明源雲

Stock Code
0909.HK

MING YUAN CLOUD GROUP HOLDINGS LIMITED
明源雲集團控股有限公司

Incorporated in the Cayman Islands with limited liability

2024 ANNUAL REPORT

Focusing on Digital Technology Consistently to Promote Industrial Upgrading

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Gao Yu *(Chairman)*
Mr. Jiang Haiyang *(Chief Executive Officer)*
Mr. Chen Xiaohui *(Vice President)*

Non-executive Director

Mr. Liang Guozhi

Independent Non-executive Directors

Mr. Li Hanhui
Mr. Zhao Liang
Ms. Tong Naqiong *(resigned with effect from 25 September 2024)*
Ms. Wen Hongmei *(appointed with effect from 25 September 2024)*

AUDIT COMMITTEE

Ms. Wen Hongmei *(Chairperson) (appointed with effect from 25 September 2024)*
Ms. Tong Naqiong *(resigned with effect from 25 September 2024)*
Mr. Li Hanhui
Mr. Zhao Liang

REMUNERATION COMMITTEE

Mr. Li Hanhui *(Chairperson)*
Mr. Gao Yu
Mr. Zhao Liang

NOMINATION COMMITTEE

Mr. Gao Yu *(Chairperson)*
Ms. Tong Naqiong *(resigned with effect from 25 September 2024)*
Ms. Wen Hongmei *(appointed with effect from 25 September 2024)*
Mr. Zhao Liang

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

801, Tower A
Gemdale Viseen Tower
16 Gaoxin South 10th Road
Gaoxin Community, Yuehai Subdistrict
Nanshan District, Shenzhen
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Tower Two
Times Square, 1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

CORPORATE INFORMATION

INDEPENDENT AUDITOR

Ernst & Young *(appointed with effect from 23 December 2024)*
Certified Public Accountants and
Registered Public Interest Entity Auditor
27/F, One Taikoo Place,
979 King's Road, Quarry Bay, Hong Kong

PricewaterhouseCoopers *(resigned with effect from 3 December 2024)*
Certified Public Accountants and
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong

HONG KONG LEGAL ADVISER

Davis Polk & Wardwell
10th Floor, The Hong Kong Club Building
3A Chater Road
Hong Kong

COMPLIANCE ADVISOR

Maxa Capital Limited
Flat 08, 19/F
Harbour Centre, 25 Harbour Road
Wanchai, Hong Kong

AUTHORIZED REPRESENTATIVES

Mr. Gao Yu
Mr. Ye Junwen

JOINT COMPANY SECRETARIES

Mr. Ye Junwen
Ms. Leung Shui Bing

PRINCIPAL BANKS

China Merchants Bank Co., Ltd.
Gaoxinyuan Sub-Branch
1/F, Deweisen Building
High-Tech South 7th Road
High-Tech District Community
Nanshan District
Shenzhen
PRC

China Minsheng Banking Corp., Ltd.
Shenzhen Bao'an Sub-Branch
No.33, Jian'an 1st Road
Baocheng 3rd District, Bao'an District
Shenzhen
PRC

Ping An Bank Co., Ltd.
Shenzhen Gaoxinjishuqu Sub-Branch
2/F, Comprehensive Service Building
West-1, South District
High-Tech District Community
Nanshan District
Shenzhen
PRC

STOCK CODE

909

COMPANY WEBSITE

www.mingyuanyun.com

FINANCIAL HIGHLIGHTS

	Year ended 31 December				
	2024	2023	2022	2021	2020
			(RMB'000)		
Revenues	**1,434,818**	1,639,644	1,816,357	2,184,490	1,705,276
Gross profit	**1,102,719**	1,303,227	1,479,328	1,751,129	1,339,722
Operating (loss)/profit	**(376,283)**	(763,220)	(1,265,677)	(626,771)	326,456
Loss before income tax	**(197,397)**	(589,423)	(1,168,666)	(503,554)	(650,086)
Loss for the year	**(189,546)**	(587,043)	(1,159,212)	(495,918)	(668,200)
Adjusted net (loss)/income	**(43,964)**	(169,721)	(626,954)	307,234	382,690

	Year ended 31 December				
	2024	2023	2022	2021	2020
			(RMB'000)		
ASSETS					
Non-current assets	**1,334,860**	1,108,788	1,013,320	659,098	262,330
Current assets	**4,113,632**	4,743,430	5,170,847	6,313,699	7,209,836
Total assets	**5,448,492**	5,852,218	6,184,167	6,972,797	7,472,166
LIABILITIES					
Non-current liabilities	**60,963**	122,034	208,984	94,170	59,276
Current liabilities	**684,643**	796,227	880,730	948,451	843,354
Total liabilities	**745,606**	918,261	1,089,714	1,042,621	902,630
EQUITY					
Equity attributable to owners of the Company	**4,702,886**	4,933,957	5,102,750	5,933,331	6,538,793
Non-controlling interests	**–**	–	(8,297)	(3,155)	30,743
Total equity	**4,702,886**	4,933,957	5,094,453	5,930,176	6,569,536
Total equity and liabilities	**5,448,492**	5,852,218	6,184,167	6,972,797	7,472,166

OVERALL FINANCIAL DATA

Revenue was RMB1,434.8 million in 2024, representing a year-on-year decrease of 12.5%.

Total expenses were RMB1,483.8 million in 2024, representing a year-on-year decrease of 28.8%.

Adjusted net loss was RMB44.0 million in 2024, representing a year-on-year decrease of 74.1%.

CHAIRMAN'S STATEMENT

Gao Yu
Chairman

Dear Shareholders,

Over the past three years, China's real estate industry has experienced unprecedented challenges. Commercial housing sales in China plummeted from RMB18.2 trillion in 2021 to RMB9.7 trillion in 2024, with the pace of the industry's decline exceeding everyone's expectations. Amidst this transformative period, the Company inevitably faced negative impacts on its operations. However, in response to the complex and ever-changing market environment, we weigh the situation from time to time, remained proactive and adaptable and successfully mitigated the industry's adverse impacts through a series of precise and pragmatic measures. Thanks to the relentless efforts and close collaboration of all employees, the Company achieved a significant reduction in operating losses in 2024 and substantially enhanced overall operational efficiency. We have successfully navigated the most challenging phase, laying a solid foundation for future growth. Throughout this process, the Company has consistently kept pace with the times, actively embraced change, and focused on emerging technologies and international expansion. Over the past two years, we have increased investments in AI technology and deepened our presence in overseas markets, achieving substantial breakthroughs.

Looking ahead, the Company will focus on three key areas: consolidating our position in the domestic market while striving to restore reasonable and sustainable profitability; accelerating our AI-driven initiatives to continuously drive product and technological innovation, ensuring we seize opportunities in the digital wave; and expanding our presence in overseas markets to further grow our business scale and influence, opening up broader horizons for development.

I am confident that as long as we unite as one and steadfastly execute our strategic goals, we will usher in a new era of sustained growth and scalable profitability. Moving forward, the Company will continue to uphold its responsibilities to shareholders, customers, employees, and society, creating greater value and working together to build an even brighter future.

I am pleased to present our annual report for the year ended 31 December 2024 to the shareholders.

CHAIRMAN'S STATEMENT

BUSINESS REVIEW AND OUTLOOK

I. Industry Status and Trends

1. With the policy-driven stabilization in the residential market, digital demand continued to recover

In 2024, China's cumulative sales area of commercial housing was 970 million square meters, representing a year-on-year decrease of 12.9%, and China's cumulative sales were RMB9,700 billion, representing a year-on-year decrease of 17.1%. China's newly started area of houses was 740 million square meters, representing a year-on-year decrease of 23.0%. In terms of policies, the central government activated market liquidity through measures such as reducing transaction costs and lifting restrictions on purchases and loans. At the meeting of the Political Bureau of the CPC Central Committee in September 2024, it was proposed to "reverse the downturn of and stabilize the real estate market", which effectively boosted market confidence. Influenced by the policies, China's cumulative sales of commercial housing in the fourth quarter of 2024 amounted to RMB2,800 billion, representing a year-on-year increase of 1.1%, and the market has shown signals of phased stabilization.

