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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the Reporting Period, together with the comparative figures of the six months ended 30 June 2024.

FINANCIAL HIGHLIGHTS	Six months ended 30 June		Change
	2025	2024	
	RMB'000	RMB'000	(%)
	(Unaudited)	(Unaudited)	
Revenue	406,759	369,696	10.03
Gross profit	47,690	47,110	1.23
Profit before tax	16,507	14,850	11.16
Profit for the period	14,923	12,543	18.97
Earnings per Share (expressed in RMB per Share)	0.03	0.03	—

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		2025	2024
	<i>Notes</i>	(Unaudited)	(Unaudited)
		RMB'000	RMB'000
REVENUE	5	406,759	369,696
Cost of sales		<u>(359,069)</u>	<u>(322,586)</u>
Gross profit		47,690	47,110
Other income and gains	5	3,754	4,321
Selling and distribution expenses		(3,147)	(3,639)
Administrative expenses		(17,289)	(20,963)
Research and development expenses		(9,270)	(6,683)
Impairment losses on financial assets		(1,690)	(2,335)
Other expenses		(40)	(20)
Finance costs	7	<u>(3,501)</u>	<u>(2,941)</u>
PROFIT BEFORE TAX	6	16,507	14,850
Income tax expense	8	<u>(1,584)</u>	<u>(2,307)</u>
PROFIT FOR THE PERIOD		<u>14,923</u>	<u>12,543</u>
Attributable to:			
Owners of the parent		14,687	12,320
Non-controlling interests		<u>236</u>	<u>223</u>
		<u>14,923</u>	<u>12,543</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)			
— For profit for the period	10	<u>0.03</u>	<u>0.03</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	<u>14,923</u>	<u>12,543</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>3,083</u>	<u>4,409</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>3,083</u>	<u>4,409</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(4,937)</u>	<u>—</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>(4,937)</u>	<u>—</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	<u>(1,854)</u>	<u>4,409</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>13,069</u>	<u>16,952</u>
Attributable to:		
Owners of the parent	12,833	16,729
Non-controlling interests	<u>236</u>	<u>223</u>
	<u>13,069</u>	<u>16,952</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	(Unaudited) RMB'000	(Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	40,493	32,597
Right-of-use assets		421	641
Other intangible assets		248	230
Deferred tax assets		2,226	1,836
Other non-current assets	12	42,205	53,915
Total non-current assets		85,593	89,219
CURRENT ASSETS			
Inventories		771	129
Trade receivables	13	300,485	235,042
Prepayments, other receivables and other assets	14	225,847	215,973
Restricted cash		—	27
Cash and cash equivalents		348,055	371,016
Total current assets		875,158	822,187
CURRENT LIABILITIES			
Trade payables	15	216,309	199,598
Other payables and accruals		26,166	38,023
Contract liabilities		179	231
Interest-bearing bank borrowings	16	294,567	262,811
Lease liabilities		262	485
Tax payable		4,279	4,329
Total current liabilities		541,762	505,477
NET CURRENT ASSETS		333,396	316,710
TOTAL ASSETS LESS CURRENT LIABILITIES		418,989	405,929
NON-CURRENT LIABILITIES			
Lease liabilities		—	9
Total non-current liabilities		—	9
Net assets		418,989	405,920

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>17</i>	33	33
Reserves		<u>415,242</u>	<u>402,409</u>
		<u>415,275</u>	<u>402,442</u>
Non-controlling interests		<u>3,714</u>	<u>3,478</u>
Total equity		<u><u>418,989</u></u>	<u><u>405,920</u></u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE INFORMATION

The Company 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 period, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in the provision of Internet Data Centre (IDC) solution services, edge computing services, and other services in the People’s Republic of China.

