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**雲工場科技控股有限公司**  
**Cloud Factory Technology Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2512)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
**AND**  
**CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

The Board of the Company is pleased to announce the audited condensed consolidated annual results of the Group for the Reporting Period, together with the comparative figures of the year ended 31 December 2023. The consolidated annual results of the Group for the Reporting Period have been reviewed by the Audit Committee.

<b>FINANCIAL HIGHLIGHTS</b>	<b>For the year ended</b>		<b>Change</b>
	<b>31 December</b>		
	<b>2024</b>	<b>2023</b>	
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	<b>(%)</b>
Revenue	<b>707,629</b>	695,949	1.7
Gross profit	<b>89,622</b>	87,641	2.3
Profit before tax	<b>13,831</b>	14,671	(5.7)
Profit for the year	<b>12,372</b>	14,224	(13.0)
Earnings per Share (expressed in RMB per Share)	<b>0.03</b>	0.04	(25.0)

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the year ended 31 December 2024

		For the year ended	
		31 December	
		2024	2023
	Notes	RMB'000	RMB'000
<b>REVENUE</b>	4	<b>707,629</b>	695,949
Cost of sales		<u>(618,007)</u>	<u>(608,308)</u>
Gross profit		<b>89,622</b>	87,641
Other income and gains	4	<b>9,388</b>	1,318
Selling and distribution expenses		<b>(7,759)</b>	(8,145)
Administrative expenses		<b>(44,132)</b>	(35,681)
Research and development expenses		<b>(23,815)</b>	(22,231)
Impairment losses on financial assets		<b>(689)</b>	(4,155)
Other expenses		<b>(235)</b>	(89)
Finance costs	6	<u><b>(8,549)</b></u>	<u>(3,987)</u>
<b>PROFIT BEFORE TAX</b>	5	<b>13,831</b>	14,671
Income tax expense	7	<u><b>(1,459)</b></u>	<u>(447)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>12,372</b></u>	<u>14,224</u>
attributable to:			
— Owners of the parent		<b>12,091</b>	13,923
— Non-controlling interests		<u><b>281</b></u>	<u>301</u>
		<u><b>12,372</b></u>	<u>14,224</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted (RMB)	9	<u><b>0.03</b></u>	<u>0.04</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	For the year ended	
	31 December	
	2024	2023
	RMB'000	RMB'000
<b>PROFIT FOR THE YEAR</b>	<b><u>12,372</u></b>	<b><u>14,224</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>842</u>	<u>—</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>842</u>	<u>—</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>5,507</u>	<u>—</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>5,507</u>	<u>—</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b><u>6,349</u></b>	<b><u>—</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>18,721</u></b>	<b><u>14,224</u></b>
Attributable to:		
Owners of the parent	18,440	13,923
Non-controlling interests	<u>281</u>	<u>301</u>
	<b><u>18,721</u></b>	<b><u>14,224</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2024

		As at 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		32,597	21,453
Right-of-use assets		641	1,408
Other intangible assets		230	166
Deferred tax assets		1,836	1,938
Other non-current assets	10	<u>53,915</u>	<u>78,846</u>
Total non-current assets		<u>89,219</u>	<u>103,811</u>
<b>CURRENT ASSETS</b>			
Inventories		129	—
Trade receivables	11	235,042	197,627
Prepayments, other receivables and other assets	12	215,973	37,962
Restricted cash		27	—
Cash and cash equivalents		<u>371,016</u>	<u>162,341</u>
Total current assets		<u>822,187</u>	<u>397,930</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	13	199,598	244,135
Other payables and accruals		38,023	31,481
Contract liabilities		231	76
Interest-bearing bank borrowings		262,811	166,734
Lease liabilities		485	595
Tax payable		<u>4,329</u>	<u>3,155</u>
Total current liabilities		<u>505,477</u>	<u>446,176</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>316,710</u>	<u>(48,246)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>405,929</u>	<u>55,565</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<u>9</u>	<u>664</u>
Total non-current liabilities		<u>9</u>	<u>664</u>
Net assets		<u>405,920</u>	<u>54,901</u>

		<b>As at 31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	<i>14</i>	<b>33</b>	—
Reserves		<u><b>402,409</b></u>	<u>54,138</u>
		<u><b>402,442</b></u>	<u>54,138</u>
Non-controlling interests		<u><b>3,478</b></u>	<u>763</u>
<b>Total equity</b>		<u><b>405,920</b></u>	<u>54,901</u>

## NOTES TO FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP INFORMATION

Cloud Factory Technology Holdings Limited is a limited liability company incorporated in the Cayman Islands on 10 December 2021. The registered office of the Company is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the provision of Internet Data Centre (“IDC”) solution services, edge computing services, and Information Communications Technology (“ICT”) services and other services in the People’s Republic of China (“PRC”).

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 14 June 2024 (the “Listing Date”).

### 2. ACCOUNTING POLICIES

#### 2.1 Basis of presentation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets 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 Group for the year ended 31 December 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) 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 exchange fluctuation 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	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

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 reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (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

The Group is principally a provider of IDC solution services, edge computing services, and ICT solution services and other services in Mainland China.

Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment. Since this is the only reportable operating segment of the Group, no further operating segment analysis is presented.

#### Geographical information

During the year, all of the Group's revenue was derived from customers located in Mainland China and all of the Group's non-current assets were located in Mainland China, and therefore no further geographical information is presented in accordance with IFRS 8 *Operating Segments*.

