



Cloud Factory Technology Holdings Limited

雲工場科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2512)



2025
Annual Report

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Sun Tao (*Chairman and Chief Executive Officer*)
Mr. Jiang Yanqiu
Mr. Ji Lijun
Mr. Zhu Wentao (*resigned on 26 February 2026*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zheng Qi (*appointed on 2 January 2026*)
Ms. Xu Ronghua (*appointed on 2 January 2026*)
Ms. Zhou Qianqian (*appointed on 2 January 2026*)
Mr. Ip Mun Lam (*resigned on 2 January 2026*)
Mr. Cui Qi (*resigned on 2 January 2026*)
Ms. Zhao Hong (*resigned on 2 January 2026*)

AUDIT COMMITTEE

Ms. Xu Ronghua (*Chairperson*)
(*appointed on 2 January 2026*)
Mr. Zheng Qi (*appointed on 2 January 2026*)
Ms. Zhou Qianqian (*appointed on 2 January 2026*)
Ms. Zhao Hong (*resigned on 2 January 2026*)
Mr. Ip Mun Lam (*resigned on 2 January 2026*)
Mr. Cui Qi (*resigned on 2 January 2026*)

REMUNERATION COMMITTEE

Mr. Zheng Qi (*Chairman*) (*appointed on 2 January 2026*)
Mr. Ji Lijun
Ms. Zhou Qianqian (*appointed on 2 January 2026*)
Mr. Cui Qi (*resigned on 2 January 2026*)
Mr. Ip Mun Lam (*resigned on 2 January 2026*)

NOMINATION COMMITTEE

Mr. Sun Tao (*Chairman*)
Mr. Zheng Qi (*appointed on 2 January 2026*)
Ms. Xu Ronghua (*appointed on 2 January 2026*)
Mr. Cui Qi (*resigned on 2 January 2026*)
Ms. Zhao Hong (*resigned on 2 January 2026*)

LEGAL ADVISERS TO HONG KONG LAW

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

JOINT COMPANY SECRETARIES

Mr. Ji Lijun
Mr. Cheng King Yip (*appointed on 19 May 2025*)
Ms. Lam Chi Ching Cecilia (*resigned on 19 May 2025*)

AUTHORISED REPRESENTATIVES

Mr. Ji Lijun
Mr. Cheng King Yip (*appointed on 19 May 2025*)
Ms. Lam Chi Ching Cecilia (*resigned on 19 May 2025*)

STOCK CODE

2512

COMPANY WEBSITE

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REGISTERED OFFICE

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG SHARE REGISTRAR

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17M Floor, Hopewell Centre
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AUDITOR

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PRINCIPAL BANK

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COMPLIANCE ADVISER

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1 Hennessy Road
Hong Kong

Financial Highlights

	Year ended 31 December		Change (%)
	2025 RMB'000	2024 RMB'000	
Revenue	943,497	707,629	33.3
Gross profit	96,014	89,622	7.1
Profit before tax	13,862	13,831	0.2
Profit for the year	11,764	12,372	(4.9)
Earnings per Share (expressed in RMB per Share)	0.02	0.03	(33.3)

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Assets		
Non-current assets	117,835	89,219
Current assets	1,265,102	822,187
Total assets	1,382,937	911,406
Equity		
Equity attributable to owners of the parent	490,297	402,442
Non-controlling interests	29,940	3,478
Total equity	520,237	405,920
Liabilities		
Non-current liabilities	23,747	9
Current liabilities	838,953	505,477
Total liabilities	862,700	505,486
Total equity and liabilities	1,382,937	911,406

Dear Shareholders,

The year 2025 marks a crucial milestone for the Group as we embark on a journey towards deeper development following our listing. Currently, the global competition in artificial intelligence is fierce, and the application of large AI models and the development of computing power networks are reshaping the digital economy landscape at an unprecedented speed. During the year, the Group has firmly adhered to the core strategy of “Edge Cloud + AI Services (邊緣雲+AI服務)”, continuously optimised the intelligent computing service system and platform operation capabilities, laying a solid foundation for the optimisation and upgrading of our business structure.

In response to the urgent market demand for high-performance computing power, low-latency networks, and secure and controllable services, the Group has established a multi-tiered business growth matrix while maintaining our traditional strengths. Our IDC Services, as the cornerstone, continued to optimise its service capabilities and expand its high-value client base centred on leading internet companies, cloud service providers, and AI model groups, maintaining a steady growth trend. Meanwhile, the Edge Computing Services has successfully achieved a value leap from “basic connectivity” to “edge intelligence” through product iteration. The Group’s Lingjing Cloud Edge Intelligence of Things (EdgeAIoT) has been continuously deepened in applications across multiple industry scenarios such as transportation, industrial parks, government affairs, and education, with the stability and adaptability of solutions also continuously improving.

During the year, the Group officially expanded its intelligent computing services to respond to the national integrated computing power network construction and industrial upgrading needs of the “east data, west computing (東數西算)” project. Intelligent computing services encompass the construction and operation of intelligent computing centres, the Lingjing Cloud Computing Power Scheduling Platform, Lingjing Cloud Computing Power Mall, and other related services, providing clients with more comprehensive and scalable computing power solutions. The establishment of this business segment not only complemented the Group’s multi-tiered business structure, which spanning from IDC solutions, edge computing to intelligent computing, but also offered stable and scalable foundational support for AI training, inference, and industry applications through deep collaboration with existing resources. It has swiftly emerged as a new profit driver for the Group.

During the year, in terms of technological innovation and product research and development, the Group has always been guided by the need to address clients’ practical demands and introduced a range of new product and service offerings. We have launched the Lingjing Cloud Intelligent Computing Power Scheduling Service Solution, providing one-stop computing power resource integration and scheduling services, effectively activating existing computing power. The Lingjing Cloud Model Fine-tuning Service System has also been officially launched online, realising the AI full-process service of model fine-tuning task creation, training and fine-tuning process monitoring, fine-tuning result visualisation display, model evaluation, model deployment, and application. Meanwhile, our Edge AI Computing Power Platform (EdgeAIStation) has undergone significant updates and iterations, further enhancing its ability to manage multiple brands of mainstream AI computing power cards, marking a comprehensive capability leap from “basic computing power supply” to “diverse computing power services”.

In terms of infrastructure and ecological layout, one of the most significant milestones of this year is the official operation of the Advanced Micro Devices Intelligent Computing Centre (新威智算中心) in Wuxi, which was jointly established by the Group. As the first AMD ROCm on Radeon open-source ecological intelligent computing centre in China with leading scale, the implementation of this project marks a crucial step forward in our diversified computing power path. Meanwhile, adhering to an open and inclusive ecosystem philosophy, the Group has adopted a strategy of “international mainstream + domestic independence (國際主流+國產自主)” to gradually establish a computing capability system compatible with multiple architectures. This initiative not only enhanced the autonomy and controllability of our computing infrastructure and supply chain resilience, but also enabled the Group to more flexibly meet the technical needs and application scenarios of different customers, laying a solid foundation for the long-term sustainable development of our business.

Chairman's Statement

Leveraging our outstanding performance in technological innovation and scenario deployment, the Group has received numerous awards during the year, including “2025 Edge Cloud AI Technology Innovation Pioneer Enterprise (2025年度邊緣雲AI技術革新先鋒企業)”, “Innovative Enterprise of the Year at the Global Edge Computing Conference (全球邊緣計算大會年度創新企業)”, “ESG Excellence in Influence Enterprise (ESG卓越影響力企業)”, and being selected as “China's Top 20 Edge Computing Companies (中國邊緣計算企業20強)” for three consecutive years. Our solutions have also been recognised as “Outstanding Case of Information Technology and Innovation in Edge AI Application (中國信創邊緣AI應用優秀案例)” and “Pioneering Case of Internet-driven Economic and Social Digital Transformation (互聯網助力經濟社會數字化轉型特色案例)”. The Group is well aware that the sustainable development of the cloud service industry relies on long-term technological accumulation and robust operations. During the year, we have consistently increased our investment in research and development. We applied for a total of 8 invention patents, with 2 being granted, and 4 utility model patents, with 2 being granted, while also adding 4 software copyrights. At the same time, we strengthened cooperation with universities and research institutions to promote technological innovation and application implementation, further consolidating our core competitiveness.

Finally, on behalf of the Board, I would like to express my heartfelt gratitude to all shareholders, clients, and partners for their trust and support, as well as to all employees for their efforts and dedication. In 2026, we will continue to drive performance growth through technological innovation, enhance market competitiveness through industry empowerment, facilitate the large-scale development of our intelligent computing business, and guide our business towards higher-value segments. Cloud Factory Technology strives to make the cloud more intelligent and align computing power more closely with business needs.

Mr. Sun Tao

Chairman

26 March 2026

BUSINESS REVIEW

During the Reporting Period, with the significant growth in AI and large model applications, coupled with the continuous acceleration of computing power network construction, computing resources are gradually becoming one of the key production factors driving the development of the digital economy. During the year, the Group has built a four-tier integrated technology stack centred around the core strategy of “Edge Cloud + AI Services (邊緣雲 + AI服務)”, encompassing “infrastructure — edge nodes — computing power — applications”. It has continuously promoted the development of core businesses such as intelligent computing, edge computing, and AI applications, and has made breakthrough progress in technical capability building, product system improvement, and industry application implementation.

IDC Solutions Services

During the Reporting Period, the Group continued to enhance IDC Solutions Services by optimising resource allocation and improving operational efficiency, in order to better meet clients’ demands for stable, secure, and efficient data centre infrastructure services. During the year, the Group continuously improved its data centre operation management and security protection capabilities, perfecting network traffic monitoring and risk identification mechanisms to enhance overall service stability and security assurance levels.

During the Reporting Period, IDC Solutions Services remained the primary source of revenue for the Group, generating approximately RMB758.6 million in revenue, accounting for 80.4% of the total revenue of the Group. Compared to the same period last year, the IDC business continued to maintain a steady growth trend, with revenue increasing by approximately 15.2% year-on-year. The Group continued to expand its high-value customer base centred around internet platform companies, cloud service providers, and AI model companies, adding 16 new IDC customers during the year, and continuously expanding the geographical coverage of IDC Solutions Services to further enhance market penetration and service capabilities.

Edge Computing Services

During the Reporting Period, leveraging the “Lingjing Cloud” platform, the Group has continuously promoted the construction of Edge Computing Service capabilities, achieving significant progress in product upgrades, technical platform improvements, and the implementation of industry scenarios, thereby driving the in-depth application of AI technology in multiple fields.

In terms of product upgrades, the Group has completed multiple version upgrades for the “Lingjing Cloud Intelligent AI Road Inspection and Maintenance Solution (靈境雲智慧AI道路巡查養護解決方案)”. Based on the original platform, user client, and mini-program, new functional modules such as asset inventory, electronic fencing, and disease traceability have been added. The platform has extended its functionality from single disease inspection and disposal to digital archiving of road assets, dynamic updating, and intelligent control of inspection areas. At the same time, the system has introduced an “automatic dispatch” mechanism, which can intelligently allocate tasks based on the level of disease and the location of inspection personnel, further improving the efficiency of inspection and operation and maintenance work.

In addition, the Group officially launched the “Lingjing Cloud Model Fine-tuning Service System (靈境雲模型微調服務系統)”. Based on cloud computing architecture, this system integrates model repositories and libraries, data repositories, and computing resources, providing AI full-process service process covering model fine-tuning, training monitoring, effect evaluation, and deployment and launch. Through this platform, users can efficiently complete model tuning and application deployment, further enhancing the capabilities of the Group’s edge computing platform in AI application services, and supporting the application and development of large model technology in business scenarios.

Management Discussion and Analysis

The application scenarios of the “Lingjing Cloud Edge Intelligence Internet of Things (EdgeAIoT) (靈境雲邊緣智能萬物互聯)” platform have been further expanded, with multiple benchmark projects successfully implemented in areas such as intelligent parks, intelligent education, and intelligent government affairs. By deeply integrating edge AI capabilities with specific businesses, the Group assists clients in creating intelligent solutions, significantly enhancing their operational efficiency and management standards.

During the Reporting Period, the revenue from Edge Computing Services was approximately RMB41.6 million (2024: RMB49.0 million), representing a year-on-year decrease of approximately 15.1% and accounting for approximately 4.4% of the total revenue of the Group. The change in revenue was primarily due to periodic fluctuations in service usage by large internet enterprise customers.

Intelligent Computing

During the Reporting Period, the Group officially expanded its intelligent computing. Intelligent Computing primarily encompasses the construction and operation of intelligent computing centres, the “Lingjing Cloud” Computing Power Scheduling Platform, and Computing Power Mall services. By integrating computing power resources and platform capabilities, the Group offered customers more comprehensive and scalable computing power solutions. As a new business segment, Intelligent Computing contributed over 10% of the Group’s total revenue during the Reporting Period, gradually becoming an important source driving the Group’s business growth.

In terms of computing cluster construction and operation, the Group has continuously deepened its layout of intelligent computing centres. During the Reporting Period, the Advanced Micro Devices Intelligent Computing Centre (新威智算中心), which the Group participated in jointly building, officially commenced operations in Wuxi. This project is the first large-scale intelligent computing centre in China based on the AMD ROCm on Radeon open-source ecosystem, and has completed its initial deployment on the Mashan Computing Island in Wuxi, thus providing significant support for the development of a diversified computing ecosystem and computing infrastructure. In addition to the above projects, the Group has also deployed and operated intelligent computing clusters in multiple regions across the country, continuously enhancing the supply capacity of computing resources to support the development of AI applications and related industries. This further enhances the Group’s competitiveness in the field of intelligent computing.

During the Reporting Period, the Group officially launched the “Lingjing Cloud” Intelligent Computing Power Scheduling Service Solution, targeting private deployment platforms of governments, enterprises, and institutions that possess idle general-purpose computing or intelligent computing resources, and providing one-stop computing resource integration and scheduling services. This platform supports unified access and management of computing power resources from multiple brands both domestically and internationally, and offers various computing power service forms such as bare metal, containers, and virtual machines to meet the computing power needs of different application scenarios. Additionally, the platform possesses fine-grained computing power scheduling capabilities down to the single card level, enabling full-process management of computing power resource application, review, allocation, and recovery, and is equipped with real-time monitoring and tiered account management mechanisms. Through the integration and unified scheduling of existing computing power resources, the Group further enhanced the utilisation efficiency of computing power resources, providing customers with more flexible and efficient intelligent computing service support.

During the Reporting Period, the Group made substantial progress in the practical application of intelligent computing. In the Wuhan Computing Power Voucher Platform project, the Group, as the technical support provider and operator of the computing power scheduling platform, was responsible for the unified access, scheduling management, and delivery of computing power services for heterogeneous computing resources. It facilitated the entire process of computing power voucher issuance, utilisation, and verification, and supported the issuance and utilisation of approximately RMB10 million in computing power subsidy funds, further enhancing the management and service capabilities of computing resources. Simultaneously, the Group collaborated with “Whale Intelligence Community (鯨智社區)” (a national-level large model public service platform) to launch computing power market functions, providing users with diversified computing power supply services.

Through the continuous enhancement of our intelligent computing system and technological platform capabilities, the Group is gradually forming an intelligent computing service system encompassing computing resources, platform capabilities, and industry applications. This system provides stable and efficient AI computing service support for enterprise customers, further consolidating the Group's market position in the field of intelligent computing.

PROSPECT

Based on the business development achievements of 2025 and industry trends, the Group will continue to seize the opportunities presented by the development of AI and computing power industries. Focusing on the core strategy of “Edge Cloud + AI Services”, we will persistently refine the four-tier integrated technical architecture, encompassing “infrastructure — edge Nodes — computing Power — applications”, drive the coordinated development of intelligent computing systems, platform services, and industry applications, and further expand our business into higher-value domains.

In terms of business expansion, the Group will continue to deepen its intelligent computing service layout, with an overall development direction of “low-cost green computing capacity supply in the west + high-density application needs in the east and central regions (西部綠色低成本算力供給+東中部高密度應用需求)”, gradually building a nationwide intelligent computing resource network. Meanwhile, the Group will actively participate in the construction and operation of the computing power network system, integrate computing power, models, and data resources, and continuously improve the computing power service ecosystem.

In terms of industry applications, the Group will rely on the “Lingjing Cloud” platform to continuously promote the expansion of AI technology applications in vertical industries such as education, transportation, government affairs, and industry. Furthermore, based on existing application achievements, it will further deepen its industry solution capabilities, facilitate the implementation of “AI + Industry” applications in more scenarios, and support the digitalisation and intelligent upgrading of industries.

In terms of technology research and development, the Group will continue to enhance its computing power platform and AI service capabilities. This includes further developing the heterogeneous computing power scheduling platform and improving the unified management and intelligent scheduling capabilities of multi-architecture GPU computing power resources. Furthermore, the Group will further optimise AI task scheduling and resource management mechanisms to enhance the utilisation efficiency of computing power resources. Meanwhile, leveraging its own computing power resources and the open-source large model ecosystem, the Group will develop standardised large model API services and an “OPC Zone (OPC 專區)”, offering out-of-the-box model inference, a one-stop development environment, and precise billing services. This aims to establish an integrated business ecosystem encompassing “computing power + models + services”, thereby lowering the barriers to industry application and fostering an open and mutually beneficial AI ecosystem. This provides clients with more flexible and efficient computing power and AI services.

Looking ahead, the Group will continue to prioritise technological innovation as its core driving force, continuously enhance its service capabilities and industry application levels, further consolidate its competitive edge in the market, and create long-term value for customers and shareholders.

FINANCIAL REVIEW

Revenue

The Group generated revenue from four operating segments, (i) IDC Solution Services; (ii) Edge Computing Services; (iii) Intelligent Computing, and (iv) Other Services. For the Reporting Period, the Group recorded a total revenue of approximately RMB943.5 million when compared with approximately RMB707.6 million for the year of 2024, representing an increase in its total revenue of approximately 33.3%. Such increase was primarily attributable to the continuous expansion of the Group's business scale and the commencement of revenue contributions from new business areas, particularly the rapid development of the IDC Solution Services segment and the Intelligent Computing segment, which drove the overall revenue increase.

The following table sets forth the Group's segment revenue for the periods presented:

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
IDC Solution Services	758,640	80.4	658,663	93.1
Edge Computing Services	41,599	4.4	48,966	6.9
Intelligent Computing	139,810	14.8	—	—
including: Computing Resources Services	54,406	5.8	—	—
Sales of Computing Equipment	85,404	9.0	—	—
Other Services	3,448	0.4	—	—
	943,497	100.0	707,629	100.0

IDC Solution Services

The Group's revenue from IDC Solution Services increased by approximately 15.2% to approximately RMB758.6 million for the Reporting Period (31 December 2024: RMB658.7 million). The increase in revenue was primarily attributable to the accelerated progress of digital transformation and AI application among enterprise customers, which drove a steady and continuous growth in storage and computing demand. Simultaneously, the Group successfully expanded its customer base in high-value industries and promoted the expansion and upgrade of existing customer data volumes, driving robust growth in revenue of IDC Solution Services.

Edge Computing Services

The Group's revenue from Edge Computing Services decreased by 15.1% to RMB41.6 million for the Reporting Period (31 December 2024: RMB49.0 million), which was primarily attributable to periodic fluctuations in service usage by large internet enterprise customers.

Intelligent Computing

The Group generated revenue of approximately RMB139.8 million from Intelligent Computing for the Reporting Period (31 December 2024: Nil), which was attributable to the Group's official launch of its Intelligent Computing include computing resources services and sales of computing equipment during the Reporting Period, which benefited from the continuous growth in demand for high-performance computing infrastructure and AI applications from corporate and government clients, thereby driving an increase in revenue from this segment.

Other Services

The Group generated revenue of approximately RMB3.4 million from Other Services for the Reporting Period (31 December 2024: Nil). Such revenue primarily derived from the Group's provision of technical services such as software installation and debugging, as well as equipment and infrastructure deployment services to its clients.

Cost of Sales

The Group's cost of sales increased by approximately 37.1% to approximately RMB847.5 million for the Reporting Period (31 December 2024: RMB618.0 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 increased by approximately 18.7% to approximately RMB691.5 million for the Reporting Period (31 December 2024: RMB582.4 million), which was primarily attributable to the expansion of business scale driven by additional new customers with enhanced market penetration and service capabilities, resulting in a corresponding rise in the procurement costs of related bandwidth and data centre resources.

Edge Computing Services

The cost of sales from Edge Computing Services decreased by approximately 24.2% to approximately RMB27.0 million for the Reporting Period (31 December 2024: RMB35.6 million). Such decrease was primarily attributable to the decline in revenue from Edge Computing Services, which led to a corresponding reduction in the procurement costs of related resources.

Intelligent Computing

The cost of sales from Intelligent Computing were RMB128.9 million for the Reporting Period (31 December 2024: Nil), which was primarily attributable to the Group's newly launched Intelligent Computing during the Reporting Period, which have begun to incur computing resource costs and related operational expenses.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's overall gross profit increased by approximately 7.1% to approximately RMB96.0 million for the Reporting Period (31 December 2024: RMB89.6 million), which was primarily driven by the continuous expansion of the Group's business scale and the development of new businesses. However, due to the large base of IDC Solution Services business and the new expansion of Intelligent Computing during the Reporting Period, the related procurement costs for computing power resources and data centre resources rose, resulting in a higher increase in sales costs than in revenue. Consequently, the overall gross profit margin decreased from approximately 12.7% for the year ended 31 December 2024 to approximately 10.2% for the year ended 31 December 2025.

IDC Solution Services

The gross profit margin in IDC Solution Services decreased to approximately 8.8% for the Reporting Period (31 December 2024: 11.6%). This was mainly due to the Group's proactive business expansion strategy adopted in response to market competition and to enlarge its market share, which resulted in a higher revenue contribution from certain business lines within the IDC segment with relatively lower gross profit margins. As a result of such change in business mix, the overall gross profit margin of the IDC segment decreased as compared with the same period last year.

Edge Computing Services

The gross profit margin in Edge Computing Services increased to approximately 35.0% for the Reporting Period (31 December 2024: 27.3%). Such increase was primarily attributable to the enhancement of resource utilisation at edge nodes and the optimisation of operational cost structure.

Management Discussion and Analysis

Intelligent Computing

The gross profit margin in Intelligent Computing was approximately 7.8% for the Reporting Period (31 December 2024: Nil).

Other Income and Gains

The Group's other income and gains remained relatively stable at approximately RMB9.8 million for the Reporting Period (31 December 2024: RMB9.4 million).

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by approximately 26.9% to approximately RMB5.7 million for the Reporting Period (31 December 2024: RMB7.8 million). Such decrease was primarily due to the Group's enhanced control over personnel costs and optimised management of business entertainment expenses.

Administrative Expenses

The Group's administrative expenses decreased by approximately 14.1% to approximately RMB37.9 million for the Reporting Period (31 December 2024: RMB44.1 million), which was primary attributable to the Group's enhanced control over personnel costs and the Group did not incur listing expense during the Reporting Period.

Research and Development Expenses

The Group's research and development expenses increased by approximately 39.1% to approximately RMB33.1 million for the Reporting Period (31 December 2024: RMB23.8 million). Such increase was mainly attributable to the continuous expansion of the Group's business, which has led to a corresponding increase in investment in research and development projects to support the development of new business and technological capabilities.

Impairment Losses on Financial Assets

The Group's impairment losses on financial assets substantially increased by approximately 242.9% to approximately RMB2.4 million for the Reporting Period (31 December 2024: RMB0.7 million), which was mainly attributable to the increase in the scale of accounts receivable during the Reporting Period, resulting in a corresponding increase in the provision for impairment.

Other Expenses

The Group's other expenses increased significantly by approximately 1,250.0% to approximately RMB2.7 million for the Reporting Period (31 December 2024: RMB0.2 million), which was primary attributable to the Group's charitable donations made during the Reporting Period in response to the fire disaster in Taipo Wang Fuk Court.

Finance Costs

The Group's finance costs increased by approximately 20.0% to approximately RMB10.2 million for the Reporting Period (31 December 2024: RMB8.5 million), which was primary attributable to the expansion of the Group's financing scale, resulting in a corresponding increase in related interest expenses.

Income Tax Expense

The Group's income tax expense increased by approximately 40.0% to approximately RMB2.1 million for the Reporting Period (31 December 2024: RMB1.5 million), which was primary attributable to the expansion of our business, some of our subsidiaries have ceased to be qualified for the relevant tax incentives applicable to small and micro enterprises, which has led to a corresponding adjustment in the applicable tax rate, resulting in an increase in tax expenses.

Profit for the Year

As a result of the foregoing, the Group recorded a profit for the year of RMB11.8 million for the Reporting Period, compared with profit of approximately RMB12.4 million for the year ended 31 December 2024. Such decrease was mainly attributable to the increase in the Group's research and development expenses, other expenses, impairment loss on financial assets and finance costs.

Trade Receivables

As at 31 December 2025, the Group's trade receivables amounted to RMB308.1 million, representing an increase of 31.1% as compared with RMB235.0 million as at 31 December 2024, which was primarily attributable to the increase in the balance of related accounts receivable driven by the growth of the Group's business.

Prepayments, Other Receivables and Other Assets

As at 31 December 2025, the Group's prepayments, other receivables and other assets amounted to approximately RMB318.2 million, representing a substantial increase of approximately 47.3% as compared with approximately RMB216.0 million as at 31 December 2024. Such increase was mainly attributable to the continuous expansion of the Group's business scale, resulting in a corresponding increase in prepayments and business deposits paid to suppliers.

Trade Payables

As at 31 December 2025, the Group's trade payables amounted to approximately RMB337.2 million, representing an increase of approximately 68.9% as compared with approximately RMB199.6 million as at 31 December 2024. Such increase was mainly attributable to the growth of the Group's business and the expansion of new businesses, which have driven an increase in related accounts payable.

LIQUIDITY AND FINANCIAL RESOURCES

Treasury Policies

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

Cash and Cash Equivalents

As at 31 December 2025, the Group's cash and cash equivalents were approximately RMB603.8 million, representing an increase of approximately 62.7% from approximately RMB371.0 million as at 31 December 2024.

Indebtedness

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Interest-bearing bank borrowings	378,101	262,811
Lease liabilities	19,996	494
	398,097	263,305

CONTINGENT LIABILITIES

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

CAPITAL COMMITMENT

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

GEARING RATIO

As at 31 December 2025, the Group's gearing ratio (i.e. percentage of total indebtedness divided by total equity, and total indebtedness represents interest-bearing bank borrowings and lease liabilities) was approximately 0.8 times (31 December 2024: 0.6 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 currencies. As at 31 December 2025, the major non-RMB assets of the Group are cash and cash equivalents, which are denominated in HK\$ or US\$. Fluctuations 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 contracts to hedge its exposure to foreign exchange risk.

EMPLOYEES REMUNERATION AND RELATIONS

As at 31 December 2025, the Group had a total of 109 employees. The Group's total employee benefit expense (including directors' and chief executive's remuneration) for the Reporting Period was RMB33.2 million (31 December 2024: RMB33.7 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

On 12 August 2025, Wuxi Lingjingyun Information Technology Co., Ltd. (“**Wuxi Lingjingyun**”), an indirect subsidiary of the Company, entered into a joint venture agreement (“**JV Agreement**”) with Shannon Semiconductor Technology Co., Ltd. (“**Shannon Semi**”), pursuant to which the parties agreed to establish a joint venture company (“**JV Company**”) to develop the intelligent computing market. The registered capital of the JV Company is RMB120 million, of which Wuxi Lingjingyun and Shannon Semi contributed RMB90 million and RMB30 million, respectively. For further details, please refer to the announcement of the Company dated 12 August 2025.

Save as disclosed above, the Group did not have any significant investments, material acquisitions and disposal of subsidiaries, associates and joint ventures during the Reporting Period.

PLEDGE OF ASSETS

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

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

DIVIDEND

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

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 20 January 2026 (the “**January Announcement**”) and in respect of, among others, the Acquisition. Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the January Announcement.

On 19 January 2026, Wuxi Yunzhan had entered into the Transfer Agreement with Wuxi Xinwu Resources Centre, upon its successful bid for the land use rights of the Land situated at No. 81 Xinmei Road, Wuxi, Jiangsu, the PRC through the Listing-for-sale Bidding. The consideration for the Acquisition is RMB74,111,200. Further details of the aforementioned matter are set out in the January Announcement.

Reference is made to the announcement of the Company dated 2 February 2026 (the “**February Announcement**”) and in respect of, among others, the Tender. Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the February Announcement.

Management Discussion and Analysis

In January 2026, Jiangsu Cloud Factory had successfully won a bid for a Project through a tendering platform by Anhui Bidding and Procurement Association* (安徽省招標採購協會). Subsequently, on 30 January 2026, Jiangsu Cloud Factory entered into the Contract with Suzhou Huarui Network, as the tenderee and purchaser, pursuant to which Jiangsu Cloud Factory agreed to supply, and Suzhou Huarui Network agreed to purchase, the hardware devices, software and services solutions for the Project. The contract value of the Contract is RMB519,709,680. Further details of the aforementioned matter are set out in the February Announcement.

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

EXECUTIVE DIRECTORS

Mr. Sun Tao (孫濤) (“Mr. Sun”), aged 43, one of the founders of the Group, is currently serving as an executive Director and the chairman of the Board. Mr. Sun joined our Group in October 2013 and was appointed as a Director in December 2021. Mr. Sun is responsible for overseeing the overall management and business operation, board affairs, formulating strategies and operation plans and making major business decisions of the Group.

Mr. Sun has over 18 years’ experience in the IDC solution industry in the PRC. Prior to founding our Group, from September 2006 to October 2007, Mr. Sun served as the sales manager of Wangsu Science & Technology Co., Ltd. (網宿科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300017) that principally engaged in providing content delivery network, cloud computing, cloud security and global IDC solution services, where he was mainly responsible for sales and marketing work of IDC solution services. From November 2007 to December 2009, Mr. Sun served as a deputy general manager in Guangdong Litong Network Technology Co., Ltd. (廣東力通網絡科技有限公司), a company principally engaged in providing IDC solution services where he was mainly responsible for overseeing the overall management and business operation. He acquired Wuxi Zhida Network Technology Co., Ltd. (無錫市智達網絡科技有限公司) in September 2012 before he founded Cloud Factory in December 2015.

Mr. Sun obtained his bachelor’s degree in Business Administration from Huaihai Institute of Technology (淮海工學院) (currently known as Jiangsu Ocean University (江蘇海洋大學)) in July 2006 in the PRC, and obtained his master’s degree in Business Administration from the Macau University of Science and Technology in August 2025.

Mr. Sun is currently holding directorship in several principal subsidiaries of the Company, including Jiangsu Cloud Factory Information Technology Co., Ltd. (江蘇雲工場信息技術有限公司) and Jiangsu Yiru Information Technology Co., Ltd. (江蘇意如信息科技有限公司).

Mr. Jiang Yanqiu (蔣燕秋) (“Mr. Jiang”), aged 36, joined our Group in May 2015 and was appointed as a Director in March 2023. Mr. Jiang is currently serving as an executive Director and a general manager of our Company. Mr. Jiang is responsible for overseeing the operation of the Group’s businesses.

Prior to joining our Group, from October 2010 to June 2012, Mr. Jiang worked as a technical supervisor of Jiangsu Eastern Heavy Industries Co., Ltd. (江蘇東方重工有限公司), a shipbuilding company where he was primarily responsible for product testing and improvement. From April 2013 to May 2015, Mr. Jiang successively served as a sales manager of Beijing Sohu New Media Information Technology Co., Ltd. (北京搜狐新媒體資訊技術有限公司), a company mainly engaged in real estate internet advertising, e-commerce and value-added services, where he was mainly responsible for the provision of online advertising services in real estates and vehicle businesses in the regions of Wuxi, Suzhou and Changzhou.

Mr. Jiang obtained his bachelor’s degree in mechanical design, manufacturing and automation from Southeast University Chengxian College (東南大學成賢學院) in the PRC in June 2010.

Directors and Senior Management

Mr. Ji Lijun (季黎俊) (“Mr. Ji”), aged 42, joined our Group in October 2013 and was appointed as a Director in March 2023. Mr. Ji is currently serving as an executive Director and a deputy general manager of our Company. Mr. Ji is responsible for overseeing the operation of the Group’s businesses. Mr. Ji is the spouse of one of our senior management, Ms. Zhou Xin.

Prior to joining our Group, from July 2006 to November 2006, Mr. Ji served as a sales engineer of the sales department at Shanghai Tongzhiguang Construction Machinery Co., Ltd. (上海砿之光建築機械有限公司), a company principally engaged in the manufacturing and sales of concrete machinery and spare parts where he was mainly responsible for the sales of products and related solutions, marketing and new customers developments. From November 2006 to September 2009, he worked as a sales engineer of Shanghai Saidong Technologies Co., Ltd. (上海賽東科技有限公司), a company principally engaged in manufacturing and trading packaging machines where he was mainly responsible for the sales of products and related solutions, marketing and new customers developments. From February 2010 to May 2010, Mr. Ji served as a sales engineer of Jintan Jinwang Packaging Technology Co., Ltd. (金壇市金旺包裝科技有限公司) (currently known as Jiangsu Jinwang Intelligent SCI-TECH Co., Ltd. (江蘇金旺智能科技有限公司)), a company principally engaged in the research, development, manufacturing, sales and service of agrochemical preparation intelligent equipment. From June 2010 to December 2015, he joined Wuxi Zhida Network Technology Co., Ltd. (無錫智達網絡科技有限公司), a company mainly engaged in the provision of IDC solution services, where he successively served as the sales manager, the operation and maintenance superintendent (運維主管), the procurement supervisor (採購主管) and the vice general manager where he was mainly responsible for the sales, maintenance and procurement of products and related solutions and the overall management of company.

Mr. Ji obtained his bachelor’s degree in mechanical design and manufacturing and automation from Huaihai Institute of Technology (淮海工學院) (currently known as Jiangsu Ocean University (江蘇海洋大學)) in the PRC in July 2006.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zheng Qi (鄭歧) (“Mr. Zheng”), aged 45, was appointed as an independent non-executive Director with effect from 2 January 2026.

Mr. Zheng has extensive experience in the legal industry, with the specialisation in criminal prosecution and defense. Mr. Zheng practiced as an attorney at Jiangsu Manxiu Law Firm (江蘇漫修律師事務所) from April 2017 to March 2020. He also served as a senior partner at Beijing Weiheng (Wuxi) Law Firm (北京煒衡(無錫)律師事務所) from March 2020 and the executive director from September 2021, responsible for the firm’s daily operations and overseeing the Corporate Compliance Department and the Criminal Law Department. Since September 2025, he has served as the managing director of Beijing Lianggao (Wuxi) Law Firm (北京市兩高(無錫)律師事務所). In April 2024, he was appointed as a member of the Duty Crime Prevention and Defense Professional Committee (職務犯罪預防與辯護專業委員會) by the Jiangsu Lawyers Association (江蘇省律師協會). In March 2025, he was appointed as the director of the Duty Crime Prevention and Defense Professional Committee (職務犯罪預防與辯護專業委員會) by the Wuxi Lawyers Association (無錫市律師協會).

