七牛云

Qiniu Limited
七牛智能科技有限公司

(Incorporated in the British Virgin Islands and re-domiciled and continued in the Cayman Islands with limited liability)

(Stock Code: 2567)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Directors**") of Qiniu Limited (the "**Company**") announces the audited consolidated financial results of the Company and its subsidiaries and consolidated affiliated entities (together, the "**Group**") for the year ended December 31, 2024 (the "**Reporting Period**") together with the comparative figures for the year ended December 31, 2023 as follows:

FINANCIAL RESULTS HIGHLIGHTS

Revenue of the Group increased from RMB1,334.0 million for the year ended December 31, 2023 to RMB1,437.0 million for the year ended December 31, 2024.

We recorded loss for the year ended December 31, 2024 of RMB459.4 million, compared to a loss for the year ended December 31, 2023 of RMB324.1 million. Such increase was mainly due to the increase in loss caused by the fair value changes of convertible redeemable preferred shares in 2024.

We recorded an adjusted net loss (non-IFRS Measure) for the year ended December 31, 2024 of RMB127.0 million, compared to an adjusted net loss (non-IFRS Measure) of RMB115.6 million for the year ended December 31, 2023.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
REVENUE	*4*	**1,437,009**	1,333,991
Cost of sales		**(1,153,184)**	(1,053,746)
Gross profit		**283,825**	280,245
Other income and gains	*4*	**9,759**	30,854
Selling and marketing expenses		**(115,894)**	(139,065)
Administrative expenses		**(137,917)**	(135,824)
Research and development costs		**(157,645)**	(128,034)
Fair value losses on financial assets at fair value through profit or loss, net		**(11,928)**	(54,682)
Fair value losses on convertible redeemable preferred shares		**(293,635)**	(156,087)
Impairment losses on financial assets		**(26,102)**	(11,757)
Other expenses		**(2,031)**	(1,596)
Finance costs		**(7,768)**	(8,162)
LOSS BEFORE TAX	*5*	**(459,336)**	(324,108)
Income tax expense	*6*	**(31)**	–
LOSS FOR THE YEAR		**(459,367)**	(324,108)
Attributable to:			
Owners of the parent		**(459,367)**	(324,108)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*7*		
Basic and diluted *(RMB)*		**(0.60)**	(0.74)
LOSS FOR THE YEAR		**(459,367)**	(324,108)

	Notes	**2024** *RMB'000*	2023 *RMB'000*
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation		**(23,599)**	(24,226)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation		**11,299**	(24,716)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**(12,300)**	(48,942)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(471,667)**	(373,050)
Attributable to:			
Owners of the parent		**(471,667)**	(373,050)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2024

	Notes	**31 December 2024** ***RMB'000***	31 December 2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**90,977**	126,951
Right-of-use assets		**26,398**	12,669
Other intangible assets		**–**	–
Financial assets at fair value through profit or loss		**86,258**	98,186
Total non-current assets		**203,633**	237,806
CURRENT ASSETS			
Inventories		**7,831**	25,791
Trade and notes receivables	*8*	**430,955**	285,056
Prepayments, deposits and other receivables		**32,979**	28,448
Financial assets at fair value through profit or loss		**–**	50
Amounts due from related parties		**7,440**	8,429
Time deposits		**59,677**	107,822
Restricted cash		**7,857**	–
Cash and cash equivalents		**451,928**	166,378
Total current assets		**998,667**	621,974
CURRENT LIABILITIES			
Tax payable		**31**	–
Lease liabilities		**12,891**	7,537
Trade and bills payables	*9*	**311,322**	230,956
Other payables and accruals		**111,596**	70,237
Contract liabilities		**95,181**	115,225
Interest-bearing bank and other borrowings		**196,104**	201,890
Deferred revenue		**90**	90
Convertible redeemable preferred shares		**–**	3,215,039
Amounts due to related parties		**24,981**	31,359
Total current liabilities		**752,196**	3,872,333
NET CURRENT ASSETS/(LIABILITIES)		**246,471**	(3,250,359)
TOTAL ASSETS LESS CURRENT LIABILITIES		**450,104**	(3,012,553)

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities		**14,378**	2,508
Deferred revenue		**247**	337
Total non-current liabilities		**14,625**	2,845
NET ASSETS/(LIABILITIES)		**435,479**	(3,015,398)
EQUITY			
Equity attributable to owners of the parent			
Share capital		**1,418**	31
Reserves		**434,061**	(3,015,429)
Total equity		**435,479**	(3,015,398)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Attributable to owners of the parent					
	Share capital *RMB'000*	Share premium* *RMB'000*	Share option reserve* *RMB'000*	Foreign currency translation reserve* *RMB'000*	Accumulated losses* *RMB'000*	Total equity *RMB'000*
At 1 January 2024	**31**	**–**	**170,515**	**(205,968)**	**(2,979,976)**	**(3,015,398)**
Loss for the year	–	–	–	–	(459,367)	(459,367)
Other comprehensive loss for the year:	–	–	–	–	–	–
Exchange differences on translation	–	–	–	(12,300)	–	(12,300)
Total comprehensive loss for the year	–	–	–	(12,300)	(459,367)	(471,667)
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	114	380,584	–	–	–	380,698
Conversion of convertible redeemable preferred shares into ordinary shares	114	3,525,836	–	–	–	3,525,950
Capitalisation issue	1,159	(1,159)	–	–	–	–
Equity-settled share option arrangements	–	–	15,896	–	–	15,896
At 31 December 2024	**1,418**	**3,905,261**	**186,411**	**(218,268)**	**(3,439,343)**	**435,479**

	Attributable to owners of the parent				
	Share capital *RMB'000*	Share option reserve* *RMB'000*	Foreign currency translation reserve* *RMB'000*	Accumulated losses* *RMB'000*	Total equity *RMB'000*
At 1 January 2023	31	136,685	(157,026)	(2,655,868)	(2,676,178)
Loss for the year	–	–	–	(324,108)	(324,108)
Other comprehensive loss for the year:					
Exchange differences on translation	–	–	(48,942)	–	(48,942)
Total comprehensive loss for the year	–	–	(48,942)	(324,108)	(373,050)
Equity-settled share option arrangements	–	33,830	–	–	33,830
At 31 December 2023	31	170,515	(205,968)	(2,979,976)	(3,015,398)

* These reserve accounts comprise the consolidated reserves of RMB434,061,000 (2023: RMB (3,015,429,000)) in the consolidated statements of financial position.