2025 is the final year of the "14th Five-Year Plan", and the policies on the real estate industry are expected to remain loose. With continuous implementation of policies and measures such as monetized resettlement compensation and the renovation of 1 million units in urban villages, the data of new home sales are expected to further recover. For residential property developers, the policy window period will become an important opportunity to accelerate sales and will stimulate the recovery of digital demand in related sectors as well.

2. With the era of existing real estate coming, digital demand remained strong

After three decades of rapid development, China's real estate market is making a historic leap from new real estate development to existing real estate operation & management. At the meeting of the Political Bureau of the CPC Central Committee in April 2024, it was proposed to "coordinate research on policies and measures to reduce existing housing inventory and optimize supply of new housing". Local governments then immediately introduced revitalization plans for existing assets and proposed various revitalization measures focusing on areas including renovation of old communities, reshaping of inefficient commercial space, and upgrading of smart industrial parks. In July 2024, the National Development and Reform Commission issued the "Notice on Comprehensively Promoting the Normalized Issuance of Real Estate Investment Trusts (REITs) Projects in the Infrastructure Sector" (《關於全面推動基礎設施領域不動產投資信託基金(REITs)項目常態化發行的通知》), which expanded the types of real estate and provided a more flexible regime on initial public offering and follow-on offerings, giving financial supports for the renovation, transformation or reuse of more existing real estate.

With continuous empowerment of policies, China's urbanization development in the future will rely more on the renovation and transformation of existing real estate, bringing potential growth space for transactions and operation & management of existing real estate. Property developers in China will place greater emphasis on real estate operation & management capability to ensure the value preservation and appreciation of real estate projects, and as digital tools is powerful in enhancing such operation & management capability, it is expected that demand for relevant digital tools will continue to grow in the future.

3. The wider market overseas provided more growth opportunities

As a pillar industry of the national economy, the real estate industry shows significant differences in different economies in terms of development stages. In developed countries, the real estate industry has entered the stage focusing on transactions and operation & management of real estate, while in most of the developing countries, the real estate market is still in the stage focusing on development, primarily focused on construction of new houses.

Taking Japan as an example, the added value of the real estate industry accounted for about 11% of its GDP in 2023, and the added value mainly came from transactions and leasing business of existing real estate. According to statistics from the Ministry of Land, Infrastructure, Transport and Tourism of Japan, there were approximately 368,000 real estate enterprises in Japan in 2021, of which intermediary and rental management companies accounted for more than 75%. With implementation of the digital transformation (DX) strategy by the Japanese government and recognition of the validity of electronic contracts by the Electronic Contract Laws (《電子契約法》), coupled with the rising labor costs driven by the aging population, the demand for digital tools among Japanese real estate enterprises continued to grow.

By contrast, developing countries represented by Indonesia are currently in the stage of real estate development and construction, with "two wheels" of the urbanization process and demographic dividend driving the rapid development of the real estate market. It was stated in a CICC report that as the world's fourth most populous country, Indonesia's urbanization rate was only 21.7% in 2023, leaving huge room for improvement in the future. Benefiting from its economic and population growth, investment in Indonesia real estate development continued to grow, and real estate scale developed and managed by enterprises expanded quickly. Under such circumstances, traditional management models were unable to cope with challenges arising from extensive scale, and the demand for digital management systems is gradually being released.

Facing the development opportunities in overseas real estate markets, the Company will capitalize on the technical capabilities accumulated from deep cultivation of real estate digitalization in China as well as our all-scenario product matrix to actively explore more market opportunities based on the differentiated needs of overseas markets.

4. ***SaaS product upgrading driven by AI technology brought more growth opportunities***

In January 2025, DeepSeek, a Chinese technology company, launched the open-source large model of DeepSeek-R1. With its characteristics of high inference performance and low calling costs, DeepSeek-R1 has set off a wave of productivity reconstruction among global developer communities and promoted the accelerated popularization of AI technology. For the SaaS industry, as the intelligence level of SaaS products can be significantly enhanced by AI large models, SaaS products will be able to deliver more diversified interaction modes and functions through capabilities like automated data analysis and natural language processing, and consequently can provide corporate customers with deeper business insights. Traditional tool-based SaaS products, which are expected to be gradually upgraded to AI agents with comprehensive functions such as voice control, intelligent customer services and predictive decision-making capabilities, will enhance user stickiness and added value, and create more business value and growth opportunities for SaaS vendors.

Compared with general-purpose SaaS vendors, vertical-based SaaS vendors, who have deeper understanding on the pain points of specific industries, can accurately locate and explore high-value business scenarios and have large amounts of industry-specific data assets. After being cleaned, labeled and trained, these data assets can be integrated with basic large models to form the industry-specific solution of "basic large model + domain knowhow", thus providing customers with more targeted and practical services. In the future, companies that can take the lead in developing "human-machine collaboration capabilities" and focus on the knowhow of vertical industries will gain structural growth opportunities in this transformation.

In this context, in 2024, the Company developed proprietary large models based on big data of the real estate industry and launched a variety of commercialized AI products focusing on real estate marketing, making the contract values grow rapidly. The Company will expedite the expansion of AI-based applications in various real estate business scenarios, upgrade the functions and services of SaaS products, and provide more comprehensive intelligent solutions, so as to continuously promote business development.

II Business Review

1. Products and Services

We specialize in providing Cloud Services and On-premise Software and Services for major participants in the real estate ecological chain, helping customers to better achieve their strategic goals through digital upgrades.

1.1 Cloud Services

Our Cloud Services consist of four product lines, namely Customer Relationship Management SaaS (CRM SaaS), Construction Management SaaS, Property Management & Operation SaaS and Skyline PaaS Platform, which fully cover real estate development, construction, operation, services and other core business areas.

During the Reporting Period, China's real estate industry was undergoing the business model transformation from "new real estate development" to "both new real estate development and existing real estate operation & management", with the number of new construction projects in the industry continuing to decline and the real estate developers strictly controlling IT budgets, which led to delay in order signing for certain product lines of Cloud Services and an adverse effect on the revenue. In this context, the Company increased resource investment in the sector of existing real estate management. During the Reporting Period, the product line of Property Management & Operation SaaS attained satisfactory expansion and achieved a year-on-year increase in revenue.

In 2024, the revenue from Cloud Services was RMB1,195.1 million, representing a year-on-year decrease of 10.7% (same period in 2023: RMB1,338.7 million), accounting for 83.3% of the total revenue.

(1) CRM SaaS

The product line of CRM SaaS mainly helps participants along the real estate ecological chain digitalize their marketing business, which can enhance the overall marketing efficiency of customers and reduce marketing expenses. This product line mainly comprises CRM Cloud and other products involving real estate digital marketing sectors.

CHAIRMAN'S STATEMENT

In 2024, short video platforms have become an important source of customer acquisition for real estate developers. Leveraging on its broad digital product matrix in the real estate marketing field, CRM Cloud has integrated the capabilities of some well-known domestic and foreign large models such as DeepSeek, Zhipu GLM and Qwen, and accelerated the launching of smart applications for real estate video marketing sectors.

Since March 2024, CRM Cloud has successively released a number of AI-enabled digital products, namely "AI Creative Factory (AI創意工廠)", "AI Salesman (AI銷售員)", "Video Marketing Risk Control (視頻營銷風控)", and "AI Real Estate Live Streaming Player (AI地產直播機)", covering multiple business scenarios of real estate video marketing. In the traffic generation scenario, the content generation capability of "AI Creative Factory" can help customer companies realize the automation of all processes of "finding inspiration – creating scripts – video editing – platform distribution", greatly improving work efficiency and content quality. The short video content generated by most of the contracted customer companies using "AI Creation Factory" has accounted for more than 50% of the views. In the traffic conversion scenario, the "AI Salesman", which can capture homebuyer groups with strong intention in real time online and replace manual work to identify and follow up buyer groups, answer inquiries, and guide them to leave their personal information, has become a means for customer companies to develop the capability of providing "24-hour online service" on short video platforms. Compared with the past, the rate of leaving private messages and telephone numbers has increased by more than 55% after such product was used by most of the customer companies, promoting the rapid transformation of traffic into sales. In the traffic management scenario, "Video Marketing Assistant (視頻營銷助手)" relies on AI algorithms to build an intelligent diagnosis and analysis system, which can analyze the video marketing performance data of the customer companies to help them adjust their strategies in a timely manner and achieve lean management.

