

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

We refer to the circular dated 28 November 2025 issued by the Company to the Shareholders (the “**Circular**”) of which this letter forms part. Terms used in this letter shall bear the same meanings as defined in the Circular unless the context otherwise requires.

We have been authorised by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in its opinion, the terms of (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps) and the respective transactions contemplated thereunder, as set out in this Circular, are (i) fair and reasonable; (ii) on normal commercial terms or better; (iii) in the ordinary and usual course of business of our Group; and (iv) in the interests of the Company and the Shareholders as a whole. Somerley Capital Limited, the Independent Financial Adviser, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 7 to 25 of this Circular and the text of a letter from the Independent Financial Adviser, as set out on pages 28 to 51 of this Circular, both of which provide details of the transaction contemplated under the Capital Injection Agreement, the Equity Transfer Agreements and the Technical Services Procurement Framework Agreement (together with the proposed annual caps).

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered, among other matters, the terms of the Capital Injection Agreement, the Equity Transfer Agreements and the Technical Services Procurement Framework Agreement, the advice of the Independent Financial Adviser, and the relevant information contained in the letter from the Board, we are of the opinion that the terms of:

- (1) The Capital Injection Agreement and the Equity Transfer Agreements were entered into in the ordinary and usual course of business of the Group after arm's length negotiation, and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.
- (2) The Technical Services Procurement Framework Agreement (together with the proposed annual caps) was entered into in the ordinary and usual course of business of the Group after arm's length negotiation, and the transactions and the proposed annual caps thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders to vote in favour of the relevant resolutions for approving the terms of and the transactions contemplated under each of the Capital Injection Agreement, the Equity Transfer Agreements and the Technical Services Procurement Framework Agreement (together with the proposed annual caps) to be proposed at the EGM.

Yours faithfully,
The Independent Board Committee

Mr. Du Jianqing
*Independent Non-executive
Directors*

Prof. Wu Jintao
*Independent Non-executive
Directors*

Ms. Wu Ruifeng
*Independent Non-executive
Directors*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from Somerley Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED

20th Floor

China Building

29 Queen's Road Central

Hong Kong

28 November 2025

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

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

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in relation to the Capital Injection Agreement, Equity Transfer Agreements and the Technical Services Procurement Framework Agreement (together with the proposed annual caps) and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 28 November 2025 (the “**Circular**”), of which this letter forms a part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in the Circular.

On 20 October 2025 (after trading hours), amongst others, the Company, Mr. Chen, the Vendor, the Target Company, Xuantong Tongda and Xuantong Tonghe, entered into the Capital Injection Agreement and Equity Transfer Agreements, pursuant to which, (i) Mr. Chen agreed to inject RMB20,000,000 to the Target Company as its new registered capital; (ii) The Vendor agreed to sell approximately 16.67% and 20.0% of the total registered capital of the Target Company to Xuantong Tongda and Xuantong Tonghe at considerations of RMB5,000,000 and RMB6,000,000, respectively. Upon Completion, the registered capital of the Target Company will be increased from RMB30,000,000 to RMB50,000,000, which will be owned as to (i) 40.0% by Mr. Chen; (ii) 20.0% by the Vendor; (iii) 10.0% by Xuantong Tongda; (iv) 12.0% by Xuantong Tonghe; and (v) 18.0% by the other shareholders. Following Completion, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group and will become an associate of the Mr. Chen.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, Mr. Chen is a Director, and, after the termination of the AIC Agreement on 27 October 2025, indirectly controls approximately 26.15% (the percentage is calculated based on the number of issued Shares of the Company, excluding its treasury shares) of the voting rights in the Company, he is a Substantial Shareholder and therefore a connected person of the Company. The transaction contemplated under the Capital Injection Agreement constitutes a connected transaction of the Company. As one or more of the applicable percentage ratios for the transactions contemplated under the Capital Injection Agreement and Equity Transfer Agreements on an aggregated basis are more than 5% but less than 25%, the Equity Transfer and the Capital Injection are subject to (i) the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon Completion, the Target Company will no longer be consolidated into the consolidated financial statements of the Group and will become an associate Mr. Chen, and thus a connected person as defined in Chapter 14A of the Hong Kong Listing Rules. Therefore, the transactions contemplated Technical Services Procurement Framework Agreement under will constitute continuing connected transactions under Chapter 14A of the Listing Rules. The transactions contemplated under the Technical Services Procurement Framework Agreement constitute continuing connected transactions of the Company. As the highest applicable percentage ratio (other than the profits ratio) for the highest annual cap in respect of the Technical Services Procurement Framework Agreement exceeds 5% and the total consideration is not less than HK\$10,000,000, the transactions contemplated under the Technical Services Procurement Framework Agreement shall be subject to annual review, annual reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps), and the transactions contemplated thereunder. Mr. Chen is a Director and a Substantial Shareholder, he is therefore a connected person of the Company. Mr. Chen beneficially owns more than 30% of the interest in each of Zhenghao Global, Guangzhou Xuandong, Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei. Therefore, Mr. Chen, Zhenghao Global, Guangzhou Xuandong, Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei are required to abstain from voting on the resolutions in relation to (i) the discloseable and connected transactions under the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) transactions contemplated under the Technical Services Procurement Framework Agreement (together with the proposed annual caps) at the EGM. An acting in concert agreement (the “**AIC Agreement**”) was entered into on 13 July 2015 and renewed on 17 August 2021 by Mr. Chen, Mr. Huang, Mr. Li, Zhenghao Global, Honghan Worldwide and Double Winner (collectively, the “**AIC Parties**”). Pursuant to the AIC Agreement, each of the AIC Parties shall act in concert in exercising their voting rights in general meetings of the Company. The AIC Agreement has subsequently been terminated on 27 October 2025. Therefore, Mr. Huang, Mr. Li, Honghan Worldwide and Double Winner will voluntarily abstain from the aforementioned resolutions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Du Jianqing, Ms. Wu Ruifeng and Prof. Wu Jintao, has been established to consider and advise the Independent Shareholders as to whether the terms of (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps), and the respective transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

We are not associated or connected with the Company, Mr. Chen, any AIC Parties under the AIC Agreement which has been terminated on 27 October 2025, Xuandong Tongda, Xuandong Tonghe or their respective associates, close associates or core connected persons and, accordingly, are considered eligible to give independent advice on the Capital Injection Agreement, Equity Transfer Agreements and the Technical Services Procurement Framework Agreement (together with the proposed annual caps) and the transactions contemplated thereunder. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, Mr. Chen, any AIC Parties under the AIC Agreement which has been terminated on 27 October 2025, Xuandong Tongda, Xuandong Tonghe or their respective core associates, close associates or core connected persons.