#### Information about major customers

Revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during each of the reporting period is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Customer A	156,592	108,431
Customer B	136,555	145,722
Customer C	93,559	N/A*
Customer D	74,708	N/A*
Customer E	<u>N/A*</u>	<u>107,414</u>
Total	<u><u>461,414</u></u>	<u><u>361,567</u></u>

\* Less than 10% of the Group's revenue

### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers	<u><u>707,629</u></u>	<u><u>695,949</u></u>



## Revenue from contracts with customers

### (a) *Disaggregated revenue information*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Types of goods or services</b>		
IDC solution services	658,663	673,752
Edge computing services	48,966	18,064
ICT services and other services	<u>—</u>	<u>4,133</u>
Total revenue from contracts with customers	<u><b>707,629</b></u>	<u>695,949</u>
<b>Geographical market</b>		
Mainland China	<u><b>707,629</b></u>	<u>695,949</u>
<b>Timing of revenue recognition</b>		
Services transferred over time	705,463	691,816
Services transferred at a point in time	<u>2,166</u>	<u>4,133</u>
Total	<u><b>707,629</b></u>	<u>695,949</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting year		
IDC solution services	10	1,849
Edge computing services	<u>66</u>	<u>—</u>
Total	<u><b>76</b></u>	<u>1,849</u>

### (b) *Performance obligations*

#### *Provision of IDC solution services and edge computing services*

For the provision of IDC solution services and content delivery network services, the performance obligation is satisfied over time when the services are rendered. For the provision of EdgeAIoT services, revenue is recognised at a point in time. The performance obligation is satisfied upon acceptance of services by the customers. The payment is generally due within 10 to 60 days after receipt of invoice.

*Provision of ICT services and other services*

For the provision of ICT services and other services, revenue is recognised at a point in time. The performance obligation is satisfied upon acceptance of services by the customers. The timing of payment varies from contract to contract usually within 180 days after receipt of invoice.

All provisions of services are satisfied within one year or less.

An analysis of other income and gains is as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Other income</b>		
Government grants	<b>3,727</b>	1,060
Bank interest income	<b>2,732</b>	214
Interest income from long-term receivables	<b>2,920</b>	—
	<hr/>	<hr/>
Total other income	<b>9,379</b>	1,274
	<hr/>	<hr/>
<b>Gains</b>		
Gain on disposal of items of property, plant and equipment	—	38
Gain on disposal of items of right-of-use assets	<b>9</b>	6
	<hr/>	<hr/>
Total gains	<b>9</b>	44
	<hr/>	<hr/>
Total other income and gains	<b>9,388</b>	1,318
	<hr/> <hr/>	<hr/> <hr/>

## 5. PROFIT BEFORE TAX

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

	<i>Notes</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of services provided*		<b>618,007</b>	608,308
Depreciation of property, plant and equipment		<b>5,740</b>	2,876
Depreciation of right-of-use assets		<b>541</b>	557
Amortisation of intangible assets		<b>298</b>	203
Research and development expenses*		<b>23,815</b>	22,231
Expense relating to short-term leases		<b>191</b>	211
Audit fee for the first annual audit after listing		<b>3,350</b>	—
Employee benefit expense (including directors' and chief executive's remuneration):			
— Wages and salaries		<b>29,467</b>	22,644
— Pension scheme contributions and social welfare		<b>4,198</b>	2,992
Total		<b>33,665</b>	25,636
Impairment losses recognised for financial assets	10/11/12	<b>689</b>	4,155
Bank interest income	4	<b>(2,732)</b>	(214)
(Gain)/loss on disposal of items of property, plant and equipment		<b>26</b>	(38)
Gain on disposal of items of right-of-use assets	4	<b>(9)</b>	(6)

\* Certain depreciation of property, plant and equipment and employee benefit expense included

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on loans and borrowings	<b>8,503</b>	3,937
Interest on lease liabilities	<b>46</b>	50
Total	<b>8,549</b>	3,987

## 7. INCOME TAX

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

### Cayman Islands

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

## Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the statutory rate of 16.5% (2023: 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 ended 31 December 2024.

## Mainland China

Pursuant to the Corporate Income Tax of the PRC and the respective regulations (the “CIT Law”), the Company’s subsidiaries which operate in Mainland China are subject to income tax at a rate of 25% on their respective taxable income.

Jiangsu Cloud Factory Information Technology Co., Ltd. (“Yungongchang”) renewed its “High-and-New Technology Enterprise” (“HNTE”) qualification in 2024 and therefore is entitled to a preferential tax rate of 15% for a three-year period since 2024. The qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authority in Mainland China for every three years and Yungongchang should self-evaluate whether it meets the criteria of High and New Technology Enterprise each year.

Certain of the Group’s PRC subsidiaries are qualified as small and micro enterprises and were entitled to a preferential corporate income tax rate of 5% for the year ended 31 December 2024.

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Current	1,357	1,218
Deferred	<u>102</u>	<u>(771)</u>
Total tax charge for the year	<u><u>1,459</u></u>	<u><u>447</u></u>

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Profit before tax	13,831	14,671
Tax at the statutory tax rate of 25% in Mainland China	3,458	3,668
Preferential tax rates enacted by local authority	(1,270)	(1,448)
Additional deduction of research and development expenses	(2,048)	(3,097)
Tax losses and deductible temporary differences not recognised	—	94
Expenses not deductible for tax	1,319	1,233
Use of tax deductible losses from prior periods	<u>—</u>	<u>(3)</u>
Tax charge at the Group’s effective rate	<u><u>1,459</u></u>	<u><u>447</u></u>

## 8. DIVIDENDS

No dividend has been declared and paid by the Company during the year ended 31 December 2024.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 421,575,342 (after adjusted for the effect of the Capitalisation Issue in issue during the year ended 31 December 2024 (2023: 375,000,000)). The share subdivision was treated as having been in issue for the whole year and also included in the earnings per share calculation of the comparative period presented so as to give a comparable result.