NOTES TO CONSOLIDATED FINANCIAL INFORMATION

For the year ended December 31, 2024

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the British Virgin Islands with limited liability as offshore holding company on May 23, 2011 and re-domiciled and continued in the Cayman Islands with limited liability on June 14, 2023. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on October 16, 2024. The registered address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1–1104, Cayman Islands and the principal place of business of the Company in the People's Republic of China ("**PRC**") is Floors 1–4, Building Q No.66 Boxia Road, Pudong New District, Shanghai, PRC.

The Company is an investment holding company. During the year, the Company's subsidiaries, including controlled structured entities (together, the "**Group**") were principally engaged in the provision of Platform-as-a-Service ("**PaaS**") solutions focusing on one-stop audiovisual cloud services to enterprise customers.

Contractual arrangements

Due to regulatory restrictions on foreign ownership in providing online information services (the "**Relevant Business**") in the PRC, certain cloud service business was carried out by Qiniu Information, Beijing Kongshan and their subsidiaries (collectively the "**PRC Operating Entities**") during the year. Shanghai Kongshan, a wholly-foreign-owned enterprise subsidiary of the Company (the "**WFOE**") has entered into a series of contractual arrangements ("**Contractual Arrangements**") with the PRC Operating Entities and their respective registered equity holders. The arrangements of the Contractual Arrangements enable the WFOE to exercise effective control over the PRC Operating Entities, to obtain substantially all economic benefits and to have an exclusive option to acquire all or part of the equity interests in the PRC Operating Entities, notwithstanding that the WFOE does not have any direct or indirect equity interest in the PRC Operating Entities.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include International Accounting Standards ("**IASs**") and interpretations) approved by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and convertible redeemable preferred shares, which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended December 31, 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the foreign currency translation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The Group has early adopted the 2020 Amendments from January 1, 2020 (date of transition to IFRSs).

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION AND REVENUE

Operating segment information

The Group is principally engaged in providing PaaS services to customers in Mainland China.

The board of directors reviews the consolidated results of the Group when making decisions about resource allocation and assessing the performance of the Group. The board of directors considers that the Group operates in one business segment and the measurement of segment results is based on the profit from operations as presented in the consolidated statement of profit or loss and the consolidated statement of other comprehensive income.

Geographical information

Since almost all of the Group's non-current assets were located in Mainland China and almost all of the revenue of the Group was derived from operations in Mainland China during the reporting period, no geographical information in accordance with IFRS 8 Operating Segments is presented.

Information about a major customer

Revenue of approximately RMB285,032,000 (2023:RMB157,457,000) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**1,437,009**	1,333,991

Revenue from contracts with customers

(a) Disaggregated revenue information

Types of products/services

	2024	2023
	RMB'000	*RMB'000*
MPaaS	**1,039,261**	974,507
APaaS	**353,950**	281,359
DPaaS	**3,630**	4,698
Other cloud services	**40,168**	73,427
Total	**1,437,009**	1,333,991

Timing of revenue recognition

	2024	2023
	RMB'000	*RMB'000*
Revenue from services transferred to customers over time	**1,235,242**	1,090,230
Revenue from goods or services transferred to customers at a point in time	**201,767**	243,761
Total	**1,437,009**	1,333,991

(b) Performance obligations

The Group's PaaS solutions, including MPaaS, APaaS and DPaaS are provided to its customers either as cloud services offered on public cloud, which are principally charged based on usage, or as solutions offered on private cloud, which are charged on a project basis. Other cloud services are charged based on usage over the service period.

Information about the Group's performance obligations is summarised below:

PaaS solutions offered on public cloud

PaaS public cloud services provide customers with access to the Group's enterprise cloud computing platform, and revenue is recognised on a usage basis. The usage-based fees are recognised as revenue in the period in which the usage occurs. The Group uses monthly utilisation records to recognise revenue over time as this method most faithfully depicts the simultaneous consumption and delivery of services. At the end of each month, the transaction consideration is determined based on utilisation records and hence no estimation of the transaction price beyond the reporting period is necessary. In addition, revenue from software licences is recognised at the point in time when software licences are accepted by the customers because the software licences provide the right to use and the functionality that exists at the point in time they are granted to the customers. No other performance obligations are provided to customers.

PaaS solutions offered on private cloud

The Group's PaaS solutions offered on private cloud typically comprise the sale of hardware, software licences and post-delivery maintenance services. Revenue from software licences and hardware sales is recognised at the point in time when they are delivered to customers, which is when the control over the Group's goods or services is transferred to customers. Revenue from maintenance services is recognised on a straight-line basis over the service period as the customer receives and consumes the benefits provided by the Group.

Other cloud services

Other cloud services primarily include a cloud virtual machine, which is a comprehensive suite of solutions including cloud servers, databases, network, security and storage. Revenue from other cloud services is recognised on an actual usage basis over the service period.

