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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)**

**DISCLOSEABLE TRANSACTION**  
**FORMATION OF JOINT VENTURE COMPANY**

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The Board is pleased to announce that on 12 August 2025 (after trading hours of the Stock Exchange), the Group has entered into the JV Agreement with Shannon Semi pursuant to which the parties agreed to establish the JV Company with a registered capital of RMB120 million for the development of the intelligent computing services market.

Pursuant to the terms of the JV Agreement, the registered capital of the JV Company will be RMB120 million. The Company and Shannon Semi will contribute RMB90 million and RMB30 million, respectively, towards the registered capital of the Joint Venture Company. Upon its establishment, the JV Company will be owned as to 75% and 25% by the Company and Shannon Semi, respectively. Accordingly, the JV Company will be accounted for as a subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the formation of the JV Company exceed 5% but less than 25%, the formation of the JV Company constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## FORMATION OF JOINT VENTURE

The Board is pleased to announce that on 12 August 2025 (after trading hours of the Stock Exchange), the Group has entered into the JV Agreement with Shannon Semi pursuant to which the parties agreed to establish the JV Company with a registered capital of RMB120 million for the development of the intelligent computing services market.

## THE JV AGREEMENT

The principal terms of the JV Agreement are set out below:

Date	:	12 August 2025
Parties	:	(1) Wuxi Lingjingyun Information Technology Co., Ltd.; and (2) Shannon Semiconductor Technology Co., Ltd.
Registered capital	:	RMB120,000,000
Main businesses to be conducted	:	The provision of intelligent computing services, which 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.
Shareholding and capital commitment	:	The parties shall make a total capital contribution of RMB120 million, of which (i) Wuxi Lingjingyun shall contribute in cash RMB90 million, accounting for 75% of the registered capital of the JV Company; and (ii) Shannon Semi shall contribute in cash RMB30 million, accounting for 25% of the registered capital of the JV Company.

The capital contribution and equity percentages in the JV Company will be as follows:

Shareholder	Capital contribution RMB	Equity percentage
Wuxi Lingjingyun	90,000,000	75%
Shannon Semi	<u>30,000,000</u>	<u>25%</u>
Total	<u>120,000,000</u>	<u>100%</u>

Accordingly, the JV Company will be accounted for as a subsidiary of the Group and its financial results will be consolidated into the consolidated financial statements of the Group. The amount of capital contribution was determined after arm's length negotiation between the parties to the JV Agreement with reference to the expected capital requirements, the preliminary business plan of the JV Company, the total registered share capital of the JV Company and their respective shareholding interests in the JV Company.

The parties shall make their respective capital contribution in instalments in the following manner:

- (1) each of Wuxi Lingjingyun and Shannon Semi shall settle 30% of their committed capital contribution by 25 August 2025; and
- (2) each of Wuxi Lingjingyun and Shannon Semi shall settle 70% of their committed capital contribution by 25 October 2025.

References are made to the Announcements. According to the Announcements, approximately 36.8%, or HK\$84.0 million, of the net proceeds raised from the Subscriptions will be used for business expansion of the Group, namely the intelligent computing services (the “**Proceeds**”). In particular, the Proceeds is intended to be applied for acquiring hardware, developing high-speed lossless networks and establishing large-scale distributed storage and computing power scheduling and management platform (the “**Purposes**”). As resolved by the Board, the Group intends to further expand the intelligent computing services through establishing the JV Company and the Purposes will be carried out by the JV Company. Accordingly, the Group intends to finance its investment in the JV Company, which will be accounted as a subsidiary of the Company, from the Proceeds as well as its internal resources.

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|-------------------------|---|--|
| Board of directors      | : | The board of directors of the JV Company shall consist of five directors. The Group is entitled to nominate three directors while Shannon Semi is entitled to nominate one director. As agreed between the parties to the JV Agreement, an Independent Third Party will be the fifth director of the JV Company and will be the chairman of the board. |
| Distribution of profits | : | The parties to the JV Agreement shall be entitled to the profits of the JV Company as well as other shareholders rights and benefits, such as preferential rights to acquire new shares, according to their respective proportion of paid-up capital contribution actually made.   |

Restriction on transfer and pre-emption rights on the equity interests of the JV Company : Pursuant to the articles of association of the JV Company, shareholders of the JV Company may transfer all or part of their equity interests in the JV Company among themselves, subject to any assertion of pre-emption right by any non-selling shareholder. Where a shareholder of the JV Company intends to transfer all or part of its equity interests in the JV Company to a third party, the selling shareholder shall notify the other shareholders about the details of the proposed transfer and the non-selling shareholders shall have the pre-emption rights to acquire the equity interests proposed to be transferred by the selling shareholder on the same terms and conditions of the proposed transfer.

Termination : The Cooperation Agreement shall terminate if any of the following circumstances occur:

- (1) the JV Company fails to be established due to objective reasons;
- (2) the business licence of the JV Company is revoked in accordance with the applicable laws and regulations;
- (3) the JV Company is declared bankrupt in accordance with the applicable laws and regulations;
- (4) all parties to the JV Agreement mutually agree to terminate the JV Agreement in writing; and
- (5) required by any other applicable laws and regulations, or in accordance with the terms of the JV Agreement.

Upon termination/cancellation of the JV Agreement, all parties shall jointly conduct liquidation with neutral party engaged if necessary or comply with any other liquidation method specified by the applicable laws and regulations or the Articles of Association. If there are any remaining assets after liquidation, all parties must wait until the JV Company has paid off all its debts before they can request the return of their capital contributions, which will then be distributed based on their respective proportion of paid-up capital contribution actually made.