2. BASIS OF PRESENTATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to IAS 21	<i>Lack of Exchangeability</i>
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The nature and the impact of the amended IFRS Accounting Standard are described below:

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 with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

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

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

Geographical Information

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

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	<u>406,759</u>	<u>369,696</u>
Disaggregated revenue information for revenue from contracts with customers		
	For the Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
IDC solution services	376,077	348,699
Edge computing services	29,228	20,997
Other services	<u>1,454</u>	<u>—</u>
Total revenue from contracts with customers	<u>406,759</u>	<u>369,696</u>
Geographical market		
Mainland China	<u>406,759</u>	<u>369,696</u>
Timing of revenue recognition		
Services transferred over time	404,170	367,870
Services transferred at a point in time	<u>2,589</u>	<u>1,826</u>
Total	<u>406,759</u>	<u>369,696</u>

An analysis of other income and gains is as follows:

	For the Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants	372	3,502
Bank interest income	255	198
Interest income from long-term receivables	2,921	621
Others	206	—
	<u>206</u>	<u>—</u>
Total	<u>3,754</u>	<u>4,321</u>

6. PROFIT BEFORE TAX

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

	<i>Notes</i>	For the Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cost of services provided*		359,069	322,586
Depreciation of property, plant and equipment		4,197	2,451
Depreciation of right-of-use assets		220	294
Amortisation of intangible assets		124	162
Research and development expenses*		9,270	6,683
Expense relating to short-term leases		31	34
Employee benefit expense (including directors' and chief executive's remuneration):			
— Wages and salaries		15,383	13,042
— Pension scheme contributions and social welfare		2,211	1,925
		<u>2,211</u>	<u>1,925</u>
Total		17,594	14,967
	<i>12/13/</i>		
Impairment losses recognised for financial assets	14	1,690	2,335
Bank interest income	5	(255)	(198)
Interest income from long-term receivables	5	(2,921)	(621)
Loss on disposal of items of property, plant and equipment		5	24
Gain on disposal of items of right-of-use assets		—	(8)
Listing expense		—	7,507

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

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank borrowings	3,490	2,915
Interest on lease liabilities	<u>11</u>	<u>26</u>
Total	<u><u>3,501</u></u>	<u><u>2,941</u></u>

8. INCOME TAX

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current	1,974	2,331
Deferred	<u>(390)</u>	<u>(24)</u>
Total tax charge for the period	<u><u>1,584</u></u>	<u><u>2,307</u></u>

9. DIVIDENDS

No interim dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil), nor has any dividend been proposed since the end of the reporting period.

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 460,000,000 (2024: 382,083,333) outstanding during the period.

The calculations of basic and diluted earnings per share are based on:

	2025 (Unaudited)	2024 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent (RMB'000)	14,687	12,320
Shares		
Weighted average number of ordinary shares outstanding during the period	<u>460,000,000</u>	<u>382,083,333</u>
Earnings per share		
Basic and diluted (RMB)	<u>0.03</u>	<u>0.03</u>

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets at a cost of RMB12,099,000 (unaudited), (for the six months ended 30 June 2024: RMB10,179,000 (unaudited)).

Assets with a net book value of RMB6,000 (unaudited) were disposed by the Group during the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB29,000 (unaudited)), resulting in a net loss on disposal of RMB5,000 (unaudited) (net loss for the six months ended 30 June 2024: RMB24,000 (unaudited)).

12. OTHER NON-CURRENT ASSETS

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Long-term receivables	67,360	78,691
Less: Long-term receivables due within one year	(23,859)	(23,025)
Less: Impairment	<u>(1,296)</u>	<u>(1,751)</u>
At the end of the year/period	<u>42,205</u>	<u>53,915</u>

13. TRADE RECEIVABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables	307,179	239,564
Impairment	<u>(6,694)</u>	<u>(4,522)</u>
At the end of the year/period	<u>300,485</u>	<u>235,042</u>

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	259,898	191,579
1 to 2 years	40,587	43,463
Total	<u>300,485</u>	<u>235,042</u>

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Long-term receivables due within one year	23,859	23,025
Less: Impairment	(711)	(724)
	23,148	22,301
Prepayments	159,707	121,716
Other receivables	38,749	67,924
Deposits	1,156	863
Others	3,166	3,262
	<u>202,778</u>	<u>193,765</u>
Less: Impairment	(79)	(93)
	<u>202,699</u>	<u>193,672</u>
Total	<u>225,847</u>	<u>215,973</u>

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

15. 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:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	212,626	199,048
1 to 2 years	3,683	550
Total	<u>216,309</u>	<u>199,598</u>

16. INTEREST-BEARING BANK BORROWINGS

	<u>30 June 2025 (Unaudited)</u>			<u>31 December 2024 (Audited)</u>		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank borrowings — unsecured	1.80–3.00	2025–2026	<u>294,567</u>	1.80–3.05	2025	<u>262,811</u>

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	294,567	262,811

Analysed into:

Bank borrowings repayable:

Within 1 year

294,567	<u>262,811</u>
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The Group's borrowings are denominated in RMB.