The calculation of basic earnings per share is based on:

	2024	2023
<b>Earnings</b>		
Earnings attributable to ordinary equity holders of the parent (RMB'000)	12,091	13,923
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year	<u>421,575,342</u>	<u>375,000,000</u>
Earnings per share		
Basic and diluted (RMB)	<u>0.03</u>	<u>0.04</u>

## 10. OTHER NON-CURRENT ASSETS

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Long-term receivables	78,691	98,149
Less: Long-term receivables due within one year	(23,025)	(16,839)
Less: Impairment	<u>(1,751)</u>	<u>(2,464)</u>
At the end of the year	<u>53,915</u>	<u>78,846</u>

The movements in the loss allowance for impairment of other non-current assets are as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	2,464	—
Impairment losses, net	<u>(713)</u>	<u>2,464</u>
At the end of the year	<u>1,751</u>	<u>2,464</u>

An impairment analysis is performed using estimated loss rate to measure expected credit losses. As at the end of the reporting period, long-term receivables are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition, and thus the Group has assessed the expected credit losses under the 12-month expected credit loss method. Expected credit losses are also based on study of the specific company's credit-rating from external agency and default and recovery data for different credit-rating from external agency, and are adjusted for forward-looking information.

Set out below is the information about the credit risk exposure on the Group's long-term receivables and long-term receivables due within one year using estimated loss rate:

As at 31 December 2024:

**Long-term receivables  
and long-term  
receivables due within  
one year credit-rating  
Unrated**

Collectively assessed:

Expected credit loss rate	3.15%
Gross carrying amount	78,691
Expected credit losses	2,475

As at 31 December 2023:

Long-term receivables  
and long-term  
receivables due within  
one year credit-rating  
Unrated

Collectively assessed:

Expected credit loss rate	3.03%
Gross carrying amount	98,149
Expected credit losses	2,974

**11. TRADE RECEIVABLES**

	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Trade receivables	<b>239,564</b>	200,991
Impairment	<b>(4,522)</b>	(3,364)
At the end of the year	<b><u>235,042</u></b>	<b><u>197,627</u></b>

The Group's trading terms with its customers are mainly on credit, except for small customers of IDC solution services, where payment in advance is normally required. The credit periods are generally 10 to 60 days after receipt of invoice for major customers. 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. At the end of the reporting period, the Group had certain concentrations of credit risk as 16% (2023: 19%) and 59% (2023: 69%) of the Group's trade receivables were due from the Group's largest customer and five largest customers, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

For the years ended 31 December 2023 and 31 December 2024, certain of the Group's trade receivables with net carrying amounts of approximately RMB15,000,000 and Nil were pledged to secure general banking facilities granted to the Group, respectively.

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

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	<b>191,579</b>	197,200
1 to 2 years	<u><b>43,463</b></u>	<u>427</u>
Total	<u><b>235,042</b></u>	<u>197,627</u>

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

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
At the beginning of the year	<b>3,364</b>	2,243
Impairment losses recognised	<u><b>1,158</b></u>	<u>1,121</u>
At the end of the year	<u><b>4,522</b></u>	<u>3,364</u>

An impairment analysis is performed at each reporting date using estimated loss rate to measure expected credit losses. The estimated loss rates are based on historical observable default rates over expected life of the debts, study of each specific customer's credit-rating from external agency and default and recovery data for different credit-rating from external agency, and are adjusted for forward-looking information (for example, forecasted economic growth rates in the PRC, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort. The calculation reflects the probability-weighted outcome, reasonable and supportable information that is available at the end of each reporting date about past events, current conditions, and forecasts of future economic conditions. The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

Set out below is the information about the credit risk exposure on the Group's trade receivables using estimated loss rate:

As at 31 December 2024:

	<b>Trade receivables credit rating</b>			
	<b>A</b>	<b>Baa</b>	<b>Unrated</b>	<b>Total</b>
Individually assessed:				
Expected credit loss rate	—	—	<b>100.00%</b>	<b>100.00%</b>
Gross carrying amount (RMB'000)	—	—	<b>787</b>	<b>787</b>
Expected credit losses (RMB'000)	—	—	<b>787</b>	<b>787</b>
Collectively assessed:				
Expected credit loss rate	<b>0.05%</b>	—	<b>3.14%</b>	<b>1.56%</b>
Gross carrying amount (RMB'000)	<b>121,986</b>	—	<b>116,791</b>	<b>238,777</b>
Expected credit losses (RMB'000)	<b>62</b>	—	<b>3,673</b>	<b>3,735</b>

As at 31 December 2023:

	<b>Trade receivables credit rating</b>			
	<b>A</b>	<b>Baa</b>	<b>Unrated</b>	<b>Total</b>
Individually assessed:				
Expected credit loss rate	—	—	100.00%	100.00%
Gross carrying amount (RMB'000)	—	—	386	386
Expected credit losses (RMB'000)	—	—	386	386
Collectively assessed:				
Expected credit loss rate	0.05%	0.49%	3.03%	1.48%
Gross carrying amount (RMB'000)	103,765	204	96,636	200,605
Expected credit losses (RMB'000)	49	1	2,928	2,978



## 12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Long-term receivables due within one year	23,025	16,839
Less: Impairment	<u>(724)</u>	<u>(510)</u>
	<u>22,301</u>	<u>16,329</u>
Prepayments	121,716	3,325
Other receivables	67,924	11,666
Deposits	863	472
Listing fee	—	6,117
Others	<u>3,262</u>	<u>116</u>
	<u>193,765</u>	<u>21,696</u>
Less: Impairment	<u>(93)</u>	<u>(63)</u>
	<u>193,672</u>	<u>21,633</u>
Total	<u><u>215,973</u></u>	<u><u>37,962</u></u>

Prepayments, other receivables and other assets are unsecured, non-interest-bearing and have no fixed terms of repayment.

The movements in provision for impairment of receivables are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
At the beginning of the year	573	3
Impairment losses recognised	<u>244</u>	<u>570</u>
At the end of the year	<u><u>817</u></u>	<u><u>573</u></u>

An impairment analysis is performed at each reporting date using estimated loss rate to measure expected credit losses. As at each reporting date, financial assets included in prepayments, other receivables and other assets are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition, and thus the Group has assessed the expected credit losses under the 12-month expected credit loss method.