During the Reporting Period, the cumulative end customers contractual amount of CRM Cloud's AI products was close to RMB28 million, with products accessible to nearly 1,000 property sales offices of leading domestic residential developers such as Poly Developments, China Overseas, China Resources Land, Yuexiu Property and Longfor Group. In terms of technology, the proportion of domestic large models integrated with AI products of CRM Cloud continued to increase, and about 30% of the core function points involved the DeepSeek series of large models.

With the official establishment of the brand of "Chengguo Technology (橙果科技)" in November 2024, CRM Cloud extended its "AI + video marketing" capability to other industries such as real estate agencies, automobile, and home renovation and furnishing, to provide its customer companies with more digital products and services in the areas of "AI + creative production", "AI + intelligent operation" and "AI + transformation management".

In 2024, the product line of CRM SaaS recorded a total revenue of RMB858.9 million, representing a year-on-year decrease of 9.2% (same period in 2023: RMB945.9 million). In particular, the products of CRM Cloud recorded a total revenue of RMB811.4 million, representing a year-on-year decrease of 6.6% (same period in 2023: RMB868.7 million). Due to the impact of new construction projects in the residential market in China, the number of property sales offices covered by CRM Cloud in China was 10,563 during the Reporting Period, representing a year-on-year decrease of 8.9%. The average revenue per unit for CRM Cloud in a single property sales office during the Reporting Period was RMB77,000, representing a year-on-year increase of 2.7% (same period in 2023: RMB75,000), primarily due to the increase in purchase of AI products of CRM Cloud by some existing customers. The annual customer account retention rate of CRM Cloud was 78% (same period in 2023: 80%).

(2) Construction Management SaaS

The product line of Construction Management SaaS mainly helps residential, industrial and infrastructure real estate developers achieve digital management of all processes and scenarios of project construction, achieve efficient management of construction projects in terms of schedule, cost, quality and safety, etc, and enhance the operational efficiency of major upstream and downstream participants through multi-party collaboration to achieve win-win results.

In 2024, the Company actively adjusted the customer structure of this product line and focused on providing "Construction Project Management (工程項目管理)" products to state-owned platform companies. The Company provided digital products and services for state-owned enterprise customers in scenarios of rigid demands such as cost management, planning and operation, and procurement bidding of construction in progress, as well as safety production, on-site inspections, and treatment of defects in site management of projects. In addition, the product line of Construction Management SaaS actively promoted the integration with AI technology, and used AI in business scenarios such as project workload lists, contract review, security monitoring and quality assessment to improve efficiency and cut costs. For example, in the scenario of contract review, AI can realize automatic judgment and review of risks of non-standard project contracts, which can effectively reduce the costs of contract review and the risks of business documents as well as enhance technological competitiveness of project management products.

In 2024, due to the prolonged downturn in China's real estate market as well as the impact of the slower growth of investment in infrastructure construction, the commencement rate of projects of real estate developers continued to decline, which resulted in a longer period of order signing for the product line of Construction Management SaaS and the adverse effects on the revenue. During the Reporting Period, the product line of Construction Management SaaS recorded a total revenue of RMB124.2 million, representing a year-on-year decrease of 20.7% (same period in 2023: RMB156.5 million). The number of construction sites covered by Construction Management SaaS in China was 5,257, representing a year-on-year decrease of 23.5% (same period in 2023: 6,876). In particular, the number of industrial and infrastructure construction sites was 2,052, representing a year-on-year increase of 40.9% (same period in 2023: 1,456). The average revenue per unit in a single construction site was RMB24,000, representing a year-on-year increase of approximately 4.3% (same period in 2023: RMB23,000). The annual customer account retention rate of Construction Management SaaS was 68% (same period in 2023: 80%).

(3) Property Management & Operation SaaS

The product line of Property Management & Operation SaaS mainly helps holders and operators of existing real estate achieve digital management on their asset and multi-business space operations & services, with products covering business areas of asset management, investment attraction, leasing, space operations, property services, etc., so as to enhance the asset operation efficiency, and promote the value preservation and appreciation of assets.

In 2024, a large number of local urban construction investment companies have been renamed as industrial investment or operation companies, gradually transforming from traditional development and construction entities to comprehensive urban operation service providers and focusing on the revitalization of existing real estate to generate more operating income. Against this background, customer companies have continuously increased their procurement of "Asset Management Cloud (雲資管)" and "Cloud Lease (雲租賃)" in our product lines. The product of "Asset Management Cloud (雲資管)" helps customer companies build digital asset archives, improve asset classification planning and dynamic inspection mechanisms, comprehensively sort out assets, and enhance asset management capabilities; while the product of "Cloud Lease (雲租賃)" focuses on core businesses such as leasing, investment attraction and property management, which enables customer companies to achieve digital operations and enhance the asset operation efficiency. As of the end of 2024, there were more than 8,000 state-owned asset management platform companies nationwide, of which more than 230 state-owned asset management platform companies were equipped with products related to Property Management & Operation SaaS. The product penetration rate has increased steadily, and the market potential is huge.

In addition, the Company successfully signed contracts with several state-owned enterprise customers that had the nature of vertical business operation. Particularly, the Company provided proprietary solutions for two major customer groups, namely industrial park operation companies and affordable housing operation companies, helping customer companies achieve digital management, intelligent operation and ecosystem-based service.

In 2024, the product line of Property Management & Operation SaaS recorded a total revenue of RMB99.8 million, representing a year-on-year increase of 14.2% (same period in 2023: RMB87.4 million). The customer account retention rate of Property Management & Operation SaaS for the year was 90% (same period in 2023: 88%).

(4) Skyline PaaS Platform

Since Skyline PaaS Platform was launched in November 2020, it has been focusing on developing five major independent capacities of "aPaaS Capacity, iPaaS Capacity, bpmPaaS Capacity, DaaS Capacity and Technology Innovation". Based on the openness and scalability of the technology platform, it supports the rapid development and integration of all products from Ming Yuan Cloud and ecological applications from third parties, so as to ensure the stable operation of the Company's core business.

Domestically, Skyline PaaS Platform completed the adaptation with mainstream China-made servers, operating systems, databases, middleware and browser in 2024. Internationally, Skyline PaaS Platform possesses multi-language, multi-time zone architecture capacities, and its localization adaptation packages for Southeast Asia, Hong Kong China and other regions have been released.

In terms of AI technology application, in 2024, Skyline AI development platform integrated with domestic and foreign mainstream large models such as OpenAI, Qwen, Kimi, Zhipu GLM, DeepSeek, ERNIE Bot, developed the product of Skyline AI assistant targeting developers and front-line delivery consultants, and achieved prompt building and skill orchestration through zero code, so as to improve the work efficiency of developers in areas such as data modeling, page modeling, process design and data analysis.

In 2024, as China's residential market is in a stage of adjustment, residential property developers reduced the procurement of Skyline products and services. The product line of Skyline PaaS Platform recorded a total revenue of RMB112.3 million, representing a year-on-year decrease of 24.6% (same period in 2023: RMB148.9 million). Skyline PaaS Platform has maintained cooperation with approximately 1,300 customers, empowered approximately 3,500 certified zero-code/low-code/data developers, and accumulated over 90 connectors from technology partners in the real estate industry.

1.2 On-premise Software and Services

Our on-premise ERP software and services mainly provide residential property developers with real estate products covering sales, cost, procurement, planning, expenses and budgeting. Apart from the sales of software licensing, we also offer related implementation services, product support services and value-added services.

In 2024, China's residential market is still in a stage of adjustment. Residential property developers exercised strict control over IT expenditure. Except for product support and special value-added services that address the necessary demands of existing customers, sales of new product licenses and contract amount of delivery contracts have both declined year-on-year. In 2024, the revenue from On-premise Software and Services was RMB239.7 million, representing a year-on-year decrease of 20.4% (same period in 2023: RMB301.0 million).

2. Sales and Distribution Network

We sell and deliver Cloud Services and On-premise Software and Services through our direct sales force and a nationwide network of regional channel partners. Our sales team is organized by geographic region and divided into different teams targeting different types of customers and offerings, which results in a higher level understanding of customers' varying needs. We conduct direct sales through our sales teams in Beijing, Shanghai, Guangzhou and Shenzhen, and closely work with our regional channel partners to market our Cloud Services and On-premise Software and Services to customers in the rest of China for greater cost efficiency.