In formulating our advice and recommendation, we have reviewed, among others, (i) announcement of the Company dated 20 October 2025 in relation to, among others, the Capital Injection Agreement, Equity Transfer Agreements and the Technical Services Procurement Framework Agreement, (ii) the annual reports of the Company for the years ended 31 December 2023 (the “**2023 Annual Report**”) and 2024 (the “**2024 Annual Report**”) and interim report for the six months ended 30 June 2025 (the “**2025 Interim Report**”), and (iii) other information contained in the Circular. In addition, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, the “**Management**”) and the respective professional advisers of the Company and have assumed that they are true, accurate and complete in all material aspects and in relation to any opinions to be honestly held at the time they were made and will remain, in relation to the facts to be true, accurate and complete in all material aspects and in relation to any opinions to be honestly held, up to the date of the EGM. We have also sought and received confirmation from the Group that no material facts have been omitted from the information supplied by them and that their opinions expressed to us are not misleading in any material respect. We consider that the information we have received is sufficient for us to formulate our opinion and recommendation as set out in this letter and have no reason to believe that any material information has been omitted or withheld, nor to doubt the truth or accuracy of the information provided to us. We have, however, not conducted any independent investigation into the businesses and affairs of the Group, nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the Capital Injection Agreement, Equity Transfer Agreements and the Technical Services Procurement Framework Agreement (together with the proposed annual caps) and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

1. Background information of the parties involved

1.1 Information of the Group

The Group principally engages in the provision of PaaS, SaaS and intelligent customer relationship management (“CRM”) services in the PRC. The Company was incorporated in Cayman Islands, whose shares are listed on the main board of the Stock Exchange since 8 July 2022.

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

Financial performance of the Group

Set out below is the summary of the financial information of the Group for the years ended 31 December 2023 and 2024, and the six months ended 30 June 2024 and 2025 as extracted from the 2024 Annual Report and the 2025 Interim Report:

	For the year ended 31 December		For the six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue				
— Revenue from CRM PaaS services (“PaaS”)	690,291	419,410	282,411	165,951
— Revenue from CRM SaaS services (“SaaS”)	590,985	731,867	365,058	244,956
	1,281,276	1,151,277	647,469	410,907
Gross profit	204,649	209,777	101,249	74,950
Operating (losses)/gains	(68,901)	2,872	(4,106)	(26,968)
(Losses)/Profit for the year/period attributable to owners of the Company	(72,364)	6,914	(6,444)	(25,874)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the six months ended 30 June 2024 and 2025

For the six months ended 30 June 2025, the Group's total revenue had a decrease of approximately 36.5% to approximately RMB410.9 million from approximately RMB647.5 million for the six months ended 30 June 2024. As disclosed in the 2025 Interim Report, such decrease was primarily due to the impact of regulatory policy adjustments in the domestic telecommunications industry, resulting in a decline in domestic revenue from the PaaS services and certain SaaS services. The Group's revenue from PaaS decreased by approximately 41.2% to approximately RMB166.0 million for the six months ended 30 June 2025 from approximately RMB282.4 million for the six months ended 30 June 2024, primarily due to the impact of regulatory policy adjustments in the domestic telecommunications industry. The Group's revenue from SaaS decreased by approximately 32.9% to approximately RMB245.0 million for the six months ended 30 June 2025 from approximately RMB365.1 million for the six months ended 30 June 2024, primarily due to the Company's proactive reduction of lossmaking projects, which aligns with the Company's strategic focus on expanding CRM SaaS services and targeting high-gross-margin businesses.

The Group's overall gross profit decreased by approximately 26.0% to approximately RMB75.0 million for the six months ended 30 June 2025 from approximately RMB101.2 million for the six months ended 30 June 2024, while its overall gross profit margin increased from approximately 15.6% to approximately 18.2%. The increase in gross profit margin was mainly due to the increase in gross profit margin in SaaS from approximately 23.1% for the six months ended 30 June 2024 to approximately 26.5% for the six months ended 30 June 2025.

For the six months ended 30 June 2025, the Group recorded a loss attributable to owners of the Company of approximately RMB25.9 million, while the loss attributable to owners of the Company for the six months ended 30 June 2024 was approximately RMB6.4 million, which was primarily due to the strengthened regulation of the telecommunications industry in the first half of 2025, which resulted in a corresponding decrease in sales of the Group's PaaS and certain SaaS.

For the two years ended 31 December 2023 and 2024

For the year ended 31 December 2024, the Group's total revenue decreased by approximately 10.1% to approximately RMB1,151.3 million as compared to approximately RMB1,281.3 million for the year ended 31 December 2023. As disclosed in the 2024 Annual Report, such decrease was mainly attributable to the proactive reduction of businesses with low gross margins. The Group's revenue from PaaS decreased by approximately 39.2% to approximately RMB419.4 million for the year ended 31 December 2024 as compared to approximately RMB690.3 million for year ended 31 December 2023, primarily due to the Company's proactive reduction of businesses with low gross profit margins. The Group's revenue from SaaS increased by approximately 23.8% to approximately RMB731.9 million for the year ended 31

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December 2024 as compared to approximately RMB591.0 million for the year ended 31 December 2023, primarily due to the (i) increase in clients' demand for its SaaS; (ii) enhanced functionality of its solution; and (iii) increase in number of its core clients and the average revenue per user for its SaaS.

The Group's overall gross profit increased by approximately 2.5% to approximately RMB209.8 million for the year ended 31 December 2024 as compared to approximately RMB204.6 million for the year ended 31 December 2023, while its overall gross profit margin increased from approximately 16.0% to approximately 18.2%. The gross profit margin in PaaS increased to approximately 6.3% for the year ended 31 December 2024 as compared to that of approximately 5.0% for the year ended 31 December 2023, primarily due to the reduction of businesses with low gross profit margins. The gross profit margin in SaaS decreased to approximately 25.1% for the year ended 31 December 2024 as compared to that of approximately 28.8% for the year ended 31 December 2023, mainly attributable to the changes in the revenue composition within this segment.