(c) Revenue recognised in relation to contract liabilities

The revenue recognised during the year that was included in the contract liabilities at the beginning of 2024 was RMB71,685,000 (2023: RMB60,352,000).

The following table includes the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of the year and the amounts disclosed below do not include significant variable consideration that is constrained:

	2024	2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue：		
Within 1 year	**63,265**	76,577
After 1 year	**31,916**	38,648
Contract liabilities	**95,181**	115,225

An analysis of other income and gains is as follows:

	2024	2023
	RMB'000	*RMB'000*
Other income		
Government grants	**2,585**	22,470
Bank interest income	**6,841**	7,622
Total other income	**9,426**	30,092
Gains		
Revision of a lease term arising from a change in the non-cancellable period of a lease	**–**	259
Foreign exchange differences, net	**315**	–
Others	**18**	503
Total gains	**333**	762
Total other income and gains	**9,759**	30,854

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Cost of sales		**1,153,184**	1,053,746
Depreciation of property, plant and equipment*		**41,913**	52,862
Depreciation of right-of-use assets*		**13,039**	18,034
Lease payments not included in the measurement of lease liabilities		**384**	611
Research and development costs		**157,645**	128,034
Auditor's remuneration		**3,300**	74
Listing expenses		**22,853**	18,592
Fair value losses, net:			
Financial instruments at fair value through profit or loss		**11,928**	54,682
Convertible redeemable preferred shares		**293,635**	156,087
Foreign exchange differences, net		**(315)**	962
Bank interest income		**(6,841)**	(7,622)
Impairment losses on financial assets		**26,102**	11,757
Losses on disposal of items of property, plant and equipment, net		**4**	21
Employee benefit expense (including directors' and chief executive's remuneration**:			
Wages, salaries and other allowances		**224,546**	221,310
Pension scheme contributions and social welfare		**46,375**	50,517
Share-based payments		**15,896**	33,830

* The depreciation of property, plant and equipment and right-of-use assets and the amortisation of other intangible assets aggregated to RMB47,373,000 for the year ended December 31, 2024 (2023: RMB60,867,000) are included in the cost of sales and research and development costs disclosed above.

** Employee benefit expenses of RMB125,163,000 for the year ended December 31, 2024 (2023: RMB116,012,000) are included in the cost of sales and research and development costs disclosed above.

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries/jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

The Company was redomiciled in the Cayman Islands in 2023 as an exempted company with limited liability, and is exempt from Cayman Islands income tax under the current tax laws of the Cayman Islands.

British Virgin Islands

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to any income tax.

Singapore

The income tax rate of Singapore was 17% during the year. In addition, three-quarters of up to the first SG$10,000, and one half of up to the next SG$190,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. The remaining chargeable income, after the tax exemption, is fully taxable at the prevailing corporate tax rate.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the statutory rate of 16.5% on any estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

Vietnam

Pursuant to the relevant laws and regulations in Vietnam, the subsidiary in Vietnam is subject to tax at the statutory rate of 20%.

Mainland China

The subsidiaries incorporated in Mainland China are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Enterprise Income Tax Law which became effective on 1 January 2008, except for Qiniu Information which was taxed at preferential tax rates.

Qiniu Information obtained its "High and New Technology Enterprises" qualification in 2019 and renewed the qualification in 2022, so it was entitled to the preferential tax rate of 15% during the year.

The major components of income tax expense of the Group are as follows:

	2024	2023
	RMB'000	*RMB'000*
Current income tax	**31**	–
Deferred income tax	**–**	–
Total tax charge for the year	**31**	–

A reconciliation of the tax expense/(credit) applicable to loss before tax at the statutory rates for the countries/jurisdictions in which the Company and its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	2024	2023
	RMB'000	*RMB'000*
Loss before tax	**(459,336)**	(324,108)
Tax calculated at statutory tax rate of each entity's jurisdiction	**(36,567)**	(42,626)
Tax effects of:		
Effect of preferential tax rates	**3,798**	7,223
Income not subject to tax	**(478)**	(1,164)
Expenses not deductible for tax	**774**	881
Share-based payments not deductible for tax	**3,153**	6,700
Additional deductible allowance for qualified research and development costs (a)	**(13,819)**	(11,730)
Tax losses not recognised	**39,128**	39,041
Temporary differences not recognised	**4,042**	1,675
Tax charge at the Group's effective rate	**31**	–

(a) According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, for the period from 1 October 2022, enterprises engaged in research and development activities are entitled to claim 200% of their research and development costs so incurred as tax-deductible expenses when determining their assessable profits.

Tax payable in the consolidated statement of financial position represents:

	2024	2023
	RMB'000	*RMB'000*
PRC corporate income tax payable	**31**	–

The Group has accumulated tax losses in Mainland China of RMB906,871,000 (2023: RMB812,937,000). These losses can be carried forward for a period of five to ten years to offset against future taxable profits of the entities in which the losses were incurred. The Group has deductible temporary differences of RMB60,941,000 in aggregate as at December 31, 2024 (2023: RMB33,996,000).

The Group has accumulated tax losses in Singapore and Hong Kong of RMB15,164,000 and RMB27,160,000 respectively as at December 31, 2024 (2023: RMB4,769,000 and RMB14,257,000), which can be carried forward indefinitely to offset against future taxable profits of the entities in which the losses were incurred.

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 762,471,784 (adjusted for the effect of the Capitalisation issue) outstanding during the year ended 31 December 2024 (2023: 437,914,260).