All interest ratios of the Group's borrowings are fixed.

17. SHARE CAPITAL

Shares

	30 June 2025 RMB (Unaudited)	31 December 2024 RMB (Audited)
Issued and fully paid:		
460,000,000 (31 December 2024: 460,000,000) ordinary shares	<u>32,722</u>	<u>32,722</u>

18. COMMITMENTS

As at 30 June 2025 and 31 December 2024, the Group did not have any significant contractual commitments.

19. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	For the Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short-term employee benefits	3,436	4,294
Pension scheme contributions	<u>266</u>	<u>287</u>
Total compensation paid to key management personnel	<u><u>3,702</u></u>	<u><u>4,581</u></u>

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments reasonably approximate to their fair values.

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 other payables and accruals and short-term interest-bearing bank borrowings 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 valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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.

21. EVENTS AFTER THE RELEVANT PERIODS

(a) Subscription of new Shares

The Company and Xichuang Phase I Artificial Intelligence Investment (Wuxi) Partnership Enterprise (Limited Partnership) entered into the Subscription Agreement pursuant to which the Company agreed to issue, and Xichuang Phase I Artificial Intelligence Investment (Wuxi) Partnership Enterprise (Limited Partnership) agreed to subscribe for, an aggregate of 26,277,000 Subscription Shares at the Subscription Price of HK\$4.98 per Share on 18 July 2025.

The Company and Wuxi Xintou Chuangrong Equity Investment Partnership Enterprise (Limited Partnership) entered into the Subscription Agreement pursuant to which the Company agreed to issue, and Wuxi Xintou Chuangrong Equity Investment Partnership Enterprise (Limited Partnership) agreed to subscribe for, an aggregate of 19,708,000 Subscription Shares at the Subscription Price of HK\$4.98 per Share on 18 July 2025.

The Subscription completed on 18 August 2025 and the Subscription Shares were issued at the Subscription Price to the Subscribers.

(b) Formation of joint venture company

On 12 August 2025, Wuxi Lingjingyun Information Technology Co., Ltd. (“**Wuxi Lingjingyun**”), a subsidiary of the Company, entered into the joint venture agreement with Shannon Semiconductor Technology Co. Ltd., (“**Shannon Semi**”) pursuant to which the parties agreed to establish a joint venture company with a registered capital of RMB120 million for the development of the intelligent computing services market. Upon its establishment, the joint venture company will be owned as to 75% and 25% by Wuxi Lingjingyun and Shannon Semi, respectively. Accordingly, the joint venture company will be accounted as a subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 27 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

In the first half of 2025, we expanded our business focus from building edge computing infrastructure to developing scenario-based edge computing applications and deep integration with various industries. Aligned with the industry trend of merging edge computing and AI, we strengthened our core strategy of “Edge Cloud + AI Services.” We have deployed nodes across the nation in order to create a “10-kilometer low-latency computing service network” (十公里低時延算力服務圈) covering 2,000 districts and counties of the PRC that supports localized computing power and integrates computing with networking.

Leveraging our computing scheduling platform, model fine-tuning platform and AI large model applications, we are building a comprehensive technology stack that spans diverse model capabilities at the Model-as-a-Service (“**MaaS**”) layer and deep industry-scenario integration at the Software-as-a-Service (“**SaaS**”) layer. Our strategic focus is to root deeply in the computing network while developing intelligent scenarios, delivering real-time, fast-response edge AI solutions to government, transportation, education and other sectors. This supports our transformation toward an “Edge Intelligence Foundation” (邊緣智能基座) to empower intellectual upgrades across industries.