The impairment analysis of long-term receivables due within one year are disclosed in note 10.

### 13. TRADE PAYABLES

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

	2024 RMB'000	2023 RMB'000
Within 1 year	199,048	242,707
1 to 2 years	<u>550</u>	<u>1,428</u>
Total	<u><u>199,598</u></u>	<u><u>244,135</u></u>

The trade payables are non-interest-bearing and are normally settled within 90 to 150 days.

### 14. SHARE CAPITAL

#### Shares

	2024 RMB	2023 RMB
Issued and fully paid:		
460,000,000 (2023: 1,000,000) ordinary shares	<u><u>32,722</u></u>	<u><u>64</u></u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB
At 1 January 2023	100	64
Share subdivision	<u>999,900</u>	<u>—</u>
At 31 December 2023 and 1 January 2024	1,000,000	64
Capitalisation issue ( <i>Note (a)</i> )	374,000,000	26,610
Issue of shares from initial public offering ( <i>Note (b)</i> )	<u>85,000,000</u>	<u>6,048</u>
At 31 December 2024	<u><u>460,000,000</u></u>	<u><u>32,722</u></u>

#### Notes:

- (a) Pursuant to the written resolution of the shareholders of the Company passed on 14 May 2024, and subject to the share premium account of the Company being credited as a result of the issue of the offer shares pursuant to the Global Offering, a total of 374,000,000 shares credited as fully paid at par were allotted and issued on the Listing Date to the holders of shares whose names appear on the register of shareholders of the Company on the day preceding the Listing Date in proportion to their then existing shareholdings in the Company by capitalising the relevant sum from the share premium account of the Company ("Capitalisation Issue"). The shares allotted and issued pursuant to the above Capitalisation Issue will rank *pari passu* in all respects with the existing issued shares.

- (b) On 14 June 2024, the Company issued a total of 85,000,000 ordinary shares of US\$0.00001 each at the price of HK\$4.60 per share by means of global offering.

## **15. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the board of directors on 26 March 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### *IDC Solution Services*

In 2024, we continued to deepen our IDC Solution Services by optimizing resource allocation, enhancing service quality and efficiency, effectively meeting our customers' demands for stable, efficient, and secured cloud computing foundational services.

During the Reporting Period, we strengthened our IDC Solution Services. In response to several internet security risks in internet data centers, we are developing a defence system that can proactively assess network traffic and identify potential security risks. We also attempted to integrate the technology of our EdgeAloT Services into the real-time monitoring systems of internet data centers to detect emergent situations at an early stage and minimise the damages to property as well as the impact on our operation.

During the Reporting Period, the revenue from IDC Solution Services was RMB658.7 million, accounting for 93.1% of our total revenue. During the Reporting Period, we had 19 new customers for our IDC Solution Services. To increase our market share, we expanded the provision of our IDC Solution Services to more geographic locations, including Suqian and Taizhou in Jiangsu Province, Luohe in Henan Province, and Jiangxi Province.

#### *Edge Computing Services*

2024 was a crucial year for our Edge Computing Services to achieve strategic breakthroughs.

During the Reporting Period, our EdgeCDN Services under the brand of *Lingjing Cloud* achieved several key technological breakthroughs. Firstly, the EdgeCDN network completed node deployment in all provinces and major cities nationwide, with the platform's overall capacity increasing by 4.8 times compared to the year of 2023 to successfully support the massive business demands of leading platform customers. Secondly, by completing the modular transformation of customized log processing services, we reduced the development cycle from seven days to one day and optimized the software and hardware architecture, with single-machine performance peaking at over 10 Gbps. Additionally, the Group developed graphical metadata management system and gray release system, achieving dual improvements in metadata operation efficiency and security. We also completed the development of the HTTP 302 scheduling system and built the *Lingjing Cloud* IP address library, which support full coverage of the QUIC (Quick UDP Internet Connections) protocol and significantly enhance scheduling flexibility and precision. Finally, by restructuring the preheating system logic, our cache climb speed increased by 400%, providing end-users with a more efficient content distribution experience.

In terms of product innovation, during the Reporting Period, we launched *Lingjing Cloud* Global Edge Accelerating EdgeGlobalCDN Services (“**EdgeGlobalCDN Services**”). The EdgeGlobalCDN Services complement the EdgeCDN Services to jointly build a strong, stable, and secured global network acceleration system. The EdgeGlobalCDN Services deeply integrate high-quality service providers’ edge distribution networks distributed globally, accurately matching content distribution nodes for overseas network users, facilitating users’ access to resources nearby and reducing data transmission distances. This effectively avoids network delays, stuttering, and instability caused by long-distance transmission and network congestion, significantly improving overseas users’ network access speed and experience.

Under the wave of global AI development, we invested considerable time and effort in optimizing our AIoT Services, achieving comprehensive enhancements in software and hardware capabilities. During the Reporting Period, on the software side, we had developed 17 new target recognition categories and over 50 algorithm models in aggregate, supporting key element recognition in multiple scenarios, such as transportation, factories, parks, and dining services, including analyzing and recognizing human behavior sequences. On the hardware side, our EdgeAIoT Services also achieved significant breakthroughs to fully support various mainstream edge computing hosts domestically and internationally, covering hardware devices from high to low computility. Additionally, we focused on promoting the adaptation of our EdgeAIoT Services with domestic computility, achieving comprehensive design, training, and inference support for neural network models. In achieving these measures, the commercialization process of our EdgeAIoT Services progressed smoothly during the Reporting Period. We secured over 20 contracts in 2024, covering areas such as smart municipal administration, urban management, intelligent highways (highways, provincial roads, rural roads), intelligent dining, and intelligent factories.