	2024	2023
Loss attributable to owners of the company (RMB'000)	**(459,367)**	(324,108)
Weighted average number of ordinary shares outstanding during the year*	**762,471,784**	437,914,260
Basic loss per share (expressed in RMB per share)	**(0.60)**	(0.74)

* For this Capitalisation issue, the additional shares are treated as having been in issue for the whole year ended December 31, 2024 and are also included in the loss per share calculation for the year ended December 31, 2023 presented so as to give a comparable result.

Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible redeemable preferred shares and share options.

As the Group incurred losses for the years ended December 31, 2024 and 2023, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

8. TRADE AND NOTES RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**480,111**	305,719
Notes receivable	**–**	3,400
Sub-total	**480,111**	309,119
Impairment	**(49,156)**	(24,063)
Total	**430,955**	285,056

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationships. The credit period generally ranges from 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. As at December 31, 2024, the Group had certain concentrations of credit risk as 19% (2023: 18%) and 45% (2023: 43%) of the Group's trade receivables were due from the Group's largest debtor and five largest debtors, respectively. Except for the aforementioned concentrations of credit risk, the Group's trade receivables relate to a large number of diversified customers. Trade receivables are non-interest-bearing. As with other customers, the Group normally demands payment in advance.

The Group's notes receivable consist of bank acceptance bills with maturities within three months. Notes receivable are subject to impairment under the simplified approach, and the impact is considered to be minimal.

As at December 31, 2024 and 2023, the Group did not hold any collateral or other credit enhancements over its trade and notes receivable balances.

An ageing analysis of the trade and notes receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**346,270**	214,309
90 days to 6 months	**49,837**	54,727
6 to 12 months	**31,972**	14,497
1 to 2 years	**2,876**	1,523
Total	**430,955**	285,056

The movements in the loss allowance for impairment of trade and notes receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**24,063**	19,921
Impairment losses, net	**25,093**	9,694
Amount written off as uncollectible	**–**	(5,552)
At end of year	**49,156**	24,063

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days of the ageing of receivables for groups of various customer segments that have similar loss patterns. The calculation reflects the age of the balance, the existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and macroeconomic influences. The Group applies the simplified approach in calculating expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

9. TRADE AND BILLS PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**263,658**	230,956
Bills payable	**47,664**	–
Total	**311,322**	230,956

An ageing analysis of the trade and bills payables as at the end of the reporting period , based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**288,715**	226,506
6 to 12 months	**16,615**	3,277
Over 1 year	**5,992**	1,173
Total	**311,322**	230,956

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Our reporting has reflected how our Directors and senior management reviews information under this structure. Revenue we generated are reported based on our business lines as follows:

- MPaaS
  - QCDN
  - Kodo
  - Interactive live streaming products
  - Dora
- APaaS Solutions
- Other services

Our reported businesses are described below:

MPaaS

QCDN. Our integrated QCDN product optimizes the acceleration of data network through building CDN nodes across the globe from multiple providers, primarily including IaaS cloud providers and traditional CDN providers. QCDN is primarily charged based on network traffic or bandwidth usage on public cloud, taking into account factors including the amount of content delivered and the time of the day the service was requested.

Kodo. Kodo can be offered to our customers on public cloud which is charged based on the storage capacity, including factors such as the weighted average size of the data stored daily. In addition, for customers with higher demand for compatibility, reliability, privacy and security in cloud, Kodo can also be deployed on the customer's server or on a private cloud that we build for the customer, which is charged based on the storage capacity.

Interactive live streaming products. Our interactive live streaming products are designed for application scenarios in live streaming and real-time interactions. Our interactive live streaming products are offered to our customers on public cloud which is primarily charged based on usage.

Dora. Dora is our cloud-based intelligent media data analytics platform, offering strong data processing capabilities. Most of our customers use Dora on public cloud which is charged based on API calls or usage. To a lesser extent, Dora can also be deployed on a private cloud built for customers, which is charged on a project basis.

APaaS

Revenue from our APaaS solutions is derived from five application scenarios, namely social entertainment, video marketing, visual networking, smart new media and metaverse. We charge our APaaS customers based on (i) actual usage (such as volume of data or storage used, API calls, etc.), or (ii) service package (equipped with fixed storage, data, software pack, etc.).

Other services

Complementary to our MPaaS and APaaS solutions, we also offer our customers other trustworthy cloud services, primarily including DPaaS, QVM, and internet data hosting services. We provide other services to our customers according to their demand as part of our comprehensive services and our revenue from other services.

INDUSTRY DEVELOPMENT TRENDS

With developments in network technology and increasing popularity of audiovisual, the audiovisual PaaS market in China continues to expand. We continue to witness increasing growth for cloud services when PaaS providers launching more solutions to satisfy customers' demand. The increasing and more widespread usage of emerging technologies such as artificial intelligence (AI), AI generated content (AIGC) and virtual reality (VR) or augmented reality (AR) also spearheaded the integration of audiovisual cloud technology to being adopted in various applications and industries. Driven by the increasing demand for computing power and the development of AIGC, it is expected that the cloud service market in China will continue to grow.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our ability to create value for our users and generate revenue is driven and affected by the factors described below:

Trends in China's economic conditions and development of the industries in which we operate

Our business and results of operations are significantly affected by China's overall economic conditions and the development of China's audiovisual PaaS industry including audiovisual MPaaS industry and audiovisual APaaS industry. We aim to capture, and we believe that we are well-positioned to continue to capture, the various market opportunities brought by the development of industries in which we operate as it is subject to rapid technological changes and is evolving quickly in terms of technological innovation. In 2024, we experienced the boom of AI and AIGC, which is based on a multimodal large model. "AIGC + audiovisual APaaS" is developing into a new form of audiovisual APaaS. The incorporation of AIGC technology into audiovisual APaaS products is expected to empower content innovation and intelligent content generation.