The Group recorded a profit attributable to owners of the Company of approximately RMB6.9 million for the year ended 31 December 2024, compared with a loss attributable to owners of the Company of approximately RMB72.4 million for the year ended 31 December 2023, which was mainly attributable to (i) the Group's strategic emphasis on expanding SaaS with higher gross profit margins, thereby driving an increase in both overall gross profit and gross profit margins as SaaS expanded; and (ii) the implementation of effective cost control measures, which reduced sales and distribution expenses as well as administrative expenses.

Financial position of the Group

Set out below is the summary of the financial position of the Group as at 31 December 2023 and 2024, and 30 June 2025 as extracted from the 2024 Annual Report and the 2025 Interim Report:

	As at 31 December		As at
	2023	2024	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
Total assets	691,016	633,808	624,742
Total liabilities	351,996	305,739	325,273
Total equity attributable to owners of the Company	335,965	331,621	306,665

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As at 30 June 2025, the Group's total assets amounted to approximately RMB624.7 million, mainly comprised of (i) trade, bill, other receivables and prepayments of approximately RMB485.9 million, mainly includes trade receivables of approximately RMB262.5 million and prepayments to suppliers of approximately RMB208.7 million; (ii) cash and cash equivalents of approximately RMB94.6 million; (iii) intangible assets of approximately RMB13.6 million; and (iv) contract fulfilment costs of approximately RMB11.1 million.

As at 30 June 2025, the Group's total liabilities amounted to approximately RMB325.3 million, mainly comprised of (i) borrowings of approximately RMB143.6 million; and (ii) trade, bill and other payables of approximately RMB112.0 million; and (iii) contract liabilities of approximately RMB62.2 million.

As at 30 June 2025 and 31 December 2024, the Group's total equity attributable to owners of the Company amounted to approximately RMB306.7 million and RMB331.6 million, respectively, mainly as a result of the increase in accumulated losses.

1.2 Information of parties involved in the Capital Injection and Equity Transfer

Mr. Chen

Mr. Chen is an executive Director and the chairman of the Company. Mr. Chen ceased to be the Controlling Shareholder after the termination of the AIC Agreement on 27 October 2025, and has become a Substantial Shareholder, indirectly controlling approximately 26.15% (the percentage is calculated based on the number of issued shares of the Company, excluding its treasury shares) of the voting rights in the Company.

Xuantong Tongda

Xuantong Tongda is a limited partnership established in the PRC and an investment holding company. Xuantong Tongda principally engages in investment holding. The ultimate beneficial owner of Xuantong Tongda is Ms. Lin Yueying. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Xuantong Tongda and its ultimate beneficial owner are Independent Third Parties.

Xuantong Tonghe

Xuantong Tonghe is a limited partnership established in PRC and an investment holding company. Xuantong Tonghe principally engages in investment holding. The ultimate beneficial owner of Xuantong Tonghe is Ms. Deng Hailing. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Xuantong Tonghe and its ultimate beneficial owner are Independent Third Parties.

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1.3 Information of the Target Company

The Target Company is a limited liability company established in the PRC. As of the Latest Practicable Date, it is an indirect non wholly-owned subsidiary of the Company and is held as to 70% by the Vendor. Its principal business is provision of sales cloud services, encompassing the provision of comprehensive sales management solutions to customers by introducing a streamlined operation model and automated workflow to customers' sales management cycle, and also implementation services to customers.

Set out below is the audited financial information for the period from 31 January 2024 (date of incorporation) to 31 December 2024 and the unaudited financial information for the eight months ended 31 August 2025 of the Target Company:

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

As advised by the management of the Company, the Target Company has been operating at a loss since its incorporation in January 2024. The Target Company has recorded a turnover of approximately RMB39.8 million and a net loss of approximately RMB14.4 million for the eight months ended 31 August 2025. The total assets of the Target Company amounted to RMB60.5 million as of 31 August 2025, mainly comprised of (i) trade receivables and other receivables of approximately RMB50.4 million; and (ii) prepayment of approximately RMB 8.3 million. Meanwhile, the Target Company's total liabilities amounted to approximately RMB77.3 million, mainly comprised of (i) trade payables of approximately RMB41.5 million and (ii) contract liabilities of approximately RMB31.8 million. The Target Company's net liabilities as of 31 August 2025 amounted to approximately RMB16.8 million, increased by approximately RMB14.5 million compared to the net liabilities of the Target Company of approximately RMB2.3 million as of 31 December 2024.

The Target Company's net liability position and persistent losses since incorporation have negatively impacted the overall financial performance of the Group.

2. Reasons for and benefits of the entering into of the Capital Injection Agreement and Equity Transfer Agreements

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

Transferring the Target Company to Mr. Chen will enable the Group to enhance capital efficiency by reallocating resources to business segments with stronger growth potential and higher investment returns.

As of the Latest Practicable Date, the SaaS solutions comprise three business segments: (i) Marketing cloud: This segment offers comprehensive CRM SaaS solutions that equip enterprises with a comprehensive digital marketing operations system. It is engineered to enhance precision marketing conversion by facilitating new client acquisition, stimulating engagement within the existing client base and enabling sophisticated customer relationship management; (ii) Sales cloud: This segment provides CRM software that increases client operational efficiency through robust customer portrait analysis and predictive business opportunity identification; and (iii) Service cloud: This segment delivers intelligent CRM SaaS for customer service, leveraging a human-machine integration model. The solutions provide end-to-end support across the full industry chain, enabled by multi-channel client communication and integrated, full-process business management.

Following a re-assessment of its overall business layout and development strategy, the Group has decided to focus on core business segments, which includes marketing cloud and service cloud of SaaS, and also PaaS, with stronger competitiveness and long-term growth prospects. In line with this strategic realignment, the Group plans to gradually cease its self-operated sales cloud business, which is the principal operation of the Target Company. Allocating capital to other business areas with greater profitability is expected to generate higher returns and enhance overall shareholder value. The Group's decision not to participate in further capital injections into the Target Company is therefore consistent with its transformation, upgrading and sustainable development objectives.

In recent years, Mr. Chen's responsibilities within the Group have been gradually adjusted. Although he has consistently dedicated himself to contributing to Group's development during his tenure, as Group's business has evolved, Mr. Chen's work has also received increased support and assistance from other Directors and the management team. This collaborative model has also provided Mr. Chen with more space to focus on areas where he excels, such as the management and investment in the Target Company. Throughout this process, the Company's nomination committee has been closely monitoring the composition and development needs of the company's management to ensure a smooth transition and the continuous development of the business. The existing Directors and management of the Company possess extensive industry experience and outstanding

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management capabilities. They have always played important roles in their respective positions and are well-equipped to effectively take over Mr. Chen's relevant responsibilities while continuing to drive the sustained development of the Company's various business operations.