During the first half of 2025, we successfully launched several new service offerings. Our EdgeAISation services completed adaptation with multiple dominating AI models to the computing platform. Leveraging stable infrastructure and a global node network, we have been able to offer reliable and secured computing power services in satisfying the market demand. Additionally, we launched our Lingjing Cloud Large Model Privatisation Deployment Solution (“**Lingjing Cloud Large Model Privatisation Deployment Solution**”), which provides various AI models, application platforms and compute clusters privatisation deployment solutions. Our Lingjing Cloud Large Model Privatisation Deployment Solution enables our corporate clients to build proprietary knowledge bases, have access to model fine-tuning services and benefit from secure, flexible and efficient AI solutions integrated into our product offerings. Separately, we officially launched our computing power scheduling solution, a one-stop platform managing diverse compute resources including graphic processing unit (GPU), network processing unit (NPU) and field-programmable gate array (FPGA), with features such as imaging and snapshots, streamlining customer operations.

Our efforts have been recognized by customers and reputable institutions. In the first half of 2025, we partnered with leading organizations, including the robotics industry alliance, renown universities and industry-leading companies, to provide them with support of edge computing, AI large model development and computing power related services. We have received multiple prestigious recognitions which demonstrated our leading market position in terms of technology. For the third consecutive year, we were recognized as one of the top 20 edge computing enterprises in the PRC (中國邊緣計算企業20強). We were also included in the “2025 Government Industry Innovation Ecosystem Map” (《2025 政務行業信創生態圖譜》). One of our service offerings, edge intelligence patrol V2.0, received the Kunpeng native development certification (鯤鵬原生開發技術認證).

On the R&D front, we developed real-time intelligent video stream analysis technology (實時視頻流智能分析技術) using computer vision models to analyze surveillance footage and advanced our cloud-edge collaborative intelligent IoT system during the first half of 2025. Looking ahead to the second half of 2025, our focus will be on enhancing service quality and advancing AI large model research projects. These projects include developing an adaptive management system for heterogeneous compute resources (異構算力的自適應算力資源管理系統), intelligent monitoring and early warning systems for internet data centers (IDC機房動環監控與智能預警系統), intelligent energy optimization management system for internet data center (IDC智能能耗優化管理系統), methods for deploying AI large models in production environments (AI大模型生產環境部署的方法), methods for AI large model fine-tuning (AI大模型微調方法) and methods for data set generation (數據集生成方法).

Prospect

Building on our achievements in the first half of 2025, our future priorities will target several key areas:

1. New Business Expansion — Intelligent Computing Services

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.

2. Technology Research and Development

We will further optimize multimodal AI large model for edge computing scenarios based on the distribution of our Lingjing Cloud edge network to develop offerings in relation to computing power, AI models and data service. We aim to establish a full stack technology system spanning from Infrastructure-as-a-Service (IaaS) layer to SaaS layer, supported by our self-developed compute scheduling platform, model fine-tuning platform, and AI large model applications, enabling cloud-edge-end collaboration. Our research and development focus on development of small-scale multimodal large models (輕量化多模態大模型) in achieving a reduction in deployment costs. Additionally, we will upgrade our compute scheduling platform by integrating reinforcement learning and self-learning algorithms to enhance GPU utilization and reduce task scheduling latency.

3. *Strengthen collaboration with ecological partners*

We will strengthen collaborations with universities in co-establishing edge AI laboratories, such as the joint laboratory with Xi'an Jiaotong University, to promote innovation in edge chips and algorithms. We will also partner with renowned hardware manufacturers and vertical industry players to build a comprehensive ecosystem linking hardware, platforms, and applications.

4. *Building of “To-Government and To-Enterprise” dual-drive business model*

On the government side, we aim to become a strategic partner and platform operator supporting regional governments in developing AI industries and fostering new productivity, delivering integrated “model + data + compute power” solutions to drive regional AI ecosystem growth. On the enterprise side, we will provide secure, customized intelligent assistants and tailored AI models to empower businesses in their digital transformation and enhance their operational intelligence.

FINANCIAL OVERVIEW

Revenue

The Group generated revenue from three operating segments, namely (i) IDC Solution Services; (ii) Edge Computing Services; and (iii) Other Services. For the six months ended 30 June 2025, the Group recorded a total revenue of approximately RMB406.8 million when compared with approximately RMB369.7 million for the corresponding period in 2024, representing an increase in its total revenue of 10.0%. Such increase was primarily attributable to ordinary expansion in the Group’s business, particularly the significant expansion in Edge Computing Services.