Our ability to retain and expand usage by our existing customers and to acquire new customers

We have amassed a broad and diversified customer base covering a wide spectrum of industry verticals. The number of our MPaaS and APaaS customers were 82,597 and 2,901, respectively, as at December 31, 2024.

Our MPaaS products are provided to a full spectrum of customers. On one side of the spectrum, MPaaS products are offered to large customers who have development capabilities and tap into our MPaaS functionalities. On the other side of the spectrum, MPaaS products are offered to smaller customers that have limited use of our products such as small scale cloud storage. We strive to retain existing customers and obtain new customers by, among others, further enhancing the quality and efficiency of our existing products and solutions, offering additional innovative products and solutions and implementing effective sales strategies tailored to the verticals in which we operate. Our operating results and growth prospects will depend in part on our ability to attract new customers. With the development of the audiovisual PaaS industry in China continuously driven by the digitization of media and entertainment content, the development of cloud computing, artificial intelligence and 5G technology, we expect to capture the growing market opportunities and serve our existing and new APaaS customers with our low-code solutions addressing differentiated demand of the market.

Our ability to upgrade and expand our products and solutions and to compete effectively

Our success has been based on our dedication to the development of innovative and high-performance audiovisual MPaaS and APaaS products and solutions, and our ability to identify and meet the business needs of our customers. Our business prospects depend largely on our ability to continue enhance the functionalities, performance, reliability, security, scalability of our products and solutions, and to introduce advanced and innovative products and solutions, which thereby will allow us to capture additional market share, enjoy better economies of scale and improve our profitability.

Our ability to effectively control our costs and expenses

Our profitability depends largely on our ability to manage and control our costs and expenses. Our cost of sales mainly includes network and bandwidth costs, server and storage costs, depreciation of equipment, Internet data center rack costs, technical service fees and staff cost. Network and bandwidth costs are mainly resource costs associated with distribution or content delivery. Since a significant portion of our costs relates to distribution and storage services from third parties, our cost of sales largely depends on the price of such services in the market.

KEY OPERATING METRICS

Set out below are some of the key operating metrics we take into account of when managing our business.

	Year ended December 31,	
	2024	2023
Number of MPaaS paying customers	**82,597**	92,480
Number of APaaS paying customers	**2,901**	2,597
Average contribution of MPaaS Paying customers (RMB)(1)	**12,585**	10,500
Average contribution of APaaS paying customers (RMB)(2)	**122,010**	108,300

Notes:

(1) Calculated based on total revenue from MPaaS in the period divided by the number of MPaaS customers in the period.

(2) Calculated based on total revenue from APaaS in the period divided by the number of APaaS customers in the period.

LOOKING FORWARD AND WORK PLAN FOR 2025

Year 2025 will be critical for deepening reform and development of our Company. Our Group will leverage on digitalization, the core force of new productivity changes, seize the golden period of development of the digital economy, give full play to innovation-driven model, strive to enhance the strength of product research and development and the ability to ensure the operation of important systems, and continuously shape the development of new dynamics and new advantages, so as to achieve rapid growth in business scale and steady improvement of operation efficiency.

In 2025, we intends to implement the following strategies and leverage market development trend to further develop our business: (i) developing and expanding our customer base and explore new revenue source by continuing to penetrate and deepen our presence in major scenarios; (ii) continuing to optimize cost structure and enhance operational efficiency; (iii) accelerating overseas business expansion to create new business growth points; (iv) embracing open source large models such as DeepSeek and Tongyi Qianwen; and (v) accelerating the layout of artificial intelligence and computing power.

FINANCIAL REVIEW

Results of Operations

Our total revenue increased by 7.7% from RMB1,334.0 million in 2023 to RMB1,437.0 million in 2024. Our loss for the year increased by 41.7% from RMB324.1 million in 2023 to RMB459.4 million in 2024, mainly due to the increase in loss caused by the fair value changes of convertible redeemable preferred shares in 2024.

Components of Results of Operations

Revenue

MPaaS

Revenue from our MPaaS products are primarily derived from our QCDN, Kodo, interactive live streaming products and Dora.

	Year ended December 31,			
	2024	*%*	2023	*%*
	RMB'000		*RMB'000*	
QCDN	**764,492**	**74%**	628,371	64%
Kodo	**194,814**	**18%**	297,791	31%
Interactive live streaming products	**16,103**	**2%**	17,175	2%
Dora	**63,852**	**6%**	31,170	3%
Total	**1,039,261**	**100%**	974,507	100%

Our total revenue from MPaaS products increased by 6.6% in the year 2024, which was attributed to increase in revenue generated from QCDN and Dora due to our enhanced business cooperation with our major customers and our enhanced product offering and services catered to their particular distribution needs and partially offset by a drop in revenue generated from Kodo due to slowdown of our private cloud projects.

APaaS

The following table sets forth a breakdown of our revenue from APaaS solutions by application scenarios, categorized according to the scenario-based solutions provided to our APaaS customers, in absolute amounts and as a percentage of our revenue from APaaS solutions for the periods indicated.

	Year ended December 31,			
	2024	*%*	2023	*%*
	RMB'000		*RMB'000*	
Social entertainment	**129,882**	**38%**	86,796	31%
Video marketing	**189,000**	**53%**	170,261	61%
Visual Networking	**29,398**	**8%**	18,935	7%
Smart new media	**4,970**	**1%**	5,063	1%
Metaverse	**700**	**0%**	304	0%
Total	**353,950**	**100%**	281,359	100%

Our total revenue from APaaS solutions increased by 25.8% in the year 2024, which was attributed to significant increase in revenue generated from social entertainment as we provided more functions and attracted customers with scenario-based solutions.