In 2024, the Company initiated the overseas market strategy and built new direct sales force in Hong Kong China, Japan, Singapore, Malaysia and Indonesia. As of 31 December 2024, the direct sales force of the Company consisted of more than 300 employees with good knowledge about products, technology and the real estate industry and extensive professional experience.

3. Management and Operation

In 2024, the Company actively adjusted its business strategies. At the product level, the Company optimized the product matrix, determined the intensity of resource input according to the product life cycle, and reduced the expenditure on inefficient businesses. At the organizational management level, the Company strictly controlled the staff size, optimized the staff structure, and enhanced organizational effectiveness. At the research and development level, the research and development team used tools such as Skyline AI assistant to assist in programming and testing, which effectively replaced the investment in human resources. During the Reporting Period, the Company's costs and expenses were significantly controlled, laying a better foundation for the Company to achieve its efficiency-based goal.

In 2024, the Company's selling and marketing expenses were RMB757.7 million, representing a year-on-year decrease of 17.8% (same period in 2023: RMB921.7 million). Our general and administrative expenses were RMB244.0 million, representing a year-on-year decrease of 53.0% (same period in 2023: RMB519.5 million). Our research and development expenses were RMB482.1 million, representing a year-on-year decrease of 25.0% (same period in 2023: RMB643.0 million). The Company's per capita output was RMB639,000, representing a year-on-year increase of 14.7% (same period in 2023: RMB557,000).

III Business Outlook

China's sales of commercial housing continued to decline from RMB18.2 trillion in 2021 to RMB9.7 trillion in 2024, and the Company's business has been significantly impacted by this drastic change. In the past three years, the Company has adopted a series of active measures to quickly respond to the changes in the industry, which has led to a significant enhancement in operating loss in 2024 and continuous improvement of human efficiency, successfully overcoming the most difficult time. Meanwhile, in the past two years, the Company has made substantial breakthroughs in overseas business planning and AI product innovation. Looking forward, on the basis of consolidating the domestic market and restoring reasonable profitability, the Company will continue to increase innovation in the field of AI and actively expand overseas markets with great potential, so as to promote a new round of sustainable business growth and large-scale profitability of the Company's business. In 2025, the Company will focus on the implementation of the following strategies:

1. Strategic focus in domestic market to improve the Company's profitability

1.1 We will focus on developing core products and improving product yields. The Company will streamline product lines of On-premise Software and Construction Management SaaS in terms of key dimensions such as market revenue and product maturity, etc. According to the domestic product strategy of the Company for 2025, it will give priority to focusing on high potential areas such as "AI+ real estate marketing" and "Property Management & Operation SaaS", so as to ensure that the resource input is highly consistent with the strategic objectives, and comprehensively optimize and improve the yield of product lines.

1.2 We will focus on state-owned enterprise and high-quality private enterprise customers, and provide differentiated solutions. For example, we provide state-owned enterprise customers with solutions covering investment, construction and operation based on the IT application innovation system, to help them achieve domestic substitution of business management systems; and for state-owned platform company customers with different business focuses, we provide solutions covering vertical operation to help customers realize business goals and build a healthy cooperation model. Through in-depth service to high-quality customers, we will continue to improve customer service satisfaction and increase the average revenue per unit, reduce marginal service costs, and ultimately improve the overall profit level of the Company.

2. ***Increasing investment in marketing and research and development to achieve comprehensive breakthroughs in the international market***

2.1 On the basis of the establishment of the Singapore branch, in 2024, the Company established its overseas subsidiaries and built localized teams successively in Malaysia and Japan. At the same time, the Company successfully developed a number of local marketing and delivery partners in the above-mentioned regions, and signed contracts with a number of local real estate customers with an accumulated contract amount of nearly RMB10 million. Some projects have been successfully delivered.

2.2 Currently, the Company has built localized teams covering three regions, namely Southeast Asia, Japan and Hong Kong China. In 2025, the Company will actively expand markets and develop various partners in these three regions, continue with the iteration of products based on the digital needs of respective regions, and focus on the development of AI+/AIOT SaaS products. In addition, the Company will actively explore development opportunities in overseas markets such as the Middle East and North America, and seek potential cooperation and breakthroughs, so as to steadily expand the Company's presence in the international market.

3. ***Accelerating the innovation of "AI+SaaS" products to open up room for business growth***

3.1 We will prioritize the promotion of "AI + marketing" products. The Company currently has launched a number of commercial AI products applied in the real estate marketing field, to help customers cut costs and improve efficiency in marketing business. As marketing business is directly related to revenue growth of customers, product effects and return on investment can be easily quantified. Customers are more willing to pay for AI products of real estate marketing. In the next step, the Company will give priority to making plans for the "AI + marketing" field, and promote the research and development of related innovative products, so as to achieve rapid growth in revenue from business lines.

3.2 We will explore the commercial opportunities of "AI + management". The Company has successfully applied AI technology to management business scenarios such as contract entry, contract review and price approval, to help company customers cut costs and improve efficiency. In the next step, the Company will deeply explore the application value of AI in the fields of real estate construction and asset management, and promote the commercialization of products in the scenario of "AI + management", so as to secure more room for business growth of the Company.

3.3 We will promote AI products to enter overseas markets first. Leveraging the knowledge barrier formed in the practice of domestic real estate industry and combining with the mature engineering capabilities and marginal cost advantages of domestic large models, the Company can provide customers in overseas markets with more cost-effective AI products and services. In 2025, the Company will give priority to promoting AI products to enter overseas markets, and focus on the launch of AI+/AIOT SaaS products, so as to expand its international market share.

4. Optimizing the allocation of resources and talents to improve operational efficiency

4.1 We will make full use of research and development resources. The Company will adopt more stringent project management measures and establish a refined system of resource allocation and supervision, so as to ensure that research and development resources are concentrated in areas that have high growth potential and broad market prospects and are highly compatible with the Company in terms of medium and long-term strategies, avoid decentralized or inefficient use of resources and maximize the output benefits of resource inputs.

4.2 We will continue to optimize the talent structure. Through expanding campus recruitment and building an inter-disciplinary talent pool, we will introduce and cultivate more young, versatile and professional talents with high quality. Meanwhile, the Company will improve the internal talent flow system, encourage employees to communicate and cooperate with different departments, fully tap the potential of talents, and enhance the professional competence and overall effectiveness of the organization, so as to provide strong talent support for the long-term development of the Company.

4.3 We will promote the in-depth application of AI tools. All departments will make full use of AI tools and regard them as the basic norm for daily work. The Company will regularly hold training workshops on the use of AI tools to help employees quickly master AI technology and enhance their professional capabilities. At the same time, we will establish an inter-departmental communication mechanism, promote the sharing and implementation of user experience of AI tools, and achieve the in-depth integration of AI technology with specific business scenarios. Through the popularization and standardized use of AI technology, we will drive the future development of the Company in a more digital and efficient way.

APPRECIATION

On behalf of the Board, I would like to extend my appreciation to all investors and customers for their trust and support in the development of the Company, and express my heartfelt gratitude to the Company's management team and each employee for their contributions and efforts in the previous year. The Company has already achieved breakthrough results in certain business lines while maintaining a prudent approach to operational and financial management. By effectively controlling costs, we have significantly improved our financial performance and substantially reduced losses. With ample cash reserves and high-quality assets, the Company's overall fundamentals remain robust. Looking ahead, we will consolidate our position in the domestic market while accelerating the adoption of AI applications and expanding our overseas footprint, driving the business back onto a path of sustained growth and profitability. The Company will always adhere to the principles of partnership, collective effort, and continuous innovation, creating long-term value for shareholders and striving to become the most trusted partner in the digitalization of the real estate value chain.