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

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	(Unaudited)		(Unaudited)	
IDC Solution Services	376,077	92.5	348,699	94.3
Edge Computing Services	29,228	7.2	20,997	5.7
Other Services	1,454	0.3	—	—
	<u>406,759</u>	<u>100.0%</u>	<u>369,696</u>	<u>100.0</u>

IDC Solution Services

The Group's revenue from IDC Solution Services increased by approximately 7.9% to approximately RMB376.1 million for the six months ended 30 June 2025 (30 June 2024: RMB348.7 million), which was primarily attributable to ordinary expansion in business built upon the Group's established reputation, client base and business network.

Edge Computing Services

The Group's revenue from Edge Computing Services substantially increased by approximately 39.0% to approximately RMB29.2 million for the six months ended 30 June 2025 (30 June 2024: RMB21.0 million), primarily attributable to the growing market demand of our EdgeCDN Services and our acquisition of new clients.

Other Services

We generated revenue of approximately RMB1.5 million from Other Services for the six months ended 30 June 2025 (30 June 2024: nil) for the provision of services such as software installation and debugging services and equipment and infrastructure deployment services.

Cost of Sales

The Group's cost of sales increased by approximately 11.3% to approximately RMB359.1 million for the six months ended 30 June 2025 (30 June 2024: RMB322.6 million). The increase was generally in line with our overall growth in business.

IDC Solution Services

The cost of sales from IDC Solution Services increased by approximately 9.6% to approximately RMB337.8 million for the six months ended 30 June 2025 (30 June 2024: RMB308.2 million), primarily attributable to the rise in the unit price of bandwidth resources and the overall growth of our IDC Solution Service.

Edge Computing Services

The cost of sales from Edge Computing Services increased by approximately 47.9% to approximately RMB21.3 million for the six months ended 30 June 2025 (30 June 2024: RMB14.4 million), which was primarily attributable to the rise in the unit price of bandwidth resources and the substantial increase of revenue generated from Edge Computing Services. It was our development strategy to scale up the business of Edge Computing Services to extend our market reach in this market sector.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's overall gross profit increased by 1.3% to RMB47.7 million for the six months ended 30 June 2025 (30 June 2024: RMB47.1 million), while its overall gross profit margin decreased from 12.7% to approximately 11.7% for the six months ended 30 June 2025, respectively.

IDC Solution Services

The gross profit margin of our IDC Solution Services for the six months ended 30 June 2025 was approximately 10.2% (30 June 2024: 11.6%), primarily due to the strategic adjustment in the prices of our services under the intense competition of the market.

Edge Computing Services

The gross profit margin of our Edge Computing Services for the six months ended 30 June 2025 was approximately 27.1% (30 June 2024: 31.4%), primarily due to the increase in costs for bandwidth procurement.

Other Services

The gross profit margin of our Other Services for the six months ended 30 June 2025 was 100.0% (30 June 2024: nil), primarily due to the accounting treatment of recognising the revenue thereof by net method.

Other income and gains

The Group's other income and gains decreased by approximately 11.6% to approximately RMB3.8 million for the six months ended 30 June 2025 (30 June 2024: RMB4.3 million), primarily due to the decrease in government grant received. In particular, in the corresponding period of 2024, we received an one-off government subsidy from the local government of Xinwu District in relation to our listing on the Stock Exchange in 2024.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by 13.9% to RMB3.1 million for the six months ended 30 June 2025 (30 June 2024: RMB3.6 million), primarily attributable to enhanced internal management control on costs.

Administrative Expenses

The Group's administrative expenses decreased by 17.6% to RMB17.3 million for the six months ended 30 June 2025 (30 June 2024: RMB21.0 million), primarily because we did not incur listing expenses during the Reporting Period.

Research and Development Expenses

The Group's research and development expenses increased by approximately 38.8% to approximately RMB9.3 million for the six months ended 30 June 2025 (30 June 2024: RMB6.7 million), primarily attributable to (i) the increase in the number of research and development staffs which led to higher staff costs; and (ii) the increase in depreciation expenses of research and development equipment acquired.