Other services

In 2023 and 2024, revenue from our other services were RMB78.1 million and RMB43.8 million, respectively, representing approximately 5.8% and 3.0% of our total revenue in the same periods.

Cost of Sales

The principal components of our cost of sales include: (i) network and bandwidth purchased from network operators and cloud providers, (ii) server and storage costs in relation to hardware procured for customers, virtual machine services acquired and storage related services, (iii) depreciation and amortization mainly in relation to servers and network equipment, (iv) Internet data center rack costs, (v) technical service fees in relation to software development kit ("**SDK**"), artificial intelligence and other services or software purchased from third-parties, (vi) staff cost in relation to salaries, bonuses, benefits and share-based payments for our project operation and maintenance team, and (vii) other miscellaneous expenses such as equipment accessories and logistics expenses.

We recorded an increase of 9.4% in cost of sales from RMB1,053.7 million in 2023 to RMB1,153.2 million in 2024, which was in line with our increase in revenue.

Gross Profit and Gross Margin

The following table sets forth our gross profit in absolute amounts and as a percentage of revenue, i.e., gross margins, for the periods indicated:

	Year ended December 31,			
	2024		2023	
	Gross Profit	***Gross margin***	*Gross Profit*	*Gross margin*
	RMB'000	***(%)***	*RMB'000*	*(%)*
MPaaS	**178,927**	**17.2%**	188,541	19.3%
APaaS	**100,453**	**28.4%**	84,554	30.1%
Others	**4,445**	**10.1%**	7,150	9.2%
Total	**283,825**	**19.8%**	280,245	21.0%

We recorded a drop in our gross margin due to increase in network and bandwidth costs in the market in 2024.

Other income and gains

Other income and gains consists primarily of government grants relating to our research and development activities and additional input value-added tax credit, and bank deposit interest income.

We recorded a decrease in other income and gains from RMB30.9 million in 2023 to RMB9.8 million in 2024, which was mainly due to expiry of government grants policy and reduction in grants received from local government and input value-added tax credit.

Research and development costs

Research and development costs consists primarily of personnel costs, depreciation and amortisation, outsourcing of non-essential research and development expenses and others.

We recorded a 23.1% increase in research and development costs from RMB128.0 million in 2023 to RMB157.6 million in 2024, which was mainly due to increased investment in research and development projects related to APaaS and artificial intelligence.

Selling and marketing expenses

We recorded a decrease in selling and marketing expenses from RMB139.1 million in 2023 to RMB115.9 million in 2024 due to our continuous effort in cost control.

Fair value losses on convertible redeemable preferred shares

Our fair value changes of convertible redeemable preferred shares represent changes in the fair value of the convertible redeemable preferred shares issued by us to Pre-IPO Investors.

We recorded a 88.1% increase in fair value losses on convertible redeemable preferred shares from RMB156.1 million in 2023 to RMB293.6 million in 2024, primarily due to revaluation of equity value of our Company upon listing of the shares of our Company in the initial public offering of our Company ("**IPO**") on October 16, 2024.

Upon the successful completion of the IPO, all convertible redeemable preferred shares of our Company were fully converted to share capital and share premium.

Taxation

We recorded RMB31,000 income tax expense during 2024 as compared with zero income tax expense during 2023.

Loss for the Year

We recorded an increase in loss from RMB324.1 million to RMB459.4 million in 2023 and 2024, respectively, mainly due to the increase in loss caused by the fair value changes of convertible redeemable preferred shares in 2024.

Adjusted Net Loss

We recorded an adjusted net loss (non-IFRS Measure) for the year ended December 31, 2024 of RMB127.0 million, compared to an adjusted net loss (non-IFRS Measure) of RMB115.6 million for the year ended December 31, 2023. Our Company defines the adjusted net loss (non-IFRS Measure) as the loss for the year, excluding fair value changes on convertible redeemable preferred shares, share-based payments and listing expenses.

Total Comprehensive Loss for the Year

We recorded total comprehensive loss of RMB373.1 million and RMB471.7 million in 2023 and 2024, respectively. The differences between the loss for the year and the total comprehensive loss for the year was due to the exchange differences on translation (including those that may be reclassified and those that will not be reclassified to profit or loss in subsequent periods).

Liquidity and Capital Resources

We fund our operations and strategic investments from cash generated from our operations and through debt and equity financing. As of December 31, 2024 we had cash and cash equivalents, restricted cash and time deposits of a total amount of RMB519.5 million. Short-term bank deposits were deposits with original maturities over three months and less than one year. Time deposits are made for varying periods of between one day and twelve months depending on the immediate cash requirements of our Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no history of default.

As at December 31, 2024, our Group's interest-bearing bank and other borrowings amounted to RMB196.1 million, which were short-term bank loans within one year without any pledge of our Group's property, plant and equipment.

Recognition of Revenue

We are mainly engaged in the business of providing MPaaS products, APaaS solutions, and other services including DPaaS solutions and other cloud services. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

Our capital expenditures primarily consist of expenditures for fixed assets, comprising property, plant and equipment, specifically servers, computer equipment, office equipment and furniture.

In years 2023 and 2024, our capital expenditures totalled RMB16.3 million, and RMB35.0 million, respectively.

In 2024, we funded our capital expenditure mainly from cash generated from our operating activities and bank borrowings.

CONTINGENT LIABILITIES

Our Group did not have any material contingent liabilities as at December 31, 2023 and December 31, 2024.