Mr. Zheng obtained his bachelor’s in law from The Nanjing University of Finance and Economics (南京財經大學) and his master’s degree in law from Tongji University (同濟大學), the PRC, in June 2003 and March 2015, respectively.

Ms. Xu Ronghua (許榮華) (“Ms. Xu”), aged 46, was appointed as an independent non-executive Director with effect from 2 January 2026.

Ms. Xu has extensive experience in accounting, corporate finance and management. She worked in several subsidiaries of the Jinke Property Group Co., Ltd. (金科地產集團股份有限公司), a listed company on the Shenzhen Stock Exchange (stock code: 000656) from June 2007 to February 2023, responsible for the corporate financial affairs. She also served as the technical director in Hanhua Qinye Management Consulting (Beijing) Co., Ltd. (翰華勤業管理諮詢(北京)有限公司) from March 2023 to July 2025. Since July 2025, she has served as the general manager in Eryuan Weituo (Shanghai) Management Consulting Co., Ltd. (爾元維拓(上海)管理諮詢有限公司). She also served as the independent director in Mingteng International Corporation Inc. (銘騰國際股份有限公司), a company listed on NASDAQ (stock code: MTEN) from April 2024 to August 2025, and the independent director in LI Bang International Corporation Inc. (利邦國際股份有限公司), a company listed on NASDAQ (stock code: LBGJ) from October 2024 to May 2025. She has been recognized as (i) the intermediate accountant by the Ministry of Finance of the People’s Republic of China (中華人民共和國財政部) since May 2005; (ii) a certified public accountant by The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since December 2009; and (iii) a registered tax agent by Human Resources and Social Security Department of Jiangsu Province (江蘇省人力資源和社會保障廳) since October 2013.

Ms. Xu obtained her bachelor’s degree in business enterprise management from Nankai University (南開大學) in June 2003.

Ms. ZHOU Qianqian (周茜茜) (“Ms. Zhou”), aged 43, was appointed as an independent non-executive Director with effect from 2 January 2026.

Ms. Zhou has over 20 years of senior management experience with a distinguished track record in corporate strategy, capital operations, mergers and acquisitions, and insurance finance. She has served as the general manager in Xuyi Aihua Oil Pipe Rust Prevention Products Co., Ltd. (盱眙愛華石油管防銹製品有限公司) from September 2005 to March 2019. Ms. Zhou has also served as a general manager and partner in sales department of Jiangsu HSBC Insurance Agency Co., Ltd. (江蘇滙豐保險代理有限公司), Huiying Family Office from March 2020 to December 2023. Subsequently, she has served as the executive vice president in Jiangsu Jiurun Insurance Agency Co., Ltd. (江蘇洵潤保險代理有限公司) from December 2023 to April 2025, responsible for group strategy formulation and business oversight. Ms. Zhou currently serves as a partner at Huiying Family Office of Jiangsu HSBC Insurance Agency Co., Ltd. (江蘇滙豐保險代理有限公司), a wealth steward at the Law & Business College of the Fo Family Office Public Initiative (Fo家族辦公室), legal & business welfare ambassador of the Fo Family Office Public Initiative (Fo家族辦公室) and an estate administrator for the China Will Registry (中華遺囑庫).

Ms. Zhou obtained her bachelor’s degree in civil engineering in Changzhou Institute of Technology (常州工學院) in July 2023, and her master’s degree in business administration in Hong Kong Metropolitan University (香港都會大學) in September 2025.

SENIOR MANAGEMENT

Mr. Sun, aged 43, is the chairman of the Board and an executive Director of our Company. For details of his biography, please refer to the paragraph headed “Executive Directors” under this section.

Mr. Jiang, aged 36, is an executive Director and the general manager of our Company. For details of his biography, please refer to the paragraph headed “Executive Directors” under this section.

Mr. Ji, aged 42, is an executive Director and the deputy general manager of our Company. For details of his biography, please refer to the paragraph headed “Executive Directors” under this section.

Ms. Zhou Xin (周新) (“Ms. Zhou”), aged 38, has founded our Group in January 2016 and held the equity interest of Cloud Factory on behalf of Mr. Sun pursuant to an entrustment arrangement. Ms. Zhou is currently serving as the deputy general manager of our Group’s commercial department. Ms. Zhou is responsible for the formulation of a business strategic and development plan, the management of our Group’s business activities and the application of various licenses for the Group. Ms. Zhou is the spouse of our Director, Mr. Ji.

Prior to founding our Group, from January 2012 to December 2015, Ms. Zhou served as a customer service supervisor in Wuxi Zhida Network Technology Co., Ltd. (無錫市智達網絡科技有限公司) and was responsible for the management of the customers’ after-sales service and the application and maintenance of various licenses for the company. From January 2011 to December 2012, Ms. Zhou served as a customer service officer of Yixing Yitong Automobile Sales Service Co., Ltd. (宜興市宜通汽車銷售服務有限公司), a company principally engaged in the sales of automobiles and relevant accessories, and was responsible for customers after-sales service. From July 2006 to December 2008, Ms. Zhou served as a customer service officer in Jintan Kangmei Shopping Centre (金壇康美購物中心), a company principally engaged in providing market facilities leasing and market management services, and was responsible for handling customers’ enquiries.

Ms. Zhou graduated from Jintan Vocational and Technical School (金壇職業技術學校) in the PRC and obtained her post-secondary diploma in marketing in July 2006.

JOINT COMPANY SECRETARIES

Mr. Ji, is the joint company secretary of the Company. For details of his biography, please refer to the paragraph headed “Executive Directors” under this section.

Mr. Cheng King Yip (鄭璟燁) (“Mr. Cheng”), is the joint company secretary of the Company. Mr. Cheng has more than thirteen years of experience in providing services related to company secretary, sustainability advisory and auditing, corporate governance advisory and internal control assessment. Mr. Cheng obtained a Bachelor of Business Administration (Honours) in Accountancy and Management Information Systems from the City University of Hong Kong in July 2010. Mr. Cheng is a member of the Hong Kong Institute of Certified Public Accountants and Certified ESG Analyst. Mr. Cheng is currently serves as a member of Sustainability Committee of the Hong Kong Institute of Certified Public Accountants.

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

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 10 December 2021 as an exempted company with limited liability under the Companies Act, and the Shares were listed on the Main Board of the Stock Exchange on 14 June 2024.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the provision of IDC Solution Services, Edge Computing Services and Intelligent Computing, which form key components of cloud services. Our operation commences upon clients' enquires and request our services. We source data centre resources, mainly bandwidth from state-owned telecommunication carriers or other small-and-medium data centre owners and operators to provide flexible, tailor-made, geographically extensive, localised, enhanced and competitive services to our clients. An analysis of the Group's performance for the Reporting Period by business segments is set out in note 5 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated financial statements of the Group on pages 139 to 145 of this annual report.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the Reporting Period (year ended 31 December 2024: Nil) in order to preserve cash resources for potential strategic investments and business expansion opportunities. The Group will continue to focus on its core business operations, streamline its cost structure, and improve operational efficiency to enhance profitability and, ultimately, shareholder value.

BUSINESS REVIEW

Overview and Performance for the Reporting Period

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

Environmental Policies and Performance

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

The Group recognises that integrating ESG concepts into the Group's day-to-day operations and management is crucial to the long-term development of the enterprise. We understand the expectations and requirements of all relevant parties on the Company through communication and interaction with each stakeholder, and feedback such requirements to our corporate management.

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

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

Relationships with Stakeholders

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

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

Compliance with Relevant Laws and Regulations

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

Principal Risks and Uncertainties

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

- A slowdown in the demand for our IDC Solution Services could have a material adverse effect on us.
- Our ability to provide IDC Solution Services depends on the major telecommunications carriers in China providing sufficient network services to our clients in the data centre facilities that we operate on commercially acceptable terms.
- There could be a negative impact on our operation and financial performance in the event that suppliers offer less favourable terms to the Company.
- Our Group's managed data centres are subject to certain concentration risks regarding their locations in the PRC and a significant disruption to any location could materially and adversely affect our operations.
- Our agreements for third-party data centres could be terminated early and we may not be able to renew our existing agreements on commercially acceptable terms, which could materially and adversely affect our operations.
- Revenue from our client base may decline if our clients or potential clients develop their own data centres or their own edge computing infrastructure.
- If our state-owned telecommunication carrier suppliers decide to work directly with our Internet company or cloud computing service provider clients, we may be exposed to the risk of disintermediation and our profitability and prospects may be materially and adversely affected.
- Any severe or prolonged slowdown in the global or Chinese economy may adversely affect our business, results of operations and financial condition.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

During the Reporting Period, the transaction amount with the Group's top five customers accounted for 59.6% (year ended 31 December 2024: 71.2%) of the Group's total revenue, while the transaction amount with the Group's single largest customer accounted for 15.6% (year ended 31 December 2024: 22.2%) of the Group's total revenue.

Major Suppliers

During the Reporting Period, the transaction amount with the Group's top five suppliers accounted for 41.8% (year ended 31 December 2024: 55.4%) of the Group's total purchases, while the transaction amount with the Group's single largest supplier accounted for 9.6% (year ended 31 December 2024: 20.2%) of the Group's total purchases.

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

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

RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

Customers

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

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

Suppliers

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

Employees

The Group maintains a cooperative and good relationship with its management and employees, and provides competitive remuneration, staff welfare and benefits to them. In general, the Group reviews and determines the remuneration packages of its employees on a periodical basis by reference to, including but not limited to, the market level of salaries paid by comparable companies, the respective responsibilities of its employees and the performance of the employees and the Group.

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

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company during the Reporting Period are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 27 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group during the Reporting Period are set out in note 28 to the consolidated financial statements. During the Reporting Period, the Company had retained nil (2024: nil) profits as reserves available for distribution to the Shareholders.

BANK BORROWINGS

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

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last four financial years is set out on page 204 of this annual report.

DIRECTORS

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

Executive Directors

Sun Tao (孫濤) (*Chairman and Chief Executive Officer*)
 Jiang Yanqiu (蔣燕秋)
 Ji Lijun (季黎俊)
 Zhu Wentao (朱文濤) (*resigned on 26 February 2026*)

Independent Non-executive Directors

Zheng Qi (鄭歧) (*appointed on 2 January 2026*)
 Xu Ronghua (許榮華) (*appointed on 2 January 2026*)
 Zhou Qianqian (周茜茜) (*appointed on 2 January 2026*)
 Ip Mun Lam (葉滿林) (*resigned on 2 January 2026*)
 Cui Qi (崔琦) (*resigned on 2 January 2026*)
 Zhao Hong (趙竑) (*resigned on 2 January 2026*)

Directors' Report

Pursuant to article 108(a) of the Articles, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at an annual general meeting by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Company at the general meeting at which a Director retires may fill the vacated office.

Pursuant to article 112 of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Members in general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Accordingly, Mr. Jiang Yanqiu, Mr. Ji Lijun, Mr. Zheng Qi, Ms. Xu Ronghua and Ms. Zhou Qianqian will retire and, being eligible, have offered themselves for re-election as Directors at the AGM.

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

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Company are set out on pages 17 to 20 of this annual report.

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

Save as disclosed herein, there was no change of the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules for the Reporting Period up to the date of this annual report.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years with effect from 21 May 2024 or until the third annual general meeting of the Company upon listing, whichever the earlier. The service contract shall be automatically renewed for successive terms of three years upon expiry until terminated by either party.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a term of one year with effect from 2 January 2026. The letter of appointment shall be automatically renewed for successive terms of one year upon expiry until terminated by either party.

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

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

MANAGEMENT CONTRACTS

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

REMUNERATION POLICY

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

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

Details of the remuneration of the Directors, senior management and the five highest paid individuals during the Reporting Period are set out in notes 8 and 9 to the consolidated financial statements.

No amount was paid to any Director or any of the five highest paid individual disclosed in notes 8 and 9 to the consolidated financial statements as an inducement to join or upon joining the Company or as a compensation for loss of office. In addition, there was no arrangement under which a Director waived or agreed to waive any remuneration.

SHARE AWARD SCHEME

Post-IPO RSU Scheme

On 14 May 2024 (the “**Adoption Date**”), the Board adopted and approved the Post-IPO RSU Scheme to grant restricted Award Shares to (i) directors and employees of our Company or any of its subsidiaries; (ii) directors and employees of the holding companies, fellow subsidiaries or associated companies of our Company and (iii) persons (or its directors and/or employees if such person providing services is an entity) who provide services to our Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of our Group (excluding placing agents, financial advisers, professional service providers such as auditors and valuers) (“**Service Providers**”), as selected participants (“**Selected Participants**”)

The purposes of the Post-IPO RSU Scheme are: (i) to provide the Selected Participants with an opportunity to acquire a proprietary interest in the Company; (ii) to encourage and retain such individuals to work with our Group; (iii) to provide additional incentive for them to achieve performance goals; (iv) to attract suitable personnel for further development of our Group; and (v) to motivate the selected participants to maximise the value of our Company for the benefits of both the selected participants and our Company, with a view to achieving the objectives of increasing the value of our Company and aligning the interests of the selected participants directly with the Shareholders through ownership of Shares.

All Award Shares are existing Shares. The total number of the Award Shares underlying all grants made pursuant to the Post-IPO RSU Scheme shall not exceed 10% of the share in issue of the company immediately after the listing of the Company (i.e. 46,000,000 Shares). As at 14 June 2024 (the date when the Post-IPO RSU Scheme became effective) and 31 December 2025, the total number of Awards Shares under the Post-IPO RSU Scheme were 46,000,000 Shares and 46,000,000 Shares, respectively. The number of Award Shares available for grant under the Post-IPO RSU Scheme were 46,000,000 Shares and 46,000,000 Shares as at 14 June 2024 (the date when the Post-IPO RSU Scheme became effective) and 31 December 2025, respectively.

During the Scheme Period (as defined below), the maximum entitlement of each Selected Participant at any one time or in aggregate may not exceed 1% of the issued share capital of the Company immediately after the listing of the Company (i.e. 4,600,000 Shares). Upon receipt of the vesting notice, the grantee is required to return to the Company a reply slip duly executed by him/her at least five (5) Business Days before the date of vesting. If the Board or the Administration Committee specifies in the vesting notice that actual Award Shares will be transferred to the nominee account upon vesting, the grantee shall complete the payment of the purchase price (if any) within the specified period set out in the vesting notice. The Post-IPO RSU Scheme shall be valid and effective for a period of ten (10) years commencing from the Listing Date (the “**Scheme Period**”), after which no further Award Shares shall be granted or accepted, but the provisions of the Post-IPO RSU Scheme shall remain in full force and effect in order to give effect to the vesting and exercise of Award Shares granted and accepted prior to the expiration of the Scheme Period. The remaining effective period for the Post-IPO RSU Scheme was approximately eight (8) years as at the date of this annual report.

For more details of the Post-IPO RSU Scheme, please refer to the paragraph headed “Statutory and General Information – D. Post-IPO RSU Scheme” in Appendix IV to the Prospectus.

No Award Shares has been granted, exercised, cancelled, lapsed or remained outstanding under the Post-IPO RSU Scheme during the Reporting Period.

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

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

Interests/short positions in the Shares of our Company

Name of Director or Chief Executive	Nature of interest	Number of Shares interested (Note 1)	Approximate percentage of shareholding interest (Note 2)
Mr. Sun (Note 3)	Interest of controlled Corporation	177,907,500 (L)	35.16%
	Founder of a discretionary trust who can influence how the trustee exercises his discretion	151,795,500 (L)	30%

Notes:

1. The letter "L" stands for long position.
2. The number of issued Shares as of the date of this annual report was 505,985,000.
3. Mr. Sun is deemed to be interested in an aggregate of 329,703,000 Shares held in long position, including 177,907,500 Shares held by Ru Yi IT and 151,795,500 Shares held by Keen Try No. 2 Limited. Details of which were set out in notes (3), (4) and (5) to the section headed "Substantial Shareholders' Interests and/or Short Position in Shares and Underlying Shares of the Company".

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31 December 2025, any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As of the date of this annual report, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial shareholder	Nature of interest	Number of Shares interested (Note 1)	Approximate percentage of shareholding interest (Note 2)
Ru Yi IT (Note 3)	Beneficial owner	177,907,500 (L)	35.16%
Keen Try No. 1 Limited (Note 4)	Interest of corporation controlled	151,795,500 (L)	30.00%
Keen Try No. 2 Limited (Note 4)	Beneficial owner	151,795,500 (L)	30.00%
Tricor Equity Trustee Limited (Note 4)	Interest of corporation controlled	151,795,500 (L)	30.00%
Mr. Sun (Note 5)	Interest of corporation controlled and founder of a discretionary trust who can influence how the trustee exercises his discretion	329,703,000 (L)	65.16%
Xichuang Phase I Artificial Intelligence Investment (Wuxi) Partnership Enterprise (Limited Partnership)* (Note 6)	Beneficial owner	26,277,000 (L)	5.19%

Notes:

- The letter "L" stands for long position.
- The number of issued Shares as of the date of this annual report was 505,985,000.
- Ru Yi IT directly held 177,907,500 Shares in the long position which in turn is wholly owned by Mr. Sun.
- Keen Try No.2 Limited directly held 151,795,500 Shares in the long position, which in turn is owned as to 99.0% by Keen Try No.1 Limited, and Keen Try No.1 Limited is wholly owned by Tricor Equity Trustee Limited ("Trustee"), being and as the trustee of a discretionary trust ("Trust") set up by Mr. Sun. Accordingly, Keen Try No.1 Limited and Trustee are deemed to be interested in 151,795,500 Shares held by Keen Try No.2 Limited.
- Mr. Sun is deemed to be interested in an aggregate of 329,703,000 Shares held in long position, including 177,907,500 Shares directly held by Ru Yi IT and 151,795,500 Shares directly held by Keen Try No.2 Limited.
- Xichuang Phase I Artificial Intelligence Investment (Wuxi) Partnership Enterprise (Limited Partnership)* (錫創一期人工智能投資(無錫)合夥企業(有限合夥)), is a limited partnership established in the PRC, directly held 26,277,000 Shares in the long position, whose partnership interests are held by Wuxi Yunshang Venture Capital Investment Co., Ltd.* (無錫雲商創業投資有限公司) as its general partner, and Wuxi Listed Company High Quality Development Fund (Limited Partnership)* (無錫市上市公司高質量發展基金(有限合夥)) and Nantong Hanxie Information Technology Co., Ltd.* (南通涵協信息科技有限公司) as its limited partners, as to approximately 0.0833%, 58.2847% and 41.6320%, respectively. The ultimate beneficial owners of 錫創一期人工智能投資(無錫)合夥企業(有限合夥) are State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government (無錫市人民政府國有資產監督管理委員會) and Ms. Zhu Lingling (朱玲玲), who hold 55.29% interests and 29.14% interests, respectively.

EQUITY-LINKED AGREEMENT

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

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

Repurchase Mandate

The Directors have been granted the general mandate (the “**Repurchase Mandate**”) pursuant to resolutions of the Shareholders passed on 16 June 2025, to repurchase Shares in the open market from time to time. Pursuant to the Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued Shares (i.e. 46,000,000 Shares) as at the date of passing such resolution.

Share Repurchase

During the Reporting Period, the Company repurchased 26,617,000 Shares under the Repurchase Mandate on the Stock Exchange for an aggregate consideration of HK\$118,890,170 which are held as treasury shares (as defined under the Listing Rules) of the Company. The Company may consider using such treasury Shares as permitted under the Listing Rules, including but not limited to, funding the Post-IPO RSU Scheme, future resales and transfer, and for other purposes permitted under the Articles of Association and the applicable laws of the Cayman Islands, subject to market conditions and its capital management needs. Holding treasury shares will give the Company flexibility in managing its capital structure without having to issue new shares.

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

Month of repurchase	No. of Share repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Aggregate consideration paid (HK\$)
September 2025	4,109,000	4.80	4.73	19,661,330
October 2025	22,508,000	4.86	3.84	99,228,840
Total	26,617,000			118,890,170

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

PRE-EMPTIVE RIGHTS

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

TAX RELIEF AND EXEMPTION FOR HOLDERS OF LISTED SECURITIES

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

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the 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 2025, such net proceeds from the Global Offering were utilized as follows in accordance with the intended use:

	Approximate allocation of the Net Proceeds HK\$'000	Approximate percentage of the total Net Proceeds %	Utilised amounts as at 31 December 2025 HK\$'000	Unutilised amounts as at 31 December 2025 HK\$'000	Estimated completion of utilisation
Existing business improvement and operation development	160,654	47.7	26,903	100,701	By 31 December 2026
Comprehensive implementation and upgrade of our Edge Computing Services	62,308	18.5	23,438	—	By 31 December 2026
Recruitment of talents for IDC Solution Services and Edge Computing Services operations	43,110	12.8	15,849	19,600	By 31 December 2026
Cooperation with universities and research institutes for research and development	37,048	11.0	16,397	9,749	By 31 December 2026
Working capital and general corporate purposes	33,680	10.0	11,364	11,205	By 31 December 2026
Total	336,800	100.0	93,951	141,256	

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.

USE OF PROCEEDS FROM SUBSCRIPTION OF SHARES

Reference is made to the announcement dated 18 July 2025 and the supplemental announcement dated 6 August 2025 and the completion announcement dated 18 August 2025 of the Company (collectively, the “**Announcements**”). Unless otherwise defined, the capitalised terms used herein shall have the same meanings as those defined in the Announcements.

On 18 July 2025, the Company entered into two subscription agreements (the “**2025 Subscription Agreements**”) with Subscriber A and Subscriber B, respectively (collectively, the “**Subscribers**”), pursuant to which the Company has conditionally agreed to allot and issue to the Subscribers, and the Subscribers has conditionally agreed to subscribe for a total of 45,985,000 Subscription Shares at a Subscription Price of HK\$4.98 per subscription share (the “**Subscription**”). The completion of the Subscription (the “**Completion**”) took place on 18 August 2025 in accordance with the terms of the 2025 Subscription Agreement. Upon the Completion, an aggregate of 45,985,000 new Shares have been allotted and issued to the Subscribers at the Subscription Price of HK\$4.98 per Subscription Share. The Net Proceeds from the Subscription (after deduction of expenses of the Subscription) are estimated to be approximately HK\$228.0 million.

The following table sets forth the status of the use of net proceeds from Subscription of Shares:

	Approximate allocation of the Net Proceeds HK\$ Million	Approximate percentage of the total Net Proceeds %	Utilised amounts as at 31 December 2025 HK\$ Million	Unutilised amounts as at 31 December 2025 HK\$ Million	Estimated completion of utilisation
Enhance the IDC solution services and edge computing services	30	13.2	—	30	By 31 December 2026
Expand Group’s businesses	84	36.8	74	10	By 31 December 2026
Establishment of the Group’s own intelligent computing centre	92	40.4	87	5	By 31 December 2026
Replenish working capital and general corporate purposes	22	9.6	9	13	By 31 December 2026
Total	228	100.0	170	58	

RELATED PARTY TRANSACTIONS

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

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

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

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

CONTRACTUAL ARRANGEMENTS

Background for the Contractual Arrangements

The provision of IDC Solution Services and Edge Computing Services are subject to foreign investment restrictions under the current PRC laws and regulations. The provision of IDC Solution Services and Edge Computing Services falls within the scope of value-added telecommunication services. The Group believes that to maintain the business operation and the effectiveness of ICP Licence held by the Consolidated Affiliated Entities, the Consolidated Affiliated Entities must be controlled by the Group through the Contractual Arrangements. The Contractual Arrangements are therefore narrowly tailored and are used to merely enable the Group to conduct businesses in industries that are subject to foreign investment restriction.

Due to regulatory restrictions on foreign ownership in the PRC, the Group conducts its business operations indirectly in the PRC through the Consolidated Affiliated Entities while complying with applicable PRC laws and regulations. For details of the Contractual Arrangements, please refer to the paragraph headed “Summary of the Contractual Arrangements”. Through the Contractual Arrangements, the Company exercise effective control over the Consolidated Affiliated Entities. The Contractual Arrangements enable the Company to (i) receive the economic benefits generated by the Consolidated Affiliated Entities; (ii) exercise effective control over the Consolidated Affiliated Entities; and (iii) hold an irrevocable and exclusive right to require (1) each of the Registered Shareholders to transfer any or all their equity interests in Cloud Factory, (2) Cloud Factory to transfer any or all of the assets it held, (3) Cloud Factory to transfer any or all their equity interests in any of its subsidiaries and/or (4) any of the subsidiaries of Cloud Factory to transfer any or all of the assets it held, to Wuxi Lingjingyun and/or a third party designated by Wuxi Lingjingyun, at any time and from time to time, at a consideration at RMB10 or at the lowest purchase price that is permitted by the PRC laws.

The revenue contribution of all of the Consolidated Affiliated Entities to the Group amounted to approximately 99.8% of the total revenue of the Group for the year ended 31 December 2025. As at 31 December 2025, the total assets of the Consolidated Affiliated Entities in aggregate represent approximately 82.4% of the total assets of the Group.

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

The Group believes the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 70 to 75 of the Prospectus.

- If the PRC government finds that the agreements that establish the structure for operating our operations in the PRC do not comply with applicable PRC regulations, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and being forced to relinquish our interests in those operations.
- Our Contractual Arrangements may not be as effective in providing operational control as direct ownership. Any failure by any Consolidated Affiliated Entity or its shareholders to perform the obligations under the Contractual Arrangements would have a material adverse effect on our business, results of operations and financial condition.
- The shareholders of the Consolidated Affiliated Entities may have actual or potential conflicts of interest with us, which may materially and adversely affect our business, results of operations and financial condition.
- Certain terms of the Contractual Arrangements may not be enforceable under PRC laws.
- We may lose the ability to use and enjoy assets held by our Consolidated Affiliated Entities that are material to our business operations if our Consolidated Affiliated Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.
- Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and the Implementation Rules and how they may impact the viability of our current corporate structure, corporate governance and business operations.
- Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and they may determine that we or the Consolidated Affiliated Entities owe additional taxes, which could materially and adversely affect our business, results of operations and financial condition.
- If we exercise the option to acquire equity ownership and assets of our Consolidated Affiliated Entities, the ownership or asset transfer may subject us to certain limitations and substantial costs.
- Our Group does not have any insurance which covers the risks relating to the Contractual Arrangements and the transactions contemplated thereunder.
- Wuxi Lingjingyun bears economic risks as the primary beneficiary of the Consolidated Affiliated Entities.
- There may be a potential impact to our Company if our contractual arrangements with the Consolidated Affiliated Entity, its subsidiaries and shareholders are not treated as domestic investment.

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

Directors' Report

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

- (i) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;
- (ii) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (iii) our Company will disclose the overall performance and compliance with the Contractual Arrangements in our annual reports; and
- (iv) our Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board in reviewing the implementation of the Contractual Arrangements, review the legal compliance of Wuxi Lingjingyun and our Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

Listing Rules Implications and Waivers

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from (i) strict compliance with the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules subject to certain conditions. For details, please refer to the section "Connected Transactions" in the Prospectus.

PRC Laws and Regulations

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

According to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》), internet information services refer to the service activities of providing information to internet users through the internet, and can be divided into two categories: operational and non-operational. Operational internet information services refer to the provision of information, web page production or other services to internet users through the internet for fees. Non-operational internet information services refer to the provision of public and commonly shared information to web users through the internet free of charge. Operational internet information services provider shall obtain an ICP Licence covering the business scope of internet information services from relevant government authorities before engaging in any operational internet information services business in the PRC.

For further details, please refer to the section "Regulatory Overview" in the Prospectus.

Qualification Requirements

According to the Administration of Foreign-funded Telecommunication Enterprises (外商投資電信企業管理規定) (amended in 2022 and became effective on 1 May 2022) (the “**FITE Regulations**”), the Qualification Requirements previously stipulated that a foreign investor who invests in a VATS in the PRC must possess prior experience in operating VATS and a proven track record of business operations has been cancelled and no longer be valid. Nonetheless, while a foreign investor is allowed to invest in an entity holding ICP Licence with less than 50% equity interest, it remains uncertain whether an entity held by foreign shareholders is allowed to hold an ICP Licence.

Summary of the Contractual Arrangements

During the Reporting Period, the Group's operating subsidiary, Cloud Factory, which principally engages in the provision of value-added telecommunication services which falls within the “restricted business for foreign investors restricted business” category under the Foreign Investment Negative List. As such, a series of Contractual Arrangements were entered into among Wuxi Lingjingyun, Cloud Factory and its subsidiaries and the Registered Shareholders on 28 March 2023 and 26 September 2023, of which the terms and conditions are substantially the same as the existing Contractual Arrangements.

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

- Exclusive Business Cooperation Agreements. Under the exclusive business cooperation agreements (the “Exclusive Business Cooperation Agreements”) dated 28 March 2023 and 26 September 2023 entered into among Wuxi Lingjingyun, Cloud Factory and its subsidiaries and the Registered Shareholders, in exchange for a monthly service fee, Cloud Factory and its subsidiaries agreed to engage Wuxi Lingjingyun as their exclusive service provider of technical support, consultation and other services
- Exclusive Option Agreements. Under the exclusive option agreements (the “Exclusive Option Agreements”) dated 28 March 2023 and 26 September 2023 among Wuxi Lingjingyun, Cloud Factory and its subsidiaries and the Registered Shareholders, Cloud Factory and its subsidiaries and the Registered Shareholders agreed to grant Wuxi Lingjingyun an irrevocable and exclusive right to require (i) each of the Registered Shareholders to transfer any or all their equity interests in Cloud Factory; (ii) Cloud Factory to transfer any or all of the assets it held; (iii) Cloud Factory to transfer any or all their equity interests in any of its subsidiaries; and/or (iv) any of the subsidiaries of Cloud Factory to transfer any or all of the assets it held, to Wuxi Lingjingyun and/or a third party designated by Wuxi Lingjingyun, at any time and from time to time, at a consideration at RMB10 or at the lowest purchase price that is permitted by the PRC laws.
- Equity Pledge Agreements. Under the equity pledge agreements (the “Equity Pledge Agreements”) dated 28 March 2023 and 26 September 2023 entered into among Wuxi Lingjingyun, Cloud Factory and its subsidiaries, Jiangsu Hanju and Wuxi Bangtai, being two of the Registered Shareholders, Cloud Factory, Jiangsu Hanju and Wuxi Bangtai agreed to pledge all their respective equity interests in Cloud Factory and its subsidiaries that they own, including any dividend or other benefits arising therefrom, to Wuxi Lingjingyun as a charge to guarantee the performance of contractual obligations under the Exclusive Business Cooperation Agreements, the Exclusive Option Agreements and the Powers of Attorney (as defined below).
- Powers of Attorney. Cloud Factory, Wuxi Lingjingyun and Wuxi Bangtai and Jiangsu Hanju, respectively, have executed the powers of attorney (the “Powers of Attorney”) on 28 March 2023 and 26 September 2023. Under the Powers of Attorney, Cloud Factory, Wuxi Bangtai and Jiangsu Hanju, respectively, covenanted that, they irrevocably appoint Wuxi Lingjingyun and any person designated by Wuxi Lingjingyun to manage their equity interest in Cloud Factory and/or its subsidiaries and exercise all shareholder's rights in Cloud Factory and/or its subsidiaries.

Directors' Report

- Undertakings by Mr. Sun. Mr. Sun has confirmed to the effect that (i) his spouse (where applicable) does not own and does not have the right to claim any interests in the equity interest of Cloud Factory (together with any other interests therein); (ii) where applicable, in the event of his death, incapacity, bankruptcy, divorce, or any other event which causes his inability to exercise his rights as a shareholder of Cloud Factory, his successors including his spouse, will not, under any circumstance and in any way, take any action, when such action may affect or hinder himself in performing his obligations under the Exclusive Business Cooperation Agreements, the Exclusive Option Agreements, the Equity Pledge Agreements, the Powers of Attorney; (iii) he will not directly or indirectly participate in, engage in, hold interest of or profit from any competing business or potentially competing business by utilising any information obtained in the operation of Cloud Factory and its subsidiaries; (iv) in case of potential or actual conflict of interest with Cloud Factory, Wuxi Lingjingyun or their associated companies, he will not cause any adverse impact on Cloud Factory, Wuxi Lingjingyun and their associated companies and will use his best endeavour to eliminate such conflicts in time; and (v) in case he assume directorship or senior management roles of Wuxi Lingjingyun and its associated companies, he shall assign all rights and obligations under the Powers of Attorney to Wuxi Lingjingyun or other directors or senior management members designated by Wuxi Lingjingyun.

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

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

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

Confirmation of Independent Non-executive Directors

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

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

Confirmation of the Company's Independent Auditor

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

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

Details of related party transactions in the normal course of business are set out in note 31 to the consolidated financial statements. During the Reporting Period, save as disclosed in this annual report, there were no other connected transactions or continuing connected transactions which are required to be disclosed by the Company in accordance with the provisions concerning the disclosure of connected transactions under Chapter 14A of the Listing Rules.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS" in this annual report and note 31 to the consolidated financial statements, no contract of significance had been entered into between the Company or any of its subsidiaries and the controlling Shareholders or any of its subsidiaries and no contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling Shareholders or any of its subsidiaries had been entered into.

DONATIONS

The Group's charitable and other donations totalled RMB2,079,199 during the Report Period (2024: RMB87,500).

MATERIAL LEGAL PROCEEDINGS AND COMPLIANCE

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

PERMITTED INDEMNITY PROVISIONS

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

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Principal corporate governance practices adopted by our Company are set out in the section headed Corporate Governance Report on pages 42 to 64 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDIT COMMITTEE

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

AUDITOR

Ernst & Young is appointed as the auditor during the Reporting Period and Ernst & Young has audited the accompanying financial statements which were prepared in accordance with IFRS Accounting Standards.

Ernst & Young is subject to retirement and, being eligible, offers itself for re-appointment at the AGM. A resolution for re-appointment of Ernst & Young as the Auditor will be proposed at the AGM.

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

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 20 January 2026 (the “**January Announcement**”) and in respect of, among others, the Acquisition. Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the January Announcement.

On 19 January 2026, Wuxi Yunzhan had entered into the Transfer Agreement with Wuxi Xinwu Resources Centre, upon its successful bid for the land use rights of the Land situated at No. 81 Xinmei Road, Wuxi, Jiangsu, the PRC through the Listing-for-sale Bidding. The consideration for the Acquisition is RMB74,111,200. Further details of the aforementioned matter are set out in the January Announcement.