In the view that (i) upon Completion, the Group will continue to enjoy the investment benefit from the growth in the Target Company's business leveraging on the resources brought by Mr. Chen, Xuantong Tongda and Xuantong Tonghe; (ii) the Target Company's net liability position and persistent losses since its incorporation have negatively impacted the overall financial performance of the Group; (iii) the allocation of more resources on the core business segments with stronger competitiveness and long-term growth prospects; (iv) the Capital Increase will allow the Company to enjoy the benefits of the Target Company largely as an investment without creating any unnecessary financial burden to the Company with respect to alternative fundraising or potential contingent liabilities; and (v) the proceeds from the Equity Transfer will supplement the Target Company's general working capital, despite that the Capital Increase and Equity Transfer is not in the ordinary and usual course of business of the Group, we concur with the Directors that the Capital Increase and Equity Transfer and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Capital Injection Agreement

Date: 20 October 2025 (after trading hour)

Parties:

1. Mr. Chen
2. The Target Company
3. The Vendor
4. Guangzhou Xuantong Tongxing Investment Partnership (Limited Partnership)* (廣州玄瞳同行投資合夥(有限合夥)), a shareholder of the Target Company, holding 15% of the equity interest in the Target Company as of the Latest Practicable Date
5. Guangzhou Xuantong Tongzhi Investment Partnership (Limited Partnership)* (廣州玄瞳同至投資合夥(有限合夥)), a shareholder of the Target Company, holding 15% of the equity interest in the Target Company as of the Latest Practicable Date

Contribution: Mr. Chen will contribute RMB20,000,000 as registered capital of the Target Company and the registered capital of the Target Company will be increased from RMB30,000,000 to RMB50,000,000.

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

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4. Principal terms of the Equity Transfer Agreement

Date: 20 October 2025 (after trading hour)

Parties:

1. The Vendor
2. Xuantong Tongda
3. Xuantong Tonghe

Consideration: The Vendor shall transfer approximately 16.67% and 20.00% of the total registered capital of the Target Company to Xuantong Tongda and Xuantong Tonghe at considerations of RMB5,000,000 and RMB6,000,000, respectively.

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

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

As disclosed in the Letter from the Board in the Circular, the consideration of the Capital Injection and Equity Transfer were arrived at after arm's length negotiations among the parties to the Capital Injection Agreement and Equity Transfer Agreements with reference to, among other things:

- (i) the consideration paid up by the existing shareholders of the Target Company upon its incorporation which is RMB1 for registered capital of RMB1;
- (ii) the current operations of the Target Company, encompassing its accumulated know-how and management expertise, as well as its strategic assets, including its established customer base, proprietary data assets, and institutionalized workflows, all of which underpin its long-term viability and competitive position;
- (iii) the net liabilities of the Target Company; and
- (iv) the reasons and benefits to be derived by the Group from the Capital Injection and Equity Transfer as stipulated in the section headed "Reasons for and benefits of the Capital Injection and Equity Transfer" in the letter from the Board of the Circular.

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With reference to the net liabilities of RMB16.8 million of the Target Company as of 31 August 2025, the consideration at RMB1 for registered capital of RMB1 payable by Mr. Chen and the Purchasers are justified by the current operations of and the initial costs incurred by the Target Company, encompassing its accumulated know-how and management expertise, as well as its strategic assets, including its established customer base, proprietary data assets and institutionalized workflows, all of which underpin its long-term viability and competitive position.

Future profitability is therefore contingent upon controlling initial R&D and fixed costs to achieve breakeven, a point on which the Group hold differing views from Mr. Chen and Purchasers', regarding further capital injections. As a result, the Group decided not to participate in the further capital injections and agreed to accept the considerations under both the Capital Injection and Equity Transfer at RMB1 for registered capital of RMB1, in order to recover its original investments partially upon the incorporation of the Target Company.

To assess the fairness and reasonableness of the consideration for the Capital Injection and Equity Transfer, given that the Target Company's net liability position and has been loss-making, we have conducted the trading multiples analysis namely the price-to-sales multiples (the "**P/S Ratio**"). To perform such analysis, we have conducted research on companies (i) listed on the Stock Exchange which are principally engaged in SaaS or IT solution in the PRC and Hong Kong, which at least 50% of their revenue contributing from such business based on their latest published annual reports available as at the date of the Capital Injection Agreement and Equity Transfer Agreements; and (ii) with a market capitalisation lower than the Company (i.e. HK\$612.5 million as at the date of the Capital Injection Agreement and Equity Transfer Agreements). Based on the aforesaid criteria, we have identified 11 companies (the "**Comparable Companies**"), which is an exhaustive list according to our research on the website of the Stock Exchange. Although the market capitalisations of the Comparable Companies exceed that of the Target Company, this analysis remains meaningful, as it captures recent market sentiment toward listed peers in the similar sector, thereby providing a relevant benchmark for valuation multiples in the current environment.

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Company name	Stock Code	Market	Revenue	P/S Ratio
		capitalisation (HK\$ million) (Note 1)	(HK\$ million)	(times) (Note 2)
The Company	02392.HK	612.5	1,254.89	0.49
Maxnerva Technology Services Ltd	01037.HK	561.2	609.24	0.92
Edvance International Holdings Ltd	01410.HK	421.8	734.35	0.57
Technovator International Limited	01206.HK	316.8	1,993.86	0.16
Edensoft Holdings Ltd	01147.HK	278.1	1,234.49	0.23
ICO Group Ltd	01460.HK	272.1	1,140.03	0.24
Nanjing Sample Technology Co Ltd	01708.HK	249.5	479.46	0.52
Synertone Communication Corporation	01613.HK	97.4	116.93	0.83
Expert Systems Holdings Ltd	08319.HK	93.2	900.70	0.10
Vodatel Networks Holdings Limited	08033.HK	81.9	604.79	0.14
Global Link Communications Holdings Ltd	08060.HK	32.3	149.61	0.22
			Minimum	0.10
			Maximum	0.92
			Average	0.40

The Target Company **0.50**
(Note 3)

Source: the website of the Stock Exchange

Notes:

1. The market capitalisation of the Comparable Companies were calculated with their respective share price and shares in issue as at the date of the Capital Injection Agreement and Equity Transfer Agreements.
2. The P/S Ratios of the Comparable Companies are calculated based on the market capitalisation of the respective companies divided by the revenue of the Comparable Companies as referenced from their most recently published annual results as at the date of the Capital Injection Agreement and Equity Transfer Agreements.
3. The market capitalisation and the P/S Ratio of the Target Company were calculated based on the implied market capitalisation (derived by the amount of registered capital of the Target Company as at the date of the Agreement and the implied RMB1 per registered capital based on the Capital Increase Agreement and Equity Transfer Agreement) and revenue of the Target Company for the eight months ended 31 August 2025 on pro-rata basis.