Impairment losses on financial assets

The Group's impairment losses on financial assets decreased by approximately 26.1% to approximately RMB1.7 million for the six months ended 30 June 2025 (30 June 2024: RMB2.3 million), mainly because the increase in trade receivables was substantially slowed down.

Other expenses

The Group's other expenses increased by approximately 100.0% to approximately RMB40,000 for the six months ended 30 June 2025 (30 June 2024: RMB20,000), mainly because the deposit for our Qingdao office's lease was not refunded due to early termination of the lease.

Finance costs

The Group's finance costs increased by approximately 20.7% to approximately RMB3.5 million for the six months ended 30 June 2025 (30 June 2024: RMB2.9 million), primarily attributable to the increase in our interest expenses on loans and borrowings.

Income tax expenses

The Group's income tax expense decreased by approximately 30.4% to approximately RMB1.6 million for the six months ended 30 June 2025 (30 June 2024: RMB2.3 million). Our income tax expenses mainly comprised the current and deferred income tax in the PRC. The decrease in income tax expenses was primarily due to the decrease in listing expenses, which had formed part of the basis in determining the income tax expenses.

Profit for the Period

As a result of the foregoing, the Group recorded a profit of approximately RMB14.9 million for the six months ended 30 June 2025, compared with a profit of approximately RMB12.5 million for the corresponding period in 2024. Such increase was primarily attributable to (i) the decrease in listing expenses; and (ii) the Group's enhanced internal control on costs management.

Trade Receivables

As at 30 June 2025, the Group's trade receivables amounted to approximately RMB300.5 million as compared with RMB235.0 million as at 31 December 2024. Such increase was primarily due to the increase in revenue for the six months ended 30 June 2025.

Prepayments, Other Receivables and Other Assets

As at 30 June 2025, the Group's prepayments, other receivables and other assets amounted to approximately RMB225.8 million as compared with approximately RMB216.0 million as at 31 December 2024. Such increase was primarily due to the purchase discount offered by our suppliers.

Trade Payables

As at 30 June 2025, the Group's trade payables amounted to approximately RMB216.3 million as compared with approximately RMB199.6 million as at 31 December 2024. Such increase was mainly attributable to expansion of our business.

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 30 June 2025, the Group's cash and cash equivalents were RMB348.1 million (31 December 2024: RMB371.0 million).

Indebtedness

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Interest-bearing bank borrowings	294,567	262,811
Lease liabilities	262	494
	<u>294,829</u>	<u>263,305</u>

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities (31 December 2024: nil).

CAPITAL COMMITMENT

As at 30 June 2025, the Group did not have any significant capital commitment (31 December 2024: nil).

OTHER INFORMATION

EMPLOYEE REMUNERATION AND RELATIONS

As at 30 June 2025, the Group had a total of 121 employees. The Group's total employee expenses (including directors' emoluments) for the six months ended 30 June 2025 was approximately RMB17.6 million (30 June 2024: RMB15.0 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.

COMPLIANCE WITH THE MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct for securities transactions by the Directors. The Company has made specific enquiries to all Directors regarding any non-compliance with the Model Code. All Directors have confirmed that they had complied with the required standard set out in the Model Code for the six months ended 30 June 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2025, the Company had applied the principles and complied with all applicable code provisions of the CG Code, save and except the deviation below:

Pursuant to code provision C.2.1 contained in Part 2 of the CG Code, the roles of chairman and 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 contained in Part 2 of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of chairman of the Board and CEO separately and will continue to review and monitor its corporate governance practices to ensure its compliance with the CG Code.