Reference is made to the announcement of the Company dated 2 February 2026 (the “**February Announcement**”) and in respect of, among others, the Tender. Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the February Announcement.

In January 2026, Jiangsu Cloud Factory had successfully won a bid for a Project through a tendering platform by Anhui Bidding and Procurement Association* (安徽省招標採購協會). Subsequently, on 30 January 2026, Jiangsu Cloud Factory entered into the Contract with Suzhou Huarui Network, as the tenderee and purchaser, pursuant to which Jiangsu Cloud Factory agreed to supply, and Suzhou Huarui Network agreed to purchase, the hardware devices, software and services solutions for the Project. The contract value of the Contract is RMB519,709,680. Further details of the aforementioned matter are set out in the February Announcement.

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

ANNUAL GENERAL MEETING

The AGM will be held on Tuesday, 23 June 2026. The notice of AGM and all other relevant documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cloudcsp.com) in due course.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 17 June 2026 to Tuesday, 23 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 16 June 2026 (Hong Kong Time), being the last registration date.

By order of the Board

Cloud Factory Technology Holdings Limited

Sun Tao

Chairman

Hong Kong, 26 March 2026

Corporate Governance Report

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

CORPORATE GOVERNANCE PRACTICES

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

During the Reporting Period, the Company has complied with all the applicable code provisions under the CG Code with the exception for the deviation from code provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and CEO should be separated and should not be performed by the same individual. Currently, Mr. Sun is the chairman and CEO 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 CEO 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 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 CEO separately.

CORPORATE GOVERNANCE FUNCTIONS

The Board is collectively responsible for performing the corporate governance functions set out in code provision A.2.1 of Part 2 of the CG Code, including at least the following:

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

THE BOARD OF DIRECTORS

Responsibilities

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

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

Delegation by the Board

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

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

BOARD COMPOSITION

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

Executive Directors

Sun Tao (孫濤) (*Chairman and Chief Executive Officer*)

Jiang Yanqiu (蔣燕秋)

Ji Lijun (季黎俊)

Zhu Wentao (朱文濤) (*resigned on 9 February 2026*)

Independent Non-executive Directors

Zheng Qi (鄭歧) (*appointed on 2 January 2026*)

Xu Ronghua (許榮華) (*appointed on 2 January 2026*)

Zhou Qianqian (周茜茜) (*appointed on 2 January 2026*)

Ip Mun Lam (葉滿林) (*resigned on 2 January 2026*)

Cui Qi (崔琦) (*resigned on 2 January 2026*)

Zhao Hong (趙竑) (*resigned on 2 January 2026*)

The biographical details of each Director are set out on pages 17 to 19 of this annual report.

Corporate Governance Report

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

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

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

BOARD SKILLS MATRIX

The Board places strong emphasis on maintaining an appropriate balance of skills, experience and diversity to support the Company's strategy and governance responsibilities. The Board regularly reviews its composition to ensure that Directors, collectively and individually, contribute effectively to the Company's long-term success.

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

- Overseeing the implementation of the Company's strategic imperatives to solidify its leadership in the IDC solutions services, bridging innovative Edge computing service and intelligent computing with evolving market demands;
- Promoting sustainability and better governance and corporate responsibility practices across its business, markets and communities; and

- Overseeing implementation of robust risk management framework and internal controls.

Name of Directors	Strategy & Governance	Financial & Capital Markets	Risk & Regulatory	Industry Insight	Technology/ Cloud Computing and Computing Services
Executive Directors					
Mr. Sun Tao (<i>Chairman and Chief Executive Officer</i>)	✓	✓	✓	✓	✓
Mr. Jiang Yanqiu	✓	✓	✓	✓	✓
Mr. Ji Lijun	✓	✓	✓	✓	✓
Mr. Zhu Wentao (<i>resigned on 26 February 2026</i>)	✓		✓	✓	✓
Independent non-Executive Directors					
Mr. Zheng Qi	✓	✓	✓	✓	
Ms. Xu Ronghua	✓	✓	✓	✓	
Ms. Zhou Qianqian	✓	✓	✓	✓	
Mr. Ip Mun Lam (<i>resigned on 2 January 2026</i>)	✓	✓	✓	✓	
Mr. Cui Qi (<i>resigned on 2 January 2026</i>)	✓	✓	✓	✓	
Ms. Zhao Hong (<i>resigned on 2 January 2026</i>)	✓	✓	✓	✓	

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

The procedures and process of appointment, re-election and removal of Directors are contained in the Articles of Association. Each of the executive Directors, has signed service contracts with the Company. Each of the executive Directors has been appointed for a term of three years or until the third annual general meeting of the Company upon listing, whichever the earlier, but will be subject to retirement by rotation and eligible for re-election at least once every three years at the annual general meeting of the Company pursuant to the Articles. Upon the consent of the parties and subject to the Listing Rules, the service contract can be automatically renewed for successive terms of three years until it is terminated by either party in accordance with its terms.

Each of the independent non-executive Directors has signed letters of appointment with the Company. The terms and conditions of respective letters of appointment are similar in all material aspects. Each of the independent non-executive Directors has been appointed for a term of one year, but will be subject to retirement by rotation and eligible for re-election at least once every three years at the annual general meeting of the Company pursuant to the Articles. Subject to the recommendation of the Audit Committee, the letters of appointment can be automatically renewed for successive terms of one year upon expiry until it is terminated by either party in accordance with its terms.

According to Article 112 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Members in general meeting. Any Director so appointed shall hold office only until the next first annual general meeting of the Company and shall then be eligible for re-election at that meeting.

According to Article 108(a) of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at an annual general meeting by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Company at the general meeting at which a Director retires may fill the vacated office.

BOARD MEETING AND GENERAL MEETING

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

Name of Directors	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	General Meeting
Executive Directors					
Mr. Sun Tao	11/11	N/A	N/A	1/1	1/1
Mr. Jiang Yanqiu	11/11	N/A	N/A	N/A	1/1
Mr. Ji Lijun	11/11	N/A	1/1	N/A	1/1
Mr. Zhu Wentao ⁽¹⁾	11/11	N/A	N/A	N/A	1/1
Independent non-executive Directors					
Mr. Zheng Qi ⁽²⁾	N/A	N/A	N/A	N/A	N/A
Ms. Xu Ronghua ⁽³⁾	N/A	N/A	N/A	N/A	N/A
Ms. Zhou Qianqian ⁽⁴⁾	N/A	N/A	N/A	N/A	N/A
Mr. Ip Mun Lam ⁽⁵⁾	11/11	2/2	1/1	N/A	1/1
Mr. Cui Qi ⁽⁶⁾	11/11	2/2	1/1	1/1	1/1
Ms. Zhao Hong ⁽⁷⁾	11/11	2/2	N/A	1/1	1/1

Notes:

- (1) Mr. Zhu Wentao resigned as an executive Director on 26 February 2026.
- (2) Mr. Zheng Qi was appointed as an independent non-executive Director on 2 January 2026.
- (3) Ms. Xu Ronghua was appointed as an independent non-executive Director on 2 January 2026.
- (4) Ms. Zhou Qianqian was appointed as an independent non-executive Director on 2 January 2026.
- (5) Mr. Ip Mun Lam resigned as an independent non-executive Director on 2 January 2026.

- (6) Mr. Cui Qi resigned as an independent non-executive Director on 2 January 2026.
- (7) Ms. Zhao Hong resigned as an independent non-executive Director on 2 January 2026.

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

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director will be provided with necessary induction training and information to ensure that he/she has a proper understanding of the Company's operation and business as well as his/her responsibilities under relevant statutes, laws, rules and regulations in accordance with code provision C.1.1 of the CG Code. No Directors were appointed for the Reporting Period. On 2 January 2026, Mr. Zheng Qi, Ms. Xu Ronghua and Ms. Zhou Qianqian (collectively, the "**New Directors**") were appointed as Directors with effect on the same day. Pursuant to Rule 3.09D of the Listing Rules, each of the New Directors obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law on 22 December 2025 and confirmed his/her understanding of his/her respective obligations as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange. The Company will also arrange regular seminars and directors' training to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. In order to enhance the communication with the Directors and to enable them to deepen their understanding of the Company's business, the Company has regularly invited the Directors to visit the Company and hear about the strategic approaches and business development of the Company. Each of the Directors has confirmed that he/she has understood his/her obligations as a Director during the Reporting Period.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company have from time to time updated and provided written training materials relating to the roles, functions and duties of Directors.

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

Corporate Governance Report

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

Director	Directors' Duties, Roles and Functions Hours / Training Type	Issuers' Obligations & Regulatory updates Hours/Training Type	Corporate Governance & ESG Matters Hours/Training Type	Risk Management & Internal Controls Hours/Training Type	Industry Developments & Business Strategies Hours/Training Type	Total Training Hours
Mr. Sun Tao	4 (External/Zhong Lun Law Firm LLP)	4 (External/Zhong Lun Law Firm LLP)	1.5 (External/PAL Advisory Limited)	3 (Internal training)	8 (Internal training)	20.5
Mr. Jiang Yanqiu	4 (External/Zhonglun LLP)	4 (External/Zhonglun LLP)	1.5 (External/PAL Advisory Limited)	3 (Internal training)	8 (Internal training)	20.5
Mr. Ji Lijun	4 (External/Zhong Lun Law Firm LLP)	4 (External/Zhong Lun Law Firm LLP)	2.5 (External/PAL Advisory Limited); 3.5 (External/Computershare)	3 (Internal training): 10 (External/CUHK Law)	8 (Internal training): 2.5 (External/CUHK Law)	37.5
Mr. Zhu Wentao (<i>resigned on 26 February 2026</i>)	4 (External/Zhong Lun Law Firm LLP)	4 (External/Zhong Lun Law Firm LLP)	1.5 (External/PAL Advisory Limited)	3 (Internal training)	8 (Internal training)	20.5
Mr. Zheng Qi (<i>appointed on 2 January 2026</i>)	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Xu Ronghua (<i>appointed on 2 January 2026</i>)	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Zhou Qianqian (<i>appointed on 2 January 2026</i>)	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Ip Mun Lam (<i>resigned on 2 January 2026</i>)	4 (External/Zhong Lun Law Firm LLP)	4 (External/Zhong Lun Law Firm LLP)	1.5 (External/PAL Advisory Limited)	3 (Internal training)	2 (Self-study)	14.5
Mr. Cui Qi (<i>resigned on 2 January 2026</i>)	4 (External/Zhong Lun Law Firm LLP)	4 (External/Zhong Lun Law Firm LLP)	1.5 (External/PAL Advisory Limited)	3 (Internal training)	2 (Self-study)	14.5
Ms. Zhao Hong (<i>resigned on 2 January 2026</i>)	4 (External/Zhong Lun Law Firm LLP)	4 (External/Zhong Lun Law Firm LLP)	1.5 (External/PAL Advisory Limited)	3 (Internal training)	1 (Self-study)	14.5

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

JOINT COMPANY SECRETARIES

Mr. Ji is the joint company secretary of the Company and is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed.

Ms. Lam Chi Ching Cecilia resigned as the joint company secretary on 19 May 2025 and Mr. Cheng King Yip was appointed as the joint company secretary on the same day. In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company engages Mr. Cheng, a member of the Hong Kong Institute of Certified Public Accountants and Certified ESG Analyst to assist Mr. Ji to discharge his duties as joint company secretary of the Company. Mr. Ji is the primary contact person of the Company.

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

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee, and the Nomination Committee for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference.

Audit Committee

With effect from 2 January 2026, the composition of the Audit Committee has been restructured. Ms. Zhao Hong resigned as the chairman of the Audit Committee and Mr. Cui Qi and Mr. Ip Mun Lam resigned as the members of the Audit Committee. The restructured Audit Committee consists of 3 members, namely Ms. Xu Ronghua (Chairperson), Mr. Zheng Qi and Ms. Zhou Qianqian (with Ms. Xu Ronghua possessing the appropriate professional qualifications and accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules), all being independent non-executive Directors.

The main duties of the Audit Committee include, without limitation, the followings:

- (a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (c) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally;
- (d) to report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

Corporate Governance Report

- (e) to monitor integrity of the Company's financial statements and annual reports, ESG Reports, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from audit;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with accounting standards;
 - (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting; and
 - (vii) compliance with the Listing Rules in relation to ESG disclosure requirements;
- (f) regarding (e) above:
 - (i) members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's external auditor; and
 - (ii) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;
- (g) to review the Company's financial controls, and unless expressly addressed by a separate risk committee of the Board, or by the Board itself, to review the Company's risk management and internal control systems;
- (h) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting functions;
- (i) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (j) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

- (k) to evaluate and determine ESG-related risks and opportunities at least once annually, and ensuring that appropriate and effective ESG risk management and internal control systems are in place;
- (l) to review the Group's ESG performance against ESG-related goals and targets;
- (m) to report the ESG findings and recommendations to the Board;
- (n) to review ESG management approach, strategy, priorities and objectives;
- (o) to review the Group's financial, accounting and ESG policies and practices;
- (p) to review the external auditor's management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response;
- (q) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (r) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- (s) to act as the key representative body for overseeing the Company's relations with the external auditor;
- (t) to establish a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company;
- (u) to report to the Board on the matters included under the heading "Audit Committee" in Appendix C1 and the matters set out herein; and
- (v) to consider any other topics as defined by the Board from time to time.

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

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

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

Remuneration Committee

With effect from 2 January 2026, the composition of the Remuneration Committee has been restructured. Mr. Cui Qi resigned as the chairman of the Remuneration Committee and Mr. Ip Mun Lam resigned as the member of the Remuneration Committee. The restructured Remuneration Committee consists of 3 members, including two independent non-executive Directors and one executive Director, namely Mr. Zheng Qi (Chairman), Ms. Zhou Qianqian and Mr. Ji Lijun.

The main duties of the Remuneration Committee are as follows:

- (a) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) either:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or
 - (ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- (d) to make recommendations to the Board on the remuneration of the non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no Director or any of their associates is involved in deciding that Director's own remuneration; and
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

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

During the Reporting Period, the Remuneration Committee has convened one meeting and performed the following major tasks:

- Reviewed the remuneration policy and remuneration packages of the Directors and the senior management of the Company with reference to their performances and the corporate goals and objectives resolved by the Board.
- Conducted regular reviews on the level of remuneration with reference to companies with comparable business or scale.
- Consult with the Chairman of the Board about the performance of senior executives.

Details of the Directors' remuneration for the reporting period are set out in Note 8 to the consolidated financial statements in this annual report.

REMUNERATION OF SENIOR MANAGEMENT

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

Pursuant to Code Provision E.1.5 of the CG Code, the remuneration of senior management of the Company (whose biographies are set out in the section headed "Directors and Senior Management" of this annual report) for the Reporting Period falls under the following bands:

Band of remuneration	Number of individuals
Nil to RMB1,000,000	2
RMB1,000,001 to RMB2,000,000	2
RMB2,000,001 to RMB3,000,000	1
RMB3,000,001 to RMB4,000,000	—

Nomination Committee

With effect from 2 January 2026, the composition of the Nomination Committee has been restructured. Mr. Cui Qi and Ms. Zhao Hong resigned as the members of the Nomination Committee. The restructured Nomination Committee consists of 3 members, including one executive Director and two independent non-executive Directors, Mr. Sun Tao (Chairman), Mr. Zheng Qi and Ms. Xu Ronghua.

The main duties of the Nomination Committee are as follows:

1. to review the structure, size and composition (including the skills, diversity, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy and assist the board in maintaining a board skills matrix;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

3. to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the chairperson and the chief executive;
4. to assess the independence of INEDs according to the Listing Rules;
5. to review the nomination policy and to ensure disclosure of the same in the Corporate Governance Report, including the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidate(s) for directorship;
6. to support the Company's regular evaluation of the board's performance; including its assessment of each directors time commitment and contribution to the board, as well as the director's ability to discharge his or her responsibilities effectively;
7. to review the implementation and effectiveness of the board diversity policy (the "**Board Diversity Policy**") and to ensure disclosure of the same or a summary of it in the Corporate Governance Report, including the measurable objectives that the Nomination Committee has set for implementing the Board Diversity Policy, and the progress on achieving the objectives;
8. to ensure at least one director of a different gender from the other members of the nomination committee;
9. to assist the Board to develop the policy on diversity in the workforce (including senior management) and review the implementation and effectiveness of its policy on diversity in the workforce periodically and monitor progress towards the achievement of such; and
10. where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting: (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent; (ii) if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board; (iii) the perspectives, skills and experience that the individual can bring to the Board; and (iv) how the individual contributes to diversity to the Board.

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

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

During the Reporting Period, the Nomination Committee has convened one meeting and performed the following major tasks:

- Reviewed the structure, size and composition of the Board and its committees to ensure that they have a balance of skills, diversity, knowledge and experience appropriate to the requirements for the business of the Group.
- Assessed the independence of all the independent non-executive Directors.

- Assessed all directors' time commitment and contribution to the Board, taking into consideration their professional qualifications and work experience, listed issuer directorships, other significant external time commitments and other factors or circumstances relevant to their character, integrity, independence and experience.
- Reviewed the board diversity policy and the policy for the nomination of directors during the Reporting Period, including making recommendations to the Board on the succession of Directors.

Directors' Time Commitment and Contribution to the Board

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

On 26 March 2026, the Nomination Committee conducted its annual review of each Director's time commitment, level of participation and overall contribution to the Board and its committees for the year ended 31 December 2025, and assessed each Director's ability to continue to discharge his or her responsibilities effectively. In carrying out the assessment, the Nomination Committee considered, among other factors:

- the skills, experience and expertise of each Director, as reflected in the Directors' skills matrix set out in the "Board Composition" section of the Corporate Governance Report, and their relevance to the Group's strategic direction and business needs;
- each Director's roles and responsibilities within the Company and its subsidiaries, including memberships and chairmanships of Board committees, as well as their external directorships, public service roles and other major commitments; and
- each Director's attendance and active participation at Board, committee and general meetings of the Company and its subsidiaries during the year, as disclosed in the "Board Meeting and General Meeting" section of the Corporate Governance Report.

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

Nomination Policy

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

Board Diversity Policy

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

Our Board members have a wide range of age, ranging from 35 years old to 55 years old. With respect to the succession of Directors, the Nomination Committee will also assist in identifying potential female Board members as and when necessary.

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

Gender			Male	Female
			4	2
Age Group	35–40	41–45	46–50	51–55
	1	4	1	0
Length of service		1 year or below	2 to 4 years	Over 4 years
		3	3	0

The Board is currently of the opinion that it generally meets the diversity requirements under the Listing Rules. Currently, two out of six Directors are female, bringing the female representation to 33.3% of the Board, indicating an increase of 19 percentage points from 14.3% as compared to 2024. This reflects that the Board has maintained a relatively balanced and appropriate level of female representation. The Board has set an objective to maintain the current appropriate and balanced gender diversity on the Board and will review the progress towards this objective and the composition needs of the Board on an annual basis. To support the Board’s succession planning, the Company has implemented a leadership development programme to identify and cultivate female talents within senior management who may be considered for future Board positions, thereby ensuring a sufficient and effective internal talent pool. In addition, the Company encourages Directors to nominate potential candidates from their extended professional networks, with particular emphasis on recommending high-potential female leaders to the Nomination Committee.

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

Workforce Diversity Policy

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

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

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

In 2025, the Group had 109 full-time employees, of which 55 were male and 54 were female. The gender ratio of all employees (including senior management) is approximately 50.5% (male) and approximately 49.5% (female) (2024: 54.8% male and 45.2% female), respectively.

As of December 31, 2025, our senior management of the Company were 4 male and 1 were female, representing 80% male and 20% female, and total workforce (excluding senior management) comprised 49.0% male and 51.0% female, reflecting a balanced gender composition and demonstrating the Group’s continued commitment to workforce diversity. The Board will continue to maintain an appropriate gender balance and promote diversity at both the Board and employee levels.

Taking into account the characteristics of the industry to which the Group belongs and its business needs, the current proportion of female employees is at a relatively high level. The Board believes that maintaining a proportion of female employees of not less than 40% is a feasible and appropriate goal, and will review and revise the Workforce Diversity Policy from time to time as necessary to ensure its continued effectiveness.

BOARD INDEPENDENCE MECHANISM

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

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

Corporate Governance Report

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

DIVIDEND POLICY

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

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

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

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

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

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

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

DIRECTORS' AND SENIOR MANAGEMENT'S LIABILITY INSURANCE

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

REMUNERATION OF AUDITOR

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

Classification of Services	Amount (RMB'000)
Audit and audit-related services	3,350
Non-audit services	—
Total	3,350

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

During the Reporting Period, the management and the Board conducted a comprehensive annual review on the effectiveness of the risk management and internal control systems of the Company and the relating review process and findings are as follows:

Process Details

This process involved: (i) identifying principal risks through meetings with department heads; (ii) evaluating the likelihood and potential impact of these risks on our financial performance and operations; and (iii) formulating mitigation strategies and action plans.

The risk assessment covered a broad spectrum of risks, including strategic, operational, financial, and compliance risks. In line with our commitment to sustainability, environmental, social and governance ("ESG") related risks were fully integrated into this assessment. Key ESG risks identified include climate change impacts on our supply chain, regulatory changes regarding carbon emissions. Mitigation measures, such as diversifying supplier base have been implemented and are being monitored by the ESG working group.

Risk Management and Internal Control Systems: Material Improvements

During the Reporting Period, the Group fully deployed and commenced operation of the “Cloud Workshop Information System” (CIS) to further enhance its risk identification and management capabilities. The system integrates risk control checkpoints into key business processes to strengthen internal controls and improve operational transparency.

Prior to its implementation, certain operational processes relied on manual handling, which posed potential risks of human error and incomplete information records in areas such as financial accounting, asset management and business data recording. The CIS system was introduced to standardise and automate these processes.

In financial management, the system supports automated financial accounting, improving efficiency and data accuracy while reducing the risk of manual errors. In asset management, it enables systematic monitoring of hardware inventory movements and bandwidth resource utilisation, enhancing resource management and control. In business operations, the system records and tracks sales leads and customer data throughout the process, improving operational transparency and strengthening compliance and auditability.

The implementation of the CIS system has further enhanced the Group’s risk management and internal control systems and strengthened the monitoring of key operational processes. During the Reporting Period, apart from the above system deployment, there were no other material changes to the Group’s risk management and internal control systems.

Review Findings

Based on the annual review performed and the confirmations received from management and the audit committee, the Board considers that the financial reporting system, risk management and internal control systems of the Company are appropriate, adequate and effective and that the Company had complied with the code provisions relating to risk management and internal control of the CG code during the Reporting Period and up to the date of this report. The review findings, including the measures taken to address any identified control weaknesses, have been reported to the Board. No significant control failings or weaknesses were identified that would require material disclosure in this report.

WHISTLEBLOWING POLICY

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

ANTI-CORRUPTION POLICY

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

During the Reporting Period, the Group was not aware of any incompliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the operations of the Company. There were no concluded legal cases regarding corrupt practices brought against its employees during the Reporting Period.

INSIDE INFORMATION

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

SHAREHOLDERS' RIGHTS

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

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

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

Pursuant to Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Members holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings, on a one vote per Share basis in the share capital of the Company and the foregoing Members shall be able to add resolutions to the meeting agenda. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

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

Shareholders may send the requisition letter to the Company's headquarter and principal place of business for the attention of the company secretary of the Company in the PRC at 2-601, Tian An Intelligence Park, 228 Linghu Avenue, Xinwu District, Wuxi, Jiangsu, PRC.

Procedures for Shareholders to Send Enquiries to The Board

Shareholders may send their enquiries in writing with contact details (including registered name, address, telephone number and email address) to the Company's headquarter and principal place of business in the PRC for the attention of the company secretary of the Company at 2-601, Tian An Intelligence Park, 228 Linghu Avenue, Xinwu District, Wuxi, Jiangsu, PRC.

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

SHAREHOLDERS' COMMUNICATION POLICY AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information on the Company for the Shareholders and investors to make informed investment decisions. The Company establishes asset management department which is responsible for managing investor relations. Shareholders may raise questions, request for publicly available information and provide comments and suggestions to the directors and management of the Company. Such questions, requests, comments and suggestions can be addressed to the Company by post to 2-601, Tian An Intelligence Park, 228 Linghu Avenue, Xinwu District, Wuxi, Jiangsu, China. The Company maintains proactive communications with Shareholders, investors and other capital market participants, which enable Shareholders and investors to fully understand the Company's operation and development, by various means such as participating in domestic and foreign investor exchanges, performance conferences and investment analysts meetings.

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

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

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

AMENDMENT TO CONSTITUTIONAL DOCUMENTS

The Articles was adopted on 14 May 2024 and were effective on the Listing Date, which is available on the websites of the Company and the Stock Exchange. For the Reporting Period, there was no change in the Articles.

ABOUT THE REPORT

Overview

The report is the second Environmental, Social, and Governance Report (hereinafter referred to as the “ESG Report” or “this Report” or “the Report”) issued by Cloud Factory Technology Holdings Limited. It is targeted at all stakeholders of the Company and focuses on disclosing the Company’s management, practices, and performance in the economic, environmental, social, and governance aspects.

Reporting Period

This Report covers the Group’s performance in environmental management and social responsibility during the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”). Where appropriate, some of the content relates back to prior years or contains forward-looking descriptions.

Reporting Scope and Boundary

The Report covers Cloud Factory Technology Holdings Limited and its subsidiaries (the “Cloud Factory Technology”, “the Group”, or “we”).

Basis for Preparation

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and complies with the “mandatory disclosure” and “comply or explain” provisions therein.

Reporting Principles

The Report is structured according to the steps of identifying and ranking important stakeholders, determining key ESG-related issues, defining the scope of the ESG Report, collecting relevant materials and data, compiling the Report based on the information, and reviewing the materials presented in the Report, to ensure the completeness, materiality, quantifiability, balance, and consistency of the contents of the Report.

- **Materiality:** The Company conducts the materiality assessment in accordance with the Environmental, Social and Governance Reporting Code to identify issues that are important to the Company and its stakeholders during the Reporting Period. By evaluating the relevance and significance of the issues, as well as preparing and verifying the reported information, the identified material issues become the key disclosure focus of this Report.
- **Quantifiability:** In this Report, the Company provides relevant data obtained through calculations, along with the standards, methods, assumptions, and reference materials used, in order to ensure the accuracy of the information as much as possible.
- **Balance:** The contents of this Report reflects objective facts, and information involving both positive and negative aspects of the Company is disclosed impartially, without any improper modifications.
- **Consistency:** Unless otherwise specified, the data disclosed in this Report are all collected and compiled according to the unified information collection processes and working mechanisms established by the Company, in order to facilitate comparison of ESG performance across different years.

Data Sources and Reliability Statement

The information and data disclosed in the Report are derived from the statistical reports and formal documents of the Group, and have been reviewed and approved by the Board before release. Cloud Factory Technology guarantees that there is no misstatement, misleading representation, or material omissions contained in the Report and takes responsibility for the authenticity, accuracy and completeness of the contents of the Report.

Process of Preparation

The Report has been compiled through various procedures include, among others, forming a working group, collecting data, conducting interviews with the stakeholders, conducting surveys with the stakeholders, determining the framework, compiling the report, designing the report, and conducting reviews by relevant departments and senior management.

Where to obtain the Report

For detailed information on the environmental, social, and corporate governance of the Group, please refer to the website of Hong Kong Exchanges and Clearing Limited (HKEX) (<https://www.hkexnews.hk>) or the official website of the Group (<https://www.cloudcsp.com/en-us>).

Acknowledgment and Approval

Subject to the acknowledgement of the Management, the Report has been approved by the Board on 26 March 2026.

Awards and Honors

Honors obtained



2025 Edge Cloud + AI Technology Innovation Pioneer Enterprise



12th Global Edge Computing Conference “Golden Calculator Award — Annual Edge Cloud Innovation Award”



China Mobile Shandong Company “Golden Stone Alliance Award”



China Unicom Inner Mongolia Company “Outstanding Contribution Award”



“2025 Top 20 Edge Computing Companies in China”



Best Investor Relations Management Team for Listed Companies



Hong Kong Commercial Daily “ESG Excellent Influential Enterprise”



Selected for the 2025 Government Affairs Industry Xinchuang Ecological Knowledge Graph



2025 China Xinchuang Excellent Solution for Edge AI Application



Ecosystem Spark Award



Selected as a Featured Case of Internet Helping Digital Transformation of Economy and Society in 2025

Qualification certification



High-tech Enterprise Certification



Small and Medium-sized Enterprise in Jiangsu Province that is Specialised, Innovative, Sophisticated, and Niche



Private Technology Enterprise in Jiangsu Province



DCMM Data Management Capability Maturity Managed Level Achieved (Level 2)



Intellectual Property Compliance Management System Standards GB/T 29490-2023



Admission and Cultivation Certificate for Data Enterprise in Jiangsu Province



Edge Intelligent Transportation Joint Solution V2.0_Kunpeng Technology Certification



Large Language Model based on Industry Knowledge Base AI Reasoning Application Development Solution Ascend Technology Certificate

SUSTAINABLE DEVELOPMENT GOVERNANCE

Cloud Factory Technology actively pursues the concept of sustainable development. On the basis of ensuring the stable operation of the Group, it continuously promotes environmental, social, and governance (hereinafter referred to as the “ESG”) management, listens to suggestions and expectations from all parties regarding the Group’s ESG aspects, and solidly promotes the organic integration of sustainable concepts with the Group’s development and operation, achieving high-quality sustainable development.

Board Statement

As the highest responsible and decision-making body for ESG matters, the Board bears the overall responsibility for the Group’s ESG strategy and reporting work, directly supervises the implementation of ESG-related matters within the Group, and ensures the stable operation of our risk control and internal control systems. The Board authorises various management levels to carry out management, ensuring effective implementation of ESG work through cross-departmental cooperation and top-down linkage. To promptly and effectively respond to the potential impact of ESG risks on the Group, we regularly conduct assessments on important ESG issues based on the external socio-economic environment and the Group’s development strategy, taking into account our own characteristics, and submit the results to the Board for review. The Board is responsible for discussing and determining important issues related to the Group’s ESG risks and opportunities (including climate risks and opportunities), incorporating the identified issues into the overall development strategy, and continuously monitoring the level of issue management and performance. The Group continuously pays attention to the participation mechanism of the Board in ESG work, formulates targets in key ESG areas such as climate change response, energy consumption management, water resource consumption management, and pollutant emissions, to facilitate the integration of ESG management performance with daily business objectives.

ESG Governance Structure

Cloud Factory Technology actively promotes ESG-related work with a serious and pragmatic attitude, adhering to the path of sustainable development. Cloud Factory Technology has formulated the ESG System, laying a solid foundation for comprehensively carrying out sustainable development work. We have established an ESG governance structure featuring direct supervision by the Board, overall leadership by the management, tacit cooperation among departments at all levels, and flexible linkage between the top and the bottom, ensuring strict and effective implementation of ESG work from top to bottom. When necessary, we will entrust a third party to assess ESG-related risks, propose scientific and effective response plans, further promote the implementation of the Company’s sustainable development goals, and enhance the level of ESG governance.

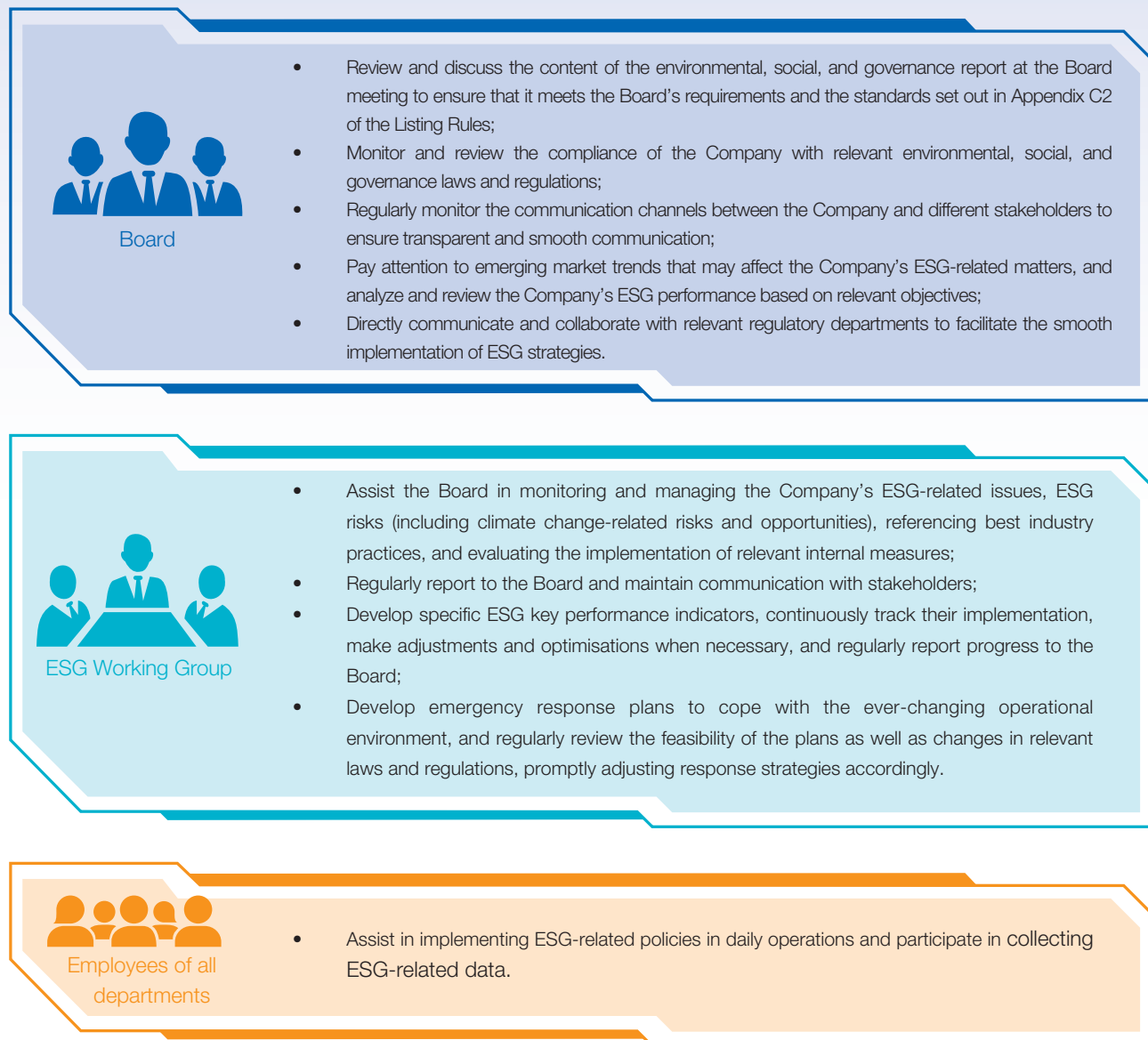


Figure: ESG Governance Structure and Responsibilities of Cloud Factory Technology

Meanwhile, in order to further enhance the awareness and professional competence of the Group’s leadership in ESG, we actively participate in ESG management training to learn and master relevant methodologies for ESG management. During the year, we participated in ESG-related training twice, covering issues such as the Corporate Governance Code, anti-corruption policies, and climate information disclosure requirements. This was aimed at helping the Group keep up with the latest developments and requirements in the ESG field and providing theoretical support for the Group to continue deepening its ESG management efforts.