MATERIAL ADVERSE CHANGE

Other than as disclosed in this annual results announcement, we are not aware of any trends, uncertainties, demands, commitments or events for the current fiscal year that are reasonably likely to have a material effect on our net revenues, income, profitability, liquidity or capital reserves, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Financial reporting risk management

We have a set of policies in connection with our financial reporting risk management, such as financial system management, assets protection management, budget management, and operation analysis management. We also have procedures in place to implement such policies, which our financial department follows when reviewing our management accounts. In addition, we provide regular training to our financial department staff to ensure that they understand our accounting policies and procedures.

Operational risk management

We pay detailed attention to the review of contents published by our customers. We have developed a proprietary intelligent content censor system, which leverages the machine learning technology to determine within several seconds whether the contents published by customers (including texts, graphics, and videos) have violated or is likely to violate any policies, and we manage this accordingly, through measures such as blocking such content from being published. At the same time, we set up an operational risk management team, members of which will conduct comprehensive reviews of contents used in our platform. In addition, end customers can give feedback or report any violating contents published by our customers through different channels. Our operational risk management team will, pursuant to applicable laws and regulations, delete or remove offending contents and penalize such customers.

Investment risk management

We invest in or acquire businesses that complement ours, such as those that can expand our service scope and strengthen our R&D capabilities. We usually plan to hold our investments for the long term. To protect shareholders' interests and control potential risks related to investments, we generally require the investees to grant us the usual investor protection rights.

In our investment projects, our corporate strategic management center identifies investment projects based on our investment strategies and evaluates the risks and potential of these investment projects in advance. We adopt different levels of approval and due diligence mechanisms depending on the specific circumstances of the investment project. Our finance and legal affairs department collaborates with the corporate strategic management center on evaluation, structure, analysis, communication, execution, risk control, reporting and post investment risk management of transactions. In addition, our finance and legal affairs department regularly monitors trading behavior. Any significant issues will be timely reported to the Board and the corporate strategic management center composed of several senior management team members with rich industry experience for further discussion.

Anti-bribery and corruption

Pursuant to our internal control policy, namely Qiniu Cloud Anti-Bribery and Anti-Corruption Management System (《七牛雲反舞弊反賄賂管理機制》), all employees of our Group would be penalized for engaging in bribery, corruption, misappropriation and fraud in exchange for personal or commercial benefits. The audit department is responsible for identifying, assessing and reporting corruption incidents to the CEO in accordance with a prescribed set of criteria, including the scope, severity and complexity of the suspicious activity, As precautionary measures, we also strengthen our internal control measures against bribery and corruption from time to time. In addition, we include a warranty in our procurement contract that suppliers shall guarantee to us that all goods or services that they provided comply with relevant U.S. trade control and sanctions laws and regulations.

SIGNIFICANT CHANGES

We have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual results announcement.

PLEDGE OF ASSETS

As of December 31, 2024, we did not pledge any of our assets.

FOREIGN EXCHANGE RISK MANAGEMENT

Foreign exchange risk refers to the risk of loss caused by the changes in foreign exchange rates. The functional currency of our Company and our subsidiaries incorporated in Cayman Islands, the British Virgin Islands, Hong Kong, Singapore and Vietnam is USD. The operations of our Group are mainly located in the PRC with most transactions denominated and settled in Renminbi. Our Group will closely monitor the relevant situation and take measures when necessary to ensure that the foreign exchange risk is within the controllable range. As of the end of the Reporting Period, we did not have any significant exposure to foreign currency risk.

CONTINGENT LIABILITIES

As of December 31, 2024, we did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

EMPLOYEES

As of December 31, 2024, we had 325 full-time employees, including 223 male and 102 female employees. As of December 31, 2024, we did not experience any strikes or any labor disputes with our employees which have had or are likely to have a material effect on our business.

Our employees typically enter into standard employment contracts with us. We place high value on recruiting, training and retaining our employees. We maintain high recruitment standards and provide competitive compensation packages. Remuneration packages for our employees mainly comprise base salary and bonus. We also provide both in-house and external trainings for our employees to improve their skills and knowledge. For the year ended December 31, 2024, total employee benefit expenses including director's and chief executive's remuneration amounted to RMB286.8 million.

We contribute to social security insurance and housing provident funds for our employees in accordance with applicable PRC laws, rules and regulations in all material aspects.

We have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development. Our Company has adopted the Pre-IPO Share Plan and Post-IPO Share Option Scheme. As at December 31, 2024, the total number of outstanding share options granted under the Pre-IPO Share Plan was 131,225,193 shares and our Company did not grant any share options under the Post-IPO Share Option Scheme.

RETIREMENT AND EMPLOYEE BENEFITS SCHEMES

Our Group only operate defined contribution pension plans. The employees of our Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

No forfeited contribution (by our Group on behalf of our employees who leave the scheme prior to vesting fully in such contributions) is available to be utilized by our Group to reduce the contributions payable in the future years or to reduce our Group's existing level of contributions to the pension scheme.

MATERIAL ACQUISITION, DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENT

From October 16, 2024 (the "**Listing Date**") to December 31, 2024, our Group had no material acquisition, disposal of subsidiaries, associates and joint ventures or significant investment.