Furthermore, during the Reporting Period, our edge AI computing platform – EdgeAIStation Services (“**EdgeAIStation Services**”) under the brand of *Lingjing Cloud* has also been officially launched. EdgeAIStation Services provides widely distributed GPU, NPU, FPGA, and other types of heterogeneous cloud computility services based on the *Lingjing Cloud* edge cloud network and uses distributed heterogeneous computility management scheduling technology to provide elastic cloud computing services for machine learning, deep learning, scientific computing, image rendering, AIoT, and high-performance computing.

Through these measures, our Edge Computing Services achieved a total revenue of RMB49.0 million during the Reporting Period, representing a 170.7% increase from the year of 2023. In terms of revenue proportion, our Edge Computing Services accounted for 6.9% of our total revenue, as compared to 2.6% in the year of 2023, laying the foundation for the continuous growth of our Edge Computing Services revenue in the future.

## Prospect

Accompanying the acceleration of digital transformation across industries globally, we will continue to invest in the research and development of edge computing technology in 2025, gradually expanding our product layout. We will focus on two main directions:

### 1. *AI Empowerment, Expanding New Frontiers of Edge Computing Applications and Diverse Business System Development*

In business layout, under the basis of our *Lingjing Cloud* brand, we further construct three major business development curves: CDN, AIoT, and computility platforms.

With the rise of AI technology, various industries are actively exploring AI application scenarios. Edge computing lays the foundation for AI scenario implementation and will face significant development opportunities with AI empowerment. Our EdgeAIoT Services combines algorithms with IoT technology, deploying industry AI vision models and various large language models on edge computing nodes to meet customers' needs for rapid deployment, training, and application. This provides AI vision-based solutions for industries such as road patrols, factory management, and dining services. In 2025, we will continue to let digital productivity permeate various industries, empowering industrial digitalization upgrades.

Additionally, the computility platform is another key business area we will focus on developing. With the rapid development of large AI models, the demand for intelligent computility is surging. To address complex computility demands, we integrated the advantages of deeply distributed edge nodes to build a convenient, efficient, and cost-effective service platform that integrates computing, supercomputing, and intelligent computing. In 2024, we launched our EdgeAIStation Services, which was named as "Super Computing Cloud". This platform also formed strategic cooperation with national ministries to build a national-level large model public service platform, providing computility and model empowerment for the AI industry. In combining open-source large models and our self-developed AI algorithm models, we further provide high-real-time and fast-response edge AI model application solutions for various industries. Currently, the platform's computility mainly comes from our self-built *Lingjing Cloud* nodes, in the future, we plan to expand the computility pool through mergers and acquisitions or cooperation to better provide computility leasing services for enterprises, large models, and individual developers.

### 2. *Internationalization, Expanding Overseas Markets*

In 2024, we officially launched EdgeGlobalCDN Services under the brand of *Lingjing Cloud*, marking an important step in our company's international strategic layout. In 2025, we will continue to deeply cultivate the domestic market while actively expanding overseas markets. In the domestic market, we plan to complete node coverage in over 1,000 cities and further perfect the district and county-level node layout. In foreign markets, we will actively respond to the "Belt and Road Initiative", laying out overseas markets starting from Southeast Asia and gradually expanding to the Middle East and European and American markets.

In summary, in 2025, we are committed to acquiring more customers, achieving a higher market share, and making greater breakthroughs in product technology and regional expansion to ensure high-quality growth in our operations.

## FINANCIAL OVERVIEW

For the year ended 31 December 2024 compared to the year ended 31 December 2023

	For the year ended	
	31 December	
	2024	2023
	RMB'000	RMB'000
<b>REVENUE</b>	<b>707,629</b>	695,949
Cost of sales	<u>(618,007)</u>	<u>(608,308)</u>
Gross profit	<b>89,622</b>	87,641
Other income and gains	<b>9,388</b>	1,318
Selling and distribution expenses	<b>(7,759)</b>	(8,145)
Administrative expenses	<b>(44,132)</b>	(35,681)
Research and development expenses	<b>(23,815)</b>	(22,231)
Impairment losses on financial assets	<b>(689)</b>	(4,155)
Other expenses	<b>(235)</b>	(89)
Finance costs	<u><b>(8,549)</b></u>	<u>(3,987)</u>
<b>PROFIT BEFORE TAX</b>	<b>13,831</b>	14,671
Income tax expense	<u><b>(1,459)</b></u>	<u>(447)</u>
<b>PROFIT FOR THE YEAR</b>	<u><b>12,372</b></u>	<u>14,224</u>
attributable to:		
— Owners of the parent	<b>12,091</b>	13,923
— Non-controlling interests	<u><b>281</b></u>	<u>301</u>
	<u><b>12,372</b></u>	<u>14,224</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		
Basic and diluted (RMB)	<u><b>0.03</b></u>	<u>0.04</u>

## Revenue

The Group generated revenue from two operating segments, (i) IDC Solution Services; and (ii) Edge Computing Services. For the Reporting Period, the Group recorded a total revenue of RMB707.6 million when compared with RMB695.9 million for the year of 2023, representing an increase in its total revenue of 1.7%. Such increase was primarily attributable to the expansion of the Group's business, particularly in the Edge Computing Services segment.

The following table sets forth the Group's segment revenue both in absolute amount and as a percentage of its revenue for the periods presented:

	For the year ended 31 December			
	2024		2023	
	RMB'000	%	RMB'000	%
IDC Solution Services	658,663	93.1	673,752	96.8
Edge Computing Services	48,966	6.9	18,064	2.6
ICT Services and Other Services	—	—	4,133	0.6
	<u>707,629</u>	<u>100.0</u>	<u>695,949</u>	<u>100.0</u>

### *IDC Solution Services*

The Group's revenue from IDC Solution Services decreased by 2.2% to RMB658.7 million for the Reporting Period (31 December 2023: RMB673.8 million), which was the results of a ease of the market demand.