STAKEHOLDER COMMUNICATION

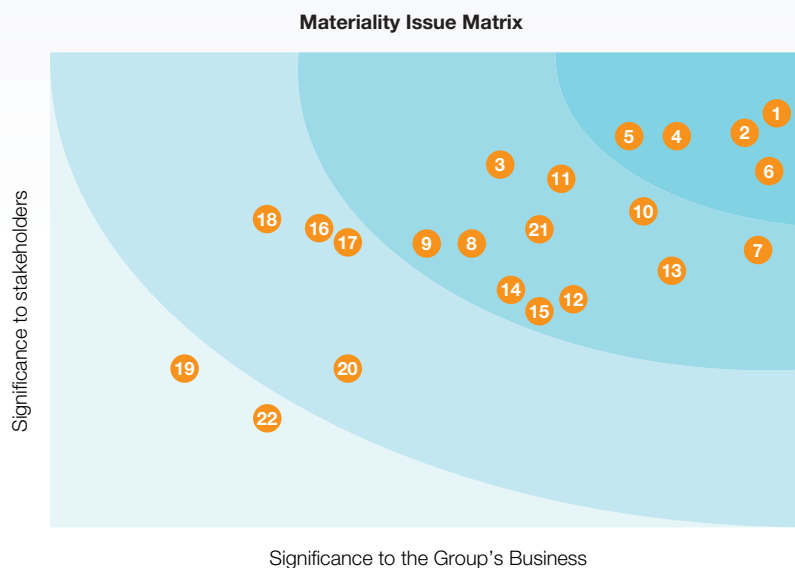
Cloud Factory Technology is well aware of the significant impact of stakeholder communication on the achievement of sustainable development for enterprises. In accordance with the internal system requirements outlined in the Compilation of Internal Control Management Systems, we have established a normalized and diversified external communication mechanism. We humbly listen to the opinions, expectations, and demands of stakeholders, actively respond to their major concerns, safeguard their rights to know and participate, and jointly achieve sustainable development.

Table: Stakeholders' Attention to ESG Issues and Communication Channels

Stakeholders	Issue of Concern	Communication Channels
Government and regulatory agencies	<ul style="list-style-type: none"> • Law-abiding and compliant operation • Generate economic benefits • Environmental protection • Information security and data privacy 	<ul style="list-style-type: none"> • Government consultation • License application • Information disclosure • Supervision and inspection
Investors/Financial institutions	<ul style="list-style-type: none"> • Protecting shareholders' rights and interests • Corporate governance • Disclose relevant information in a timely and accurate manner • Law-abiding and compliant operation 	<ul style="list-style-type: none"> • General meeting • Press releases and announcements • Company website • Telephone and email communications
Non-governmental organisations	<ul style="list-style-type: none"> • Local development investment • Undertake environmental and social responsibility 	<ul style="list-style-type: none"> • Industry summit • Information disclosure
Customers	<ul style="list-style-type: none"> • Product quality and service • Business ethics • Information security and data privacy 	<ul style="list-style-type: none"> • Customer service hotline • Satisfaction survey • Complaint mechanism • On-the-spot investigation • Information disclosure
Communities	<ul style="list-style-type: none"> • Promote employment • Community participation and contribution • Undertake environmental and social responsibility 	<ul style="list-style-type: none"> • Questionnaire • Public benefit activities • Community meeting
Employees	<ul style="list-style-type: none"> • Remuneration and benefits • Career development and opportunities • Occupational Health and Safety • Protection of human rights 	<ul style="list-style-type: none"> • Internal communication meeting • Corporate whistleblower system • Employee training • Employee symposium • Employee satisfaction survey
Supplier and its partners	<ul style="list-style-type: none"> • Sustainable supply chain • Business ethics • Intellectual property protection • Information security and data privacy 	<ul style="list-style-type: none"> • Industry summit • Procurement activities

ESG MATERIALITY ISSUES

To clearly establish the direction for ESG management and development, the Group identified material ESG issues for the business through a materiality assessment. This assessment is based on questionnaires to internal and external stakeholders, and the Group scores and ranks the level of concern stakeholders have for each ESG issue. At the same time, to more comprehensively review ESG issues that are significantly related to the Group’s business, the Group refers to the ESG Industry Materiality Graphs and SASB Materiality Graphs prepared by Morgan Stanley Capital International (“MSCI”) and the Sustainability Accounting Standards Board (“SASB”), respectively, to identify industry-focused ESG issues. Considering the above scoring and screening results, the Group ultimately identified a total of 22 material ESG issues.



Significance	No.	Materiality Issues
Highly significant issues	1	Products and services
	2	Information security and data privacy
	6	Technological innovation
	4	Customer service and satisfaction
	5	Responsible marketing
	7	Build a green data center
	10	Risk Management
	11	Corporate Governance
	3	Intellectual property and protection
	13	Diversity and equal opportunity
	21	Energy management
General significant issues	12	Employment Policies and Labor Rights
	8	Green supply chain management
	14	Avoidance of child labor and forced labor
	18	Business ethics
	9	Industry cooperation
	15	Occupational health and safety
	16	Employee training and development
	17	Employee welfare
	18	Business ethics
	20	Green office
	19	Community Investment
22	Climate change	

OPERATION COMPLIANCE

Standardised corporate governance serves as the cornerstone for Cloud Factory Technology to maintain stability and achieve long-term success, and it is also an inevitable requirement for ensuring the sustainable development of the Group. Cloud Factory Technology continuously improves its governance mechanisms, establishes a robust and compliant governance system, enhances its risk prevention and control capabilities, adheres to business ethics, and strives to establish a transparent, fair, and stable corporate image. We are committed to creating long-term value for our customers, shareholders, employees, suppliers, and even society at large.

CORPORATE GOVERNANCE

Cloud Factory Technology strictly adheres to the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, and other relevant laws and regulations in formulating its internal rules and regulations, including the Articles of Association. We continuously optimise the Group's governance structure, actively enhance governance efficiency, maintain good communication with investors, and lay a solid foundation for the standardised development of the Group.

Governance Structure

As the highest governance body, the Board is responsible for overseeing the overall operation and development strategy of the Company, formulating business strategies and investment plans, supervising and guiding the management team, and fulfilling governance responsibilities in accordance with legal and regulatory requirements. The Board comprises three professional committees: the Audit Committee, the Nomination Committee, and the Remuneration Committee. Based on their professional functions, each committee supervises relevant operations and management work of the Group to ensure efficient operation and scientific decision-making by the Board. As at the end of the Reporting Period, we held a total of 11 Board meetings, 2 Audit Committee meetings, 2 Nomination Committee meetings, and 1 Remuneration Committee meeting, with a 100% attendance rate of Board members.

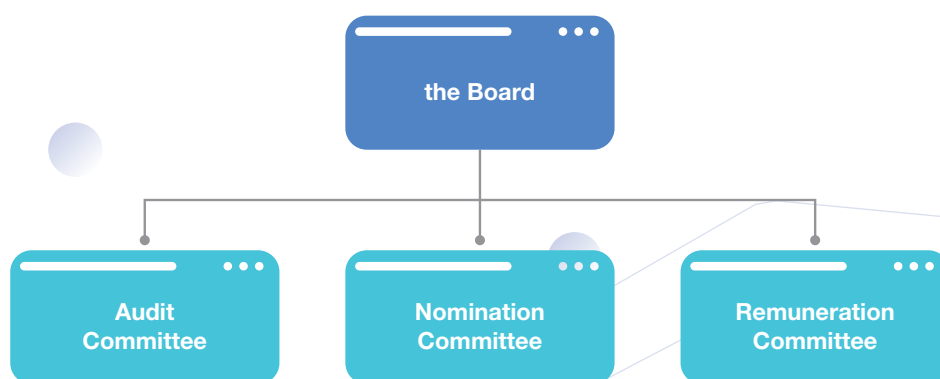


Figure: Governance Structure of Cloud Factory Technology

Environmental, Social, and Governance

Cloud Factory Technology views boardroom diversity as a crucial factor in achieving sustainable development for the Group and is committed to building a diverse and professional board. When selecting board members, we adhere to the principle of diversity, comprehensively considering various factors such as candidates' professional experience, cultural and educational backgrounds, vocational skills, gender, age, and service tenure, to ensure the comprehensiveness and scientific nature of board decisions. As at the end of the Reporting Period, the Board of Cloud Factory Technology consisted of 7 directors, including 3 independent directors and 1 female director.

Full name	Gender	Position	Audit Committee	Nominating Committee	Remuneration Committee
Sun Tao	Male	Chairman and Executive Director		√	
Jiang Yanqiu	Male	Executive Director and General Manager			
Ji Lijun	Male	Executive Director and Deputy General Manager			√
Zhu Wentao	Male	Executive Director, Deputy General Manager, and Director of the Lingjing Cloud Business Department			
Ip Mun Lam	Male	Independent Non-executive Director	√		√
Cui Qi	Male	Independent Non-executive Director	√	√	√
Zhao Hong	Female	Independent Non-executive Director	√	√	

Table: Information of Directors of Cloud Factory Technology

Investor Communication

The comprehensive and sustainable development of the Group is inseparable from maintaining good communication relationships with investors. In accordance with relevant laws and regulations, Cloud Factory Technology continuously strengthens interaction and communication with investors through diversified communication channels. We regularly disclose company operational information and make the investor hotline publicly available on our official website to ensure that investors can obtain timely and accurate information about the Company's operations. At the same time, we promptly respond to issues of concern to investors, create long-term returns for them, and stabilize investor relationships. In 2025, the Group issued a total of 51 announcements and received more than 40 visits from investors and conference calls from domestic and overseas investors.

Investor Relations Contact of Cloud Factory Technology

Address: 2-601, Tian An Intelligence Park, 228 Linghu Avenue, Xinwu District, Wuxi City, Jiangsu Province, the PRC

Tel: 18852992680

Email: gongjiabei@cloudcsp.com

INTERNAL CONTROL AND RISK MANAGEMENT

Cloud Factory Technology adheres to a compliance work mechanism that combines institutional norms with risk control implementation, continuously optimises the risk management and control system, and forms a mature internal control mechanism to effectively prevent risks, enhance the market competitiveness of the Group, and achieve long-term stable development of the Group.

Risk Management and Control System

We attach great importance to Group risk management and strictly adhere to relevant laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Companies Ordinance of Hong Kong, and the Stock Exchange of Hong Kong Limited Listing Rules for Securities. We have established internal systems and regulations such as the Risk Management System and the Internal Control Punishment System and Punishment Implementation Standards for Cloud Factory Technology Holdings, providing institutional guarantees for the continuous implementation of Group risk management and control. We have set up a Risk Management Committee, with the Chairman of the Group serving as the chairman of the committee, general manager, deputy general manager, and heads of various departments as members. We have clarified their relevant responsibilities and implemented risk management and control responsibilities. At the same time, we have established "Three Lines of Defense" for risk management based on the actual situation of the Group, and have detailed provisions and explanations for the responsibilities of relevant departments. We have integrated various requirements for risk work into various management and business processes of the Group to ensure the effectiveness of risk prevention and control.

First line of defense: Legal Department

- Responsible for formulating and reviewing documents related to the risk management of the Group;
- Supervise all departments to carry out their work in accordance with laws, regulations, and internal systems;
- Conduct regular risk assessments for major projects.

Second line of defense: Risk Management Committee

- In accordance with the overall strategic planning of the Group, review and update the Group's risk strategy, risk management system, and internal control processes, while supervising and evaluating their implementation and effectiveness, and proposing improvement suggestions to the Group's leadership;
- Evaluate and review the Group's major risk control plans in terms of strategy, finance, market, operation, and law, examine special analysis reports on major risk events, and propose improvement measures and suggestions;
- Review the organisational structure of risk management and its responsibility allocation plan, supervise and evaluate the establishment, organisational model, operational processes, and effectiveness of the risk management committee, and propose improvement suggestions;
- Oversee the progress of risk management work and coordinate the necessary human, financial, and material resources required for risk management.

Third line of defense: the Board

- Promote the construction of the Group's risk management system and supervise the effective implementation of risk control measures.

Figure: Composition and Responsibilities of the "Three Lines of Defense" at Cloud Factory Technology

Risk Identification and Prevention

We deeply recognise the importance of effective risk management to the high-quality and sustainable development of the Group. Cloud Factory Technology actively engages in risk identification and response, taking into account national policies, changes in the market environment, its own operational conditions, and the concerns of various stakeholders. Through multidimensional analysis, we identify risks from four dimensions: technology, market, operation, and regulation, and develop response plans for major risks. We continuously track the effectiveness of major risk control, quantitatively analyze the changing trends of major risks, and ensure that risks are known, controllable, and tolerable.

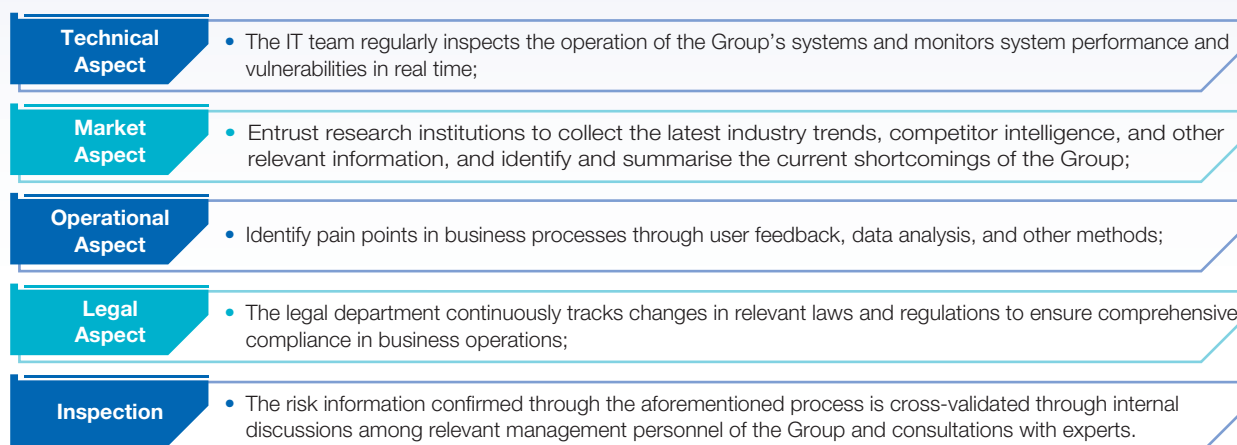


Figure: Risk Identification Process of Cloud Factory Technology

During the Reporting Period, the risks identified through our risk identification efforts and the corresponding countermeasures are as follows:



Figure: Risks and Countermeasures of Cloud Factory Technology

Furthermore, we actively undertake project risk control measures. For multiple projects across various business departments of the Group, we conduct thorough background checks on front-end business, legal, and risk aspects, rigorously review back-to-back clauses in mid-term contracts, and follow up on back-end payment collection and litigation handling. This helps the Group mitigate potential risks, minimise risk losses, and maximise business benefits.

We place high emphasis on fostering compliance awareness among all employees, aiming to enhance the risk management capabilities of those in key positions and elevate their risk management awareness.

Case: Training on the Internal Control System of Cloud Factory Technology Holdings



On 31 July 2025, Cloud Factory Technology held a training activity for the Internal Control System of Cloud Factory Technology Holdings. The training was conducted in a combination of online and offline formats. This training activity aims to help employees comprehensively grasp the core requirements of the Company’s internal control system, enhance compliance awareness and risk prevention capabilities, reduce operational errors and violations, and ensure that all work complies with the Company’s system and compliance standards.

BUSINESS ETHNICS

Cloud Factory Technology consistently upholds the spirit of integrity and impartiality, firm adherence to the principles of business ethics, strict regulation of the conduct of all employees within the Group, resolute opposition to commercial corruption, in order to foster an honest, transparent, fair, and healthy business environment.

Business Ethics

Cloud Factory Technology strictly adheres to national and local policies, laws, and regulations, including but not limited to the Anti-Monopoly Law of the People’s Republic of China, the Anti-Money Laundering Law of the People’s Republic of China, and the Anti-Unfair Competition Law of the People’s Republic of China. Internally, Cloud Factory Technology has formulated regulatory documents such as the Anti-Corruption and Anti-Bribery Agreement, adopting a “zero-tolerance” stance toward unethical business practices, including corruption, bribery, monopolistic behaviour, unfair competition, and money laundering. We have established a comprehensive business ethics management system which clarifies the responsibilities of relevant departments and outlines detailed procedures for addressing violations and imposing penalties and timely responding to corrupt practices, for the reinforcement of the Company’s commitment to ethical business conduct and a transparent and honest business environment. As at the end of the Reporting Period, Cloud Factory Technology has not been involved in any concluded litigation cases related to corruption, bribery, or unfair competition.

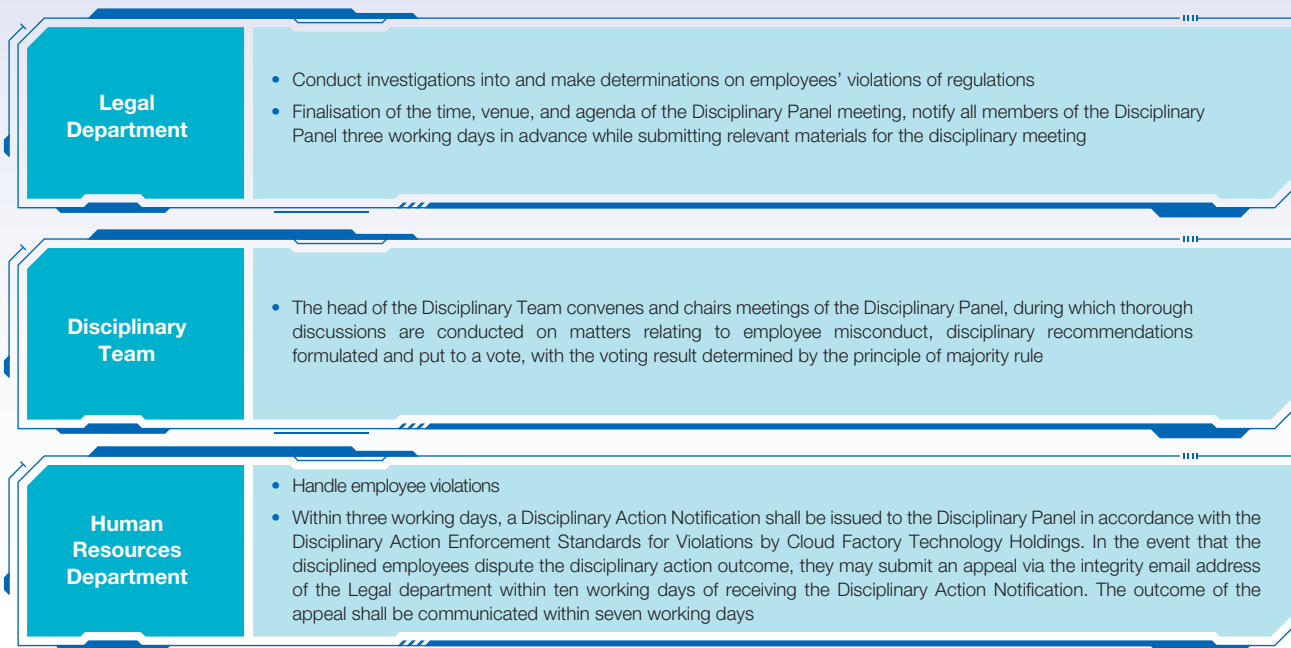


Figure: Business Ethics Management Framework and Responsibilities of Cloud Factory Technology

Cloud Factory Technology has established open, transparent, and unimpeded whistleblowing channels to encourage employees and various stakeholders to actively report any acts in violation of business ethics. Specifically, we have set up an integrity and compliance email address (legaldepartment@cloudcsp.com), requiring employees to make civilised suggestions based on actual circumstances and prohibiting malicious complaints. Employees of the Group can use this email address to make behavioral complaints, report personnel issues, and offer suggestions. Upon receiving relevant emails, the Legal department will conduct compliance investigations based on the specific circumstances reflected in the emails and promptly arrange interviews. After the investigation is concluded, the Legal department will promptly feedback the results to the sender. If the sender has objections to the handling results, they may file an appeal within the specified timeframe, and the appeal results will be fed back again within the prescribed time limit. Meanwhile, we have clearly defined the whistleblower protection system and the whistleblower reward mechanism in the Anti-Corruption and Anti-Bribery Agreement which stipulates that whistleblower information and the content of the reports shall not be disclosed or leaked in any manner, and any act of retaliation against whistleblowers will be held accountable, adhering to the principle of protecting the legitimate rights and interests of whistleblowers from infringement.

The Group has organised training on business ethics and anti-corruption for employees, focusing on key areas and critical links, with the aim of enhancing employees' ethical standards and professional integrity, and fostering a clean and upright operational environment. During the Reporting Period, we conducted a total of 6 anti-corruption training sessions, including 4 sessions on legal system and daily risk compliance training and 2 sessions on internal control system training, achieving a 100% training coverage rate.

INGENIOUS EXCELLENCE

Cloud Factory Technology has consistently attached great importance to the positive impact that technological innovation can bring to enterprises. Driven by continuous iteration and innovation, and with quality assurance as our fundamental responsibility, we are committed to providing high-quality products and services to our customers. We are firmly committed to establishing robust security safeguards. We comprehensively strengthen data security and privacy protection efforts, thereby contributing to the construction of a healthy and stable online ecosystem. Meanwhile, we also attach great importance to optimising supply chain management. By leveraging our comprehensive strengths, we aim to meet customer needs and empower the sustained and healthy development of the industry.

TECHNOLOGICAL INNOVATION

Cloud Factory Technology has consistently accorded a leading position to technological innovation in driving the development of the enterprise, and continuously promotes the implementation and effectiveness of new innovative achievements. Through a series of well-established technology research and development (R&D) processes, we have innovatively created various products to address the pain points in industry development. Furthermore, we attach great importance to the protection of intellectual property rights to ensure that our technological achievements are effectively safeguarded, thereby contributing to the long-term development of the enterprise.

R&D Innovation

Cloud Factory Technology adheres to the product philosophy of driving development through technological innovation, and has continuously increased its capital investment in this domain. To institutionalise and streamline innovation activities while safeguarding human capital, we have established the Cloud Factory Technology Product R&D Process and the Employee Patent Application Incentive Scheme. These ensure systematic and efficient execution of technological innovation initiatives, while effectively stimulating the creativity and initiative of research personnel.

To address the technological demands arising from product diversification, Cloud Factory Technology has established a well-defined technology R&D process to ensure the effective promotion and meticulous management of innovation initiatives. Through a three-stage review mechanism, we achieve clear documentation and traceability of R&D requirements, thereby aligning them with the Company's strategic development objectives while ensuring the measurability of R&D workloads and the lifecycle manageability of the development process.



Figure: R&D Process of Cloud Factory Technology

Cloud Factory Technology has achieved numerous innovative accomplishments in the field of product development, thanks to its rigorous and meticulous R&D innovation system and procedures, as well as its comprehensive technology research and development processes. These achievements not only demonstrate our outstanding capabilities and profound foundation in the field of technology R&D but have also further expanded our product portfolio, thereby broadening the coverage of our product range. Through continuous and unwavering product innovation, we have successfully established a diversified competitive landscape for our products, thereby solidifying a stable and robust position in the fiercely competitive market.

Case: Road Inspection and Maintenance EdgeAIoT Solution of Lingjing Cloud

In 2025, Cloud Factory Technology made several key advancements in the application of its Lingjing cloud road inspection and maintenance EdgeAIoT solution. Through AI-powered intelligent analysis, the solution automatically identifies and alerts potential road safety hazards, including defect conditions such as potholes, cracks, map cracking, subsidence, manhole cover height differences, abnormal signage, guardrail damage, and faded lane markings, effectively helping to prevent traffic accidents. Through the high-precision positioning system, the detected defects are located and deduplicated, generating inspection results and classification data, and enabling the screening of road defect anomalies by severity level. In terms of maintenance, the solution supports full-cycle road inspection and maintenance through one platform, one client, and one mini-programme. Based on the type and severity of the defect, the solution matches the optimal maintenance solution, forming a closed-loop process of “defect detection — work order dispatch — defect repair — quality tracking”. This enables the efficient allocation of maintenance resources, achieving targeted maintenance and rapid response. In terms of presentation, taking into account the practical needs of various road maintenance units, the system integrates detailed information such as statistics and records onto a large display screen of the management platform, enhancing customers’ overall control over the data cockpit. These advancements have actively driven the comprehensive improvement of our technical capabilities and service quality.

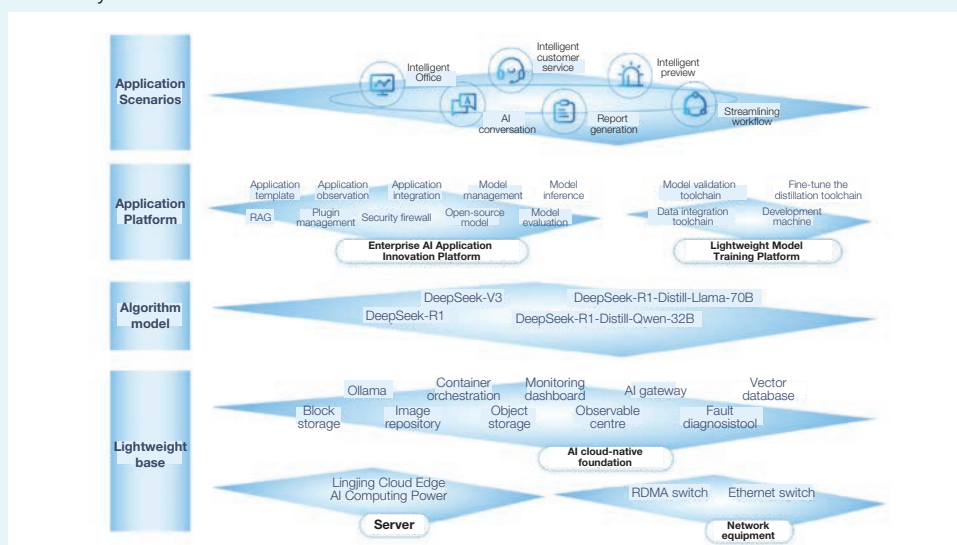


Currently, the maintenance management platform has launched an AI assistant — Lingbao (靈寶). By integrating knowledge such as road technical condition assessment standards, inspection and maintenance policy requirements, emergency response plans, and typical case studies, it serves as an “intelligent expert” for the road facility management system for road inspection and maintenance operations. Leveraging deep reinforcement learning algorithms, the Lingbao Assistant constructs an “intelligent analysis matrix”, enabling maintenance personnel to instantly access smart services such as defect cause tracing, inspection data analysis, maintenance plan recommendations, and emergency response guidance, thereby assisting them in efficient management and analysis. In addition, the system’s knowledge base incorporates a self-evolving mechanism that automatically updates and learns industry data, ensuring the system becomes “smarter with use” and continuously empowers intelligent management across the full lifecycle of road maintenance.



Case: Lingjing Cloud DeepSeek Privatisation Deployment Solution

On 10 February 2025, Cloud Factory Technology officially launched the Lingjing Cloud DeepSeek Privatisation Deployment Solution. This solution features comprehensive architecture encompassing three key layers of management: the operations and application layer, the model layer, and the intelligent computing infrastructure layer. It provides a complete privatisation deployment package, including the full range of DeepSeek models (both distilled and full-precision), a model inference application platform, and an AI computing cluster. By integrating enterprise AI application services, a large model service platform, and unified management of underlying computing resources, the solution offers organisations – including enterprises, public institutions, and other entities – a secure, flexible, and efficient private AI service, effectively bridging the “last mile” in the practical application of large AI models. In addition, it optimises six key scenario-based capabilities, including: (1) Flexible scheduling: unlocking computing potential (2) Deep adaptation: model fine-tuning (3) Retrieval-augmented generation (RAG) (4) Super AI assistant: multi-terminal interaction and development of deeply integrated business agents (5) Customised solutions: AI-generated reports and (6) AI-grade security lock: ensuring enhanced data security.



Intellectual Property Protection

Cloud Factory Technology remains committed to strengthening its intellectual property (IP) management practices, safeguarding the Company’s legitimate rights and interests through various means, including patent applications. We strictly adhere to relevant IP protection laws and regulations, such as the Patent Law of the People’s Republic of China, the Copyright Law of the People’s Republic of China, and the Trademark Law of the People’s Republic of China; to complement these legal frameworks, we have formulated the Employee Patent Application Incentive Scheme to establish a comprehensive IP and patent protection system.

While protecting our own IP, Cloud Factory Technology is equally vigilant in avoiding infringement of third-party IP. We closely focus on IP application trends within our industry and proactively implement measures during the initial stages of product design to mitigate potential infringement risks. Additionally, prior to submitting any IP applications, we conduct thorough clearance searches to ensure non-infringement. When executing contracts, we meticulously review IP-related clauses and clearly define IP ownership to effectively prevent disputes. During the Reporting Period, Cloud Factory Technology accumulated a total of 18 invention patents, obtained authorisation for 40 utility model patents and held 48 software copyright certificates.

Case: Cloud Factory Technology secured Wuxi's first data intellectual property insurance policy

On 18 January 2025, under the guidance of the Wuxi High-tech Zone (Xinwu District) Administration for Market Regulation (Intellectual Property Office), Cloud Factory Technology officially entered into a data intellectual property security insurance policy with the Wuxi Branch of China Pacific Property Insurance Co., Ltd. The coverage includes direct economic losses incurred by the enterprise due to infringement of its data intellectual property, as well as emergency response expenses and data recovery expenses. Compared with other types of intellectual property insurance, the key feature of data intellectual property security insurance is that the coverage includes emergency response expenses. This event reflects our consistent commitment to the protection of data assets and our support for innovation in intellectual property protection mechanisms.

PRODUCTS AND SERVICES

Cloud Factory Technology has demonstrated exceptional performance in the field of high-quality cloud services, through standardised management to enhance product quality, aiming to become a leading, customer-trusted cloud partner in the industry. Leveraging our robust R&D capabilities, we create high-standard products and provide intelligent technological solutions to ensure the security, reliability and stability of cloud computing services. Meanwhile, we prioritise the optimisation of customer service, adhering to the principles of responsible marketing, and earning widespread trust through integrity and professionalism.

Product Quality

Cloud Factory Technology adheres to stringent product quality standards to ensure that customer usage is not compromised due to product quality issues. We strictly comply with Service Level Agreements (SLA), setting and rigorously enforcing high standards across various aspects such as service continuity, security, fault recovery speed, performance, and service support etc. Cloud Factory Technology successfully obtained GB/T 19001 and ISO 9001 quality management system certifications, thanks to its outstanding practices in quality management.

Cloud Factory Technology employs a product quality monitoring process that is more sensitive than that of our customers' systems, enabling us to swiftly detect and analyse potential fault signals before our customers are even aware of them. This aims to rapidly and accurately assess fault situations and take appropriate measures to address them proactively, thereby ensuring service continuity and stability.

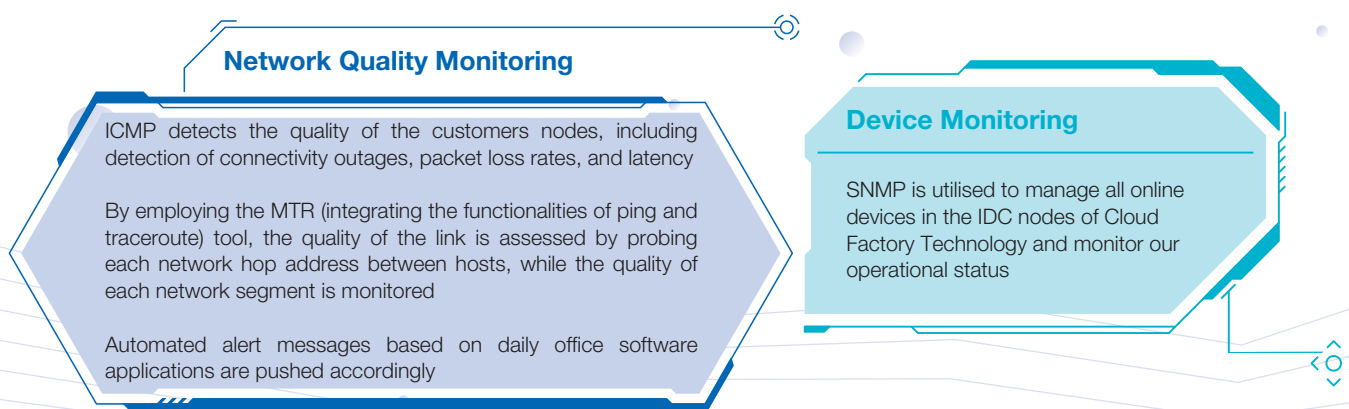


Figure: Product Quality Monitoring Process of Cloud Factory Technology

During the Reporting Period, Cloud Factory Technology carried out multiple optimizations and upgrades to its core products, in a bid to better meet customer demands and enhance the products' market competitiveness. For the key technologies of the Edge Intelligent Internet of Things EdgeAIoT of Lingjing Cloud, we added the "asset count" and "electronic fence" modules. This represents an upgrade from single-function defect inspection and disposal to the digital documentation and dynamic updating of road assets, as well as intelligent control of inspection areas. Through the "auto dispatch" function, we enabled intelligent task allocation based on defect severity and personnel location. For the key technologies of the Lingjing Cloud intelligent computing scheduling service platform, we now support unified access, management, and intelligent scheduling of computing power across multiple architectures, including CPU, GPU, and NPU, enabling one-stop control of hybrid computing resources. The platform provides various computing service models such as containers, virtual machines, and bare metal to meet performance and isolation requirements across different scenarios. It also features granular resource segmentation and billing, improving resource utilisation and cost controllability.

Case: Lingjing Cloud Intelligent AI Road Inspection and Maintenance Solution

Lingjing Cloud intelligent AI road inspection and maintenance solution has undergone six iterations of version upgrades, resulting in deeply upgraded core capabilities and more comprehensive support for business scenarios. Its functionalities have been comprehensively enhanced: building upon the original "one platform, one client, one mini-program" framework, new core modules such as asset count, electronic fence, and defect tracing have been added, achieving a capability leap from "inspection and disposal" to "full lifecycle asset management".