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As shown from the above, the P/S Ratio of the Target Company of 0.50 times is higher than the average of the P/S Ratios of the Comparable Companies of 0.40 times. We have noted that (i) the P/S Ratio implied for the Target Company is higher than the average of the Comparable Companies; (ii) the insignificant revenue contributions of Target Company to the Group's revenue and their consecutive loss making performance since its incorporation; and (iii) the consideration for the Capital Injection and Equity Transfer represents a premium over the net liability value of the Target Company. Furthermore, as the Target Company is a privately held entity, its shares lack the ready marketability of those in publicly listed companies, making it more difficult to convert such shares into cash. A discount for lack of marketability ("DLOM") is therefore commonly applied in valuations of private companies to reflect the liquidity differential between the shares of the Target Company and those of the selected publicly traded Comparable Companies. The application of an appropriate DLOM would result in a higher adjusted P/S Ratio for the Target Company, further justifying the consideration of the Target Company. As such we consider that the terms of the Capital Injection and Equity Transfer Agreements and the transactions contemplated thereunder are fair and reasonable.

6. Financial effects of the Capital Injection and Equity Transfer and the use of proceeds

Upon Completion of the Capital Injection and the Equity Transfer, the Target Company will cease to be subsidiary of the Company, and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group. Subject to the final audit, the Group is expected to recognise an unaudited gain of approximately RMB6.0 million from the Equity Transfer, calculated with reference to the difference between (i) the total consideration of the Equity Transfer; and (ii) the aggregate of the unaudited book value of the Target Company as at 31 August 2025. The actual gain on disposal to be recorded by the Group is subject to the net assets of the Target Company and incidental transaction costs to be determined upon completion of the Equity Transfer.

The proceeds from the Equity Transfer (i.e. RMB11,000,000) will be used by the Group to supplement its general working capital, among which approximately RMB8,000,000 will be used for purchases from suppliers and approximately RMB3,000,000 will be used for employees' compensation.

7. Technical Services Procurement Framework Agreement

As disclosed in the Letter from the Board in the Circular, the existing sales cloud business of the Target Company involves the provision of technical services in respect of provision of sales cloud solutions to and procurement of technical services in respect of provision of cloud computing servers from the Group from time to time.

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The existing business arrangements are as follows:

- (i) both the Target Company and other members of the Group pursue contracts for provision of sales cloud solutions with end customers. The underlying technology of sales cloud is owned by Target Company, and therefore other members of the Group have to purchase sales cloud solutions in order to fulfill their performance obligations under their contracts with end customers; and
- (ii) the Target Company's sales cloud solutions involve cloud computing servers. To deliver its sales cloud solutions to its end customers, the Target Company itself relies on cloud computing servers sourced from within the Group, which form an integral part of its cost of sales.

After the Completion, the Target Company will no longer be consolidated into the consolidated financial statements of the Group and will become an associate of Mr. Chen, and therefore a connected person as defined in Chapter 14A of the Listing Rules. While the Group intends to downsize its business of sales cloud solutions after the Completion, this does not preclude the other members of the Group from continuing to deliver sales cloud solutions to existing customers and to pursue contracts with end customers for the provision of sales cloud solutions. This ongoing activity is supported by the established customer relationships of the Group. Over time, the proportion of sales cloud solutions channeled through the Group will decline as the Target Company increases its market exposure and secures more direct contracts with end customers. As these contractual arrangements for sales cloud solutions are subject on customer preference, the Group does not have a definite timeline to completely delineate the sales cloud business from its operations.

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

8. Principal terms of the Technical Services Procurement Framework Agreement

The following sets forth the principal terms of the Technical Services Procurement Framework Agreement. For detailed terms of the Technical Services Procurement Framework Agreement, please refer to the section headed "The Technical Services Procurement Framework Agreement" in the letter from the Board of the Circular.

Date: 20 October 2025 (after trading hours)

Parties:

- 1. The Company
- 2. The Target Company

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- Major terms:** According to the Technical Services Procurement Framework Agreement, the Target Company agrees to procure technical services from and provide technical services to the Group from time to time.
- Terms:** The Technical Services Procurement Framework Agreement shall be effective from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 30 November 2028.
- Termination:** Either party shall have the right to terminate the Technical Services Procurement Framework Agreement by serving thirty (30) business days' prior written notice to the other party.
- Pricing Policy:**
1. Regarding the technical service fees payables by the Group to the Target Company in respect of the provision of sales cloud solutions, the price negotiation mechanism in relation to the purchases of the sales cloud solutions from the Target Company involves the Group first agreeing the service fees with the end-customers (i.e. the Group's selling price to the end-customers), which is then followed by the Group purchasing relevant technical services from the Target Company at a cost fixed at 98% of this selling price. The Board is of the view that the 2% profit margin can ensure that the above transactions are conducted on normal commercial terms and on terms no less favourable than those offered by independent third-party suppliers to the Group, which are mainly based on the following considerations:
 - (a) the sales cloud solutions are usually non-standardised solutions which are tailored to the requirements of the Group's in the form processes, technical requirements and technical specifications according to end customers own needs. There are thus no market prices for the Target Company's sales cloud solutions which are applicable;
 - (b) the mark-up of 2% is in line with the Group's efforts in delivering the sales cloud solutions to its end customers; and

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- (c) under the current arrangement, the Target Company has been delivering sales cloud solutions to other Member of the Group at cost since the incorporation of the Target Company and such transactions are eliminated in the consolidated financial statements of the Group until the Completion.
- 2. The technical service fees payable by the Target Company to the Group in respect of the provision of cloud computing servers will be determined on a “cost-plus” basis. On a “cost-plus” basis, the Group’s cost of rentals of the servers plus a percentage mark-up of not be less than 2%. The Board is of the view that the mark-up rate of 2% can ensure that the above transactions are conducted on normal commercial terms and on terms no less favourable than those offered by the Group to independent third-party customers, which are mainly based on the following considerations:
 - (a) considering the Group’s business model, the Group’s provision of servers to its customers is generally ancillary to its SaaS and PaaS solutions, and it generally does not charge a markup for the delivery of servers;
 - (b) the mark-up of 2% is in line with the Group’s minimal efforts in delivering the cloud computing servers from rented from suppliers; and
 - (c) under the current arrangement, the Group has been delivering cloud computing servers at cost since the incorporation of the Target Company and such transactions are eliminated in the consolidated financial statements of the Group until the Completion.