## INFORMATION OF THE PARTIES TO THE JV AGREEMENT

Wuxi Lingjingyun is a subsidiary of the Company. The Group is principally engaged in the provision of IDC solution services and edge computing services. As disclosed in the announcements, the Company intends to expand into a new business segment and 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.

Shannon Semi is principally engaged in the semiconductor distribution business. It is a joint stock company incorporated in the PRC with limited liability and has been listed on the Shenzhen Stock Exchange since June 2015. Based on the annual report of Shannon Semi for 2024, it recorded a revenue of approximately RMB24.3 billion and a net profit attributable to shareholders of approximately RMB264.1 million for the year ended 31 December 2024. As at 31 December 2024, it recorded a total assets of approximately RMB7.6 billion and a total liabilities of approximately RMB4.6 billion. For further details, please refer to the annual report of Shannon Semi published on the website of the Shenzhen Stock Exchange of the website of Shannon Semi. To the best of the Directors' knowledge, information and belief, having made reasonable enquires, Shannon Semi and its ultimate beneficial owners are Independent Third Parties.

## REASONS FOR AND BENEFITS OF FORMATION OF THE JV AGREEMENT

The reasons for the Group to expand into the intelligent computing business are illustrated in the Announcements. The Company is of the view that the intelligent computing business is complementary to the existing businesses of the Group and present synergies for the Group's business development as a whole. The Company also witnesses a stable growth in demand for computing resources and processing power among its existing customers. In addition, the Group is capable of providing the intelligent computing services based on its longstanding technical expertise, continuous investment in distributed computing, mature supply chain system and self-developed resource scheduling platforms.

By establish the JV Company, the Group could consolidate its technical knowhow and expertise in intelligent computing as well as Shannon Semi's industry coordination capabilities and existing business network, thereby enhancing the overall competitive advantages of the Group in the field of intelligent computing. In particular, the Company is of the view that the establishment of the JV Company can:

- (1) **Strengthen technological upgrades.** It provides the Group with access to advanced computing chips, thereby enriching the Group's heterogeneous computing resource pool;

- (2) **Accelerate business expansion.** The establishment of the JV Company allows the Group to further expand its intelligent computing business, including but not limited to establishing intelligent computing centres for its various customers. This will enhance the availability and support of computing resources as well as processing power for companies located in Wuxi and Yangtze River Delta region, which is in line with the local government policies and directions. Accordingly, the proactive participation of the Group in assisting the local government's policy initiatives allows the Group to strengthen its position as the key regional player in the intelligent computing industry. Together with the Group's technical knowhow, expertise and resources, the Group will have more advantages in obtaining various support from the local government, which boosts the Group's overall business development;
- (3) **Deepening ecological cooperation with sizable companies.** As the Group will work closely with the local government and other key players in the intelligent computing industry through the JV Company, such networking allows the Group to have more access to sizable international and local companies with demands for the Group's intelligent computing services. By deepening cooperation with such sizable companies, the Group would be able to enhance its technological development and accumulate valuable experience as well as technical knowhow. For example, the Group may leverage the international and domestic technological resources of such sizable companies to accelerate the optimisation of the Group's edge multimodal large model inference frameworks; and
- (4) **Seize first-mover advantage.** Through the establishment of the JV Company, which speeds up the Group's penetration into the intelligent computing industry, it strengthens the Group's leading position in edge computing, artificial intelligence and heterogeneous computing. It further allows the Group to attract more top internet companies and industry clients (such as finance and energy). Leveraging the network and resources of the JV Company, the Group would have access to diversified and advanced intelligent computing equipment, which allow the Group to build competitive barriers in the market and promote the brand of the Group.

The terms of the JV Agreement were negotiated after arm's length negotiations. The Directors are of the view that the terms of the JV Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

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## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Announcements”	the announcements of the Company dated 18 July 2025 and 6 August 2025 in relation to the Company’s proposed issue of new Shares to two investors under general mandate;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Company”	Cloud Factory Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 02512);
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“JV Agreement”	the joint venture agreement dated 12 August 2025 entered into between Wuxi Lingjingyun and Shannon Semi in relation to the formation of the JV Company;
“JV Company”	the company to be formed under the JV Agreement and to be established under the laws of the PRC with limited liability;
“Independent Third Party(ies)”	an independent third party not connected with the Company and its subsidiaries, their respective directors, chief executives and substantial shareholders and any of their associates within the meaning of the Listing Rules;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	The People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shannon Semi”	Shannon Semiconductor Technology Co., Ltd. (香農芯創科技股份有限公司), a joint stock company incorporated in the PRC with limited liability and has been listed on the Shenzhen Stock Exchange since June 2015 (stock code: 300475);
“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)”	Shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the proposed subscription by two subscribers, and the proposed allotment and issue by the Company of, certain Shares under the general mandate in accordance with the terms and subject to the conditions of the relevant subscription agreements, the details of which are set out in the Announcements;
“Wuxi Lingjingyun”	Wuxi Lingjingyun Information Technology Co., Ltd. (無錫靈境雲信息技術有限公司), a limited liability company established in the PRC on 17 May 2022 and an indirect subsidiary of the Company;
“%”	per cent.

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

Hong Kong, 12 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.*

\* *For identification purpose only.*