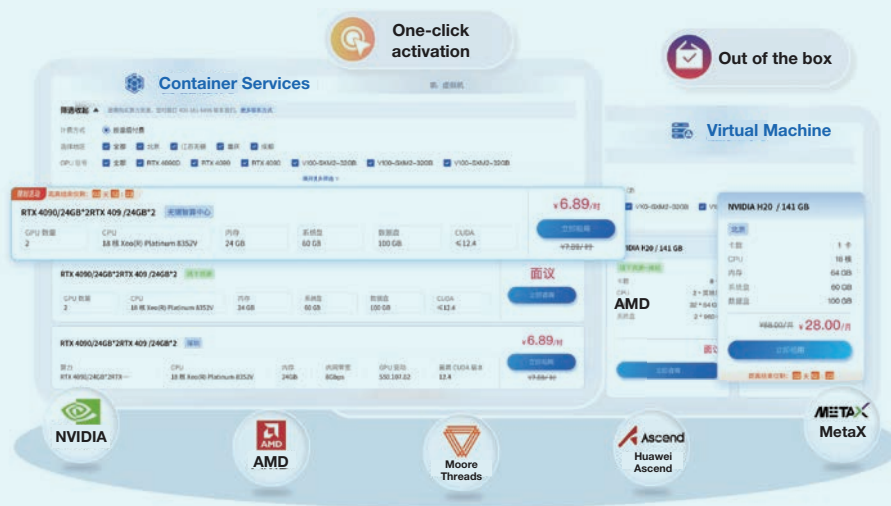
1. **Road Intelligent Inspection · EdgeAIoT · Management Platform:** Building upon the full-cycle management of "pre-inspection route planning — in-inspection data query — post-inspection defect disposal", the cloud platform has added an asset count module, enabling the digital documentation and dynamic updating of road assets. It has launched an electronic fence, enabling intelligent control of inspection areas and cross-border alerts. Equipped with backend management and annotation tools, the platform supports refined labeling of defect data and AI model iteration. The platform newly added capabilities of identification of municipal road discontinuities and pavement material differentiation, automatically identifying road discontinuities and distinguishing between asphalt, cement, and other pavement materials. A defect tracing function has been introduced, allowing for the retrospect of historical defect disposal records and evolution processes. The auto dispatch function was launched, enabling intelligently assigns tasks based on defect severity and personnel location, while also supporting manual upload of defect data via PC, further solidifying the closed-loop process of road maintenance business.
2. **Road Intelligent Inspection and Maintenance Client:** Building upon the original inspection control tablet, the client has been simultaneously adapted to support new functions such as asset count and electronic fence. It enables real-time asset information collection and fence boundary verification during inspections, and also supports viewing of auto-dispatched tasks, further enhancing the efficiency of frontline inspections.
3. **Road Inspection Mini-Programme:** Building upon the original functions of inspection result management, manual upload, and live view, a new defect tracing query portal has been added, enabling mobile viewing of historical defect disposal records. It has also been adapted to support the receipt and feedback of auto-dispatched tasks to meet customers' needs of completing full-process business operations on mobile devices.



Case: Lingjing Cloud EdgeAIStation

Lingjing Cloud EdgeAIStation, built by Cloud Factory Technology, 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 2025, the Lingjing Cloud Edge AI Computing Platform underwent a major update and iteration.

1. **Diversified heterogeneous computing power:** The platform now supports the integration of mainstream AI computing power cards, including NVIDIA, Huawei Ascend, MetaX, and Moore Threads, enabling unified integration, scheduling, and management of heterogeneous computing resources such as GPUs, NPUs, and CPUs. This provides users with broader and more flexible computing power options.
2. **Containerised computing power service:** A new containerised computing power service module has been launched, supporting a pay-as-you-go model based on actual computing consumption for precise billing, helping users effectively control costs and minimise resource waste. It offers container instances with various specifications — including 1-GPU, 2-GPUs, 4-GPUs, and 8-GPUs configurations to meet lightweight and flexible computing needs across different business scenarios. The environment comes pre-integrated with mainstream AI frameworks such as PyTorch, TensorFlow, and PaddlePaddle, enabling “out-of-the-box” usage and significantly shortening the deployment and launch cycle.



In response to the urgent pain points currently faced by clients, Cloud Factory Technology has launched different new products to address these critical issues and ensure the optimal user experience. During the Reporting Period, 3 products have been successfully launched and have received widespread acclaim.

Case: Launch of Lingjing Cloud Intelligent Computing Power Scheduling Service Solution

Lingjing Cloud has officially launched a solution for intelligent computing power scheduling services, targeting privately deployed platforms of governments, enterprises, and institutions that possess idle general-purpose computing or intelligent computing resources. The solution provides one-stop computing resource integration and scheduling services, effectively revitalizing existing computing assets and maximising resource utilisation and value. By integrating multi-brand computing resource management, constructing flexible computing service forms, segmenting resources at a fine granularity, managing resource scheduling throughout the entire process, monitoring resource usage, and implementing a hierarchical account management system, this platform enhances the operational efficiency and refined governance level of computing resources.



Application - Approval - Scheduling of Computing Resources

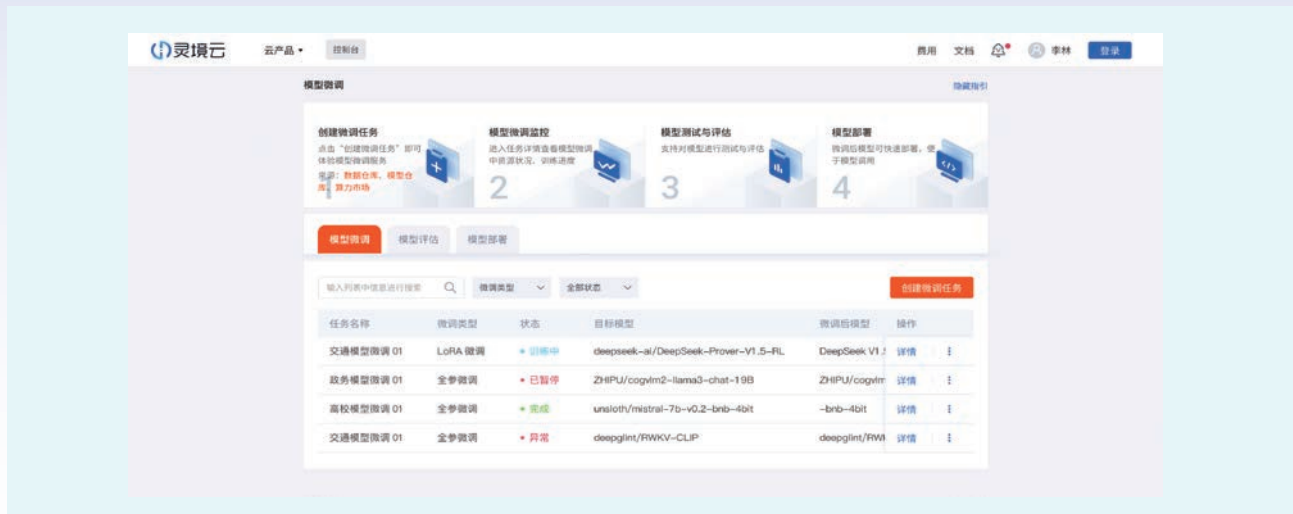
Core data monitoring of computing resources

Case: Officially Launch of Lingjing Cloud Model Fine-Tuning Service System

The Lingjing Cloud model fine-tuning service system is an AI service platform based on cloud computing architecture, covering capabilities such as model fine-tuning, evaluation, and deployment. By integrating model repositories, data repositories, and computing resources, it delivers full-process AI services including model fine-tuning task creation, training and fine-tuning process monitoring, visualisation of fine-tuning results, model evaluation, and model deployment and application.

The model fine-tuning service system streamlines the operation process, lowers the threshold for using model fine-tuning, improves model tuning efficiency, and accelerates the development process of model from “generalist” to “specialist.” It provides rapid application deployment capabilities, optimises resource usage, and ultimately drives the fast, reliable, and efficient application of large model technologies in business operations.





Case: Launch of Computing Power Voucher Subsidy Application System

Through full-process digital management, the computing power voucher subsidy application system achieves a complete closed loop from the onboarding of computing power service providers and their resources, eligibility verification of applicant units, and computing power voucher application, to the final reimbursement of computing power vouchers.

Customer Service

Cloud Factory Technology upholds a philosophy of customer-centric service and a customer demand-oriented, striving to establish more profound partnerships with clients. In response to practical issues encountered in business processes, we have formulated internal systems such as the Customer Engagement Service Process, the Pre-Sales and After-Sales Service Regulations, the AIoT Project Workflow for Business Center, and the EdgeAIoT Project Requirements and Issue Management. These ensure a rapid, efficient, and flexible response to customer requests throughout the project lifecycle, committed to delivering an optimal customer experience.

Cloud Factory Technology implements a refined strategy in customer service. We have assembled a professional sales team to gather customer needs through in-depth communication, thereby tailoring solutions accordingly. Meanwhile, we regularly organise customer service personnel to participate in professional skill training covering product knowledge, technical principles, and service processes, enhancing their ability to answer inquiries and provide professional advice. Additionally, we tailor customer follow-up plans based on customer size, duration of cooperation, and business contributions.

Cloud Factory Technology attaches great importance to customer feedback and has established diversified communication channels, including telephone hotlines, email systems, and instant online chat tools, providing customers with convenient, rapid, and dedicated feedback channels. We are wholeheartedly committed to addressing customer needs and fully demonstrating a customer-first service philosophy. We have established a comprehensive customer complaint handling and feedback mechanism to ensure that every complaint is responded to and resolved. Upon receiving a complaint, we immediately activate the response mechanism, which is then handled by a professional complaint handling team. For routine complaints, we promise resolution within three working days. During the year, to further enhance the response speed to customer technical requests, we have formed a rapid response team to optimise processes, ensuring swift and efficient handling of requests; based on a closed-loop complaint management process, we promptly rectify and implement deficiencies, continuously improving our service standards and enhancing customer satisfaction.

Cloud Factory Technology has established a multi-dimensional customer service assessment mechanism and actively conducts customer satisfaction surveys. Through open-ended questions, we inquire with customers to collect feedback and ensure issues are rectified. For important customers or special scenarios, we arrange face-to-face interviews to comprehensively record customer perspectives. Our customer satisfaction surveys cover all product lines and platform-wide customers of Cloud Factory Technology, aiming for comprehensiveness and specificity. During the Reporting Period, our customer satisfaction rate reached 100%.

Responsible Marketing

Compliant marketing is a crucial aspect for enterprises in shaping a positive image and expanding brand advantages. Cloud Factory Technology adheres strictly to laws and regulations, including the Civil Code of the People's Republic of China and the Advertising Law of the People's Republic of China, in carrying out its external publicity efforts, ensuring that business activities are conducted within the scope permitted by law.

Cloud Factory Technology regularly conducts responsible marketing training for its employees, actively guiding them to learn about marketing policies and stay informed of the latest changes in relevant laws and regulations. Furthermore, we have established a stringent review process for internal examination of our advertising and marketing content; all content must be confirmed for accuracy and compliance by the Chairman and the general manager before it can be released externally.



Figure: Approval Process of Cloud Factory Technology WeChat account Posts



Figure: Approval Process of Lingjing Cloud WeChat Account Posts

INFORMATION SECURITY AND PRIVACY PROTECTION

As a leading provider of edge computing and AI intelligent computing services, ensuring information security is Cloud Factory Technology's top priority. We safeguard data information security from multiple aspects, including institutional guarantees, process controls, and technological applications, to comprehensively enhance data information management capabilities. We fully respect customer privacy protection, strive to ensure the security of our own and user information, and contribute solid strength to building a secure and stable industry ecosystem.

Information Security

Cloud Factory Technology strictly adheres to data security-related laws and regulations, including the Cybersecurity Law of the People's Republic of China, the Telecommunications Regulations of the People's Republic of China, the Regulations on the Security Protection of Computer Information Systems of the People's Republic of China, and the Measures for the Administration of Internet Information Services. In addition, we have formulated internal regulations such as the Information Security Management Manual and the Service Management System Manual based on business scenarios, continuously optimising our internal information security protection system and providing standardised guidance for strengthening data security management.

Cloud Factory Technology has established a comprehensive information security management system, with the overall responsibility resting with the information security system responsible person. This system is managed by the information security management group, supported technically by the Product R&D centre, and coordinated by the government legal department to improve information security management across the entire Group. Our information security management system has been certified with ISO 27001 Information Security Management System and Level 3 Information System Security Protection (Lingjing Cloud System).

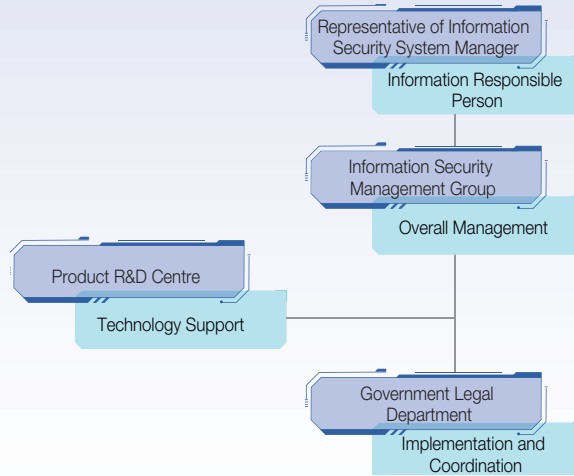


Figure: Cloud Factory Technology Information Security Management System

Based on a robust information security management framework, Cloud Factory Technology, from the perspective of the full data lifecycle and focusing on both management and technology, adopts multiple measures to ensure the security of each stage in the data lifecycle.

Key Management	Full life cycle management, strict control of permissions, RSA + random salt encryption to ensure data security
Access Control	Perfect strategy, permission application and revocation norms, clear user responsibilities, and strict access management
System Security	Third-party system permissions control, regular code review for secure access, ensuring safety and security
Security Structure	Load balancing, data encryption storage, permission isolation, protection of departmental data
Security Testing	Environment separation, avoiding sensitive information leakage, pre-launch testing, fixing vulnerabilities
Technology Selection	Standardising employee behavior, conducting exit inspection, selecting IPG system management to achieve trade secret protection

Figure: Information Security Management Measures of Cloud Factory Technology

Cloud Factory Technology highly values internal information security culture building and employee security awareness training. We regularly conduct information security training programs for all employees, aiming to solidify their knowledge of information security and enhance their recognition of and vigilance toward its critical importance, thereby ensuring the stability and efficiency of the company’s information security management.

Privacy Protection

Cloud Factory Technology is committed to prioritizing the protection of customer privacy. We strictly adhere to privacy protection regulations, including the Personal Information Protection Law of the People’s Republic of China, the Emergency Response Plan for Internet Network Security, and the Administrative Measures for Telecommunication Business Operation Licensing. Additionally, we have outlined provisions for customer privacy protection in business activities through the Employee Handbook, ensuring the confidentiality and integrity of customer information and safeguarding customer privacy comprehensively. During the Reporting Period, Cloud Factory Technology did not experience any incidents of customer information or privacy leakage.

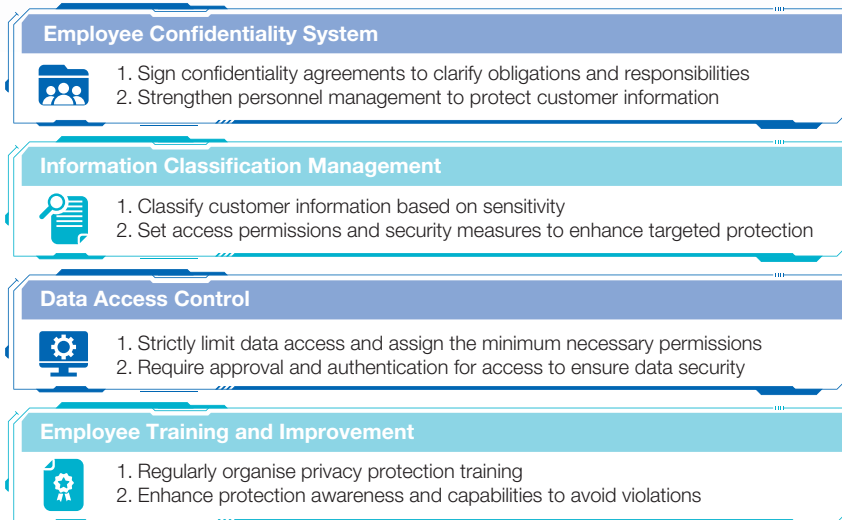


Figure: Customer Privacy Protection Measures of Cloud Factory Technology

GREEN INDUSTRY CHAIN

Cloud Factory Technology actively engages in the construction of the green industry chain, with a strong sense of responsibility and mission. We collaborate with excellent partners in the industry to undertake comprehensive and in-depth cooperation. By integrating and optimising resources with upstream and downstream partners, we achieve seamless connection among various links in the industry chain, jointly promoting sustainable development in the industry.

Industry Collaboration

Cloud Factory Technology actively communicates and interacts with industry partners, participating in industry exchange conferences, which we regard as crucial avenues for driving continuous innovation and development. We cooperate with universities and industry associations to jointly stimulate the limitless possibilities within the industry, injecting momentum into the long-term development of enterprises and contributing to the prosperity and progress of the industry.

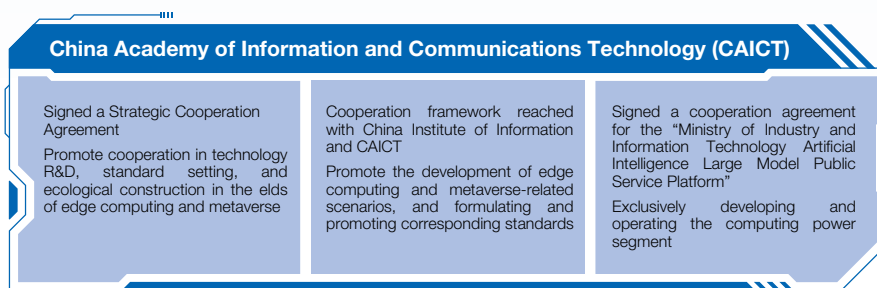


Figure: Cloud Factory Technology and CAICT Joint Project

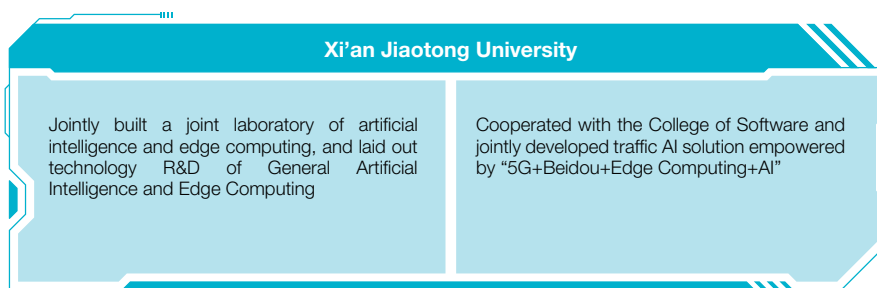


Figure: Cooperation Project Between Cloud Factory Technology and Xi'an Jiaotong University

Case: Cloud Factory Technology and MetaX Corporation Entered into a Strategic Partnership

On 3 December 2025, the “Artificial Intelligence Plus (人工智能+)” Innovation Conference was successfully held in Weifang City. Cloud Factory Technology, along with industry partners such as MetaX Integrated Circuit (沐曦集成電路), Shandong Mining Machinery Group (山東礦機集團), and China Mobile Shandong Company Weifang Branch, signed a cooperation agreement on computing power services to jointly promote the supply of intelligent computing power and the implementation of industry applications. Focusing on large industry model application, efficient intelligent computing power supply, and innovation in the “Artificial Intelligence Plus (人工智能+)” model, they collaborate to build an open, collaborative, and mutually beneficial AI industry ecosystem.



Participated in the 14th Academic Annual Meeting of the Maintenance and Management Branch of the China Highway Society (中國公路學會養護與管理分會第十四屆學術年會)

Established “Computing Power Platform Strategic Cooperation (算力平台戰略合作)” with the Yangtze River Delta Service Robot Industry Alliance

Participated in the 18th International Traffic Engineering, Intelligent Transportation Technology and Equipment Exhibition (Intertraffic China 2025)

Participated in the 5th Guangdong-Hong Kong-Macao Greater Bay Area (Guangzhou) Smart Transportation Industry Expo (第五屆粵港澳大灣區(廣州)智慧交通產業博覽會)

Participated in the inaugural “AI4X” International Academic & Industry Conference, and signed an agreement with the Wuxi Institute of Technology Innovation at the Hong Kong Polytechnic University to complete the “Lingjingyun” edge AI project

Participated in the Conference on Transportation Technology and Industrial Innovation Development (交通科技與產業創新發展大會)

Established strategic cooperation with Shandong Modern Industry Investment Group Co., Ltd (山東省現代產業投資集團有限公司)

Joined the Inner Mongolia Unicom Artificial Intelligence Ecosystem Alliance (內蒙古聯通人工智能生態聯盟) and signed a strategic cooperation agreement on artificial intelligence development with Inner Mongolia Unicom

Participated in the “Artificial Intelligence Plus (人工智能+)” Innovation Conference in Weifang City, and signed a cooperation agreement on computing power services with industry partners such as MetaX Integrated Circuit (沐曦集成電路)

Figure: Industrial Activities Cloud Factory Technology Participated

Supplier Management

Cloud Factory Technology deeply recognises the importance of the supply chain in product quality and is committed to collaborating with partners to fulfil social responsibilities, thereby building a healthy, stable and sustainable supply chain. We strictly comply with the Bidding Law of the People’s Republic of China, the Contract Law of the People’s Republic of China and formulate the Procurement Policy of Cloud Factory based on the supplier cooperation situation which sets clear requirements for supplier cooperation and management and build a supplier whole-lifecycle management from introduction to withdrawal, continuing to strengthen supply chain management capabilities in a responsible manner to safeguard the stable operation of the enterprise.

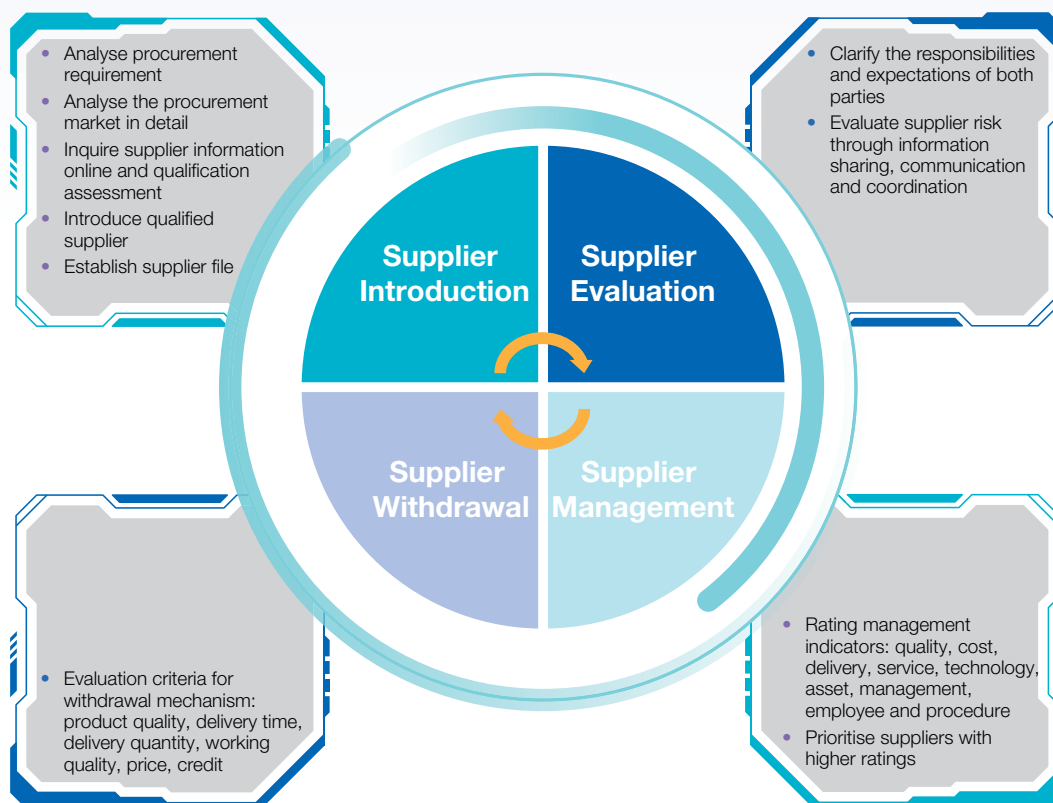


Figure: Supplier Whole-lifecycle Management Procedure of Cloud Factory Technology

During the Reporting Period, the following table sets out the number of our suppliers by geographical region:

Geographical region	Unit	Number
The East China region (Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai, Jiangxi)	company	65
The South China region (Guangdong, Guangxi, Hainan)	company	23
The North China region (Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia)	company	24
Central China region (Hubei, Hunan, Hebei)	company	10
The Southwestern China (Sichuan, Yunnan, Guizhou, Tibet, Chongqing)	company	5
The Northeast China (Liaoning, Jilin, Heilongjiang)	company	3
The Northwestern China (Ningxia, Xinjiang, Qinghai, Shaanxi, Gansu)	company	3
Regions of Hong Kong, Macao, Taiwan, and overseas areas	company	0

GREEN OPERATION

Amid growing global environmental challenges, promoting sustainable development has become a shared mission for all humanity and strategic cornerstone for businesses to achieve long-term growth. Cloud Factory Technology is proactively taking actions against climate change, integrating sustainability principles into every aspect of its operations to contribute to the building of a bright future for harmony between humanity and nature.

Response to Climate Change

Governance

Climate-related governance processes are integrated across all levels of our business operations. The Board is responsible for overseeing the Group’s management of climate-related risks and opportunities, ensuring properly addressed. The ESG Working Group is tasked with identifying, assessing and managing risks associated with climate change, developing deployment plans and monitoring progress towards climate-related objectives. This group convenes at least once a year and reports its deliberations to the Board.



Strategy

The Group consistently maintains a close watch on risk dynamics in its operations, integrating considerations of the national macro-environment, industry development trends, and corporate strategic planning. We have systematically identified climate change-related risks and potential opportunities during the year, enhancing our resilience to challenges posed by climate change. To more accurately determine and analyze the potential physical and transition risks that the Group may face, we have referenced the Shared Socioeconomic Pathways (SSP1-1.9, SSP5-8.5) by the Intergovernmental Panel on Climate Change (IPCC). Through climate scenario analysis examining different magnitudes of global average temperature increases, we are able to identify potential risks and assess the extent to which various climate change risks impact our business, strategy and financials. Based on this analysis, we have formulated corresponding policies and strategies to further improve our ability to respond to climate change.

Climate Scenarios	Low-Risk Scenario (SSP 1-1.9)	High-Risk Scenario (SSP 5-8.5)
Scenario Description	<ul style="list-style-type: none"> • Rapid global phase-out of fossil fuels. Achieving net-zero global carbon dioxide emissions by around 2050. Renewable energy becomes mainstream and electrification is widely promoted. • Large-scale afforestation. • Accelerated research, development and application of low-carbon technologies, including energy storage, hydrogen energy and carbon capture and storage technologies. • Establishment of extensive global cooperation mechanisms, implementation of strict and effective climate policies, and guidance for consumers to transition towards low-carbon alternatives. 	<ul style="list-style-type: none"> • Dependence on abundant and globally interconnected fossil fuel resources. • Active promotion of technological innovation, but primarily focused on energy exploitation and consumption efficiency, rather than low-carbon alternatives. • Lack of effective global carbon pricing mechanisms or strict international climate agreements. • Narrowing global income gap and increased investment in human capital.

Estimated Temperature Increase By 2100, the temperature increase is less than 2°C.

By 2100, the temperature increase is 4.4°C.

The following table provides detailed information on the main physical and transition risks (as well as opportunities) related to climate change that we have identified, along with their potential impacts, time horizons during which they may affect the Group's operations, and the Group's response measures:

Type of risks	Risk factors	Time horizons ¹	Risk description	Response measures
Physical risks	Extreme weather such as typhoons	Medium-term and long-term	<ul style="list-style-type: none"> • Impairment of assets due to damage to equipment, resulting in project testing being postponed and costs rising 	<ul style="list-style-type: none"> • Comprehensively analyse and sum up the experience of typhoon and flood prevention over the past years, formulate and perfect various contingency plans and early warning systems in advance, and set up weather warning devices, etc., in order to respond to natural disasters such as typhoons and rainstorms
	Rising sea levels	Long-term	<ul style="list-style-type: none"> • Impairment of assets due to flooding of coastal facilities • Accelerated equipment aging due to seawater corrosion • Coastal erosion jeopardises power plant safety 	<ul style="list-style-type: none"> • Consider the location of data centres and public areas in the coastal areas to based on historical data on rising sea levels, reasonably predict potential risks • Formulate contingency response plans for data transmission and communication disruption and continuously enhance the construction of backup circuits for infrastructure such as optical fibres, cables required for business operation
	Rising average temperature	Long-term	<ul style="list-style-type: none"> • Rising average temperature may reduce the efficiency of data centre cooling systems and increase the amount of energy required for cooling, resulting in unstable operation and higher operating costs, resulting in unstable operation and higher operating costs • Global warming and drought trends may lead to water shortages at the data centre and the office site 	<ul style="list-style-type: none"> • Continuously enhance climate change tracking and alert mechanism of the data centre, and launch environmental impact studies to mitigate the impact of climate risk on the stability of the data centre's operation • At the site selection stage for data centres and office areas, identify and judge the pressure on water supply in the region, reasonably locate the sites, at the same time, enhance the water management system, strengthen employee's awareness of water conservation, post water conservation signs and call on employees to conserve water

Type of risks	Risk factors	Time horizons ¹	Risk description	Response measures
Transition risks	Policies and laws	Long-term	<ul style="list-style-type: none"> Laws and regulations relating to carbon emissions, regulatory policies and taxes, and mandatory carbon trading may increase our operating compliance costs Data centre construction codes and standards are expected to become more stringent and may increase design and construction costs and require the application of new technologies 	<ul style="list-style-type: none"> professional team regularly studies national laws and regulations and emerging policies in location of operations and formulates response plan Design and construct data centres to a high standard to mitigate the impact of any data centre construction specification on operation and development
	Technological innovation	Medium-term	<ul style="list-style-type: none"> Failure to identify and apply emerging technologies such as low carbon technologies in a timely manner may result in the loss of our operational efficiency or our products lagging behind peers, and we may lose our competitive edge in the market, thereby affecting the Group's revenue 	<ul style="list-style-type: none"> Actively adjust the green development strategy, accelerate the low-carbon research layout and technological innovation, analyse the suitability of the new technologies or solutions developed with the business of Cloud Factory Technology, and conduct a comprehensive assessment of its inputs
	Market changes	Long-term	<ul style="list-style-type: none"> If the market preference for low carbon data centres continues to rise, the Group needs to outperform its peers in terms of capturing the market shift and responding to the market demand for low carbon, otherwise it may result in lower demand for its products and services, giving rise to a loss of revenue and market share 	<ul style="list-style-type: none"> Continue to focus on market dynamics and analyse trends in the market environment in real time to keep the low carbon nature of products and services, as well as solutions, in line with customers' needs

Note:

1. The time horizons refer to the period during which climate-related risks and opportunities may impact the Group's operations. The short term is defined as 1 to 3 years, the medium term as 3 to 5 years and the long term as 5 to 10 years.

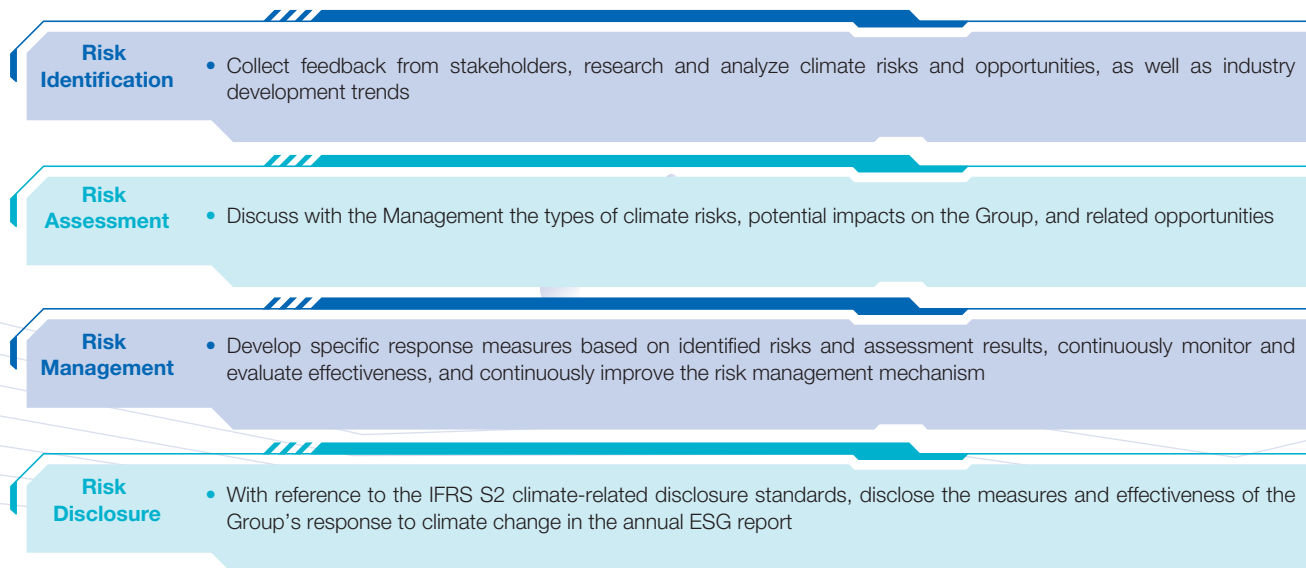
Type of opportunities	Time horizons ¹	Opportunity description	Response measures
Policies and Market Opportunities	Long-term	<ul style="list-style-type: none"> China’s “dual carbon” policies drive demand for low-carbon products and services, opening up new markets for companies with low-carbon application capabilities. 	<ul style="list-style-type: none"> Regularly monitor market changes and policy requirements, make timely adjustments, and transform compliance into customer service.
Technological Upgrades and Innovation Opportunities	Medium-term and long-term	<ul style="list-style-type: none"> High-energy-consuming industries urgently need digital solutions to improve energy efficiency and reduce carbon emissions. The development of artificial intelligence creates industry opportunities for the Group’s edge cloud services. 	<ul style="list-style-type: none"> Deepen the construction of computing infrastructure, optimise energy efficiency, integrate resources, and enhance AI edge cloud service capabilities and computing services.