Despite the Company’s view that its marketing cloud and service cloud segment offers stronger competitiveness and long-term growth prospects, it remains essential for the Group to deliver stable and reliable services to its existing customers. Entering into the Technical Services Procurement Framework Agreement is therefore crucial, as it ensures continuity and high-quality support for these clients, even if alternative business segments may yield higher margin. By prioritizing customer satisfaction and retention, the Group could foster enduring relationships that can drive sustained value for Shareholders over time.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the Management, the sales cloud solutions provided by the Target Company are highly customized and tailored to the Group's specific operational requirements, enabling seamless delivery of services to end-customers. The SaaS services comprise marketing cloud, sales cloud and service cloud, which integrate the traditional CRM functions with cloud, upgraded and encapsulated communication capabilities as well as artificial intelligence (AI) and data intelligence (DI) capabilities to offer clients a one-stop intelligent CRM services throughout their entire business cycle, from initial marketing to after-sales services. Given this intricate ecosystem, sourcing analogous services from independent third-party suppliers would be not only impractical but also inefficient and costly, demanding significant time, technical expertise, and resources to achieve comparable integration without disrupting existing workflows or compromising service quality. Such challenges could lead to operational downtime, increased implementation risks, and potential loss of competitive edge. Therefore, we concur with the Company's assessment that no directly comparable market prices exist for the Target Company's sales cloud solutions under these unique circumstances.

Conversely, the Target Company does not operate as a primary provider of cloud computing servers to independent customers; these servers are exclusively dedicated to underpinning the Group's SaaS and PaaS offerings for its end-customers. Given the current scale of these server operations is minimal, it is neither commercially viable nor strategically aligned for the Group to expand into standalone server rental services for external parties. In this regard, we concur that the Group's provision of such servers to the Target Company is conducted on normal commercial terms and is no less favorable than those extended to independent third-party customers.

Furthermore, as detailed in the section headed "1.3 Information of the Target Company", the Target Company has consistently incurred losses since its incorporation, with a net loss of approximately RMB14.4 million for the eight months ended 31 August 2025 and contributing to net liabilities of RMB16.8 million. These persistent deficits have exerted a material drag on the Group's consolidated financial performance. The proposed Technical Services Procurement Framework Agreement offers a compelling solution, which allows the Group to sustain uninterrupted service to its end-customers, thereby preserving valuable client relationships and revenue streams, and at the same time deriving economic benefits without the burden of consolidating the Target Company's losses. Simultaneously, the Group benefits from a guaranteed 2% profit margin on the sales cloud transactions and an equivalent 2% mark-up on server rentals, which will also increase the profitability of the Group. As such, we are of the view that the pricing policy is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

9. Reasons for and Benefits of entering into the Technical Services Procurement Framework Agreement

As disclosed in the Letter from the Board in the Circular, the Target Company has been in cooperation with other Members of the Group since its incorporation. It is the Group's exclusive sales cloud operator before the Completion and has engaged in continuous technical service procurement and provision with other Members of the Group from time to time. The Company believes that, despite the proposed changes in shareholding in the Target Company, the resumption of the current technical service exchanges with the Target Company and the arrangement for the Technical Services Procurement Framework Agreement will provide the greatest flexibility and reliability for the Group in its business and provide stability to its services the Group's customers. In the long run, in line with the strategic realignment of the Group, the Group will gradually downsize its sales cloud business, stated in the section headed "2. Reasons for and benefits of the entering into of the Capital Injection Agreement and Equity Transfer Agreements" above, and reduce its reliance on such continuing connected transactions.

Taking into account (i) the transactions contemplated under the Technical Services Procurement Framework Agreement could ensure the stable provision of services to the Group's end customers in order to retain existing customers; (ii) the principal terms of the transactions contemplated under the Technical Services Procurement Framework Agreement are on normal commercial terms; (iii) the transactions contemplated under the Technical Services Procurement Framework Agreement could provide the Group with additional income and the Target Company is a reliable service provider, given that the Target Company has been in cooperation with other Members of the Group since its incorporation; (iv) the pricing policy ensure that the Group derives commercial benefits from the relevant transactions while mitigating any risk of loss, as the fees payable by the Group to the Target Company for sales cloud solutions and the fees payable by the Target Company to the Group for cloud computing servers will be determined on basis with 2% profit margin and 2% mark-up respectively, which could provide additional income; (v) the Technical Services Procurement Framework Agreement are not exclusive in nature and offered the Group with flexibilities to conduct business with the Target Company; and (vi) the internal control measures in place to ensure that the transactions contemplated under the Technical Services Procurement Framework Agreement are conducted in accordance with their terms and conditions (as discussed in the section headed "11. Internal control measures" below), we concur with the Directors that the transactions contemplated under the Technical Services Procurement Framework Agreement, which are conducted in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole and we are of the view that the terms of the Technical Services Procurement Framework Agreement are fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

10. Annual caps and basis of determination

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

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

As disclosed in the Letter from the Board of the Circular, the following factors have been considered to determine the annual caps:

- (i) historical purchase amount of the technical services payable by the Group to the Target Company during the period from 31 January 2024 (date of incorporation of the Target Company) to 31 December 2024 and the eight months ended 31 August 2025 which amounted to approximately RMB75,500,000 and approximately RMB26,400,000, respectively;
- (ii) historical purchase amount of the technical services payable by the Target Company to the Group during the period from 31 January 2024 (date of incorporation of the Target Company) to 31 December 2024 and the eight months ended 31 August 2025 which amounted to approximately RMB61,700,000 and approximately RMB10,900,000, respectively;
- (iii) purchase orders budgeted to be made for (i) the period from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 31 December 2025, (ii) the year ending 31 December 2026; (iii) the year ending 31 December 2027; and (iv) the period from 1 January 2028 to 30 November 2028;
- (iv) estimated Group's need for technical services for (i) the period from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 31 December 2025, (ii) the year ending 31 December 2026; (iii) the year ending 31 December 2027; and (iv) the period from 1 January 2028 to 30 November 2028;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (v) estimated purchase amount for the technical services to be purchased by the Target Company from the Group for (i) the period from 1 December 2025 (subject to Shareholders' approval at the EGM and the Completion) to 31 December 2025; (ii) the year ending 31 December 2026; (iii) the year ending 31 December 2027; and (iv) the period from 1 January 2028 to 30 November 2028; and
- (vi) the decreasing proportion of contracts for sales cloud solutions with end customers being channeled through other Members of the Group and an increasing proportion of business being secured by the Target Company directly. This shift is a direct result of the Group's strategic downsizing of its direct sales cloud operations.