### *Edge Computing Services*

The Group's revenue from Edge Computing Services substantially increased by 170.7% to RMB49.0 million for the Reporting Period (31 December 2023: RMB18.1 million), which was the results of the Group's strategy in scaling up the business of Edge Computing Services for a steady growth of revenue, profit growth and profitability of the Group in long-term. The number of our customer of Edge Computing Services increased to 25 (31 December 2023: 16) When compared to the year of 2023, the revenue generated from our top five customer of Edge Computing Services during the Reporting Period increased by RMB28.1 million.

### *ICT Services and Other Services*

We generated nil revenue from ICT Services and Other Services for the Reporting Period (31 December 2023: RMB4.1 million), which was due to the Group's strategy to place increasing focus on IDC Solution Services and Edge Computing Services, which tend to generate stable and sustainable revenue. Such services were primarily provided on a project basis per our clients' occasional enquiries and requests, which included the provision of information communications technology solution, system



development and maintenance, network acceleration service and text messaging service. Given that these services were provided to our clients on as-needed basis, they provided relatively less predictable future revenue and gross profit margin to the Group. As a result, the Group has decided to gradually phase out the business and consolidate the Group's resources for the development of IDC Solution Services as well as Edge Computing Services.

### **Cost of Sales**

The Group's cost of sales increased by 1.6% to RMB618.0 million for the Reporting Period (31 December 2023: RMB608.3 million). Such increase was generally in line with the growth of the Group's revenue and business.

#### *IDC Solution Services*

The cost of sales from IDC Solution Services decreased by 1.8% to RMB582.4 million for the Reporting Period (31 December 2023: RMB593.3 million). The decrease was in line with the slow down of market demand.

#### *Edge Computing Services*

The cost of sales from Edge Computing Services substantially increased by 147.2% to RMB35.6 million for the Reporting Period (31 December 2023: RMB14.4 million). Such increase was attributable to the procurement of bandwidth, cabinet, servers and routers to support the growth of our Edge Computing Services. The substantial increase corresponded with the increase in revenue generated from Edge Computing Services.

#### *ICT Services and Other Services*

The cost of sales incurred in ICT Services and Other Services for the Reporting Period were nil (31 December 2023: RMB576,000) for the reason mentioned above.

### **Gross Profit and Gross Profit Margin**

As a result of the foregoing, the Group's overall gross profit increased by 2.3% to RMB89.6 million for the Reporting Period (31 December 2023: RMB87.6 million), while its overall gross profit margin slightly increased from 12.6% to 12.7%.

#### *IDC Solution Services*

The gross profit margin in IDC Solution Services decreased to 11.6% for the Reporting Period (31 December 2023: 11.9%). Such decrease was attributable to normal fluctuation of gross profit margin and the Group's adjustment in its business structure and resource costs.

### *Edge Computing Services*

The gross profit margin in Edge Computing Services increased to 27.3% for the Reporting Period (31 December 2023: 20.4%). Such increase was attributable to (i) the technological advancement driven by the research and development resources invested by the Group; (ii) the Group's entry into emerging businesses in blue ocean markets with market barriers allowing less competitors to compete with the Group and therefore such businesses come with a higher profit margin; and (iii) the Group's recent commercialisation of EdgeAIoT Services under the segment of Edge Computing Services.

### **Other Income and Gains**

The Group's other income and gains substantially increased to RMB9.4 million for the Reporting Period (31 December 2023: RMB1.3 million). Such increase was mainly attributable to government subsidies and increase in interest income.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses decreased by 3.7% to RMB7.8 million for the Reporting Period (31 December 2023: RMB8.1 million). Such decrease was primarily due to the enhanced internal cost management control.

### **Administrative Expenses**

The Group's administrative expenses increased by 23.5% to RMB44.1 million for the Reporting Period (31 December 2023: RMB35.7 million). Such increase was primary attributable to (i) the costs associated with the increase of number of the management staffs and administrative staffs of the Group; and (ii) the increased service fees payable to professional consultants such as auditors and legal advisers to enhance the Group's compliance level in order to adhere to the applicable regulations and laws subsequent to the listing of the Company.

### **Research and Development Expenses**

The Group's research and development expenses increased by 7.2% to RMB23.8 million for the Reporting Period (31 December 2023: RMB22.2 million). Such increase was mainly attributable to (i) the costs associated with the Group's additional hiring of 13 research and development personnels, including system development engineers, front-end engineers, back-end engineers and algorithm engineers; and (ii) the enhanced resource deployment for (a) research and development of new products, such as EdgeGlobalCDN Services and EdgeAIStation Services and (b) optimizing the functions of our existing products, such as our *Lingjing Cloud* Intelligent Road Inspection EdgeAIoT platform.

## **Impairment Losses on Financial Assets**

The Group's impairment losses on financial assets substantially decreased by 83.3% to RMB0.7 million for the Reporting Period (31 December 2023: RMB4.2 million) mainly attributable to the increase in trade receivables from the previous year amounted to RMB37.4 million for the Reporting Period, while the increase in trade receivables in the year of 2023 from the year of 2022 amounted to RMB82.6 million, the decrease of increase in trade receivables results resulting in an decrease of bad debt provision.

## **Finance Costs**

The Group's finance costs increased by 112.5% to RMB8.5 million for the Reporting Period (31 December 2023: RMB4.0 million). Such increase was primarily due to the increase in interest expenses led by the increase on the Group's bank borrowings.

## **Income Tax Expense**

The Group's income tax expense increased by 275.0% to RMB1.5 million for the Reporting Period (31 December 2023: RMB0.4 million). Our income tax expenses mainly comprised of the current and deferred income tax in the PRC. The increase in income tax expenses was primarily due to the decrease in tax-deductible expenses.

## **Profit for the Year**

As a result of the foregoing, the Group recorded a profit for the year of RMB12.4 million for the Reporting Period, compared with a profit of RMB14.2 million for the year ended 31 December 2023. Such decrease which was mainly attributable to the increase in (i) finance cost stemming from the increased bank borrowings; (ii) administrative expenses driven by the additional hiring and service fees payable to professional consultants.