Note:

- The time horizons refer to the period during which climate-related risks and opportunities may impact the Group’s operations. The short term is defined as 1 to 3 years, the medium term as 3 to 5 years and the long term as 5 to 10 years.

Risk Management

The Group has integrated considerations of climate risks and opportunities into its daily operations and corporate risk management system. The Management is responsible for addressing risks and opportunities related to sustainable development, including those associated with climate change. These risks will be continuously monitored to ensure their integration into the Group’s development, business decision-making and approval processes, thereby effectively managing climate risks and opportunities and enhancing the Group’s ability to achieve sustainable and robust development in complex environments. For more details on risk management, please refer to the Internal Control and Risk Management section. The Group has proactively deployed response measures in key climate-related areas, as detailed below:



Indicators and Targets

Given the nature of our operations, the Group's primary sources of carbon emissions are direct energy consumption from the use of company vehicles and indirect energy consumption from purchased electricity, which is mainly used for the operation of edge computing infrastructure and office facilities. Electricity is primarily utilised for the daily operations of offices and data centers, including air conditioning systems, lighting systems and other equipment.

Cloud Factory Technology's business model relies on collaboration with upstream and downstream value chain partners. Therefore, calculating Scope 3 greenhouse gas emissions is crucial for assessing our actual carbon emissions generated during daily operations. Based on our business activities, it is anticipated that our Scope 3 emissions encompass upstream and downstream activities, including but not limited to: purchased goods and services (Category 1), waste generated during operations (Category 5) and business travel (Category 6). We are currently evaluating data availability and initiating the calculation of Scope 3 emissions. Once the methodology is established and data collection is complete, we will disclose the results in subsequent reports.

Indicator		Unit	2025	2024
GHG Emission	Total GHG emission ¹	tonnes of CO ₂ e	99.35	64.07
	Direct GHG emissions (Scope 1)	tonnes of CO ₂ e	21.46²	N/A
	Energy indirect GHG emissions (Scope 2)	tonnes of CO ₂ e	77.89	64.07
	GHG emission intensity	tonnes of CO ₂ e/million revenue	0.105	0.091

Notes:

1. Calculated based on the national emission factor of 0.5306 kgCO₂/kWh from the "2023 National Electricity Carbon Dioxide Emission Factor" jointly issued by the Ministry of Ecology and Environment, the National Bureau of Statistics and the National Energy Administration of the People's Republic of China.
2. This year, we have enhanced our data collection system to include emissions generated from the use of company vehicles within the scope of data disclosure.

Environmental Management

Cloud Factory Technology has always taken environmental management as an important strategy for the sustainable development of the enterprise, actively practicing the concept of green development, and is committed to building a resource-saving, environmentally friendly enterprise. We strictly comply with relevant laws and regulations such as Environmental Protection Law of the People's Republic of China, Circular Economy Promotion Law of the People's Republic of China and formulate and enhance management systems such as the ESG System, the Administration System of the Integrated Department, and the Green Planting Maintenance Management System, to regulate the construction of the daily environmental management system, and to proactively push forward the sustainable development of the Company.

To further enhance the environmental management system, Cloud Factory Technology has constructed a well-established management structure, featuring a multi-tiered framework led by the General Manager and implemented by senior management and department heads to actively promote the implementation of environmental management. Cloud Factory Technology has obtained ISO 14001 environmental management certification.

General Manager

- Preside over the formulation and approval of the publication of the implementation of quality, environmental, occupational health and safety policies and objectives;
- Appoint quality, environmental and occupational health and safety management representative;
- Preside over management review of quality, environmental, occupational health and safety, and examine and approve the management review report;
- Approve and release of the quality, environmental, occupational health and safety management manual, and supervise its implementation.

Senior Management

- Establish, implement and maintain quality, environmental and occupational health and safety management systems in accordance with standard requirements;
- Organise and audit environmental management related work and internal audits.

Department Heads

- Organise the department to carry out the company's quality, environmental and occupational health and safety policies, and implement the department's objectives and indicators;
- Responsible for the overall promotion and operation of the department's management system, ensuring responsible personnel execute system operations effectively through supervision and inspection.

Management Structure of Cloud Factory Technology

Energy Management

We deeply recognise that strengthening energy management and improving energy efficiency is not only an intrinsic need for enterprises to reduce costs and increase efficiency, but also an inevitable choice for fulfilling social responsibility and achieving sustainable development. Cloud Factory Technology strengthens energy management through optimising operational processes, raising employees' awareness of energy saving and emission reduction, and thus enhancing operational efficiency, reducing energy waste and making positive contributions to the green development of the enterprise.

In respect of energy usage, we have made extensive layout in the use of clean energy, although we are not yet involved in renewable energy. In the construction and operation of our data centre, we have adopted a series of advanced energy saving technologies and equipment to effectively improve energy efficiency and reduce carbon emissions, contributing to the construction of green and low-carbon data centres.

Indicator	Unit	2025	2024
Total energy consumption	kWh	224,739	112,347
Petrol	kWh	77,938	N/A
Purchased electricity ¹	kWh	146,801	112,347
Energy consumption intensity	kWh/million revenue ¹	238.20	158.77

Note:

1. Starting from 2025, to maintain consistency in data units, the unit for energy consumption density will be changed to kWh/million revenue. Additionally, to facilitate comparative analysis across years, the data for 2024 has been converted to the same unit.

Resource Management

Water is the source of life, the key to production, and the foundation of ecology. Cloud Factory Technology actively sets targets for water conservation and reduces unnecessary water wastage through measures such as improving water utilisation efficiency and strengthening water management, thereby promoting the company's green development.

To achieve the goal of water conservation, we conduct regular inspections, maintenance, and servicing of water equipment and pipelines, promptly repairing leaks in a timely manner to prevent wastage of water resources. At the same time, we optimise production processes and adopt water-saving technologies to further reduce consumption.

In addition, we attach great importance to the role of our employees in water conservation practices. We enhance employees' education and training on water-saving measures to raise awareness and skills, fostering good habits among our employees. Through communication channels such as bulletin boards, media, and public spaces, we also convey the enterprise's concept of water conservation to external groups and create a favourable atmosphere for all people to save water.

Indicator	Unit	2025	2024
Total water consumption	m ³	826 ¹	490
Water consumption intensity	m ³ /million revenue	0.875	0.692

Note:

- The main reasons for the increase in water consumption this year compared to the previous year are: (1) this year, we have improved our data collection system to include the water consumption of our Hangzhou branch in the scope of data disclosure; (2) the Group has adjusted the meal allowance policy, leading to an increase in the number of employees bringing their own meals, which in turn resulted in higher water consumption.

Emissions Management

Cloud Factory Technology strictly enforces national and local pollutant emission standards, and actively takes effective measures to prevent and mitigate the damage caused by pollutant emissions to the environment. Meanwhile, we continue to strengthen the internal management of the enterprise to effectively control and reduce the emission of pollutants and protect and improve the ecological environment. During the Reporting Period, we were not involved in the discharge of wastewater, waste gas and waste materials.

Green Office

Cloud Factory Technology actively practices the concept of green development and is committed to creating a green office environment and advocating a low-carbon lifestyle. We implement the concept of green office, integrating environmental awareness into daily work and actively promote paperless office to conserve water and electricity resources. Through the continuous promotion of green office, we create a healthy and comfortable working environment for our employees, reduce the operating costs of the enterprise and enhance the social image of the enterprise.

Measures for Green Office

Paperless office

▶ Cloud Factory Technology advocates paperless office, through the introduction of advanced paperless office system Feishu to optimise document management and storage and reduce the use of paper documents.

The Group has fully adopted the use of electronic documents for the drafting, approval and storage of documents, and end-to-end electronic organisation of meetings has been achieved.

Conservation of water and electricity resources

▶ Cloud Factory Technology focuses on saving water and electricity resources and realises the efficient use of energy by adopting energy-saving lamps, optimising air-conditioning systems and strengthening water usage management.

Green Office awareness-raising

▶ Cloud Factory Technology fully advocates green office, and has issued 5 green office notices to popularise green office concepts, practices and energy-saving and emission reduction skills to all employees, aiming to integrate green office into daily work and enhance the overall environmental performance.

Case: Promotion of green office practices



Case: Developing a CIS System in 2025 to Achieve Paperless Expense Reporting among Internal Employees

The CIS system is deeply integrated with the actual business scenarios of Cloud Factory. In terms of lead and customer management, it precisely tracks sales leads, records detailed customer information, and assists the sales team in gaining a deeper understanding of customer needs, thereby enhancing customer conversion rates and repeat purchase rates. In resource management, bandwidth allocation is made reasonably based on project and business requirements, reducing resource idleness and waste. Hardware inventory management ensures precise control, maintaining accurate hardware asset quantity and clear flow direction. The financial module implements automated financial accounting and report generation, enhancing financial work efficiency and data accuracy. The collaborative operation of all links significantly enhances overall operational efficiency. At the same time, the CIS system achieves paperless reimbursement, which not only greatly enhances financial processing efficiency, shortens the reimbursement cycle, but also reduces manual operation errors and operational costs, bringing convenient and smooth digital experiences to employees. This significantly reduces paper consumption, printing, and carbon emissions in logistics processes, thereby directly contributing to resource conservation and environmental protection.



Create a Green Data Centre

As the core of digital infrastructure, data centre is increasingly exposed to the problems of energy consumption and carbon emission. Creating a green data centre has become an inevitable choice to promote the high-quality development of digital economy and achieve the 'double carbon' goal. Cloud Factory Technology is fully aware that a green data centre is not only a responsibility of energy conservation and emission reduction, but also a strategic choice to enhance the core competitiveness of enterprises and achieve sustainable development. We are committed to embedding green concept throughout the entire lifecycle of data centre planning, construction and operation. Through energy efficiency architecture optimisation, intelligent operation and maintenance, and refined management, we continuously strive to improve the power usage effectiveness (PUE) level of the server room. While reducing energy consumption per unit of computing power and carbon emission intensity, we provide stable and sustainable computing power support for large-scale AI applications, injecting green momentum into the digital economy development.

Cloud Factory Technology has always been committed to exploring the development of the green intelligent computing field, and endeavours to build a sustainable digital economy ecosystem while promoting the development of innovative technologies. We have initiated in-depth co-operation with industry partners and local governments, and are jointly committed to promoting the innovative development of the green intelligent computing industry.

Case: Scaled Implementation of Advanced Micro Devices (AMD)

Cloud Factory Technology has long been deeply involved in the development of edge computing and AI computing infrastructure, focusing on the scalable deployment, unified scheduling, and efficient operation of computing power, while continuously promoting the realisation of high computing efficiency and low energy consumption in data centres. In the practice of building intelligent computing centres, Cloud Factory Technology leverages its own computing power scheduling and operation capabilities to implement China's first AMD ROCm open-source ecosystem intelligent computing centre project in Wuxi City.

The Company systematically integrates the green and low-carbon concept into the entire lifecycle of data centre planning, construction, and operation. Through energy efficiency architecture optimisation, intelligent operation and maintenance, as well as refined management, it continuously optimises the Power Usage Effectiveness (PUE) level of the server room, reduces energy consumption per unit of computing power and carbon emission intensity, while providing stable and sustainable computing power support for large-scale AI applications.

PEOPLE-ORIENTED

Cloud Factory Technology deeply recognises that the long-term prosperity and development of the Group would not be possible without the contribution of each employee. We always adhere to the concept of people-oriented and are committed to building a workplace ecosystem that respects the rights and interests of employees, protects their well-being, promotes the development of talents and cares for their lives, so as to realise that our employees and the Group can prosper and grow together.

Employee's Rights

Cloud Factory Technology strictly complies with relevant laws and regulations such as Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China and Social Insurance Law of the People's Republic of China and formulates the Employee Manual and other internal management methods, and determines to protect the legitimate rights and interests of the employees, to promote the concept of pluralism, equality and tolerance of the enterprise's culture, and strive to create a harmonious and progressive work atmosphere.

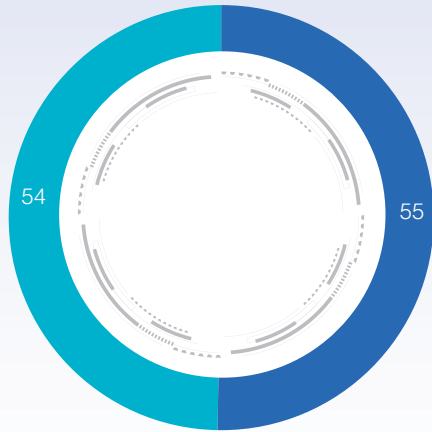
Employee Employment

The Group adheres to the principle of lawful and compliant employment and has formulated internal systems, such as the Recruitment Management System, to guide the commencement of work relating to the recruitment and employment of employees and the protection of their rights and interests. The Group is determined to prohibit any form of child labour and forced labour that violates human rights, and will take specific measures to prevent the occurrence of such situations if violations are detected. During the recruitment process, we strictly examine the identity information of candidates to ensure the authenticity and validity of the identity of the employees and at the same time avoid the occurrence of child labour at source. As at the end of the Reporting Period, no illegal and unlawful incidents involving discrimination in employment, use of child labour or forced labour occurred in the Group.

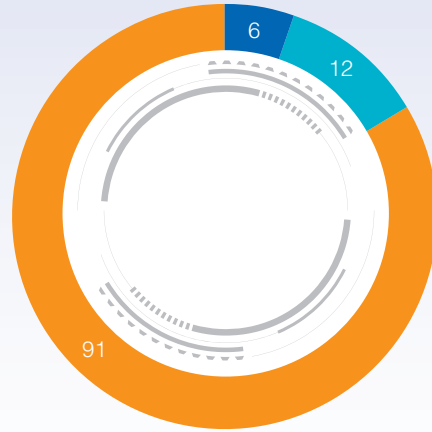
We formulate a comprehensive human resources development system to attract elite talents through diversified channels such as campus recruitment, online recruitment, internal recommendation and headhunting, etc., so as to continuously expand our team of highly qualified and professional talents. During the Reporting Period, the Group recruited a total of 21 employees who actually reported for duty, with a job-fit rate of 91.3%, and achieved the recruitment of all key positions in various departments.

Cloud Factory Technology always upholds the open, equal and inclusive employment concept, commitment to all employees to create respect, understanding and support of the work environment, strictly eliminate any form of discrimination on the basis of nationality, complexion, race, ethnicity, religious beliefs, political stance, cultural background, age, gender and other forms of discriminatory behaviour, and is committed to building a diversified, harmonious and inclusive work atmosphere, so that every employee can give full play to their strengths, and work together to Promote the prosperity and development of the enterprise. In addition, Cloud Factory Technology is always concerned about the development of female employees to ensure that every member can shine on an equal and fair platform. As at the end of the Reporting Period, Cloud Factory Technology had a total of 109 employees, of which 49.54% were female, and 16.67% of the senior management were female.

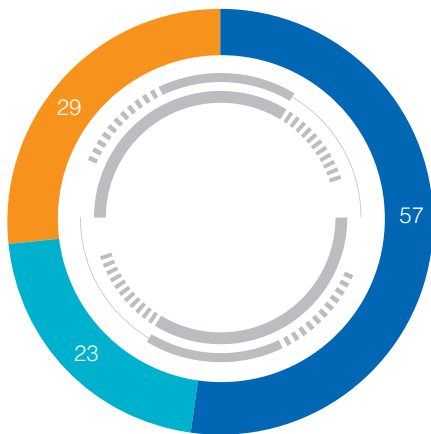
Environmental, Social, and Governance



Male Employees Female Employees
Figure: Number of Employees by Gender

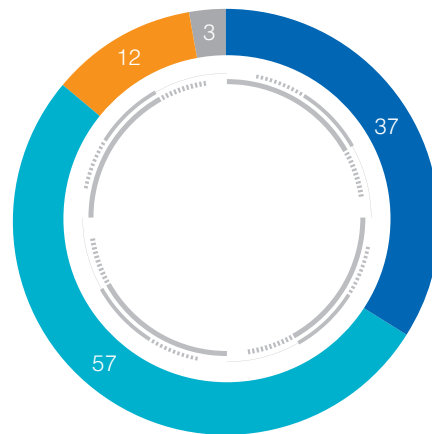


Senior management Middle management Other employees
Figure: Number of Employees by Grade



Jiangsu region Eastern China (excluding Jiangsu region) Other regions

Figure: Number of Employees by Region



Employees Aged below 30 Employees Aged 30-40
 Employees Aged 41-50 Employees Aged above 50

Figure: Number of Employees by Age

Remuneration and Benefits

Cloud Factory Technology formulates internal systems such as Cloud Factory Technology Holdings Limited Remuneration Management System, Cloud Factory Technology Employee Benefits Management System, Social Security and Provident Fund Management System to continuously optimise the remuneration and benefits protection system to ensure that employees enjoy competitive remuneration and benefits in the market. Through the implementation of a remuneration system that combines fixed salary and variable salary, we protect our employees' remuneration rights and interests in compliance with the law, stimulate their enthusiasm for work, and cultivate a team of dedicated talents.

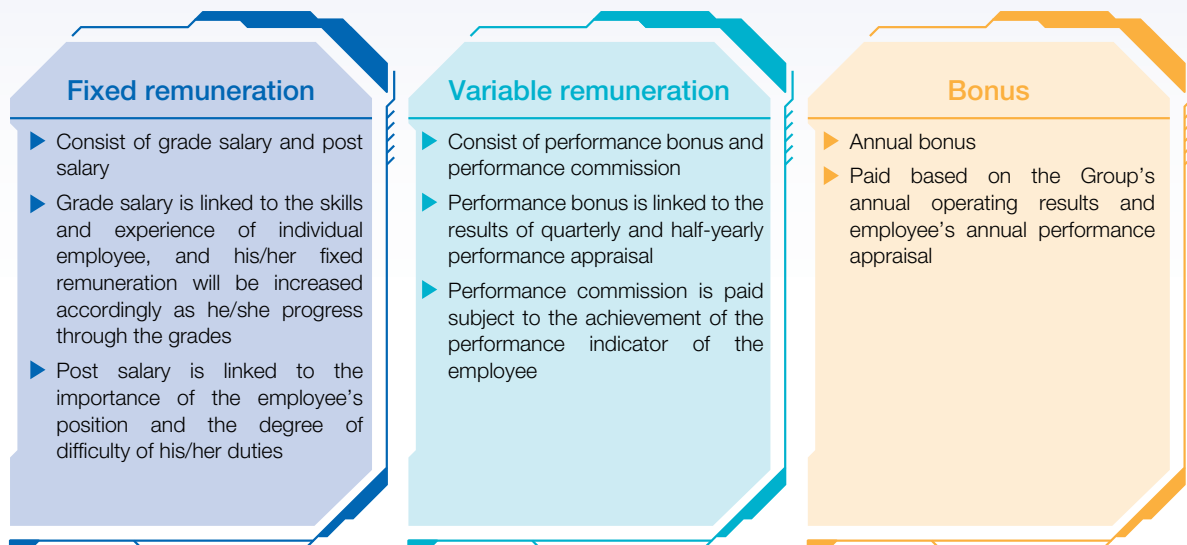


Figure: Cloud Factory Technology Remuneration System

We regulate the Group's benefit distribution measures and standards, and based on providing employees with statutory benefits, we additionally provide employees with diversified and comprehensive benefit protection to further strengthen the centripetal force and cohesion of employees, and enhance their sense of well-being. During the Reporting Period, the total welfare expenditure for employees of Cloud Factory Technology amounted to RMB5,109,963.39, of which RMB4,558,187.97 was spent on social insurance housing provident fund and RMB551,775.42 was spent on benefit fees.

Type of Benefit	Specific Content
Statutory Benefits	<ul style="list-style-type: none"> • Pay endowment, medical, employment injury, unemployment and maternity insurance and housing provident fund for all employees • All employees are entitled to paid statutory holidays such as annual leave, maternity leave, paternity leave, marriage leave, sick leave and bereavement leave
Daily Benefits	<ul style="list-style-type: none"> • Birthday celebration or care for employees • Gifts or cash gifts for important festivals • Employee work anniversary gift • Annual physical examination • Regularly organise sports competitions, annual tours, departmental team-building activities and other activities • Provide communication allowance, meal allowance or working meals
Incentive Benefits	<ul style="list-style-type: none"> • Monthly bonus for full attendance • Seniority bonus
Other Benefits	<ul style="list-style-type: none"> • Sympathy gift cash for special occasions, such as marriage, birth, illness, etc. • Children’s Day, Women’s Day and Parents’ meeting leave, etc. • Flexible working arrangements and caring subsidies for pregnant and breastfeeding female employees • Yunze Protection Plan (雲澤保障計劃)

Table: Benefit of Employee of Cloud Factory Technology

Training and Development

Cloud Factory Technology regards employees as the key driving force for the Group’s high-quality and sustainable development. We attach great importance to talent growth and development, formulate management measures related to employee training and promotion, actively carry out various employee training programs, continuously enhance employees’ professional skills and professional ethics, and achieve a win-win development for both individuals and the enterprise.

Employee Training

We are committed to promoting the cultivation of composite talents and developing scientific and reasonable employee training plans. The Group focuses on multiple dimensions such as professional skills and leadership training, providing vocational training and guidance for employees, striving to enhance their work abilities, maximise their potential, and maintain the vitality of talents throughout the entire business process. As at the end of the Reporting Period, we organised 4 sessions of new employee induction training, covering 7 people; and 14 sessions of professional sequence and talent echelon training, with a training coverage rate of 100%.

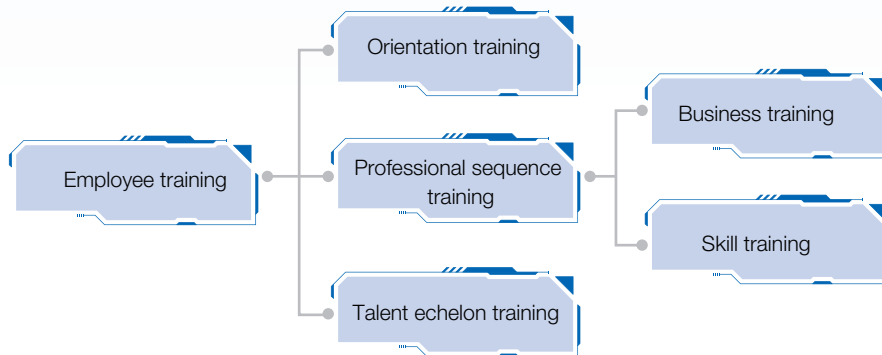


Figure: Employee Training Program of Cloud Factory Technology

The Group regularly conducts induction training for new employees. The content covers introductions to internal systems, product and business introductions, as well as instructions on the use of office software. We focus on providing detailed and systematic instruction for new employees, guiding them to quickly adapt to the work environment.

Case: Cloud Factory Technology Launches “Reserve Talent Training Camp (後備人才培養營)”

In November 2025, we officially launched the “Reserve Talent Training Camp (後備人才培養營)”, aiming to enable this team, composed of key personnel from various departments, to further refine their skill structure and broaden their boundaries of management and strategic thinking through systematic learning, based on their existing professional capabilities. We aspire to cultivate a core backbone team with strategic vision, execution ability, and innovative spirit for the future, achieving mutual growth for both the enterprise and individuals, unleashing stronger creativity, and building momentum for the continuous leapfrogging of the business. Through this training, we adopt a “learning + practical application + mentorship (學習+實戰+導師)” model to help employees comprehensively enhance their strategic understanding, efficient team collaboration, and cross-departmental management skills, aiming to facilitate mutual growth for both employees and the enterprise.



Employee Development

We strictly adhere to relevant laws and regulations, promulgate and implement internal policies such as the Measures on Encouraging Employees to Obtain Professional Titles and Qualification Certificates, and vigorously support employees in pursuing external learning opportunities for self-improvement. We have established an employee position system, clearly disclosing the job level hierarchy of the Group, allowing employees to choose a promotion path that aligns with their career development. As at the end of the Reporting Period, we promoted a total of 17 employees internally.

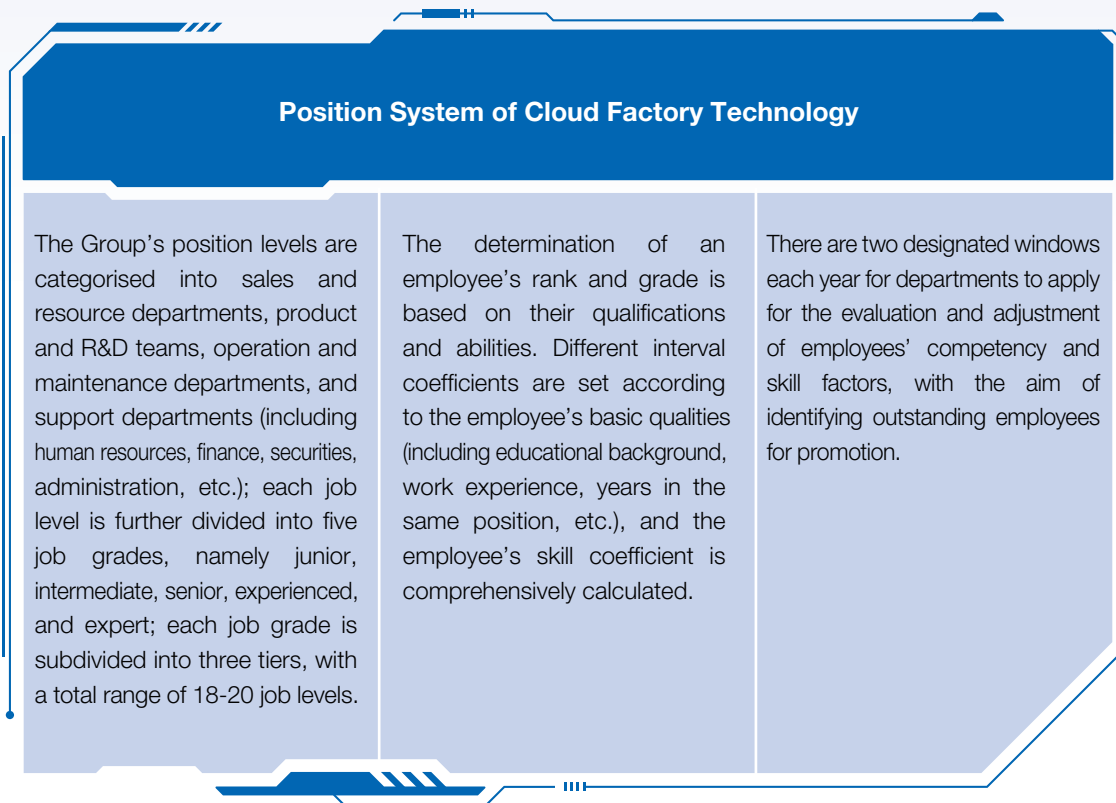


Figure: Position System of Cloud Factory Technology

Meanwhile, based on the internal regulation Overall Performance Evaluation Plan for Cloud Factory, we have established a performance evaluation framework to ensure a transparent and fair assessment of employee performance. By encouraging employees to meet their individual performance requirements, we aim to achieve the overall performance goals of the Group.

Responsible department	Responsibilities
Performance and Remuneration Committee	<ul style="list-style-type: none"> Formulate annual target responsibility agreements, as well as monthly and phase-specific performance indicators Evaluation score Organise review and assessment of major issues Approve the assessment plans of various departments and the assessment results of managers
Deputy general manager/ director in charge	<ul style="list-style-type: none"> Improve the assessment of first-level department managers and the review of the assessment work within their respective departments, and approve the assessment results of their departments
Managers of various departments	<ul style="list-style-type: none"> Responsible for implementing performance appraisal in the department Conduct inspections and provide guidance to employees Supervise the implementation of assessment methods and propose revisions for any unreasonable aspects
Human Resources Department	<ul style="list-style-type: none"> Develop and refine a performance evaluation system Guide and supervise various departments in carrying out performance appraisal work

Table: Performance Evaluation Framework of Cloud Factory Technology

Furthermore, we have established an effective and feasible employee assessment appeal and feedback mechanism, adhering to the principles of “fairness, impartiality, and seeking truth from facts”, to ensure that employees enjoy the right to communicate regarding their assessments.

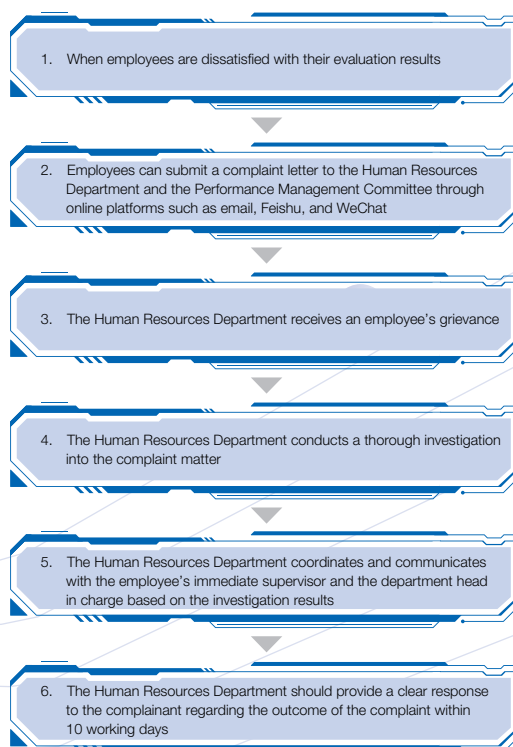


Figure: Employee Assessment Appeal Process of Cloud Factory Technology

Employee Care

We prioritise assisting employees in balancing work and life, showing care for female employees, and paying full attention to their work emotions. We establish open and unobstructed communication channels to promptly listen to employees' demands and promote the continuous growth of the group through mutual trust and mutual benefit. We have set up an employee feedback email (wisdom-box@cloudcsp.com), based on the idea of "wisdom box", fully supporting and expecting our employees to actively share their thinking, provide more valuable suggestions for the Company, and achieve mutual progress.

In addition, we organise a variety of employee activities, actively providing emotional value to employees, enriching their leisure time, and helping them release stress and rejuvenate.

Case: Yunze Protection Plan (雲澤保障計劃)

Cloud Factory Technology values every employee and their families. To this end, the Company has officially launched the "Yunze Protection Plan (雲澤保障計劃)". In the event that employees who have been with the Company for one year or more, their spouses, or minor children encounter unexpected difficulties such as critical illnesses, natural disasters, or accidents, the Company will provide support as much as possible. This support may be financial assistance, special leave, resource coordination, or other multidimensional help. The Company aspires for this program to serve as a steadfast support system for all, ensuring that every colleague striving at Cloud Factory Technology feels warmly embraced and at ease. Cloud Factory Technology will work together with every employee in good times and support each other in adversity, creating a warmer and more reassuring working environment together.

Case: Employee’s Anniversary of Joining the Company

To express gratitude to every colleague for their diligent efforts and companionship, the Group has always prepared a gift of self-selected merchandise for employees’ anniversary of employment with the Company, serving as a memento between employees and the Company. However, the Group hopes that this resource can play a greater role in truly assisting those in need, while also making the anniversary of employment more memorable. Therefore, in 2025, the Company decided to adjust the use of this budget, so that it can exert greater value at critical times.



Case: Team-building Activities within the Department

To enhance team cohesion and promote cross-departmental collaboration, the Company provides financial support for departmental team-building activities. Each department plans its own team-building activities according to its own needs every quarter, and is encouraged to collaborate with multiple departments to conduct joint team-building activities. This year, departments have explored diverse team-building methods in alignment with corporate culture, conducting a total of 32 rich and varied team-building activities, such as outdoor team-building activities, cultural experiences, and team dinners.



Case: Birthday Party

In 2025, Cloud Factory organised four birthday parties, providing exclusive gifts for the birthday stars in each quarter, as well as snacks, beverages, and fruits for all employees. The purpose of the birthday parties is to convey humanistic care, allowing the birthday stars to experience a sense of belonging and happiness. Simultaneously, we create a relaxed communication atmosphere for employees, enhance team camaraderie and cohesion, enrich the corporate culture, enhance employee identification, and stimulate work enthusiasm.



Case: Company Annual Gathering

On 23 January 2025, Cloud Factory hosted its annual vintage-inspired Hong Kong style gala under the theme "Together with AI, the Future is Bright (AI在一起·未来可期)". The event was a dazzling opening, with Cloud Factory staff from Wuxi, Hangzhou, and Qingdao gathering in retro-inspired Hong Kong style attire from the 1980s and 1990s to celebrate this unique annual extravaganza.



Health and Safety

Cloud Factory Technology places the health and safety of its employees at the forefront and establishes a concept of safe development. We strictly adhere to the laws and regulations of the Production Safety Law of the People’s Republic of China and the Work Safety Law of the People’s Republic of China in our operational locations. We have formulated internal regulations such as the Quality, Environment, Occupational Health, and Safety Management Manual, established an occupational safety management framework, comprehensively constructed and maintained a safe working environment, and constantly monitored the physical and mental health of our employees while providing necessary health guidance, effectively ensuring the occupational health and safety of our employees. As at the end of the Reporting Period, the Company has obtained ISO 45001 occupational health and safety management system certification.

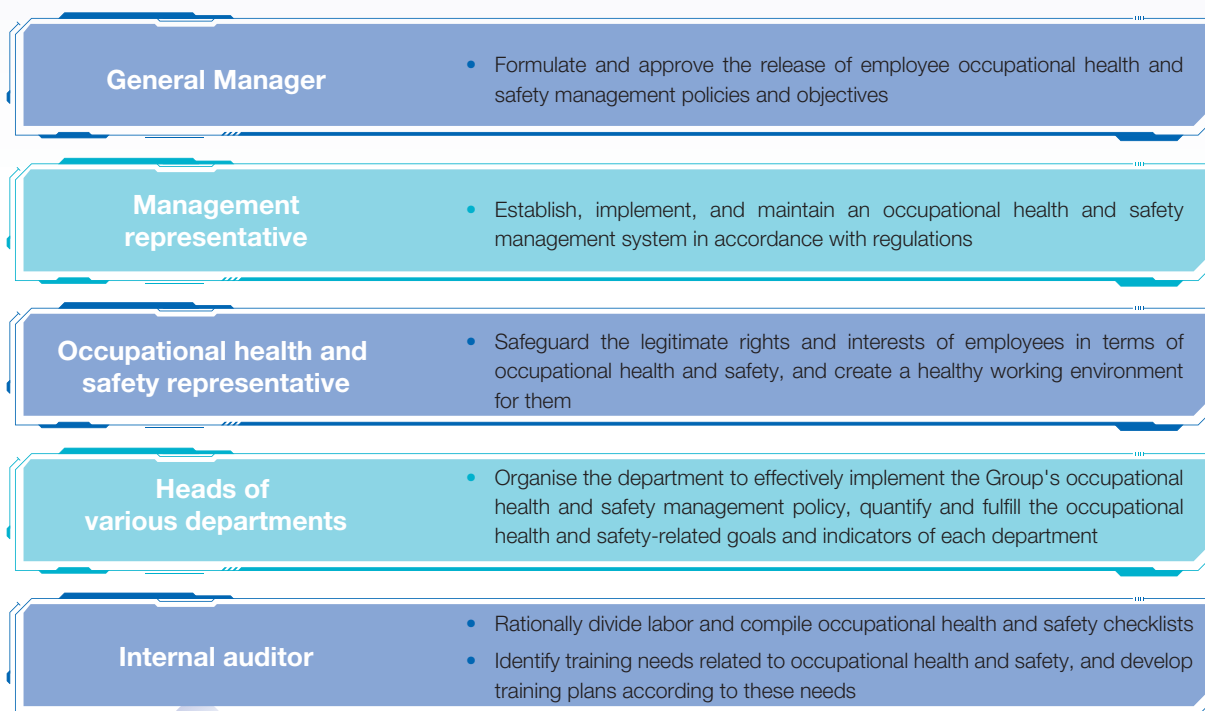


Figure: Occupational Health and Safety Management Framework of Cloud Factory Technology

We organise a comprehensive physical examination for all employees every October. In addition to the standard employee health check-up items, we selectively add targeted additional examination items based on factors such as different employees’ age, gender, and job nature. During the Reporting Period, Cloud Factory Technology did not experience any major work-related injury incidents, with 0 deaths due to work-related accidents and 0 days lost due to work-related injuries.