The technical service fees payable by the Group to the Target Company are derived based on the historical amount and current contract signed with the clients in relation to the provision of sales cloud services. We have obtained and reviewed the calculation in formulating the proposed annual caps from the Company and noted that the components of the proposed annual cap were (a) the number of clients subscribed for the sales cloud services; and (b) the estimated service fee or subscription fee for the sales cloud services, which is based on the types of services involves and types of customers and the industries they are involved in.

The technical service fees payable by the Target Company to the Group primarily consist of rental fees for cloud computing servers used to deliver the Target Company's sales cloud services. Currently, the Target Company utilizes cloud computing servers provided by the Group. The Company anticipates no significant changes to the leasing arrangement for these servers in coming three years. From our review, the annual caps for the technical service fees payable by the Target Company to the Group are mainly derived from the historical purchase amount for the eight months ended 31 August 2025.

As advised by the Company, following Mr. Chen's capital injection into the Target Company, the Target Company is expected to experience a business growth in terms of revenue. However, the Company has indicated that it does not intend to allocate additional resources to support the increased demand from the Target Company. Instead, it will continue to focus on its core business segments. The ongoing provision of sales cloud services is intended to retain existing customers and to offer more comprehensive solutions to both current and potential customers.

Based on the above, we are of the view that such proposed annual caps under the Technical Services Procurement Framework Agreement were determined based on reasonable estimation and after due and careful consideration. Taking into account the fact that the proposed annual caps provide the Group with flexibility to conduct business with the Target Company, we are of the view that such proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

11. Internal Control Measures

The Company has established a comprehensive internal control system and adopted various internal control measures to ensure that the transactions contemplated under the Technical Services Procurement Framework Agreement are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders as a whole. Such internal control measures includes, among others:

- (i) a series of measures to ensure that the transactions contemplated under the Technical Services Procurement Framework Agreement will be conducted in accordance with the principal terms of the Technical Services Procurement Framework Agreement, including but not limited to the implementation of separate agreements governing each particular transaction must be approved by the internal control team to ensure that it is in accordance with the pricing policy;
- (ii) proper documentation of the agreements governing each particular transaction entered into between the parties pursuant to the Technical Services Procurement Framework Agreement; and
- (iii) the monitoring of the transactions contemplated under the Technical Services Procurement Framework Agreement on a monthly basis.

Furthermore, pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the continuing connected transactions contemplated under the Technical Services Procurement Framework Agreement are subject to the following annual review requirements:

- (a) the independent non-executive Directors must review the transactions every year and confirm in the annual report that the transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms or better; and
 - (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) the Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the transactions:
 - (i) have not been approved by the Board;
 - (ii) were not, in all material respects, in accordance with the pricing policies of the Group;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing them; and
- (iv) have exceeded the relevant annual caps;
- (c) the Company must allow, and ensure that the counterparties to the transactions allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the transactions; and
- (d) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required. The Stock Exchange may require the Company to re-comply with the announcement and Shareholders' approval requirements and may impose additional conditions.

In light of (a) the internal control measures adopted by the Group which ensure the continuing connected transactions are conducted on terms no less favourable to the Group than those between the Group and independent third parties; and (b) the reporting requirements attached to the transactions, in particular, (i) the restriction of the transaction value by way of annual caps; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company of the terms of the relevant agreements in relation to the transactions and the respective proposed annual caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the continuing connected transactions contemplated under the Technical Services Procurement Framework Agreement and assist in safeguarding the interests of the Company and the independent Shareholders as a whole.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we are of the view that (i) the terms of the Capital Injection Agreement and the Equity Transfer Agreements are on normal commercial terms and are fair and reasonable; and (ii) although the Capital Injection Agreement and the Equity Transfer Agreements are not in the ordinary and usual course of business of the Group, they are in the interests of the Company and the Shareholders as a whole. In addition, we consider that the entering into the Technical Services Procurement Framework Agreement, including the proposed annual caps, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve (i) the Capital Injection Agreement and the Equity Transfer Agreements; and (ii) the Technical Services Procurement Framework Agreement (together with the proposed annual caps).

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Calvin Leung
Director

Mr. Calvin Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over 20 years of experience in the corporate finance industry.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Company since 31 December 2024, being the date to which the latest published audited financial statement of the Company have been made up.

INTERESTS OF DIRECTORS

Save as disclosed in this circular, the Directors are not aware of any Director or his respective associates having as of the Latest Practicable Date, any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would be required to be disclosed under the Listing Rules.

Save as disclosed in this circular, no Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant to the business of the Group taken as a whole.

Save as disclosed in this circular, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions contained in and referred to in this circular:

Name	Qualification
Somerley Capital Limited	A licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities

The Independent Financial Adviser has given and has not withdrawn its consent to the issue of this circular with inclusion of its letter and reference to its name in the form and context in which they appear respectively.

As at the Latest Practicable Date, the Independent Financial Adviser had no shareholding in the Company or any other member of the Group or right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities of the Company or any other member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser had no direct or indirect interests in any assets which had been acquired or disposed of by or leased to any member of the Group since 31 December 2024 (the date to which the latest published audited consolidated financial statements of the Company were made up) or proposed to be so acquired, disposed of or leased to.