Gao Yu
Chairman
25 March 2025

明源雲

Become the Most Trustworthy Partner in the Digitalization of the Real Estate Value Chain

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenues	**1,434,818**	1,639,644
Cost of sales	**(332,099)**	(336,417)
Gross profit	**1,102,719**	1,303,227
Selling and marketing expenses	**(757,712)**	(921,689)
General and administrative expenses	**(244,033)**	(519,506)
Research and development expenses	**(482,050)**	(643,033)
Net impairment losses on financial assets and contract assets	**(44,849)**	(46,091)
Other income	**85,198**	66,250
Other losses, net	**(35,556)**	(2,378)
Operating loss	**(376,283)**	(763,220)
Finance income	**183,713**	182,592
Finance costs	**(4,418)**	(7,104)
Finance income, net	**179,295**	175,488
Share of losses of investments accounted for using the equity method	**(409)**	(1,691)
Loss before income tax	**(197,397)**	(589,423)
Income tax credit	**7,851**	2,380
Loss for the year	**(189,546)**	(587,043)
Loss attributable to:		
Owners of the Company	**(189,546)**	(585,634)
Non-controlling interests	**–**	(1,409)
	(189,546)	(587,043)

Revenues

During the Reporting Period, our total revenue was RMB1,434.8 million, representing a year-on-year decrease of 12.5% (same period in 2023: RMB1,639.6 million). The following table sets forth a breakdown of our revenue by business segment for the years indicated.

	Year ended 31 December		
	2024	2023	Change
	RMB	*RMB*	*%*
	(RMB in thousand, except percentage)		
Cloud Services	**1,195,093**	1,338,663	(10.7)
– CRM SaaS	**858,912**	945,904	(9.2)
– Construction Management SaaS	**124,161**	156,506	(20.7)
– Property Management & Operation SaaS	**99,751**	87,385	14.2
– Skyline PaaS Platform	**112,269**	148,868	(24.6)
On-premise Software and Services	**239,725**	300,981	(20.4)
Total	**1,434,818**	1,639,644	(12.5)

During the Reporting Period, the revenue from Cloud Services was RMB1,195.1 million, representing a year-on-year decrease of 10.7%, accounting for 83.3% of the total revenue (same period in 2023: 81.6%). The decrease in the revenue from Cloud Services was mainly due to the impact of the decline in the scale of new construction projects in the real estate industry, and the decline in demand for the Company's products from real estate developers as well as their budgets, which led to a decrease in the overall revenue from Cloud Services. In particular, the Company increased resources investment in the existing real estate management sector and realized growth in the revenue from Property Management & Operation SaaS. During the Reporting Period, the revenue from Property Management & Operation SaaS was RMB99.8 million, representing a year-on-year increase of 14.2%.

The revenue from On-premise Software and Services was RMB239.7 million, representing a year-on-year decrease of 20.4%. It was mainly affected by the residential market, residential property developers remained prudent about investments in new products and implementations in addition to retaining the necessary demands for product support services and special value-added services, which contributed to a decrease in revenue from On-premise Software and Services.

Gross Profit

During the Reporting Period, the Group's overall gross profit was RMB1,102.7 million, representing a year-on-year decrease of 15.4% (same period in 2023: RMB1,303.2 million). Gross profit from our Cloud Services was RMB1,032.1 million, representing a year-on-year decrease of 12.6% (same period in 2023: RMB1,181.1 million). The gross profit margin of Cloud Services decreased from 88.2% in 2023 to 86.4% in 2024, mainly due to the increase in the proportion of revenue derived from third-party external procurement within the Cloud Services segment. Gross profit from On-premise Software and Services was RMB70.6 million, representing a year-on-year decrease of 42.2% (same period in 2023: RMB122.1 million). The gross profit margin of On-premise Software and Services decreased from 40.6% in 2023 to 29.4% in 2024, mainly due to the impact of the industry, which resulted in a significant decrease in orders for On-premise Software and Services and the adjustment for related implementation and delivery personnel required a certain period of time.

Selling and Marketing Expenses

During the Reporting Period, our selling and marketing expenses were RMB757.7 million, representing a year-on-year decrease of 17.8% (same period in 2023: RMB921.7 million). Our selling and marketing expenses after excluding the share-based compensation were RMB736.6 million, representing a year-on-year decrease of 15.7% (same period in 2023: RMB874.3 million).

General and Administrative Expenses

During the Reporting Period, our general and administrative expenses were RMB244.0 million, representing a year-on-year decrease of 53.0% (same period in 2023: RMB519.5 million). Our general and administrative expenses after excluding the share-based compensation were RMB135.0 million, representing a year-on-year decrease of 19.2% (same period in 2023: RMB167.0 million).

Research and Development Expenses

During the Reporting Period, our research and development expenses were RMB482.1 million, representing a year-on-year decrease of 25.0% (same period in 2023: RMB643.0 million). Our research and development expenses after excluding the share-based compensation were RMB466.5 million, representing a year-on-year decrease of 25.4% (same period in 2023: RMB625.6 million).

Net Impairment Losses on Financial Assets and Contract Assets

During the Reporting Period, our net impairment losses were RMB44.8 million, representing a year-on-year decrease of 2.8% (same period in 2023: RMB46.1 million).

Other Income

During the Reporting Period, our other income was RMB85.2 million, representing a year-on-year increase of 28.6% (same period in 2023: RMB66.3 million).

Other Losses, Net

During the Reporting Period, our other losses, net amounted to RMB35.6 million, representing a year-on-year increase of 1,383.3% (other losses, net for the same period in 2023: RMB2.4 million), mainly due to exchange rate fluctuations, resulting in foreign exchange losses on the foreign currency assets held by the Company. During the Reporting Period, our foreign exchange losses amounted to RMB18.4 million (foreign exchange gains for the same period in 2023: RMB14.1 million).

Operating Loss

During the Reporting Period, our operating loss amounted to RMB376.3 million, representing a year-on-year decrease of 50.7% (operating loss for the same period in 2023: RMB763.2 million).

Finance Income

During the Reporting Period, our finance income amounted to RMB183.7 million, representing a year-on-year increase of 0.6% (same period in 2023: RMB182.6 million), primarily due to an increase in interest income from bank deposits.

Finance Costs

During the Reporting Period, our finance costs amounted to RMB4.4 million, representing a year-on-year decrease of 38.0% (same period in 2023: RMB7.1 million).

Loss Before Income Tax

As a result of the foregoing, we had a loss before income tax of RMB197.4 million for the year ended 31 December 2024, representing a year-on-year decrease of 66.5% (loss before income tax for the same period in 2023: RMB589.4 million).

Income Tax Credit

During the Reporting Period, our income tax credit amounted to RMB7.9 million, representing a year-on-year increase of 229.2% (income tax credit for the same period in 2023: RMB2.4 million).

Loss for the Year

As a result of the foregoing, during the Reporting Period, we recorded a loss for the year of approximately RMB189.5 million, representing a year-on-year decrease of 67.7% (loss for the same period in 2023: RMB587.0 million).

Non-IFRS Measures

To supplement our consolidated annual results that are presented in accordance with IFRS, we also use adjusted net loss as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items that our management does not consider indicative of our operating performance. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

Adjusted Net Loss

We define adjusted net loss as net loss for the year adjusted by adding back share-based compensation expenses.

The following table reconciles our adjusted net loss for the years presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is loss for the year.

	Year ended 31 December		
	2024	2023	Change
	RMB'000	*RMB'000*	*%*
Reconciliation of loss and adjusted net loss			
Loss for the year	**(189,546)**	(587,043)	(67.7)
Share-based compensation expenses	**145,582**	417,322	(65.1)
Adjusted net loss	**(43,964)**	(169,721)	(74.1)

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and capital resources

We have historically funded our cash requirements principally from cash generated from our business operations and shareholder equity contributions. To manage the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our senior management to finance our operations and mitigate the effects of fluctuations in cash flows.

Cash and Cash Equivalents and Term Deposits

As at 31 December 2024, cash and cash equivalents and term deposits of the Group recorded a total of approximately RMB4,042.4 million (31 December 2023: RMB4,392.0 million), and the Group did not have any banking facilities. Most of the cash and cash equivalents of the Group were denominated in RMB and USD. The term deposits of the Group were denominated in RMB and USD.

Current Ratio

As at 31 December 2024, net current assets of the Group were approximately RMB3,429.0 million (31 December 2023: RMB3,947.2 million). As at 31 December 2024, the current ratio of current assets to current liabilities was approximately 6.01, up from 5.96 as at 31 December 2023.