COMMUNITY PUBLIC WELFARE

Cloud Factory Technology has always been mindful of its responsibilities and duties as a corporate citizen, actively engaging in public undertakings and social activities, striving to convey positive energy that promotes upward progress and goodness. We regard giving back to society as our duty, actively carrying out public welfare and charity work as well as community building, and promoting the co-creation and sharing of commercial and social values.

Social Development

Cloud Factory Technology places great emphasis on the significant role education plays in community development and has established the Wuxi Taihu Talent Scholarship to boost educational development. This scholarship is primarily intended for outstanding students from the School of Internet of Things Engineering at Jiangnan University and the School of Electronics and Information Engineering at Xi'an Jiaotong University, with a focus on students majoring in Computer Science and Technology. The aim is to inspire them to continue deepening their expertise in technology, fostering sustainable development and innovative breakthroughs in the industry.

Case: Cloud Factory Technology & Jiangsu Ocean University | Facilitating High-quality Industrial Development through the Deep Integration of Industry, Academia, and Research

On 10 January 2025, a successful exchange meeting between Cloud Factory Technology and Jiangsu Ocean University was held. The Chairman of Cloud Factory Technology, along with the Vice President of Product Research and Development and the Vice President of Sales, attended the meeting. Secretary Wang, the Party Committee Secretary of the School of Civil and Harbor Engineering at Jiangsu Ocean University, Professor Zhao, the head of the road and bridge department, and Associate Professor Zhang, the head of the Engineering Management Department, were invited to attend the exchange meeting. Both parties jointly explored the mode of industry-university-research cooperation, promoted the upgrading of industry and education mechanisms, and completed a series of guest professor appointment ceremonies and cooperation base unveiling ceremonies. This event demonstrates our strong emphasis on the deep integration of industry, academia, and research, as well as our attention and support for promoting industrial upgrading and talent cultivation.



Attend the exchange meeting and take a group photo as a souvenir



Group photo for the unveiling ceremony of the employment and internship practice base of Jiangsu Ocean University

Case: Cloud Factory Technology Attends the Launch Ceremony of the Shanghai Beiyang Base of Hong Kong University of Science and Technology: Jointly Establishing an Internship and Training Alliance to Facilitate the Deep Integration of Industry, Academia, and Research

On 13 October 2025, the International Industry Cooperation and Innovation Forum, themed “Vertical Innovation, Global Co-creation (垂直創新·全球共創)” and the launch ceremony of the Hong Kong University of Science and Technology (HKUST) Shanghai Centre Beiyang Base were held in Beiyang Artificial Intelligence Town in Shanghai. Mr. Sun Tao, founder and chairman of Cloud Factory Technology, was invited to attend and, together with HKUST Shanghai Centre, Tencent, D4Paradigm, Chery Automobile, HongShan China, Xiening Technology, and other industry-leading enterprises, jointly announced the “HKUST Shanghai Centre Internship and Training Alliance (港科大上海中心實習實訓聯盟)”. This alliance is committed to building an open ecosystem that integrates university-enterprise joint training, industrial application, and talent cultivation. Cloud Factory Technology will leverage its profound accumulation in computing infrastructure and AI practical scenarios to provide university students with real industrial environments and innovative practice opportunities, helping students gain a deep understanding of the engineering implementation and commercialisation pathways of cutting-edge AI technologies. This event reflects our continuous investment and long-term vision in future talent cultivation.



DONATION FOR PUBLIC WELFARE

Case: Cloud Factory Technology Donates HK\$2,000,000 to Support the Relief and Reconstruction Efforts Following the Tai Po Fire Disaster in Hong Kong

On 26 November 2025, a Level 5 fire broke out at Wang Fuk Court in Tai Po District, New Territories, Hong Kong. Cloud Factory Technology closely monitored the progress of the disaster and initiated an emergency response through the Tai Po Wang Fuk Court Relief Fund (Hong Kong), announcing a donation of HK\$2,000,000 to the transitional resettlement of affected residents, the supply of essential living materials, and post-disaster community recovery efforts. This initiative demonstrates our social responsibility and commitment in the face of major disasters, embodies the spirit of mutual assistance and care, and jointly promotes community reconstruction and development.



APPENDIX I: HIGHLIGHTS PERFORMANCE STATEMENT IN 2025

Environmental Performance

Performance Indicators	Unit	2025	2024
Direct GHG emissions (Scope 1)	tonnes of CO ₂ e	21.46	N/A
Energy indirect GHG emissions (Scope 2)	tonnes of CO ₂ e	77.89	64.07
Total GHG emissions	tonnes of CO ₂ e	99.35	64.07
GHG emission intensity	tonnes of CO ₂ e/million revenue	0.105	0.091
Petrol	kWh	77,938	N/A
Purchase electricity	kWh	146,801	112,347
Total water consumption	m ³	826	490
Water consumption intensity	m ³ /million revenue	0.875	0.692

Social Performance

Performance Indicators	Unit	2025	2024
B1. Employment			
Number of employees by gender			
Number of male employees	person	55	63
Number of female employees	person	54	52
Proportion of male employees ¹	%	50.46	54.78
Proportion of female employees ¹	%	49.54	45.22
Number of employees by employee category			
Full-time employee	person	107	115
Part-time employee	person	2	N/A
Number of employees by grade			
Number of senior management personnel	person	6	12
Number of middle management personnel	person	12	8
Number of other employees	person	91	95
Number of employees by age			
Number of employees under 30	person	37	49
Number of employees between 31 to 40	person	57	57
Number of employees between 41 to 50	person	12	9
Number of employees above 51	person	3	0
Number of employees by region			
Jiangsu region	person	57	86
Eastern China (excluding Jiangsu region)	person	23	28
Other regions	person	29	1
Employee turnover rate by gender²			
Male employee turnover rate	%	60.00	20.11
Female employee turnover rate	%	37.04	10.34
Employee turnover rate by age²			
Turnover rate of employees under 30	%	83.78	12.64
Turnover rate of employees between 31 to 40	%	28.07	13.22
Turnover rate of employees between 41 to 50	%	50.00	4.60
Turnover rate of employees above 51	%	0	0
Employee turnover rate by region²			
Employee turnover rate in the North China region	%	38.46	5.75
Employee turnover rate in the East China region	%	48.75	23.56
Employee turnover rate in the Southern China region	%	100.00	1.15
Employee turnover rate in the Central China region	%	50.00	N/A
Employee turnover rate in the Northeast China region	%	75.00	N/A
Employee turnover rate in the Northwest China region	%	0	N/A
Total employee welfare expenditure	RMB	5,109,963.39	5,506,823.68

Performance Indicators	Unit	2025	2024
B2. Health and Safety			
Number of fatalities due to work-related incidents	person	0	0
Number of lost workdays (referring to the total number of days of sick leave due to various work-related injuries)	day	0	0
B3. Development and Training			
Number of employees trained by gender			
Number of male employees trained	person	55	63
Number of female employees trained	person	54	52
Percentage of male employees trained ³	%	50.46	54.78
Percentage of female employees trained ³	%	49.54	42.22
Number of employees trained by employee category			
Number of senior management trained	person	6	12
Number of middle management trained	person	12	8
Number of other employees trained	person	91	95
Percentage of senior management trained ³	%	5.50	10.43
Percentage of middle management trained ³	%	11.01	6.96
Percentage of other employees trained ³	%	83.49	82.61
Average training hours of each employee by gender⁴			
Average training hours of male employees	hour	8	6
Average training hours of female employees	hour	8	6
Average training hours of each employee by employee category⁴			
Average training hours of senior management	hour	8	6
Average training hours of middle management	hour	8	6
Average training hours of other employees	hour	8	6
B5.1 Number of suppliers by region			
By region			
East China (comprising Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai, and Jiangxi)	company	65	44
South China (Guangdong, Guangxi, Hainan)	company	23	11
Central China (Hubei, Hunan, Henan)	company	10	20
North China (Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia)	company	24	9
Southwestern China (Sichuan, Yunnan, Guizhou, Xizang, Chongqing)	company	5	5
Northwestern China (comprising Ningxia, Xinjiang, Qinghai, Shaanxi, and Gansu)	company	3	1
Northeast China (Liaoning, Jilin, Heilongjiang)	company	3	3
Regions of Hong Kong, Macao, Taiwan, and overseas areas	company	0	0

Performance Indicators	Unit	2025	2024
B6. Product Responsibility			
Customer satisfaction rate	%	100	100
Incident of consumer information or privacy leakage	case	0	0
The number of individuals affected by incidents of consumer information or privacy leakage	person-time	0	0
Total number of complaints received	case	0	0
Cumulative number of authorised new patents	case	40	38
Cumulative number of software copyrights held	case	48	44
Cumulative number of invention patents	case	18	18
B7. Anti-corruption			
Settled cases of corruption litigation	case	0	0
Number of anti-corruption training session	time	6	1
Duration of Board participation in anti-corruption training	hour	1.5	1
Number of person-times of Board members participating in anti-corruption training	person-time	7	7
The coverage rate of anti-corruption training participation by the Board	%	100	100
Duration of employee participation in anti-corruption training	hour	6	1
Number of employee participation in anti-corruption training sessions	person-time	109	115
The coverage rate of anti-corruption training participation by employee	%	100	100
B8. Community Investment			
Cash donation amount during the reporting period	RMB	2,079,199.00	87,500.00

Notes:

- Employee ratio = Number of employees in this category ÷ Total number of employees at the end of the year × 100%
- Employee turnover rate = Number of employees who left the category during the year ÷ Total number of employees in the category at the end of the year × 100%
- Employee training ratio = Number of employees trained in that category during the year ÷ Total number of employees trained at the end of the year × 100%
- The average number of hours of training completed by each employee = Total number of hours of training for employees in that category during the year ÷ Total number of employees in that category who received training at the end of the year

APPENDIX II: CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF THE HONG KONG STOCK EXCHANGE

Major Categories, Aspects, General Disclosures, and Key Performance Indicators			Disclosure Chapter/Explanation
A. Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operation: Environmental Management
	KPI A1.1	The types of emissions and respective emissions data.	The Group's business does not involve significant emissions; therefore, the relevant disclosures are not applicable
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Group's business does not involve significant emissions of hazardous waste; therefore, the relevant disclosures are not applicable
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Group's business does not involve significant emissions of non-hazardous waste; therefore, the relevant disclosures are not applicable
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Green Operation: Environmental Management
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operation: Environmental Management
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operation: Environmental Management
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Green Operation: Environmental Management
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Operation: Environmental Management
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operation: Environmental Management
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Operation: Environmental Management
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve the use of packaging materials; therefore, the relevant disclosures are not applicable.
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Operation: Response to Climate Change
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operation: Response to Climate Change

Major Categories, Aspects, General Disclosures, and Key Performance Indicators			Disclosure Chapter/Explanation
B. Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People-oriented: Employee's Rights and Interests
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	People-oriented: Employee's Rights and Interests
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People-oriented: Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	People-oriented: Health and Safety; Appendix I
	KPI B2.2	Lost days due to work injury.	People-oriented: Health and Safety; Appendix I
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	People-oriented: Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-oriented: Training and Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix I
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People-oriented: Employee's Rights and Interests
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People-oriented: Employee's Rights and Interests
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People-oriented: Employee's Rights and Interests
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Ingenious Excellence: Green Industry Chain
	KPI B5.1	Number of suppliers by geographical region.	Ingenious Excellence: Green Industry Chain
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Ingenious Excellence: Green Industry Chain
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Ingenious Excellence: Green Industry Chain
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Ingenious Excellence: Green Industry Chain

Major Categories, Aspects, General Disclosures, and Key Performance Indicators			Disclosure Chapter/Explanation
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Ingenious Excellence: Products and Services
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not involved
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Appendix I
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Ingenious Excellence: Intellectual Property Protection
	KPI B6.4	Description of quality assurance process and recall procedures.	Ingenious Excellence: Products and Services
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ingenious Excellence: Information Security and Privacy Protection
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Operation Compliance: Business Ethics
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Operation Compliance: Business Ethics
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Operation Compliance: Business Ethics
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Operation Compliance: Business Ethics
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Public Welfare
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Public Welfare
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Public Welfare

Climate-related Disclosure

Corresponding section

Governance

(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Internal Control and Risk Management; Green Operation — Response to Climate Change
(i) how the body(s) or individual(s) determines whether appropriate skills and competences are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Internal Control and Risk Management; Green Operation — Response to Climate Change
(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Internal Control and Risk Management; Green Operation — Response to Climate Change
(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Internal Control and Risk Management; Green Operation — Response to Climate Change
(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see Paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see Paragraph 35); and	Internal Control and Risk Management; Green Operation — Response to Climate Change
(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	Internal Control and Risk Management; Green Operation — Response to Climate Change
(i) whether the role is delegated to a specific management level position or management-level committee and how oversight is exercised over that position or committee; and	Internal Control and Risk Management; Green Operation — Response to Climate Change
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Internal Control and Risk Management; Green Operation — Response to Climate Change

Climate-related Disclosure	Corresponding section
Strategy	
Climate-related Risks and Opportunities	
<p>An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p>	<p>Green Operation — Response to Climate Change</p>
<p>(a) describe climate-related risks and opportunities that could reasonably be expected to affect cash flows, its access to finance or cost of capital over the short, medium or long term;</p>	<p>Green Operation — Response to Climate Change</p>
<p>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</p>	<p>Green Operation — Response to Climate Change</p>
<p>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</p>	<p>Green Operation — Response to Climate Change</p>
<p>(d) explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</p>	<p>Green Operation — Response to Climate Change</p>
Business Model and Value Chain	
<p>An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose:</p>	<p>Green Operation — Response to Climate Change</p>
<p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and</p>	
<p>(b) a description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	<p>Green Operation — Response to Climate Change</p>

Climate-related Disclosure	Corresponding section
Strategy and Decision-making	
<p>An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (in any)), described in accordance with paragraphs 37 to 40; and</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p> <p>An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	<p>Green Operation — Response to Climate Change</p> <p>Green Operation — Response to Climate Change</p> <p>Green Operation — Response to Climate Change</p> <p>Green Operation — Response to Climate Change</p> <p>Green Operation — Response to Climate Change</p> <p>Green Operation — Response to Climate Change</p> <p>Green Operation — Response to Climate Change</p>

Financial Position, Financial Performance and Cash Flows	
Current financial effect	
<p>An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p> <p>(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.</p>	<p>Green Operation — Response to Climate Change</p> <p><i>Considering the extremely high uncertainty involved in measuring these impacts, which renders the obtained quantitative information impractical, qualitative information is substituted for quantitative information.</i></p>

Climate-related Disclosure

Corresponding section

Anticipated financial effect

- (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:
- (i) its investment and disposal plans; and
 - (ii) its planned sources of funding to implement its strategy; and
- (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.

Green Operation — Response to Climate Change

Considering the extremely high uncertainty involved in measuring these impacts, which renders the obtained quantitative information impractical, qualitative information is substituted for quantitative information.

Green Operation — Response to Climate Change

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Climate-related Disclosure

Corresponding section

Climate Resilience

An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:

- (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:
 - (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;
 - (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and
 - (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;
- (b) how and when the climate-related scenario analysis was carried out, including:
 - (i) information about the inputs used, including:
 - (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;
 - (2) whether the analysis included a diverse range of climate-related scenarios;
 - (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;
 - (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;
 - (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;
 - (6) time horizons the issuer used in the analysis; and
 - (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);

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Climate-related Disclosure	Corresponding section
Risk Management	
An issuer shall disclose information about:	Internal Control and Risk Management;
<ul style="list-style-type: none"> (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: <ul style="list-style-type: none"> (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; 	Green Operation — Response to Climate Change
<ul style="list-style-type: none"> (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and 	Internal Control and Risk Management; Green Operation — Response to Climate Change
<ul style="list-style-type: none"> (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer’s overall risk management process. 	Internal Control and Risk Management; Green Operation — Response to Climate Change

Metrics and targets

GHG Emissions

An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:

- (a) Scope 1 greenhouse gas emissions;
- (b) Scope 2 greenhouse gas emissions;
- (c) Scope 3 greenhouse gas emission.

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An issuer shall:

- (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;

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Climate-related Disclosure	Corresponding section
<p>(b) disclose the approach it uses to measure its greenhouse gas emissions including:</p> <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; 	<p>Green Operation — Response to Climate Change</p>
<p>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and</p>	<p>Green Operation — Response to Climate Change</p>
<p>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</p>	<p>Green Operation — Response to Climate Change</p>

Climate-related Transition Risks

An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.

Our current research solely encompasses specific assets and businesses; in the future, we will explore the feasibility of expanding the scope of our research.

Climate-related Physical Risks

An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.

Our current research solely encompasses specific assets and businesses; in the future, we will explore the feasibility of expanding the scope of our research.

Climate-related Opportunities

An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.

Our current research solely encompasses specific assets and businesses; in the future, we will explore the feasibility of expanding the scope of our research.

Climate-related Disclosure	Corresponding section
<p>Capital Deployment An issuer shall disclose the amount of capital expenditure, investment deployed towards climate-related risks and opportunities.</p>	<p><i>Considering the extremely high uncertainty involved in measuring these impacts, which renders the obtained quantitative information impractical, qualitative information is substituted for quantitative information.</i></p>
<p>Internal Carbon Prices An issuer shall disclose:</p> <ul style="list-style-type: none"> (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; <p>or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	<p><i>We did not adopt a carbon pricing mechanism in our decision-making process</i></p>
<p>Remuneration An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>	<p><i>We have not yet incorporated climate-related considerations into our remuneration policy</i></p>
<p>Industry-based Metrics An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	<p>Green Operation — Response to Climate Change</p>

Climate-related Disclosure

Corresponding section

Climate-related Targets

An issuer shall disclose (a) the quantitative and qualitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals, and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:

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(a) the metric used to set the target;

(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);

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(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);

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(d) the period over which the target applies;

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(e) the base period from which progress is measured;

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(f) milestones or interim targets (if any);

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(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and

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(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.

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An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:

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(a) whether the target and the methodology for setting the target has been validated by a third party;

(b) the issuer's processes for reviewing the target;

(c) the metrics used to monitor progress towards reaching the target; and

(d) any revisions to the target and an explanation for those revisions.

An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.

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Climate-related Disclosure	Corresponding section
<p>For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party schemes(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). 	<p>Green Operation — Response to Climate Change</p> <p>Green Operation — Response to Climate Change</p> <p>Green Operation — Response to Climate Change</p> <p><i>Our established goals were not derived from adopting industry decarbonization methods.</i></p> <p><i>We have not yet utilised carbon credit-related schemes in our operational processes</i></p>

Applicability of Cross-industry Metrics and Industry-based Metrics

In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).

In compiling disclosure information based on industry indicators, due to the inability to reasonably obtain directly quantified data, the Group has referred to potential industry benchmarks and internal estimates, which is in compliance with the reasonable information exemption clause. The Group will strengthen the data collection process to enhance the accuracy of future data.



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To the shareholders of Cloud Factory Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Cloud Factory Technology Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 139 to 203, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

How our audit addressed the key audit matter

Revenue recognition

The Group's revenue primarily comes from the provision of internet data centre ("IDC") solution services, edge computing services and intelligent computing.

For contracts where considerations are fixed and the services are rendered over time, the related revenues are recognised on a straight-line basis based on the contract price. For contracts where considerations are based on the usage, the related revenues are recognised based on the consumption of high-speed internet access bandwidth resources at the predetermined rates as the services are rendered throughout the contract terms. For the sales of goods and provision of other services, revenue is recognised upon customer acceptance.

Revenue recognition was considered as key audit matter due to the large volume of transactions and significant amount of revenue recognised.

Our procedures in relation to revenue recognition included:

- (i) obtaining an understanding of and evaluating the design and operational effectiveness of the relevant key internal controls related to revenue recognition;
- (ii) obtaining and inspecting the Group's contracts with major customers to obtain an understanding of the terms and provision stipulated in the contracts and assessing revenue recognised against the Group's accounting policy with reference to the requirements of the prevailing accounting standards;
- (iii) performing tests of details on sample basis to check for contracts, customer's acceptance notes and reconciliation statements;
- (iv) performing confirmation procedures with customers of the sales transactions for the year and respective trade receivable balances as at the year end date on a sample basis;
- (v) performing analytical review procedures, including analysing changes in major business revenue, major customers and gross profit margin; and
- (vi) assessing the adequacy of the disclosures related to the revenue recognition.

KEY AUDIT MATTERS (Continued)

Key audit matter

How our audit addressed the key audit matter

Impairment assessment of trade receivables

As at 31 December 2025, the Group had gross trade receivables of approximately RMB315,718,000, against which allowance for impairment of approximately RMB7,569,000 was made.

Management applied judgement and estimates to measure the expected credit loss allowance. The estimated loss rates are initially based on historical observable default rates over expected lives of the receivables, study of each specific customers' credit-rating and default and recovery data from external agency and are adjusted for forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables.

We considered this area a key audit matter due to the magnitude of the balance of trade receivables and the complex estimates and judgements involved in the assessment of expected credit losses ("ECLs").

Our procedures in relation to the impairment of trade receivables included:

- (i) obtaining an understanding of and evaluating the design and operating effectiveness of the relevant key internal controls in respect of management's assessment of the impairment of trade receivables;
- (ii) assessing the appropriateness of ECLs provisioning methodology adopted by management, including key estimations and assumptions used in the model based on our understanding on the Group's business and credit control process and the credit risk characteristics of the trade receivables;
- (iii) evaluating the reasonableness of the forward-looking information including relevant macroeconomic variables by considering the industry and macro-economic information;
- (iv) testing the mathematical accuracy of the calculation of ECLs;
- (v) performing confirmation procedure and inspecting cash settlements from customers subsequent to the year end on a sampling basis; and
- (vi) assessing the adequacy of the disclosures related to trade receivables and ECLs.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The engagement partner on the audit resulting in this independent auditor's report is Ng Cheung (practising certificate number: P04900).

Ernst & Young

Certified Public Accountants

Hong Kong

26 March 2026

Consolidated Statement of Profit or Loss

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	943,497	707,629
Cost of sales		(847,483)	(618,007)
Gross profit		96,014	89,622
Other income and gains	5	9,845	9,388
Selling and distribution expenses		(5,714)	(7,759)
Administrative expenses		(37,918)	(44,132)
Research and development expenses		(33,143)	(23,815)
Impairment losses on financial assets		(2,367)	(689)
Other expenses		(2,672)	(235)
Finance costs	7	(10,183)	(8,549)
PROFIT BEFORE TAX	6	13,862	13,831
Income tax expense	10	(2,098)	(1,459)
PROFIT FOR THE YEAR		11,764	12,372
Attributable to:			
Owners of the parent		11,549	12,091
Non-controlling interests		215	281
		11,764	12,372
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	12	0.02	0.03

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
PROFIT FOR THE YEAR	11,764	12,372
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	6,605	842
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	6,605	842
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(8,242)	5,507
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	(8,242)	5,507
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	(1,637)	6,349
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,127	18,721
Attributable to:		
Owners of the parent	9,912	18,440
Non-controlling interests	215	281
	10,127	18,721

Consolidated Statement of Financial Position

Year ended 31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property and equipment	13	60,180	32,597
Right-of-use assets	14	26,060	641
Other intangible assets	15	154	230
Deferred tax assets	16	1,456	1,836
Long-term receivables	17	29,985	53,915
Total non-current assets		117,835	89,219
CURRENT ASSETS			
Inventories	18	34,939	129
Trade receivables	19	308,149	235,042
Prepayments, other receivables and other assets	20	318,222	215,973
Restricted cash	21	—	27
Cash and cash equivalents	21	603,792	371,016
Total current assets		1,265,102	822,187
CURRENT LIABILITIES			
Trade payables	22	337,172	199,598
Other payables and accruals	23	51,523	38,023
Contract liabilities	24	54,483	231
Interest-bearing bank borrowings	25	378,101	262,811
Lease liabilities	14	10,380	485
Current portion of long-term payables	26	3,278	—
Tax payable		4,016	4,329
Total current liabilities		838,953	505,477
NET CURRENT ASSETS		426,149	316,710
TOTAL ASSETS LESS CURRENT LIABILITIES		543,984	405,929
NON-CURRENT LIABILITIES			
Lease liabilities	14	9,616	9
Long-term payables	26	14,131	—
Total non-current liabilities		23,747	9
Net assets		520,237	405,920
EQUITY			
Equity attributable to owners of the parent			
Share capital	27	36	33
Treasury shares	27	(108,739)	—
Reserves	28	599,000	402,409
		490,297	402,442
Non-controlling interests		29,940	3,478
Total equity		520,237	405,920

Mr. Sun Tao
Director

Mr. Ji Lijun
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the parent								Non-controlling interests	Total equity
	Share capital	Share premium*	Other reserve*	Statutory surplus reserve*	Exchange fluctuation reserve*	Retained profits*	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
At 1 January 2024	—	—	33,538	9,039	—	11,561	54,138	763	54,901	
Profit for the year	—	—	—	—	—	12,091	12,091	281	12,372	
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations	—	—	—	—	6,349	—	6,349	—	6,349	
Total comprehensive income for the year	—	—	—	—	6,349	12,091	18,440	281	18,721	
Dilution of non-controlling interest in a subsidiary	—	—	(2,434)	—	—	—	(2,434)	2,434	—	
Appropriations to statutory surplus reserve	—	—	—	2,094	—	(2,094)	—	—	—	
Issue of shares	33	332,265	—	—	—	—	332,298	—	332,298	
At 31 December 2024	33	332,265	31,104	11,133	6,349	21,558	402,442	3,478	405,920	

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital	Treasury shares	Share premium*	Other reserve*	Statutory surplus reserve*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	33	—	332,265	31,104	11,133	6,349	21,558	402,442	3,478	405,920
Profit for the year	—	—	—	—	—	—	11,549	11,549	215	11,764
Other comprehensive loss for the year:										
Exchange differences on translation of foreign operations	—	—	—	—	—	(1,637)	—	(1,637)	—	(1,637)
Total comprehensive income for the year	—	—	—	—	—	(1,637)	11,549	9,912	215	10,127
Acquisition of non-controlling interests	—	—	—	(21,247)	—	—	—	(21,247)	(3,753)	(25,000)
Capital contribution from a non-controlling equity holder	—	—	—	—	—	—	—	—	30,000	30,000
Appropriations to statutory surplus reserve	—	—	—	—	2,643	—	(2,643)	—	—	—
Shares repurchased	—	(108,739)	—	—	—	—	—	(108,739)	—	(108,739)
Issue of ordinary shares	3	—	207,926	—	—	—	—	207,929	—	207,929
At 31 December 2025	36	(108,739)	540,191	9,857	13,776	4,712	30,464	490,297	29,940	520,237

* These reserve accounts comprise the consolidated reserves of RMB599,000,000 (2024: RMB402,409,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		13,862	13,831
Adjustments for:			
Depreciation of items of property and equipment	13	9,119	5,740
Depreciation of right-of-use assets	14	1,053	541
Amortisation of intangible assets	15	261	298
Impairment losses on financial assets		2,367	689
Finance costs	7	10,183	8,549
Bank interest income	5	(556)	(2,732)
Interest income from long-term receivables	5	(5,562)	(2,920)
Loss on disposal of items of property and equipment		4	26
Gain on disposal of items of right-of-use assets	5	(9)	(9)
		30,722	24,013
Increase in inventories		(34,810)	(129)
Increase in trade receivables		(76,154)	(38,573)
Increase in prepayments, other receivables and other assets		(97,433)	(188,586)
Decrease/(increase) in restricted cash		27	(27)
Increase/(decrease) in trade payables		137,574	(44,537)
Increase in contract liabilities		54,252	155
Increase in long-term payables		17,144	—
Increase in other payables and accruals		12,929	7,149
Cash generated from/(used in) operations		44,251	(240,535)
Interest received		556	2,732
Tax paid		(2,029)	(183)
Net cash flows from/(used in) operating activities		42,778	(237,986)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property and equipment		(36,138)	(16,919)
Additions to other intangible assets		(185)	(362)
(Increase)/decrease in other receivables		(2,000)	10,400
Additions to long-term receivables		—	(24,779)
Repayment of long-term receivables		27,355	47,187
Proceeds from disposal of property and equipment		3	9
Net cash flows (used in)/from investing activities		(10,965)	15,536

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New interest-bearing bank borrowings		390,161	411,976
Capital contribution from a non-controlling equity holder		30,000	—
Repayment of interest-bearing bank borrowings		(275,258)	(315,976)
Interest paid		(9,332)	(8,426)
Acquisition of non-controlling interests		(25,000)	—
Payment for lease liabilities	14	(7,160)	(576)
Repurchase of shares		(108,739)	—
Payment for share issue expenses		(468)	(6,702)
Proceeds from issue of shares		208,397	344,480
Net cash flows from financing activities		202,601	424,776
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		371,016	162,341
Effect of foreign exchange rate changes, net		(1,638)	6,349
CASH AND CASH EQUIVALENTS AT END OF YEAR		603,792	371,016
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	603,792	371,043
Less: Restricted cash	21	—	(27)
Cash and cash equivalents as stated in the statement of cash flows		603,792	371,016

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

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, intelligent computing 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”).

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Cloud Factory (BVI) Limited	British Virgin Islands	US\$100	100%	—	Investment holding
Cloud Factory Hong Kong Limited	Hong Kong	HK\$10,000	—	100%	Investment holding
無錫靈境雲信息技術有限公司 Wuxi Lingjing Cloud Information Technology Co., Ltd.*	PRC/ Chinese mainland	RMB305,000,000	—	100%**	Provision of technical support and consultation services
江蘇雲工場信息技術有限公司 Jiangsu Cloud Factory Information Technology Co., Ltd.*	PRC/ Chinese mainland	RMB 20,000,000	—	100%**	Provision of IDC solution services edge computing services and intelligent computing
江蘇意如信息科技有限公司 Jiangsu Yiru Information Technology Co., Ltd.*	PRC/ Chinese mainland	RMB10,000,000	—	100%**	Provision of IDC solution services and edge computing services
青島云睿天信息技術有限公司 Qingdao Yunruitian Technology Co., Ltd.*	PRC/ Chinese mainland	RMB10,000,000	—	100%**	Provision of IDC solution services and edge computing services

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
山東典雅信息技術有限公司 Shandong Dianya Information Technology Co., Ltd.*	PRC/ Chinese mainland	RMB10,000,000	—	100%**	Provision of IDC solution services and other services
無錫新威智算科技有限 Wuxi Xinwei Intelligence Computing Technology Co., Ltd.*	PRC/ Chinese mainland	RMB120,000,000	—	75%	Intelligent computing

* The English names of these subsidiaries registered in the PRC represent the best efforts made by management of the Company in directly translating the Chinese names of these companies as no English names have been registered.

** As the provision of IDC solution services and edge computing services is subject to foreign investment restrictions under the current Chinese mainland laws and regulations, certain services were carried out by Jiangsu Cloud Factory Information Technology Co., Ltd. and its subsidiaries (collectively the "PRC Operating Entities") during the year. Wuxi Lingjing Cloud Information Technology Co., Ltd, a non-wholly-owned subsidiary of the Company ("Lingjing Cloud"), 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 Lingjing Cloud 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 Lingjing Cloud does not have any direct or indirect equity interest in the PRC Operating Entities.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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) 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 2025. 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. ACCOUNTING POLICIES (Continued)

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples, and the amendments did not have any impact on the Group's financial statements.

2.3 Issued But Not Yet Effective IFRS Accounting Standards

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective IFRS Accounting Standards (Continued)

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. Based on a preliminary assessment, IFRS 19 and its amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective IFRS Accounting Standards (Continued)

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation’s comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on *implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective IFRS Accounting Standards (Continued)

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 Material Accounting Policies

Fair value measurement

The Group measures its certain financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Leasehold improvements	33%
Electronic equipment	19% to 32%
Furniture and fixtures	19%
Motor vehicles	24%

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 2 years.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Intangible assets (other than goodwill) (Continued)

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	24 to 37 months
Computing equipment	60 months

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Leases (Continued)

Group as a lessor (Continued)

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has considered estimated loss rate based on historical observable default rates and study of each specific customer's default and recovery data from external credit-rating agency, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, loans and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Provision of IDC solution services

Revenue from the provision of IDC solution services is recognised over the scheduled period because the customer simultaneously receives and consumes the benefits provided by the Group. For contracts where considerations are fixed, the related revenues are recognised on a straight-line basis based on the contract price. For contracts where considerations are based on the usage of the IDC solution services, the related revenues are recognised based on the consumption of high-speed internet access bandwidth resources at the predetermined rate when the services are rendered throughout the contract term.

Provision of edge computing services

Edge computing services include content delivery network services and artificial intelligence of things ("EdgeAIoT") services. The nature of the performance obligation is a single performance obligation to be ready to provide integrated services throughout the contract period. Revenue from the provision of content delivery network services is recognised over the scheduled period because the customer simultaneously receives and consumes the benefits provided by the Group. For contracts where considerations are fixed, the related revenues are recognised on a straight-line basis based on the contract price which is fixed. For contracts where considerations are based on the usage of the content delivery network services, the related revenues are recognised based on the consumption of high-speed internet access bandwidth resources at the predetermined rate as the services are rendered throughout the contract term. Revenue from the provision of EdgeAIoT services is primarily generated through the provision of efficient internet solution to customers, integration of cloud platform, edge nodes network, edge computing hosts, AI algorithm model collections and terminal devices. Revenue is recognised at a point in time when the control of the product is transferred to the customer or the service is rendered and accepted by the customer.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Revenue recognition (Continued)

Provision of computing resources services

Revenue from the provision of computing resources services is recognised over the scheduled period because the customer simultaneously receives and consumes the benefits provided by the Group. For contracts where considerations are fixed, the related revenues are recognised on a straight-line basis based on the contract price.