## **Trade Receivables**

As at 31 December 2024, the Group's trade receivables amounted to RMB235.0 million, representing an increase of 18.9% as compared with RMB197.6 million as at 31 December 2023. Such increase was mainly attributable to the fluctuation corresponding to the growth of the Group's business.

## **Prepayments, Other Receivables and Other Assets**

As at 31 December 2024, the Group's prepayments, other receivables and other assets amounted to RMB216.0 million, representing a substantial increase of 468.4% as compared with RMB38.0 million as at 31 December 2023. Such increase was mainly attributable to (i) prepayments in relation to bandwidth, cabinets and other resources; and (ii) purchase discount.

## Trade Payables

As at 31 December 2024, the Group's trade payables amounted to RMB199.6 million, representing a decrease of 18.2% as compared with RMB244.1 million as at 31 December 2023. Such decrease was primarily due to the enhancement of credit period policy.

## LIQUIDITY AND FINANCIAL RESOURCES

### Treasury Policies

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

### Cash and Cash Equivalents

As at 31 December 2024, the Group's cash and cash equivalents were RMB371.0 million, representing an increase of 128.6% from RMB162.3 million as at 31 December 2023.

### Indebtedness

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Interest-bearing bank borrowings	262,811	166,734
Lease liabilities	<u>494</u>	<u>1,259</u>
	<u><b>263,305</b></u>	<u><b>167,993</b></u>

## CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

## CAPITAL COMMITMENT

As at 31 December 2024, the Group did not have any material capital commitment (31 December 2023: Nil).

## GEARING RATIO

As at 31 December 2024, the Group's gearing ratio (i.e. percentage of total indebtedness divided by total equity, and total indebtedness represents interest-bearing bank borrowings and lease liabilities) was 0.6 times (31 December 2023: 3.1 times).

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

The Group's businesses are principally conducted in RMB. The Group has transactional currency exposures. Such exposures arise from financing and operating activities of the Group's entities conducted in currencies other than the functional currency. As at 31 December 2024, the major non-RMB assets and liabilities of the Group are cash and cash equivalents, trade receivables, trade payables and contract liabilities, which denominated in HK\$ or US\$. Fluctuation of the exchange rate of RMB against HK\$ or US\$ could affect the Group's results of operations. The Group has not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

## **EMPLOYEES REMUNERATION AND RELATIONS**

As at 31 December 2024, the Group had a total of 115 employees. The Group's total employee benefit expense (including directors' and chief executive's remuneration) for the Reporting Period was RMB33.7 million (31 December 2023: RMB25.6 million). Remuneration packages for employees and directors are structured according to market terms as well as individual performance and experience. The Group has also established comprehensive training programmes that cover topics such as its corporate culture, employees' rights and responsibilities, teambuilding, professional behaviour and job performance to ensure that its employees' skill sets remain up-to-date which enable them to discover and meet its clients' needs.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

As at 31 December 2024, the Group did not have any significant investments, material acquisitions and disposal of subsidiaries, associates and joint ventures.

## **PLEDGE OF ASSETS**

As at 31 December 2024, the Group did not pledge any of its assets (31 December 2023: Nil).

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at 31 December 2024, save as disclosed herein, the Group did not have any future plans for material investments and capital assets. However, the Group will continue to explore investment opportunities that would benefit the shareholders of the Company as a whole.

## **DIVIDEND**

The Board does not recommend the payment of a final dividend for the Reporting Period (year ended 31 December 2023: Nil).

## **COMPLIANCE WITH THE CG CODE**

During the Reporting Period, the Company had applied the principles and complied with all applicable code provisions of the CG Code, save and except the deviation below:

Pursuant to code provision C.2.1 contained in Part 2 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Currently, Mr. Sun is the chairman and chief executive officer of the Company, which deviated from the code provision C.2.1 of the CG Code. The Board believes that it is to the benefit of the business prospect and operational efficiency of the Group to vest the roles of chairman and chief executive officer in the same person due to its unique role, Mr. Sun's experience in the industry, personal profile and roles in the Group. This dual role provides strong and consistent market leadership and is crucial to efficient business planning and decision-making of the Company. As all major decisions of the Group are made in consultation with members of the Board and the relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is of the view that adequate safeguards are in place to ensure sufficient balance of powers within the Board.

In order to maintain good corporate governance and to fully comply with code provision C.2.1 contained in Part 2 of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of chairman of the Board and chief executive officer separately.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors. The Company has made specific enquiries to all Directors regarding any non-compliance with the Model Code. All Directors have confirmed that they had strictly complied with the required standard set out in the Model Code for the Reporting Period.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Reporting Period.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed the condensed consolidated annual results of the Group for the Reporting Period and discussed with the management of the Company on the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that the condensed consolidated annual results of the Group have been prepared in compliance with the applicable accounting standards and the Listing Rules and that adequate disclosures have been made and does not have any disagreement with the accounting treatment adopted by the Company.

## CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The principal place of business in Hong Kong of the Company has been changed to Room 2712, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong with effect from the date of this announcement.

## USE OF PROCEEDS

The Company was listed on the Main Board of the Stock Exchange on the Listing Date with a total of 115,000,000 ordinary Shares in the share capital of the Company with nominal value of US\$0.00001 each being offered under the Global Offering. Such Shares under the Global Offering consisted of 85,000,000 Shares issued by the Company and 30,000,000 Shares offered by the selling shareholder based on the share price of HK\$4.6 per Share. The aggregate nominal value of the said offer Shares is US\$1,150. The net proceeds from the Global Offering, after deducting the underwriting fees, commissions and estimated expenses paid and payable by the Company in connection with the Global Offering, were approximately HK\$336.8 million. The net price per offer Share is approximately HK\$3.96 (excluding the Shares offered by the selling shareholder). To the best knowledge, information and belief of the Company, the participants of the Global Offering include, among others, institutional investors and retail investors.