Capital management and gearing ratio

In order to maintain or adjust the capital structure, we may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. We monitor capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as liquid liabilities, which are lease liabilities, less cash and cash equivalents, restricted cash, term deposits and liquid investments which are investments in wealth management products included in financial assets at fair value through profit or loss. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debts. As at 31 December 2024 and 2023, the Group has a net cash position.

Capital commitments

As at 31 December 2024, we did not have any capital commitments with respect to assets under construction (31 December 2023: nil).

Contingent liabilities

As at 31 December 2024, we did not have any material contingent liabilities.

Foreign exchange risk management

The Company's functional currency is HK dollars, but some of its assets are denominated in US dollars and fluctuations in HK dollars against such currencies expose us to foreign exchange risk. During the Reporting Period, we did not adopt any long-term contracts, currency borrowings or other means to hedge our foreign currency exposure. However, management of our Group will monitor foreign exchange risks, and hedge the major foreign exchange risks when necessary.

Credit risk

For cash and cash equivalents and restricted cash, management of the Group manages the credit risk by placing deposits in state-owned financial institutions in the PRC or reputable banks and financial institutions having high-credit-quality in the PRC and Hong Kong.

For term deposits, management places the deposits in banks through a reputable financial institution with acceptable credit rating.

For trade receivables and contract assets, the Group has policies in place to ensure that sale of product and service are made to customers with an appropriate credit history. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group's management divides customers into different categories based on their financial position, the availability of guarantees from third parties, past experience and other factors, and reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. The debtors mainly provide buildings as collateral to the Group's trade receivables and contract assets. The credit periods granted to customers in different categories differ from 0 to 90 days.

For other receivables, the Group assesses the nature of the financial assets and the financial condition of the counterparties. Management has closely monitored the credit qualities and the collectability of these financial assets.

The carrying amounts of cash and cash equivalents, restricted cash, term deposits, trade and other receivables and contract assets represent the Group's maximum exposure to credit risk in relation to the assets.

Fund and working capital management

Our funds and liquidity management are centrally carried out by our finance department. Our finance department is generally responsible for overall management and implementation of funds, including formulating the capital management policy for our Group, guiding, coordinating and standardizing the fund management of regional companies, making annual funding plans, reviewing and summarizing annual capital budget, overseeing and assessing fund management of each regional company. We have also adopted sophisticated fund management policies and implemented a set of rules and guidelines on fund management to enhance the effectiveness and efficiency of fund management, thereby ensuring our financial security and reducing cost of capital.

To manage our idle cash on hand, we purchase and redeem wealth management products using them as our "cash pool" from which we could readily access cash as needed and generate higher yield than bank deposits. The underlying financial assets of the wealth management products in which we invested primarily consist of the low-risk wealth management products issued by financial institutions. The amount of the purchase will be determined based on our surplus funds. We consistently comply with our treasury policy during the procedures of purchasing the wealth management products and managing the relevant departments, as well as in conducting business, accounting and filing.

We are committed to safeguarding overall financial security and maintaining strong cash position and a healthy debt profile with strong repayment ability. By adopting a full, reasonable and professional assessment mechanism, preparing annual and monthly funding plans, we have established prudent fund management principle, which allows us to efficiently manage market risks.

For budget management, we have established a monthly, quarterly and annual budget management system, and then seek approval from our head of budget management committee. The capital budget plans should be made based on the Group's business plans, project schedules and contractual payment terms to ensure that the plan accurately matches the actual business needs.

Pledge of assets

As at 31 December 2024, we did not pledge any of our assets.

Material acquisitions, disposals and significant investments

As at 31 December 2024, we did not hold any significant investments.

The financial assets that we invested mainly include investments in wealth management products. The Board confirmed that the transactions in these financial assets on standalone and aggregate basis during the Reporting Period did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

During the year ended 31 December 2024, there were no material acquisitions, disposals of subsidiaries, associates and joint ventures.

Future plans for material investments and capital assets

During the year ended and as of 31 December 2024, the Group did not have plans for material investments and capital assets.

Subsequent Event

Since 31 December 2024 and up to the date of this annual report, there were no other significant events affecting the Group.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Gao Yu (高宇) ("Mr. Gao"), aged 55, was appointed as our Director on 3 July 2019, and re-designated as our executive Director on 12 June 2020. Mr. Gao was also appointed as the Chairman of our Board on 12 June 2020. Mr. Gao co-founded our Group in November 2003. He is responsible for the overall strategic planning and business direction of our Group and management of our Company.

Mr. Gao received a bachelor's degree in trade economy from Renmin University of China (中國人民大學) in July 1991.

Mr. Gao currently holds directorships in the following principal subsidiaries of our Group: Ming Yuan Cloud Technology, Ming Yuan Cloud Procurement, Ming Yuan Cloud Client and Ming Yuan Cloud Space.

Mr. Jiang Haiyang (姜海洋) ("Mr. Jiang"), aged 54, was appointed as our Director on 31 March 2020, and re-designated as our executive Director on 12 June 2020. Mr. Jiang was also appointed as our Chief Executive Officer on 12 June 2020. Mr. Jiang co-founded our Group in November 2003. He is responsible for the Board's work related to the operation and management of our Company.

Mr. Jiang received a bachelor's degree in management operating system from Tianjin University of Business (天津商學院) in July 1993.

Mr. Jiang currently holds directorships in the following principal subsidiaries of our Group: Ming Yuan Cloud Technology, Ming Yuan Cloud Procurement, Ming Yuan Cloud Space and Shenzhen Mingyuan Cloud Chain Internet Technology Limited.

Mr. Chen Xiaohui (陳曉暉) ("Mr. Chen"), aged 54, was appointed as our Director on 31 March 2020, and re-designated as our executive Director on 12 June 2020. Mr. Chen was also appointed as our Vice President on 12 June 2020. Mr. Chen co-founded our Group in November 2003. He is responsible for the Board's work related to the operation and management of our Company and overseeing the research and development of our Group's products.

Mr. Chen received a bachelor's degree in radio communication from Xi'an Jiaotong University (西安交通大學) in July 1992 and a master's degree in business administration from China Europe International Business School (中歐國際工商學院) in August 2014.

Mr. Chen currently holds directorships in the following principal subsidiaries of our Group: Ming Yuan Cloud Technology, Ming Yuan Cloud Procurement and Ming Yuan Cloud Space.

Non-executive Director

Mr. Liang Guozhi (梁國智) ("Mr. Liang"), aged 52, was appointed as our Director on 31 March 2020, and re-designated as our non-executive Director on 12 June 2020. Mr. Liang has acted as vice president in Shenzhen Dachen Caizhi Venture Capital Management Co., Ltd. (深圳市達晨財智創業投資管理有限公司) since November 2008. Mr. Liang has also served as a non-executive director in Guangdong Hybribio Biotech Co., Ltd. (廣東凱普生物科技股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300639), from November 2013 to September 2019. Since 14 November 2022, Mr. Liang has been serving as a non-executive director in Shenzhen H&T Intelligent Control Co., Ltd. (深圳和而泰智能控制股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002402).

Mr. Liang received a bachelor's degree in international finance and a master's degree in technical economy from School of Economics and Management, Tsinghua University (清華大學經濟管理學院) in July 1996 and June 1998, respectively.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. Li Hanhui (李漢輝) ("Mr. Li"), aged 48, was appointed as our independent non-executive Director on 4 September 2020. Mr. Li acted as marketing director in Guangdong Huanbohai Real Estate Development Co., Ltd. (廣東環渤海房地產開發有限公司) from July 2005 to February 2007; secretary of the board of directors, director and deputy general manager in Shenzhen Kete Technology Co., Ltd. (深圳市科特科技股份有限公司) from January 2008 to March 2015; secretary of the board of directors in AVIT Ltd. (深圳市佳創視訊技術股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300264), from July 2015 to September 2018; fund manager in Shenzhen Linfeng Investment Management Co., Ltd. (深圳麟烽投資管理有限公司) from October 2018 to July 2019; and managing director in Shenzhen Gentai Investment Management Co., Ltd. (深圳亙泰投資管理有限公司) from August 2019 to June 2021; and executive director and general manager in Gongqingcheng Tairan Private Fund Management Co., Ltd. (共青城泰然私募基金管理有限公司) since July 2021.