The letter and recommendations from the Independent Financial Adviser dated 28 November 2025 are set out on pages 28 to 51 of this circular and are given for incorporation in this circular.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) which were required 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 deemed or taken to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

Interest in the Shares or underlying Shares of the Company

Name of Director	Capacity/Nature of interests	Name of associated corporation	Percentage of shareholding in the associated corporation
Mr. Chen Yonghui	Interest in a controlled corporation and interest of party acting in concert ^{(1) & (4)}	298,297,230 (L)	53.24% (L)
Mr. Huang Fangjie	Interest in a controlled corporation and interest of party acting in concert ^{(2) & (4)}	298,297,230 (L)	53.24% (L)
Mr. Li Hairong	Interest in a controlled corporation and interest of party acting in concert ^{(3) & (4)}	298,297,230 (L)	53.24% (L)
Mr. Guo Haiqiu	Interest in a controlled corporation ⁽⁵⁾	13,500,000 (L)	2.41% (L)

(L) denotes a long position

Notes:

- (1) Mr. Chen beneficially owns (1) 100% of the issued share capital of Zhenghao Global and (2) more than one third of the interest in Guangzhou Xuandong. Further, Mr. Chen is the sole general partner of each of Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei Investment. By virtue of the SFO, Mr. Chen is deemed to be interested in 100,968,000 Shares, 31,334,000 Shares, 13,390,000 Shares, 17,886,000 Shares and 13,365,000 Shares held by Zhenghao Global, Guangzhou Xuandong, Guangzhou Xuannan, Guangzhou Xuanxi and Guangzhou Xuanbei, representing 18.02%, 5.59%, 2.39%, 3.19% and 2.39% of the entire issued share capital of the Company, respectively.
- (2) Mr. Huang beneficially owns 100% of the issued share capital of Honghan Worldwide. By virtue of the SFO, 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.
- (3) Mr. Li beneficially owns 100% of the issued share capital of Double Winner. By virtue of the SFO, Mr. Li is deemed to be interested in 55,152,460 Shares held by Double Winner, representing 9.84% of the entire issued share capital of the Company. As at the Latest Practicable Date, 390,000 restricted Award Shares had been granted to Mr. Li under the 2022 Restricted Share Award Scheme entitling him to receive 390,000 Shares subject to vesting, representing 0.07% of the entire issued capital of the Company.
- (4) Mr. Chen, Mr. Huang and Mr. Li have been acting in concert with each other.
- (5) Mr. Guo beneficially owns 100% of the issued share capital of 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.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 deemed or taken to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

GENERAL

The Company's share registrar in Hong Kong is Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text in the case of any inconsistency.

DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at <https://ir.wxchina.com> for a period of 14 days from the date of this circular:

- (a) the Capital Injection Agreement and the Equity Transfer Agreements;
- (b) the Technical Services Procurement Framework Agreement;
- (c) the letter from the Independent Board Committee, the text of which is set out on page 26 to 27 of this circular;
- (d) the letter from the Independent Financial Adviser, the text of which is set out on pages 28 to 51 of this circular; and
- (e) the written consent of the Independent Financial Adviser.

NOTICE OF THE EGM



Xuan Wu Cloud Technology Holdings Limited

玄武雲科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2392)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Xuan Wu Cloud Technology Holdings Limited (the “Company”) will be held by way of a virtual meeting on Wednesday, 17 December 2025 at 10:00 a.m. for the purpose of considering, if thought fit, passing, with or without modification, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the capital injection agreement and the equity transfer agreements, each dated 20 October 2025, entered into among, *inter alia*, the Company, Mr. Chen, the Vendor, the Target Company, Xuantong Tongda and Xuantong Tonghe, 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 (copies of which have been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved;
- (b) any one Director be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things (including signing and executing all such documents, instruments and agreements as may be required, including under seal where applicable) as the Company, such Director or, as the case may be, the Board may consider necessary, desirable or expedient or in the interest of the Company to give effect to the terms of the matters contemplated under the capital injection agreement and the equity transfer agreements and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

2. “**THAT:**

- (a) the technical services procurement framework agreement (the “**Technical Services Procurement Framework Agreement**”) to be entered into between the Company and the Target Company which will take effect immediately upon the approval of

NOTICE OF THE EGM

the shareholders of the Company at the EGM and the completion of the transactions pursuant to the capital injection agreement and the equity transfer agreements (the “**Completion**”) (a copy of which has been produced to the EGM marked “B” and signed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved;

- (b) the proposed annual caps amounts for the transactions under the Technical Services Procurement Framework Agreement from 1 December 2025 (subject to the approval of the shareholders of the Company at the EGM and the Completion) as set out in this circular be and are hereby approved and confirmed; and
- (c) any one Director be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things (including signing and executing all such documents, instruments and agreements as may be required, including under seal where applicable) as the Company, such Director or, as the case may be, the Board may consider necessary, desirable or expedient or in the interest of the Company to give effect to the terms of the matters contemplated under the Technical Services Procurement Framework Agreement and the implementation of all the transactions contemplated thereunder.”

By Order of the Board

Xuan Wu Cloud Technology Holdings Limited

Mr. Chen Yonghui

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 28 November 2025

Registered Office:

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

*Headquarter and Principal Place of
Business in the PRC:*

Room 904, 9/F
Dongsheng Yunding Building
38 Haizhou Road
Haizhu District
Guangzhou, Guangdong
PRC

Principal Place of Business in Hong Kong:

4/F, Jardine House
1 Connaught Place
Central
Hong Kong

NOTICE OF THE EGM

Notes:

1. The Company will conduct the meeting by way of a virtual meeting. Shareholders who wish to attend and vote at the meeting may attend the meeting virtually via the e-Meeting System which enables live streaming and interactive platform for questions-and-answers and submission of their votes online; or appoint the chairman of the meeting or other persons as their proxies to vote on their behalf via the e-Meeting System.
2. All registered Shareholders will be able to join the meeting via the e-Meeting System. The e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer. All non-registered Shareholders may consult directly with their banks, brokers, custodians or Hong Kong Securities Clearing Company Limited (as the case may be) for necessary arrangement to attend and vote via the e-Meeting System at the EGM if they wish.
3. Any member entitled to attend and vote at the meeting (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and vote via the e-Meeting System in his/her/its stead. A proxy needs not be a member of the Company.
4. In the case of joint holders of any Share(s), only ONE PAIR of log-in username and password for the e-Meeting System will be provided to the joint holders. Any one of such joint holders may attend or vote in respect of such Share(s) as if he/she/it was solely entitled thereto.
5. In order to be valid, the form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as practicable and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Form of proxy sent electronically or by any other data transmission process will not be accepted.
6. Completion and return of a proxy form shall not preclude a member from attending and voting via the e-Meeting System at the EGM or any adjournment thereof (as the case may be) should the member so wish, and in such event, the proxy form shall be deemed to be revoked.
7. The registers of members of the Company will be closed from Friday, 12 December 2025 to Wednesday, 17 December 2025 (both days inclusive). In order to qualify for attending and voting via the e-Meeting System at the meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 11 December 2025.
8. Pursuant to Rule 13.39(4) of the Listing Rules, voting for all the resolutions set out in this notice will be taken by poll at the EGM.

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