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 30 June 2025, such net proceeds from the Global Offering were utilized as follows in accordance with the intended use:

	Approximate allocation of the net proceeds <i>HK\$'000</i>	Approximate percentage of the total net proceeds %	Unutilised amounts as at 1 January 2025 <i>HK\$'000</i>	Utilised amounts during the Reporting Period <i>HK\$'000</i>	Unutilised amounts as at 30 June 2025 <i>HK\$'000</i>	Estimated completion of utilisation
Existing business improvement and operation development	160,654	47.7	128,423	14,096	114,327	By 31 December 2026
Comprehensive implementation and upgrade of our Edge Computing Services	62,308	18.5	20,781	17,437	3,344	By 31 December 2026
Recruitment of talents for IDC Solution Services and Edge Computing Services operations	43,110	12.8	35,639	6,478	29,161	By 31 December 2026
Cooperation with universities and research institutes for research and development	37,048	11.0	26,417	171	26,246	By 31 December 2026
Working capital and general corporate purposes	33,680	10.0	22,844	10,932	11,912	By 31 December 2026
Total	336,800	100.0	234,104	49,114	184,990	

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

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

INTERIM DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

AUDIT COMMITTEE

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

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

(a) Subscription of new Shares

On 18 July 2025, the Company entered into subscription agreements (the “**Subscription Agreements**”) with two subscribers (the “**Subscribers**”), respectively, for the issuance and subscription (the “**Subscription**”) of a total of 45,985,000 new Shares (the “**Subscription Shares**”) at the subscription price of HK\$4.98 per Subscription Share (the “**Subscription Price**”) under the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to a resolution of the Shareholders passed at the annual general meeting of the Company held on 16 June 2025 upon the terms and subject to the conditions set out in the Subscription Agreements.

The Subscription completed on 18 August 2025 and the Subscription Shares were issued at the Subscription Price to the Subscribers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Subscribers was an independent third party to the Company. The Company received total net proceeds from the Subscription (after deducting all related fees, costs and expenses to be borne or incurred by the Company) of approximately HK\$228.0 million. The Company intends to apply the net proceeds from the Subscription for (i) the enhancement of the Group's core business; (ii) business expansion; (iii) establishment of the Group's own intelligent computing centre; and (iv) replenishment of the Group's working capital and general corporate purposes.

For further details, please refer to the announcements of the Company dated 18 July 2025, 8 August 2025 and 18 August 2025.

(b) Formation of joint venture company

On 12 August 2025, Wuxi Lingjingyun Information Technology Co., Ltd. (“**Wuxi Lingjingyun**”), a subsidiary of the Company, entered into the joint venture agreement with Shannon Semiconductor Technology Co., Ltd. (香農芯創科技股份有限公司) (“**Shannon Semi**”), pursuant to which the parties agreed to establish a joint venture company with a registered capital of RMB120 million for the development of the intelligent computing services market. Upon its establishment, the joint venture company will be owned as to 75% and 25% by Wuxi Lingjingyun and Shannon Semi, respectively. Accordingly, the joint venture company will be accounted as a subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

For further details, please refer to the announcement of the Company dated 12 August 2025.

Save as disclosed herein, there was no events causing significant impact on the Group subsequent to the Reporting Period and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cloudcsp.com). The interim report for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be published on the aforementioned websites and despatched to any Shareholder who elected to receive printed version of corporate communication in due course.

DEFINITION

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

“AI”	artificial intelligence
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“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
“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
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules, which collectively refers to Mr. Sun and Ru Yi IT
“Director(s)”	the director(s) of the Company
“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
“EdgeCDN Services”	the provision of CDN services with the Group’s edge computing infrastructure
“Global Offering”	the Hong Kong public offering and the international offering of the offer shares
“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

“Other Services”	the services other than IDC Solution Services and Edge Computing Services provided by our Group, including the provision of software installation and debugging services and equipment and infrastructure deployment services
“IDC Solution Services”	IDC solution services provided by our Group, including the provision of colocation services and infrastructure management services
“IoT”	Internet of Things
“internet” or “the Internet”	an interconnected system of networks that connects computers around the world and is publicly accessible
“Lingjing Cloud (靈境雲)”	our cloud business which offers our Edge Computing Services launched in 2022
“Listing Date”	14 June 2024, being the date on which the Shares became listed and commenced trading on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Sun”	Mr. Sun Tao (孫濤), the Chairman, chief executive officer, an executive Director and a Controlling Shareholder of the Company
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 5 June 2024
“Reporting Period”	the six months ended 30 June 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 British Virgin Islands on 5 November 2021, which is wholly owned by Mr. Sun
“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\$”	US dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 27 August 2025

As at the date of this announcement, the board of Directors of the Company 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.