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雲工場科技控股有限公司

Cloud Factory Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2512)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

References are made to the announcement of Cloud Factory Technology Holdings Limited (the "**Company**") dated 18 July 2025 in relation to the Subscription (the "**Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

INTENDED USE OF PROCEEDS FROM THE SUBSCRIPTION

As disclosed in the Announcement, the Company intends to apply the HK$228.0 million net proceeds (the "**Net Proceeds**") from the Subscription as follows: (i) approximately 50% of the net proceeds will be utilised for the development of the Company's core business and the acceleration of the business expansion; and (ii) 50% of the net proceeds will be utilised for the strategic investment in potential expansion opportunities, attraction and retention of talents, working capital replenishment and general corporate purposes.

The Company would like to further elaborate the intended use of the Net Proceeds from the Subscription set forth below:

(i) approximately 13.2% of the Net Proceeds, or HK$30.0 million, will be used to enhance the Group's core business, namely IDC solution services and edge computing services. Such amount is mainly for (i) the procurement of high-performance edge computing hosts and computing hardware; (ii) the development of distributed heterogeneous computing power management and scheduling platform; and (iii) the research and development of algorithm optimisation, as distinguished from the intended use of net proceeds obtained by the Company from the Global Offering for existing business improvement and operation development, and comprehensive implementation and upgrade of the Group's edge computing services, such as the purchase and installation of bare-metal servers, edge servers and storage servers, the details of which are set out in the Prospectus;

(ii) approximately 36.8% of the Net Proceeds, or HK$84.0 million, will be used for business expansion of the Group. Leveraging the Group's technical expertise and persistent research and development commitment in distributed computing accumulated over the years, the Company intends to launch a new business that covers the full lifecycle of intelligent computing, namely the intelligent computing services. The Company therefore intends to apply part of the Net Proceeds to acquire hardware, develop high-speed lossless networks and establish large-scale distributed storage and computing power scheduling and management platform;

(iii) approximately 40.4% of the Net Proceeds, or HK$92.0 million, will be used for the establishment of the Group's own intelligent computing centre (the "**Intelligent Computing Centre**"), which is primarily for the provision of intelligent computing services, including but not limited to land and properties acquisition, procurement and installation of equipment, and interior refurbishment, subject to the development plan at the relevant time; and

(iv) approximately 9.6% of the Net Proceeds, or HK$22.0 million, will be used for working capital replenishment and general corporate purposes, such as paying staff costs and rental of office premises. As at 30 June 2025, approximately 64.0% of the Company's then existing cash and cash equivalents was expected to be used for repaying bank borrowings from July 2025 to October 2025 and approximately 36.0% of Company's then existing cash and cash equivalents was expected to be used for settling the procurement costs owed to suppliers and other expenditures incurred in the ordinary course of the Group's business.

Subject to the market condition, the Net Proceeds are intended to be utilised by 31 December 2026.

The Company has a genuine funding need to conduct the Subscriptions. Further information on the proposed use of the Net Proceeds in relation to the new business of intelligent computing is set out below.

New business of intelligent computing

The Company intends to launch a new business relates to intelligent computing, which is in line with the national initiative of "Eastern Data and Western Computing" (東數西算) and the Implementation Opinions on Deepening the "Eastern Data and Western Computing" Project and Accelerating the Construction of a National Integrated Arithmetic Network (關於深入實施「東數西算」工程加快構建全國一體化算力網的實施意見).

Leveraging the Group's longstanding technical expertise, its continuous investment in distributed computing, its mature supply chain system and its self-developed resource scheduling platforms, the Company intends to provide a comprehensive service offering of intelligent computing services, which aims at providing its customers with the computing resources and processing power in accordance with their needs, purposes and budget. In particular, the intelligent computing services comprise consultation on suitable hardware, server deployment, network enhancement, establishment of intelligent computing platform, procurement and installation of equipment, technical support and maintenance, cloud computing, and computing resources rental services. As at the date of this announcement, a state-owned enterprise has engaged the Group for its intelligent computing services in an estimated contract sum of approximately RMB265.1 million.

The new business is complementary to the existing businesses and present synergies for the Group's business development as a whole in the sense that (i) certain infrastructure, the edge node network and maintenance system (including the technical supporting staff) of the Group's existing businesses can be utilised for the new business, which could reduce upfront commitments to commence the new business while enhancing costs management; (ii) the Group's edge node network can serve as extensional cache for large model inference where the intelligent computing centre is responsible for the large model training, thereby reducing the latency for the customers; and (iii) the Company witnesses a stable growth in demand for computing resources and processing power among its existing customers as the application of artificial intelligence and large models becoming more and more popular.

As the new business is at its early stage of development, the Group's current target customers mainly comprise sizable companies or government agencies with needs for computing resources and processing power. The Group offers consultation on suitable hardware such as graphic processing units, server deployment and network enhancement, establishment of intelligent computing platform as well as procurement and installation of equipment. Ultimately, the Group delivers intelligent computing centre with technical support for daily maintenance to such customers.

Apart from sizable entities who have sufficient funds for building their own intelligent computing centres, the Group recognises the enormous market potential of small-and-medium enterprises from various industries who also require computing resources, including cloud gaming, video surveillance, film and television production, autonomous driving, other technology companies, and higher education institutions. With the establishment of the Intelligent Computing Centre, the Group intends to provide flexible and affordable cloud computing and computing resources rental services, which allow customers with limited budget to obtain sufficient computing resources for computing needs, such as machine learning, deep learning and image rendering.

Save as the clarification and supplemental information in this announcement, all other information contained in the Announcement remains unchanged.

Shareholders and potential investors of the Company should note that the Completion of the Subscriptions is subject to the fulfilment of the conditions set out in the Subscription Agreements. The Subscriptions may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares or other securities of the Company.

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

Hong Kong, 6 August 2025

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