Sales of computing equipment

Revenue from the sale of computing equipment is recognised at the point in time when control of the goods is transferred to the customer, generally on acceptance of the products.

Provision of other services

Revenue from other services is primarily generated through the provision of Information Communications Technology (“ICT”) services, network acceleration service, text messaging service, call service and WeChat corporate mini-application development service to enterprise clients. Revenue from ICT services is primarily generated through the provision of customer-fit information communications technology solution, system development and maintenance, consultation services and provision of cloud computing hardware resources. Revenue is recognised at a point in time when the control of the customer-fit product is transferred to the customer or the service is rendered and accepted by the customer.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Other employee benefits

Pension scheme

The employees of the Group's subsidiary which operates in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for employees of the Group's subsidiary which operates in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Foreign currencies

These financial statements are presented in RMB. The functional currency of the Company, incorporated in Cayman Islands, is Hong Kong dollars (HK\$). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Group's entities not operating in the Chinese mainland are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Business model

The classification of a financial asset at initial recognition depends on the Group's business model for managing the financial asset. In assessing the business model, the Group considers factors including how the performance of the financial asset is evaluated and reported to key management personnel, the risks that affect the performance of the financial asset and how they are managed, and how the relevant business managers are remunerated. In assessing whether the objective is to collect contractual cash flows, the Group is required to analyse and evaluate the reasons, timing, frequency, and value of any sales of the financial asset before its maturity.

Principal or agent when recognising revenue

Determining whether revenue of the Group should be reported "gross" or "net" is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group is a principal and records revenue on a gross basis if the Group obtains control of any one of the following: (i) a good or another asset from the other party that it then transfers to the customer; (ii) a right to a service to be performed by the other party, which gives the entity the ability to direct that party to provide the service to the customer on the entity's behalf; or (iii) a good or service from the other party that it then combines with other goods or services in providing the specified good or service to the customer. Otherwise, the Group records revenue at the net amounts as commissions.

The Group concludes that it usually acts as a principal in providing IDC solution services, edge computing services, intelligent computing and other services as (i) the Group is primarily responsible for the fulfilment of the customers' contracts by ensuring the stability and quality of services; (ii) the Group combines the good or service from the other parties with other goods or services in providing the specified good or service to the customer and (iii) the Group sets up service prices independently. The Group also acts as an agent under certain IDC solution services and other services contracts when the Group does not have control over these services and products.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

The Group uses individual assessment and estimated loss rate to calculate ECLs for trade receivables. The individual assessment is based on customers with known financial difficulties or significant doubt on collection. The estimated loss rate is initially based on historical observable default rates over expected life of the debts and study of each specific customer's default and recovery data from external credit-rating agency, and is adjusted for forward-looking information (for example, the current and forecasted economic growth rates in the Chinese mainland, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment various data incorporating into the model of ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. OPERATING SEGMENT INFORMATION

The Group is principally a provider of IDC solution services, edge computing services, intelligent computing and other services in the Chinese mainland.

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 the Chinese mainland and all of the Group's non-current assets were located in the Chinese mainland, and therefore no further geographical information is presented in accordance with IFRS 8 Operating Segments.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (Continued)

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:

	2025 RMB'000	2024 RMB'000
Customer A	147,376	156,592
Customer B	120,851	74,708
Customer C	107,584	136,555
Customer D	103,486	93,559

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	943,497	707,629

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of goods or services		
IDC solution services	758,640	658,663
Edge computing services	41,599	48,966
Intelligent computing	139,810	—
Including: Computing resources services	54,406	—
Sales of computing equipment	85,404	—
Other services	3,448	—
Total revenue from contracts with customers	943,497	707,629
Geographical market		
Chinese mainland	943,497	707,629
Timing of revenue recognition		
Services transferred over time	851,612	705,463
Services transferred at a point in time	91,885	2,166
Total	943,497	707,629

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(a) Disaggregated revenue information (Continued)

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:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting year		
IDC solution services	202	10
Edge computing services	29	66
Total	231	76

(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 EdgeAloT services, revenue is recognised at a point in time. The performance obligation is satisfied upon acceptance of services and products by the customers. The payment is generally due within 10 to 60 days after receipt of invoice.

Provision of computing resources services

For the provision of computing resources services, the performance obligation is satisfied over time when the services are rendered. The performance obligation is satisfied upon acceptance of services by the customers. The payment is generally due within 60 to 90 days after receipt of invoice.

Sales of computing equipment

For sales of computing equipment, revenue is recognised at a point in time. The performance obligation is satisfied upon acceptance of products by the customers. The timing of payment varies from contract to contract usually within 90 days after receipt of invoice.

Provision of other services

For the provision of 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.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations (Continued)

Provision of other services (Continued)

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Other income		
Government grants*	3,493	3,727
Bank interest income	556	2,732
Interest income from long-term receivables	5,562	2,920
Others	225	—
Total other income	9,836	9,379
Gains		
Gain on disposal of items of right-of-use assets	9	9
Total other income and gains	9,845	9,388

* There are no unfulfilled conditions or contingencies attached to these grants.

6. PROFIT BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of services provided*		847,483	618,007
Depreciation of property and equipment	13	9,119	5,740
Depreciation of right-of-use assets	14	1,053	541
Amortisation of intangible assets	15	261	298
Research and development expenses*		33,143	23,815
Expense relating to short-term leases	14	469	191
Auditor's remuneration		3,350	3,350
Employee benefit expense (including directors' and chief executive's remuneration in note 8):			
– Wages and salaries		28,974	29,467
– Pension scheme contributions and social welfare		4,228	4,198
Total		33,202	33,665
Impairment losses recognised for financial assets		2,367	689
Bank interest income	5	(556)	(2,732)
Loss on disposal of items of property and equipment		4	26
Gain on disposal of items of right-of-use assets	5	(9)	(9)

* The "cost of sales" and "research and development expenses" above include expenses relating to depreciation of property and equipment, depreciation of right-of-use assets, and employee benefit expenses, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on interest-bearing bank borrowings	9,719	8,503
Interest on long-term payables	265	—
Interest on lease liabilities	199	46
Total	10,183	8,549

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	720	357
Other emoluments:		
Salaries, allowances and benefits in kind	5,776	8,023
Pension scheme contributions	444	423
Subtotal	6,220	8,446
Total	6,940	8,803

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Ip Mun Lam	240	119
Mr. Cui Qi	240	119
Ms. Zhao Hong	240	119
Total	720	357

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)**(b) Executive directors**

	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000
2025			
Executive directors:			
Mr. Sun Tao*	2,867	126	2,993
Mr. Zhu Wentao	992	106	1,098
Mr. Ji Lijun	890	106	996
Mr. Jiang Yanqiu	1,027	106	1,133
Total	5,776	444	6,220
2024			
Executive directors:			
Mr. Sun Tao*	3,713	114	3,827
Mr. Zhu Wentao	1,440	103	1,543
Mr. Ji Lijun	1,233	103	1,336
Mr. Jiang Yanqiu	1,637	103	1,740
Total	8,023	423	8,446

* Executive director and the chief executive of the Company.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors (2024: four directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining one (2024: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

	2025	2024
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	661	733
Pension scheme contributions	137	127
Total	798	860

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Year ended 31 December 2025

9. FIVE HIGHEST PAID EMPLOYEES (Continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
Nil to HK\$1,000,000	1	1

10. 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.

British Virgin Islands

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

Hong Kong

The subsidiaries incorporated in Hong Kong was subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HK\$2,000,000, and 16.5% for taxable income exceeding HK\$2,000,000 on any estimated assessable profits arising in Hong Kong during the year ended 31 December 2025. 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 2025.

Chinese mainland

Pursuant to the Corporate Income Tax of the Chinese mainland and the respective regulations (the "CIT Law"), the Company's subsidiaries which operate in the Chinese mainland 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 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 the Chinese mainland for every three years.

Certain subsidiaries met the criteria as small-scaled and minimal profit enterprises with annual taxable income of less than RMB3,000,000, and their actual income amount subject to tax was calculated at 25% of their annual taxable income. The aforesaid calculated taxable income of these subsidiaries is entitled to a reduced corporate income tax rate of 20% for the period from 1 January 2023, expiring on 31 December 2027.

	2025	2024
	RMB'000	RMB'000
Current	1,718	1,357
Deferred	380	102
Total tax charge for the year	2,098	1,459

10. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate 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:

	2025 RMB'000	2024 RMB'000
Profit before tax	13,862	13,831
Tax at the statutory tax rate of 25% in the Chinese mainland	3,466	3,458
Preferential tax rates enacted by local authority	363	(1,270)
Adjustments in respect of deferred tax of previous periods	(151)	—
Additional deduction of research and development expenses	(2,767)	(2,048)
Tax losses and deductible temporary differences not recognised	316	—
Expenses not deductible for tax	871	1,319
Tax charge at the Group's effective rate	2,098	1,459

11. DIVIDENDS

No dividend has been declared and paid by the Company during the year ended 31 December 2025.

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

Basic

The calculation of the basic earnings per share amount is based on the loss earnings for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 471,011,589 outstanding during the year ended 31 December 2025 (2024: 421,575,342).

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

	2025	2024
Earnings		
Profit attributable to ordinary equity holders of the parent (RMB'000)	11,549	12,091
Shares		
Weighted average number of ordinary shares outstanding during the year	471,011,589	421,575,342
Earnings per share		
Basic and diluted (RMB)	0.02	0.03

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13. PROPERTY AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Electronic equipment RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Total RMB'000
31 December 2025						
At 1 January 2025:						
Cost	11,331	1,214	24,595	471	5,095	42,706
Accumulated depreciation	(1,695)	(307)	(4,926)	(236)	(2,945)	(10,109)
Net carrying amount	9,636	907	19,669	235	2,150	32,597
At 1 January 2025 net of accumulated depreciation	9,636	907	19,669	235	2,150	32,597
Additions	65	139	36,237	—	268	36,709
Disposals	—	—	(6)	(1)	—	(7)
Depreciation provided during the year	(634)	(439)	(6,783)	(76)	(1,187)	(9,119)
At 31 December 2025, net of accumulated depreciation	9,067	607	49,117	158	1,231	60,180
At 31 December 2025:						
Cost	11,396	1,354	60,631	455	5,342	79,178
Accumulated depreciation	(2,329)	(747)	(11,514)	(297)	(4,111)	(18,998)
Net carrying amount	9,067	607	49,117	158	1,231	60,180

13. PROPERTY AND EQUIPMENT (Continued)

	Buildings RMB'000	Leasehold improvements RMB'000	Electronic equipment RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Total RMB'000
31 December 2024						
At 1 January 2024:						
Cost	11,331	221	9,059	440	4,922	25,973
Accumulated depreciation	(1,100)	(25)	(1,446)	(181)	(1,768)	(4,520)
Net carrying amount	10,231	196	7,613	259	3,154	21,453
At 1 January 2024 net of accumulated depreciation	10,231	196	7,613	259	3,154	21,453
Additions	—	994	15,688	65	172	16,919
Disposals	—	—	(23)	(12)	—	(35)
Depreciation provided during the year	(595)	(283)	(3,609)	(77)	(1,176)	(5,740)
At 31 December 2024, net of accumulated depreciation	9,636	907	19,669	235	2,150	32,597
At 31 December 2024:						
Cost	11,331	1,214	24,595	471	5,095	42,706
Accumulated depreciation	(1,695)	(307)	(4,926)	(236)	(2,945)	(10,109)
Net carrying amount	9,636	907	19,669	235	2,150	32,597

14. LEASES

The Group as a Lessee

The Group has lease contracts for office premises and computing equipment used in its operation. Leases of office premises generally have lease terms between 24 and 37 months. Leases of computing equipment have lease terms of 24 months. As the ownership of computing equipment will be transferred to the Group, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of computing equipment, which is 60 months.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office premises RMB'000	Computing equipment RMB'000	Total RMB'000
As at 1 January 2024	1,408	—	1,408
Additions	298	—	298
Lease termination	(524)	—	(524)
Depreciation charge	(541)	—	(541)
As at 31 December 2024 and 1 January 2025	641	—	641
Additions	—	26,549	26,549
Lease termination	(77)	—	(77)
Depreciation charge	(409)	(644)	(1,053)
As at 31 December 2025	155	25,905	26,060

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	494	1,259
New leases	26,549	298
Lease termination	(86)	(533)
Accretion of interest recognised during the year	199	46
Payments	(7,160)	(576)
Carrying amount at 31 December	19,996	494
Analysed into:		
Current portion	10,380	485
Non-current portion	9,616	9

14. LEASES (Continued)**The Group as a Lessee (Continued)**

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	199	46
Depreciation charge of right-of-use assets	1,053	541
Expense relating to short-term and low-value leases	469	191
Gain on termination of items of right-of-use assets	(9)	(9)
Total amount recognised in profit or loss	1,712	769

15. OTHER INTANGIBLE ASSETS

	Software RMB'000
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	230
Additions	185
Amortisation provided during the year	(261)
At 31 December 2025	154
At 31 December 2025:	
Cost	639
Accumulated amortisation	(485)
Net carrying amount	154
31 December 2024	
At 1 January 2024:	
Cost	896
Accumulated amortisation	(730)
Net carrying amount	166
Cost at 1 January 2024, net of accumulated amortisation	166
Additions	362
Amortisation provided during the year	(298)
At 31 December 2024	230
At 31 December 2024 and at 1 January 2025:	
Cost	454
Accumulated amortisation	(224)
Net carrying amount	230

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16. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Lease liabilities RMB'000	Impairment of financial assets RMB'000	2025 Accrued payroll and welfare payable RMB'000	Others RMB'000	Total RMB'000
At 31 December 2024	74	1,051	769	38	1,932
Deferred tax credited/(charged) to profit or loss during the year	2,925	366	180	(38)	3,433
Gross deferred tax assets at 31 December 2025	2,999	1,417	949	—	5,365

	Lease liabilities RMB'000	Impairment of financial assets RMB'000	2024 Accrued payroll and welfare payable RMB'000	Others RMB'000	Total RMB'000
At 31 December 2023	169	963	548	450	2,130
Deferred tax (charged)/credited to profit or loss during the year	(95)	88	221	(412)	(198)
Gross deferred tax assets at 31 December 2024	74	1,051	769	38	1,932

16. DEFERRED TAX (Continued)**Deferred tax liabilities**

	2025 Right of use assets RMB'000
At 31 December 2024	96
Deferred tax charged to profit or loss during the year	3,813
Gross deferred tax liabilities at 31 December 2025	3,909

	2024 Right of use assets RMB'000
At 31 December 2023	192
Deferred tax credited to profit or loss during the year	(96)
Gross deferred tax liabilities at 31 December 2024	96

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	1,456	1,836

The Group has tax losses arising in the Chinese mainland of RMB583,000 (2024: Nil) that will expire in five years for offsetting against future taxable profits. The Group has tax losses arising in Hong Kong of HK\$2,336,000 (2024: Nil) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time, and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the Chinese mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group.

At 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the Chinese mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in the Chinese mainland for which deferred tax liabilities have not been recognised amounting to approximately RMB65,158,000 at 31 December 2025 (2024: RMB42,451,000).

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Year ended 31 December 2025

17. LONG-TERM RECEIVABLES

	2025 RMB'000	2024 RMB'000
Long-term receivables	56,898	78,691
Less: Long-term receivables due within one year	(25,977)	(23,025)
Less: Impairment	(936)	(1,751)
At the end of the year	29,985	53,915

The Group, a customer and an independent third party (the “Edge Computing Cooperation Partner”) entered into a series of agreements whereby (i) the Group (a) purchased AI computing equipment from the Edge Computing Cooperation Partner who assisted to source the equipment, and the Group leased the equipment back to the Edge Computing Cooperation Partner; and (b) provided Edge Computing Services to the Edge Computing Cooperation Partner; (ii) the Edge Computing Cooperation Partner provided setup services and maintenance services of the AI computing equipment to the customer; and (iii) the customer supported the Edge Computing Cooperation with its own IDC infrastructure. According to the provisions in the agreements, the Group accounted for the sales and lease back as a financing arrangement.

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

	2025 RMB'000	2024 RMB'000
At the beginning of the year	1,751	2,464
Reversal of impairment losses, net	(815)	(713)
At the end of the year	936	1,751

17. LONG-TERM RECEIVABLES (Continued)

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 2025:

	Long-term receivables credit-rating
Individually assessed:	
Expected credit loss rate	3.03%
Gross carrying amount	56,898
Expected credit losses	1,723

As at 31 December 2024:

	Long-term receivables credit-rating
Individually assessed:	
Expected credit loss rate	3.15%
Gross carrying amount	78,691
Expected credit losses	2,475

18. INVENTORIES

	2025 RMB'000	2024 RMB'000
Merchandise goods	34,939	129

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19. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	315,718	239,564
Impairment	(7,569)	(4,522)
At the end of the year	308,149	235,042

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 90 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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:

	2025 RMB'000	2024 RMB'000
Within 1 year	285,307	191,579
1 to 2 years	524	43,463
2 to 3 years	22,318	—
Total	308,149	235,042

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

	2025 RMB'000	2024 RMB'000
At the beginning of the year	4,522	3,364
Impairment losses recognised	3,047	1,158
At the end of the year	7,569	4,522

19. TRADE RECEIVABLES (Continued)

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 the expected life of the debts, the creditworthiness of counterparties and macroeconomic influences. 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 2025:

	Trade receivables credit-rating				Total
	A	Baa	Ba	Unrated	
Individually assessed:					
Expected credit loss rate	—	—	—	100.00%	100.00%
Gross carrying amount (RMB'000)	—	—	—	787	787
Expected credit losses (RMB'000)	—	—	—	787	787
Collectively assessed:					
Expected credit loss rate	0.05%	0.15%	0.84%	3.44%	2.15%
Gross carrying amount (RMB'000)	112,603	3,259	4,858	194,211	314,931
Expected credit losses (RMB'000)	54	5	41	6,682	6,782

As at 31 December 2024:

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

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Year ended 31 December 2025

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Current portion of long-term receivables	25,977	23,025
Less: Impairment	(787)	(724)
	25,190	22,301
Prepayments	170,504	121,716
Suppliers' rebate receivable	47,121	54,112
Other receivables	28,089	13,812
Deposits	43,148	863
Others	4,335	3,262
	293,197	193,765
Less: Impairment	(165)	(93)
	293,032	193,672
Total	318,222	215,973

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

Prepayments primarily consist of advance payments for intelligent computing equipment and IDC resources.

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

	2025 RMB'000	2024 RMB'000
At the beginning of the year	817	573
Impairment losses recognised	135	244
At the end of the year	952	817

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 17.

21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	2025 RMB'000	2024 RMB'000
Cash and bank balances	603,792	371,043
Less: Restricted cash	—	(27)
Cash and cash equivalents	603,792	371,016
Denominated in:		
RMB	481,434	241,030
HK\$	116,004	129,986
US\$	6,354	—

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

22. 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:

	2025 RMB'000	2024 RMB'000
Within 1 year	331,301	199,048
1 to 2 years	5,871	550
Total	337,172	199,598

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

23. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Other tax payable	13,149	6,579
Payroll and welfare payable	10,936	11,037
Payables for purchase of equipment	571	—
Refund liabilities	—	15,310
Other payables	26,867	5,097
Total	51,523	38,023

Other payables and accruals are unsecured, non-interest-bearing and have a repayable term within 1 year or on demand.

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24. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities:

	2025 RMB'000	2024 RMB'000
Contract liabilities	54,483	231

Contract liabilities of the Group mainly arise from the advance payments made by customers while the services are yet to be provided or the products are yet to be accepted.

The expected timing of recognition of revenue at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Expected to be satisfied Within 1 year	54,483	231

25. INTEREST-BEARING BANK BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity year	RMB'000	Effective interest rate (%)	Maturity year	RMB'000
Current						
Bank borrowings — unsecured	1.90–6.29	2026	378,101	1.80–3.05	2025	262,811

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank borrowings repayable: Within 1 year	378,101	262,811

26. LONG-TERM PAYABLES

	2025 RMB'000	2024 RMB'000
Carrying amount at the beginning of the year	—	—
Additions	18,200	—
Accretion of interest recognised during the year	265	—
Payments	(1,056)	—
Carrying amount at the end of the year	17,409	—
Analysed into:		
Current portion	3,278	—
Non-current portion	14,131	—

The Group entered into a supplier finance arrangement with a financial institution. Pursuant to the agreement, the financial institution has already fully settled the supplier and the Group would settle the advance payments made by the financial institution by instalments within 60 months.

All financial liabilities that are part of the supplier finance arrangements are included in long-term payables.

27. SHARE CAPITAL AND TREASURY SHARES

Authorised

	Number of ordinary shares '000	Nominal value of ordinary shares US\$'000
As at 31 December 2024 and 2025	5,000,000	50

	2025		2024	
	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000
Issued and fully paid:				
Ordinary shares of US\$0.00001 each	505,985,000	36	460,000,000	33
Treasury shares held	(26,617,000)	(108,739)	—	—

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Year ended 31 December 2025

27. SHARE CAPITAL AND TREASURY SHARES (Continued)

Authorised (Continued)

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

	Number of ordinary shares	Amount RMB	Number of treasury shares	Amount RMB'000
At 1 January 2024	1,000,000	—	—	—
Capitalisation issue (Note (a))	374,000,000	27	—	—
Issue of shares from initial public offering (Note (b))	85,000,000	6	—	—
At 31 December 2024 and 1 January 2025	460,000,000	33	—	—
Issue of ordinary shares (Note (c))	45,985,000	3	—	—
Share repurchased (Note (d))	—	—	(26,617,000)	(108,739)
At 31 December 2025	505,985,000	36	(26,617,000)	(108,739)

Notes:

- (a) A total of 374,000,000 shares of US\$0.00001 each were issued and credited as fully paid at par by the capitalisation of RMB27,000 in the share capital upon the public offer of the Company's share.
- (b) On 14 June 2024, the Company issued a total of 85,000,000 ordinary shares 1 at the price of HK\$4.60 per share for a total consideration of HK\$391,000,000 (equivalent to RMB344,480,000) approximately, before share issue expenses. The difference between the consideration received and the par value of the Company's share amounting to RMB332,265,000 was credited to the share premium account, net of share issue expenses.
- (c) In August 2025, 45,985,000 shares of US\$0.00001 each were issued to at the subscription price of HK\$4.98 per share. An aggregate cash consideration of HK\$229,005,300 (equivalent to RMB 208,397,000), before share issuance expenses, was received and the difference with the par value amounting to RMB207,926,000, net of share issuance expenses, was credited to the share premium account.
- (d) The Company repurchased 26,617,000 shares for a total consideration of approximately HK\$118,890,170 (equivalent to approximately RMB108,739,000) for share option scheme.

28. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 142 to 143 of the financial statements.

Share premium

The share premium represents the difference between the par value of the shares issued and the consideration received.

Other reserve

Other reserve arose from the business combination under common for the Group to acquire companies now comprising the Group and represents the difference between consideration paid and the acquired share of equity of the subsidiaries.

Other reserve also include the cash contribution made by a non-controlling equity holder in excess of its share of registered capital in a subsidiary.

Statutory surplus reserve

In accordance with the Company Law of the Chinese mainland and the articles of association of the subsidiaries established in the Chinese mainland, the subsidiaries are required to appropriate 10% of its net profits after tax reported under the general accepted accounting principles in the Chinese mainland, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant regulations and in the articles of association of the subsidiaries, the statutory surplus reserve may be used either to offset losses, or to be converted to increase registered capital, provided that the balance after such conversion is not less than 25% of the registered capital of the subsidiaries. The reserve is not distributable as dividend.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year of 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB26,549,000 (2024: RMB298,000), in respect of lease arrangements for computing equipment.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities

2025

	Interest- bearing bank borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2025	262,811	494	263,305
Changes from financing cash flows	105,571	(7,160)	98,411
New leases	—	26,549	26,549
Interest expense	9,719	199	9,918
Disposals	—	(86)	(86)
At 31 December 2025	378,101	19,996	398,097

2024

	Interest- bearing bank borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	166,734	1,259	167,993
Changes from financing cash flows	87,574	(576)	86,998
New leases	—	298	298
Interest expense	8,503	46	8,549
Lease termination	—	(533)	(533)
At 31 December 2024	262,811	494	263,305

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	573	233
Within financing activities	7,160	576
Total	7,733	809

30. COMMITMENTS

At the end of the reporting period, the Group did not have any significant contractual commitments.

31. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	6,075	8,602
Pension scheme contributions	540	592
Total compensation paid to key management personnel	6,615	9,194

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables	308,149
Financial assets included in prepayments and other receivables	143,383
Cash and cash equivalents	603,792
Long-term receivables	29,985
Total	1,085,309

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	337,172
Financial liabilities included in other payables and accruals	27,438
Interest-bearing bank borrowings	378,101
Long-term payables	17,409
Total	760,120

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32. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2024

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables	235,042
Financial assets included in prepayments and other receivables	90,995
Restricted cash	27
Cash and cash equivalents	371,016
Long-term payables	53,915
Total	750,995

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	199,598
Financial liabilities included in other payables and accruals	20,407
Interest-bearing bank borrowings	262,811
Total	482,816

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, financial assets included in prepayments, other receivables and other assets, trade receivables, trade payables and financial liabilities included in interest-bearing bank borrowings and other payables and accruals, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the non-current portion of long-term receivables and long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for long-term payables as at the end of the reporting period were assessed to be insignificant.

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

Assets for which fair values are disclosed:

As at 31 December 2025

	Carrying amounts RMB'000	Fair value RMB'000
Long-term receivables	55,175	58,703

As at 31 December 2024

	Carrying amounts RMB'000	Fair value RMB'000
Long-term receivables	76,216	83,858

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Carrying amounts RMB'000	Fair value RMB'000
Long-term payables	17,409	17,409

As at 31 December 2024

	Carrying amounts RMB'000	Fair value RMB'000
Long-term payables	—	—

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank borrowings, and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, and liquidity risk. Generally, the Group introduces conservative strategies on its risk management. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group has no debt obligations with a floating interest rate. Accordingly, as at the end of each of the reporting period, the Group did not have any significant interest rate risk.

Foreign currency risk

The functional currency of the Company and its subsidiaries incorporated in the Cayman Islands, British Virgin Islands and Hong Kong is the Hong Kong dollar ("HK\$"), and the Group is exposed to foreign currency risk with respect to transactions denominated in currencies other than HK\$. In addition, in the Chinese mainland, the Group principally conducted business in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

As at the end of the reporting period, the Group did not have any significant exposure to foreign currency risk.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**Maximum exposure and year-end staging (Continued)**

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	—	—	—	315,718	315,718
Financial assets included in prepayments, other receivables and other assets					—
— Normal**	144,335	—	—	—	144,335
Cash and cash equivalents					
— Not yet past due	603,792	—	—	—	603,792
Long-term receivables	30,921	—	—	—	30,921
Total	779,048	—	—	315,718	1,094,766

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	—	—	—	239,564	239,564
Financial assets included in prepayments, other receivables and other assets					
— Normal**	87,135	—	—	—	87,135
Restricted cash					
— Not yet past due	27	—	—	—	27
Cash and cash equivalents					
— Not yet past due	371,016	—	—	—	371,016
Long-term receivables	55,666	—	—	—	55,666
Total	513,844	—	—	239,564	753,408

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Maximum exposure and year-end staging (Continued)

- * For trade receivables to which the Group applies the simplified approach for impairment, information based on the estimated loss rate is disclosed in note 19 to the financial statements.
- ** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. At the end of the reporting period, the Group had certain concentrations of credit risk as 15% (2024: 16%) and 55% (2024: 59%) of the Group’s trade receivables were due from the Group’s largest customer and five largest customers, respectively.

Liquidity risk

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings. Cash flows are closely monitored on an ongoing basis.

The maturity profile of the Group’s financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

Group	2025		
	Within 1 year or on demand RMB’000	Over 1 year RMB’000	Total RMB’000
Trade payables	337,172	—	337,172
Other payables	27,438	—	27,438
Lease liabilities	11,023	10,211	21,234
Long-term payables	4,226	15,834	20,060
Interest-bearing bank borrowings	387,269	—	387,269
Total	767,128	26,045	793,173

Group	2024		
	Within 1 year or on demand RMB’000	Over 1 year RMB’000	Total RMB’000
Trade payables	199,598	—	199,598
Other payables	20,407	—	20,407
Lease liabilities	492	9	501
Interest-bearing bank borrowings	266,092	—	266,092
Total	486,589	9	486,598

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a debt-to-asset ratio which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of the reporting periods were as follows:

	2025 RMB'000	2024 RMB'000
Total liabilities	862,700	505,486
Total assets	1,382,937	911,406
Debt-to-asset ratio	62%	55%

35. EVENTS AFTER THE REPORTING PERIOD

On 19 January 2026, the Group had entered into a Transfer Agreement of land use rights for a total acquisition consideration of RMB74 million.

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36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSET		
Investments in subsidiaries	1	1
Total non-current asset	1	1
CURRENT ASSETS		
Due from subsidiaries	315,257	203,633
Prepayments, other receivables and other assets	32,254	5,648
Cash and cash equivalents	115,600	129,959
Total current assets	463,111	339,240
CURRENT LIABILITIES		
Due to subsidiaries	6,751	6,751
Other payables and accruals	713	1,197
Interest-bearing bank borrowings	42,903	—
Total current liabilities	50,367	7,948
NET CURRENT ASSETS	412,744	331,292
TOTAL ASSETS LESS CURRENT LIABILITIES	412,745	331,293
Net assets	412,745	331,293
EQUITY		
Share capital	36	33
Reserves	521,448	331,260
Treasury shares	(108,739)	—
Total equity	412,745	331,293

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Share capital RMB'000	Share premium RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	—	—	—	—	—
Loss for the year	—	—	—	(6,512)	(6,512)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	—	—	5,507	—	5,507
Total comprehensive loss for the year	—	—	5,507	(6,512)	(1,005)
Issue of shares	33	332,265	—	—	332,298
At 31 December 2024 and 1 January 2025	33	332,265	5,507	(6,512)	331,293
Loss for the year	—	—	—	(9,496)	(9,496)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	—	—	(8,242)	—	(8,242)
Total comprehensive loss for the year	—	—	(8,242)	(9,496)	(17,738)
Issue of shares	3	207,926	—	—	207,929
At 31 December 2025	36	540,191	(2,735)	(16,008)	521,484

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.

Financial Summary

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Revenue	943,497	707,629	695,949	548,753
Cost of sales	(847,483)	(618,007)	(608,308)	(479,810)
Gross profit	96,014	89,622	87,641	68,943
Profit for the year	11,764	12,372	14,224	8,034
Attributable to:				
Owners of the parent	11,549	12,091	13,923	8,034
Non-controlling interests	215	281	301	—
Non-current assets	117,835	89,219	103,811	15,924
Current assets	1,265,102	822,187	397,930	297,353
Total assets	1,382,937	911,406	501,741	313,277
Non-current liabilities	23,747	9	664	—
Current liabilities	838,953	505,477	446,176	267,600
Total liabilities	862,700	505,486	446,840	267,600
Equity				
Attributable to:				
Owners of the parent	490,297	402,442	54,138	45,677
Non-controlling interests	29,940	3,478	763	—
Total equity	520,237	405,920	54,901	45,677
Total equity and liabilities	1,382,937	911,406	501,741	313,277

In this annual report, the following expressions have the meanings set out below unless the context requires otherwise:

“affiliate”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AGM”	the annual general meeting of the Company to be convened and held at 2-601, Tian An Intelligence Park, 228 Linghu Avenue, Xinwu District, Wuxi, Jiangsu, PRC on Tuesday, 23 June 2026 at 1 p.m.
“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
“Articles” or “Articles of Association”	the articles of association of our Company (as amended from time to time), conditionally adopted on 14 May 2024, with effect from the Listing Date
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“BVI”	British Virgin Islands
“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
“CEO”	the chief executive officer of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Cloud Factory”	Jiangsu Cloud Factory Information Technology Co., Ltd. (江蘇雲工場信息技術有限公司), a limited liability company established in the PRC on 11 December 2015, which is one of our Consolidated Affiliated Entities and is held by Jiangsu Hanju and Wuxi Bangtai as to 76.1% and 23.9%, respectively
“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
“Consolidated Affiliated Entities”	the entity(ies) the Group control through the Contractual Arrangements, namely, Cloud Factory and its subsidiaries, the financial results of which have been consolidated and accounted for as the subsidiaries of our Company by virtue of the Contractual Arrangements and the details of which are set out in the section headed “History and Reorganisation” in the Prospectus
“Contractual Arrangements”	the framework of contractual arrangements adopted by the Company as described in the Prospectus

Definitions

“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“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 Lingjing Cloud (靈境雲) provided by our Group, including the provision of content delivery network and other functionality
“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
“Other Services”	The services provided by the Group, excluding IDC Solution Services, Edge Computing Services, and Intelligent Computing, which include the provision of software installation and debugging services, as well as equipment and infrastructure deployment services
“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
“Jiangsu Hanju”	Jiangsu Hanju Investment Limited (江蘇瀚舉投資有限公司), a limited liability company established in the PRC on 6 November 2017 which is wholly owned by Mr. Sun, and is one of the connected persons of the Group

“Lingjing Cloud (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 and an executive Director, a Controlling Shareholder of the Company and one of the Registered Shareholders, and one of the connected persons of the Group
“NPU”	Network Processing Unit
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this annual report only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 5 June 2024
“Registered Shareholders”	the registered shareholders of Cloud Factory, collectively, Mr. Sun, Wuxi Bangtai and Jiangsu Hanju
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the year ended 31 December 2025
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Ru Yi IT”	Ru Yi Information Technology Co., LTD, a business company incorporated in the BVI on 5 November 2021, which is wholly owned by Mr. Sun
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of the Company with nominal value of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“US”	the United States of America

Definitions

“US\$”	US dollars, the lawful currency of US
“Wuxi Bangtai”	Wuxi Bangtai Enterprise Management Consulting Limited Partnership Company (無錫邦泰企業管理諮詢合夥企業(有限合夥)), a limited partnership company established in the PRC on 9 October 2019, which is owned by Mr. Sun and Jiangsu Hanju as to 49% and 51%, respectively, and is one of the connected persons of the Group
“%”	per cent

Note: The English transliteration of the Chinese name(s) in this annual report, where indicated by an asterisk (*), is included for identification purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).