Mr. Li received a bachelor's degree in law from South China University of Technology (華南理工大學) through the completion of the administration program for Upgrade of Junior College Students to Undergraduate Students (專升本) in September 2004.

Mr. Li has been admitted as a member of the Institute of Public Accountants Australia since December 2015. Mr. Li also received the Certification of Fund Practice Qualification (基金從業資格證書) from the Asset Management Association of China (中國證券投資基金業協會) in November 2018.

Mr. Zhao Liang (趙亮) ("Mr. Zhao"), aged 52, was appointed as our independent non-executive Director on 4 September 2020. Mr. Zhao acted as deputy general manager and secretary of the board of directors in Shenzhen Changfang Group Co., Ltd. (深圳市長方集團股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300301), from December 2010 to November 2012; an executive deputy general manager in charge of compliance risk for legal affairs in Ping An Caizhi Investment Management Co., Ltd. (平安財智投資管理有限公司) from April 2013 to January 2016; a partner and lead counsel in Shenzhen Greenpine Capital Management Co., Ltd. (深圳市松禾資本管理有限公司) since February 2016.

From November 2015 to December 2021, Mr. Zhao held directorship in Shenzhen FRD Science & Technology Co., Ltd. (深圳市飛榮達科技股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 300602), as an independent non-executive director. Since 25 June 2019, Mr. Zhao has been serving as an independent non-executive director to Shenzhen King Brother Electronics Technology Co., Ltd. (深圳市金百澤電子科技股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 301041).

Mr. Zhao received a bachelor of arts degree in German language and literature from the Department of Western Languages of Peking University in July 1996; master of law degree in comparative legal theory from the Law School of Peking University in July 2000; and juris doctor in law degree from Humboldt University of Berlin in February 2004. Mr. Zhao has been recognized as a qualified PRC lawyer by the Chinese Ministry of Justice since 7 May 1999 and an arbitrator of the China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會) by the China International Economic and Trade Arbitration Commission since 1 May 2014. On 20 January 2022, Mr. Zhao was included on the Panel of Arbitrators of Shenzhen Court of International Arbitration for a period of three years from 21 February 2022 to 20 February 2025.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Wen Hongmei (溫紅梅) ("**Ms. Wen**"), aged 45, was appointed as our independent non-executive Director on 25 September 2024. Ms. Wen has been working at Amcor (China) Investment Co., Ltd. (安姆科(中國)投資有限公司), a packaging company which develops and produces soft packaging for foods, medicines and cosmetics since November 2012, where she served various roles including its financial manager from November 2012 to November 2018, and its financial director from December 2018 to August 2021. Currently, Ms. Wen serves as a director and a business financial director and director of financial shared service centre at Amcor (China) Investment Co., Ltd. which is an indirect subsidiary of Amcor PLC, a company incorporated under the laws of the Bailiwick of Jersey, the ordinary shares and CHESS Depositary Interests of which are listed on the New York Stock Exchange (NYSE symbol: AMCR) and the Australian Securities Exchange, respectively. Amcor PLC is a global leader in developing and producing responsible packaging solutions across a variety of materials for food, beverage, pharmaceutical, medical, home and personal-care, and other products. From March 2005 to November 2012, Ms. Wen served as a financial manager at Amcor Group Huizhou Propack Packaging Co., Ltd. (安姆科集團惠州寶柏包裝有限公司), a soft packaging company for food and daily necessities, and a wholly owned subsidiary of Amcor (China) Investment Co., Ltd. From July 2002 to July 2004, she served as an accounting teacher at Guangdong Province Huizhou Boluo Secondary Vocational School (廣東省惠州市博羅中等專業學校).

Ms. Wen received a bachelor's degree in accounting from Tianjin University of Commerce (天津商業大學) (formerly known as Tianjin College of Commerce (天津商學院)) in July 2002, in China; a master's degree in business administration from Wuhan University in July 2014, in China. She has been enrolled in the Chief Financial Officer Program at Columbia University, United States, since March 2024. She obtained the Certified Public Accountant (CPA), China in January 2010.

SENIOR MANAGEMENT

Mr. Gao Yu (高宇), aged 55, has been the Chairman of our Board since 12 June 2020. For further details, please refer to "Executive Directors" in this section.

Mr. Jiang Haiyang (姜海洋), aged 54, has been our Chief Executive Officer since 12 June 2020. For further details, please refer to "Executive Directors" in this section.

Mr. Chen Xiaohui (陳曉暉), aged 54, has been our Vice President since 12 June 2020. For further details, please refer to "Executive Directors" in this section.

Ms. Xiao Zhimiao, (肖志淼) ("Ms. Xiao") aged 43, has been appointed as our Chief Financial Officer since 14 November 2022. Ms. Xiao graduated from Shenzhen University with a bachelor's degree in Finance Management. She joined the Group in March 2005 and has been responsible for overseeing the financial and accounting matters of the Group and served successively as the Senior Finance Supervisor, Finance Manager and Director of Finance Department of the Group.

Mr. Yao Wu (姚武) ("Mr. Yao"), aged 53, is our Vice President and joined our Group in October 2006. Mr. Yao is the head of Ming Yuan's production and research system. He acted as vice president of sales and marketing in Ming Yuan Cloud Technology from October 2006 to September 2009, where he was responsible for its brand management, as well as its sales and marketing management. Mr. Yao founded Ming Yuan Real Estate Research Institute in September 2009 and had been the president of the institute in charge of property development management trainings, management consulting services and brand marketing from September 2009 to July 2014. From July 2014 to May 2021, he was the chairman of the board and the chief executive officer of Ming Yuan Cloud Client.

Mr. Yao received a bachelor's degree in engineering from Shenzhen University (深圳大學) in June 1993 and a master's degree in business administration from the China Europe International Business School in October 2011.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Tong Jilong (童繼龍) ("Mr. Tong"), aged 43, is our Vice President and Head of Strategic Development Centre and joined our Group in January 2010. Mr. Tong is responsible for the medium and long-term strategic planning as well as strategic investment, mergers and acquisitions, and post investment management work of the Group; digital technology enterprises ecological cooperation related to real estate ecological chain; international business development work of Ming Yuan Cloud. Prior to joining our Group, he worked as IT director in Zhejiang Baoxiniao Group (浙江報喜鳥集團) from April 2002 to July 2004; manager of the information management center in Zhejiang Red Dragonfly Group (浙江紅蜻蜓集團) from July 2004 to February 2007; chief consultant of the marketing center in Shenzhen Daoxun Technology Development Co., Ltd. (深圳道訊科技開發有限公司) from March 2007 to August 2008; and product director in the apparel industry of the small business division in Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司) (formerly known as Yonyou Software Co., Ltd. (用友軟件股份有限公司)), a company listed on the Shanghai Stock Exchange (Stock Code: 600588), from September 2008 to January 2010.

Mr. Tong obtained a diploma of Higher Education for Adults in Administration from Nanchang Normal University (南昌師範學院) (formerly known as Jiangxi Institute of Education (江西教育學院)) in January 2007, a postgraduate diploma in information strategy and business transformation from the University of Hong Kong in September 2013 and a master's degree in finance management (Finance EMBA) from The Chinese University of Hong Kong in September 2023.

PRINCIPAL ACTIVITIES

We specialize in providing enterprise-grade Cloud Services and On-premise Software for major participants in the real estate ecological chain, helping real estate development/operation/service companies to better achieve their business goals through digital upgrades. There were no significant changes in the nature of the Group's principal activities since the Listing Date and up to the date of this report. Please refer to note 35 to the consolidated financial statements on pages 203 to 206 for details of the principal activities of the principal subsidiaries of the Company.

RESULTS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated financial statements of the Group on pages 107 to 224 of this annual report.

DIVIDENDS

A special dividend of HK$0.1 (equivalent to approximately RMB0.091) per Share was approved by the Shareholders at the 2023 annual general meeting of the Company held on 10 May 2024, amounting to RMB167,522,000, and was paid on 5 July 2024.