The intended use of the net proceeds were set out in the Prospectus. As of 31 December 2024, such net proceeds from the Global Offering were utilized as follows in accordance with the intended use:

	Approximate allocation of the Net Proceeds <i>HK\$'000</i>	Approximate percentage of the total Net Proceeds %	Utilised amounts as at 31 December 2024 <i>HK\$'000</i>	Unutilised amounts as at 31 December 2024 <i>HK\$'000</i>	Estimated completion of utilisation
Existing business improvement and operation development	160,654	47.7	32,231	128,423	By 31 December 2026
Comprehensive implementation and upgrade of our Edge Computing Services	62,308	18.5	41,527	20,781	By 31 December 2026
Recruitment of talents for IDC Solution Services and Edge Computing Services operations	43,110	12.8	7,471	35,639	By 31 December 2026
Cooperation with universities and research institutes for research and development	37,048	11.0	10,631	26,417	By 31 December 2026
Working capital and general corporate purposes	33,680	10.0	10,836	22,844	By 31 December 2026
Total	<u>336,800</u>	<u>100.0</u>	<u>102,696</u>	<u>234,104</u>	



Reference is made to the clarification announcement of the Company dated 25 October 2024 (the “**Clarification Announcement**”). As set out in the Clarification Announcement, due to the complication in securing a bank loan under the market condition at the material time, the Group utilised part of the net proceeds to settle the costs and prepayments of equipment and internet data centre resources, such as bandwidth and cabinet resources which were necessary for the daily operation of the Group’s IDC Solution Services and Edge Computing Services. After the Group had successfully secured the bank loan, the net proceeds had been fully recovered and the Company has ceased to utilise the net proceeds for the purposes mentioned above. The Company intends to utilise the net proceeds for the same purposes as set out in the Prospectus. For further details, please refer to the Clarification Announcement.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, no major subsequent events affecting the Group have occurred since the end of the Reporting Period and up to the date of this announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cloudcsp.com](http://www.cloudcsp.com)). The annual report for the year ended 31 December 2024 containing all the information required by the Listing Rules will be published on the aforementioned websites and despatched to any Shareholder who elected to receive printed version of corporate communication in due course.

## **DEFINITION**

In this annual results announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“AI”	artificial intelligent, an area of computer science that focuses on mimicking human intelligence by machines
“AIoT”	artificial intelligence of things, the combination of the connectivity from the IoT infrastructure with data-driven knowledge obtained from AI to achieve more efficient IoT operations, improve human-machine interactions and enhance data management and analytics
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Cayman Islands”	the Cayman Islands, a British Overseas Territory



“CDN” or “content delivery network”	a distributed network of servers that can efficiently deliver web content to users
“Company”	Cloud Factory Technology Holdings Limited (雲工場科技控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 10 December 2021
“Director(s)”	the director(s) of the Company
“EdgeAIoT Services”	a form of service which combines AIoT with Edge Computing Services
“EdgeCDN Services”	the provision of CDN services with the Group’s edge computing infrastructure
“Edge Computing Services”	a form of infrastructure and computing service under the brand of <i>Lingjing Cloud</i> (靈境雲) provided by our Group, including the provision of content delivery network and other functionality
“FPGA”	field-programmable gate array, a type of configurable integrated circuit that can be repeatedly programmed after manufacturing
"Global Offering"	the Hong Kong public offering and the international offering of the offer shares
“GPU”	Graphics Processing Unit
“Group”	the Company, its subsidiaries and consolidated affiliated entities or any of them
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HTTP 302”	a status code under Hypertext Transfer Protocol, which will redirect the user agent (e.g. a web browser) to a new uniform resource locator address
“ICT”	information and communication technology, which refers to all devices, networking components, applications and systems that combined to enable people and organisations to interact in the digital world and capture transmit and display data and information electronically

“ICT Services and Other Services”	the custom-fit ICT services and other services provided by our Group, including the provision of information communications technology solutions, system development and maintenance, consultation services, provision of cloud computing hardware resources, network acceleration service, text messaging service, call service and corporate miniapplication development
“IDC”	internet data centre(s)
“IDC Solution Services”	IDC solution services provided by our Group, including the provision of colocation services and infrastructure management services
“internet” or “the Internet”	an interconnected system of networks that connects computers around the world and is publicly accessible
“Internet of Things” or “IoT”	the networked interconnection of everyday objects, generally viewed as a self-configuring wireless network of sensor whose purpose would be to interconnect all things. The concept is that if all objects of daily life are equipped with radio tags, they can be identified and managed by computers in the same way humans can. The Internet of Things should encode 50 to 100 trillion objects and follow the movement of those objects
“ <i>Lingjing Cloud</i> (靈境雲)”	the Group’s cloud business which offers Edge Computing Services launched in 2022
“Listing Date”	14 June 2024, being the date on which the Shares became listed and commenced trading on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Sun”	Mr. Sun Tao (孫濤), the Chairman, chief executive officer, an executive Director and a Controlling Shareholder of the Company
“NPU”	Network Processing Unit
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 5 June 2024

“Reporting Period”	the year ended 31 December 2024
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company with nominal value of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“UDP”	User Datagram Protocol, one of the core communication protocols of the internet protocol suite used to send messages to other hosts on an Internet Protocol network
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**Cloud Factory Technology Holdings Limited**  
**Mr. Sun Tao**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 26 March 2025

*As at the date of this announcement, the Board comprises Mr. Sun Tao, Mr. Jiang Yanqiu, Mr. Ji Lijun and Mr. Zhu Wentao as executive Directors; and Mr. Ip Mun Lam, Mr. Cui Qi and Ms. Zhao Hong as independent non-executive Directors.*