USE OF THE NET PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds received from the global offering of our Company in October 2024 (the "**Global Offering**"), after deducting the underwriting fees and commissions and expenses payable by our Company in connection with the Global Offering, amounted to approximately HK$369.7 million. Our Company did not exercise the over-allotment option. During the period from the Listing Date to December 31, 2024, the net proceeds from the Global Offering were utilized in the manner as follows:

	Approximate percentage of the total net proceeds	**Net proceeds from the Global Offering** *(HKD in millions)*	**Net proceeds utilized as of December 31, 2024** *(HKD in millions)*	**Remaining net proceeds as of December 31, 2024** *(HKD in millions)*	**Expected time to utilize the remaining net proceeds in full**
Penetrating and deepening our presence in the application scenarios of our APaaS business and developing and expanding our customer base	38.0%	140.5	7.1	133.4	By the end of the year ending December 31, 2028
Expanding our overseas business	20.0%	73.9	4.0	69.9	By the end of the year ending December 31, 2028
Enhancing our research and development capabilities and improving our technology infrastructure	12.0%	44.4	1.7	42.7	By the end of the year ending December 31, 2028
Selected mergers, acquisitions, and strategic investments	20.0%	73.9	–	73.9	By the end of the year ending December 31, 2028
Working capital and general corporate purposes	10.0%	37.0	3.0	34.0	By the end of the year ending December 31, 2028
Total	**100%**	**369.7**	15.8	353.9	

As of December 31, 2024, our Group has utilized HK$15.8 million of the net proceeds from the Global Offering, and the remaining net proceeds of HK$353.9 million were deposited with licensed banks in Hong Kong or the PRC. Our Group will further utilize the net proceeds from the Global Offering in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the prospectus of our Company dated September 30, 2024.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in the section headed "Use of the net proceeds from the global offering", our Group did not have any future plans of material investment and capital assets as at the date of this announcement.

SUBSEQUENT EVENTS

After the end of the Reporting Period, on February 21, 2025, our Group established a new independent framework by entering into the a new set of contractual arrangement (the "**New Contractual Arrangements**") with Kongshan Network Technology (Jiaxing) Limited* (空山網路科技(嘉興)有限公司), an indirect wholly-owned subsidiary in Jiaxing City ("**Jiaxing Kongshan**"), Jiaxing Qiniu Information Technologies Co., Ltd.* (嘉興七牛信息技術有限公司) ("**Qiniu Jiaxing**") and Qiniu Jiaxing's shareholders, namely Mr. Xu Shiwei, our chairman and executive Director and Mr. Lyu Guihua, our non-executive Director. Qiniu Jiaxing is a new PRC entity we established in Jiaxing City as our new PRC headquarters. Our Group can recognize and receive the economic benefits from Qiniu Jiaxing's businesses and operations under the New Contractual Arrangements. For further details, please refer to the continuing connected transactions announcement of our Company dated February 21, 2025.

FINAL DIVIDEND

Our Board did not recommend the payment of any final dividend for the year ended December 31, 2024.

CLOSURE OF REGISTER OF MEMBERS

For determining the shareholders' entitlement to attend and vote at the annual general meeting ("**AGM**") of our Company to be held on Wednesday, May 28, 2025, the register of members of our Company will be closed from Friday, May 23, 2025 to Wednesday, May 28, 2025, both days inclusive, during which no transfer of shares will be registered. To qualify for attending and voting at the AGM, shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to our Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, May 22, 2025 for registration of the relevant transfer.

CORPORATE GOVERNANCE CODE

Our Group is committed to maintaining a high standard of corporate governance to safeguard the interests of our shareholders and enhance our value and accountability. Our Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as our governance code.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Xu Shiwei is currently the chairman and chief executive officer of our Company. In view of the fact that Mr. Xu established our Company and has been assuming the responsibilities in the overall management and supervision of the daily operations of our Group since May 2011, our Board believes that it is in the best interest of our Group to have Mr. Xu taking up both roles for effective management and operations. Therefore, our Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, our Directors are of the view that our Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board committee, and there are three independent non-executive Directors on our Board offering independent perspectives, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

Save as disclosed above, during the period from the Listing Date to the date of this announcement, our Company has always complied with all the applicable code provisions set out in the Corporate Governance Code.

Our Group will continue to review and monitor our corporate governance practices in order to ensure the compliance with the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTION

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the securities transactions by Directors and relevant employees. Specific enquiry has been made to all the Directors and relevant employees and each of them has confirmed that he/she has complied with the required standards as set out in the Model Code from the Listing Date to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period from the Listing Date to December 31, 2024, none of our Company or any of our subsidiaries or its consolidated affiliated entities had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of our Company.

As of December 31, 2024, there were no treasury shares held by our Company.

AUDIT COMMITTEE

Our Board has established an audit committee (the "**Audit Committee**"), consisting of three independent non-executive Directors, namely, Mr. Zhou Zheng (Chairman), Dr. Shi Qing and Mr. Wei Shaojun. Written terms of reference have been adopted for the Audit Committee, which clearly specify its duties and responsibilities and are available for inspection on the websites of our Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Audit Committee has, together with the senior management and the external auditor of our Company, reviewed the accounting principles and practices adopted by our Group, and reviewed the audited consolidated financial statements of our Group for the year ended December 31, 2024.

This annual results announcement is based on our Group's audited consolidated financial statements for the year ended December 31, 2024 as agreed with the external auditors of our Company.

AUDITOR'S SCOPE OF WORK

The figures in respect of our Group's consolidated statements of financial position, consolidated statements of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in this preliminary announcement have been agreed by our Group's auditor, Ernst & Young, to the amounts set out in our Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND 2024 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.qiniu.ltd). The annual report of our Company for the year ended December 31, 2024 containing all the information as required by the Listing Rules will be published on the above websites by end of April 2025.

By Order of the Board
Qiniu Limited
Xu Shiwei
Chairman and Executive Director

Hong Kong, March 21, 2025

As at the date of this announcement, the Board comprises Mr. Xu Shiwei as chairman and executive Director, Ms. Chen Yiling as executive Director; Mr. Lyu Guihua as non-executive Director; and Mr. Wei Shaojun, Mr. Zhou Zheng and Dr. Shi Qing as independent non-executive Directors.