The Board has recommended the declaration and payment of the Special Dividend of HK$0.1 (equivalent to RMB0.092) per Share out of the Share Premium Account, subject to the approval of the Shareholders at the Forthcoming Annual General Meeting. The payment of the Special Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

(a) the passing of an ordinary resolution by the Shareholders at the Forthcoming Annual General Meeting approving the declaration and payment of the Special Dividend out of the Share Premium Account pursuant to Articles 133 and 134 of the Company's articles of association;

(b) the Directors being satisfied that, immediately following the payment of the Special Dividend, the Company shall be able to pay its debts as they fall due in the ordinary course of business; and

(c) the Company having complied with all requirements under the laws of the Cayman Islands regarding the payment of the Special Dividend out of the Share Premium Account.

The conditions set out above cannot be waived. If the conditions set out above are not satisfied, the Special Dividend will not be paid. Subject to the fulfilment of the above conditions, it is expected that the Special Dividend will be paid in cash on or about Tuesday, 8 July 2025 to the qualifying Shareholders whose names appear on the register of members of the Company at close of business on Tuesday, 27 May 2025, being the record date for determination of entitlements of the qualifying Shareholders to the Special Dividend. Further details regarding the Special Dividend will be set forth in a circular (together with a notice of the Forthcoming Annual General Meeting) to be dispatched to the Shareholders and/or made electronically available on the respective websites of the Stock Exchange and the Company in due course.

As at the date of this annual report, a total of 12,316,000 Shares were held by the Company as treasury shares (whether held or deposited in the Central Clearing and Settlement System, or otherwise) and such treasury shares would not receive the Special Dividend.

The Board did not recommend the distribution of a final dividend for the year ended 31 December 2024.

ANNUAL GENERAL MEETING

The AGM will be held on Tuesday, 20 May 2025. A notice convening the said AGM will be published and provided to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Forthcoming Annual General Meeting, the register of members of the Company will be closed from Thursday, 15 May 2025 to Tuesday, 20 May 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Forthcoming Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 14 May 2025.

For determining the entitlement to the Special Dividend (subject to approval by the Shareholders at the Forthcoming Annual General Meeting), the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible for the above proposed Special Dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 26 May 2025.

SHARE CAPITAL

Details of the issued Shares during the year ended 31 December 2024 are set out in note 25 to the consolidated financial statements.

RESERVES

Details of the movements in reserves of the Group during the year ended 31 December 2024 are set out on page 186 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution for share premium, calculated in accordance with the provisions of Companies Act of the Cayman Islands, amounted to approximately RMB7,661.5 million. Please refer to note 26 to the consolidated financial statements for details.

FINANCIAL SUMMARY

The Shares were listed on the Stock Exchange on 25 September 2020. A summary of the results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from the audited financial information and financial statements, is set out on page 4 of this annual report.

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2024, the Company had no bank loans or other borrowings.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company during the year ended 31 December 2024 are set out in note 15 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

As at the Latest Practicable Date and based on the information available to the Company and to the knowledge of the Directors, the Company's public float complies with the requirements of Rule 8.08 of the Listing Rules.

DEBENTURES

No debentures were issued by the Group during the year ended 31 December 2024.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

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 NET PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on 25 September 2020. Our Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering (including the proceeds from the full exercise of over-allotment option) of approximately HK$6,910.3 million (collectively, the "**Net Proceeds**").

The table below illustrates, among others, (i) the utilization of the Net Proceeds during the Reporting Period and the unutilized amount of Net Proceeds as of 31 December 2024; and (ii) the change in use of proceeds (details as disclosed in the announcement of Company dated 15 August 2024), in each case, in accordance with paragraph 11(8) of Appendix D2 to the Listing Rules:

Item	Approximate % of total Net Proceeds as disclosed in the Prospectus	Net proceeds from the Global Offering *(HK$ million)*	Unutilized Net Proceeds as at 1 January 2024 *(HK$ million)*	Net Proceeds utilized during the year ended 31 December 2024 *(HK$ million)*	Utilized Net Proceeds as at 31 December 2024 *(HK$ million)*	Unutilized Net Proceeds as at 31 December 2024 *(HK$ million)*	Current expected timeline of full utilization of the unutilized Net Proceeds *(Note 1)*
Further upgrade and enhance the functionalities and features of our existing SaaS products *(Note 2)*							
(a) Hire and train more high-quality IT specialists, technology architects, software developers and examiners, as well as SaaS product managers	18.0%	1,243.86	305.39	305.39	1,243.86	–	Not applicable
(b) Purchase from qualified suppliers advanced equipment, infrastructure and applications	6.0%	414.62	179.21	179.21	414.62	–	Not applicable
(c) Invest in product development to introduce new SaaS products	6.0%	414.62	198.95	128.30	343.97	70.65	Before 31 December 2026
Enhance research and development efforts in cutting-edge technologies *(Note 2)*							
(a) Develop our proprietary key fundamental technologies that support product innovation	8.0%	552.82	356.57	78.46	274.71	278.11	Before 31 December 2030
(b) Develop our own technology infrastructure	12.0%	829.24	534.87	117.69	412.06	417.18	Before 31 December 2030

Item	Approximate % of total Net Proceeds as disclosed in the Prospectus	Net proceeds from the Global Offering *(HK$ million)*	Unutilized Net Proceeds as at 1 January 2024 *(HK$ million)*	Net Proceeds utilized during the year ended 31 December 2024 *(HK$ million)*	Utilized Net Proceeds as at 31 December 2024 *(HK$ million)*	Unutilized Net Proceeds as at 31 December 2024 *(HK$ million)*	Current expected timeline of full utilization of the unutilized Net Proceeds *(Note 1)*
Further upgrade and enhance the functionalities and features of our cloud-based ERP solutions							
(a) Enhance our existing product support and value-added service capabilities	6.0%	414.62	–	–	414.62	–	Not applicable
(b) Expand our existing ERP modules and functions to cover more internal business and operational processes of property developers	4.0%	276.41	–	–	276.41		Not applicable
Enhance our sales and marketing capabilities and strengthen our brand reputation							
(a) Expand, retain and train our direct sales force	3.0%	207.31	–	–	207.31	–	Not applicable
(b) Establish an interactive, knowledge-sharing platform with leading property developers	2.0%	138.21	–	–	138.21	–	Not applicable
(c) Enhance our branding and marketing activities to acquire new customers	3.0%	207.31	–	–	207.31	–	Not applicable
(d) Invest to strengthen and expand our regional channel partner network	2.0%	138.21	–	–	138.21	–	Not applicable
Selectively pursue strategic investments and acquisitions *(Note 2)*	20.0%	1,382.06	802.55	2.48	581.99	800.07	Before 31 December 2028
Working capital and general corporate purposes	10.0%	691.03	–	–	691.03	–	Not applicable
Total	100.0%	6,910.32	2,377.54	811.53	5,344.31	1,566.01	

Notes:

1. The aforesaid current expected timeline was devised based on the Company's estimation of its business needs as of the date of this annual report and is subject to change(s) so long as it is deemed to be in the best interests of the Company and to the extent permitted by applicable laws and regulations and the actual circumstances of the Company.

2. To the extent that any of such unutilized Net Proceeds are not immediately required for the allocated purpose, or if the Company is unable to put into effect any part of its plans as intended, the Company may temporarily use such funds to invest in short-term wealth management products so long as it is deemed to be in the best interests of the Company. In such event, the Company will comply with the appropriate disclosure requirements under the Listing Rules. Together with the income to be generated from the investment in wealth management products, the Company will continue to apply the unutilized Net Proceeds in the manner disclosed in the Prospectus. Please refer to the announcement of the Company dated 15 August 2024 for further details.

DIRECTORS' REPORT

BUSINESS REVIEW

Overview and Performance of the Year

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the sections headed "Management Discussion and Analysis" and "Chairman's Statement" of this annual report. These discussions form part of this report. Events affecting the Company that have occurred since the end of the Reporting Period is set out in the section headed "Management Discussion and Analysis – Subsequent Event" in this annual report.

Key Relationship with Stakeholders

The Group recognizes that various stakeholders including employees, customers, suppliers and other business associates are key to the Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationships with them.

The Group believes that it is vital to attract, recruit and retain quality employees. To maintain the quality, knowledge and skill levels of the Group's workforce, the Group provides the employees with periodic training, including introductory training for new employees, technical training, professional and management training and health and safety training. During the Reporting Period, The Group believes that it maintained a good relationship with its employees and the Group did not experience any significant labour disputes or any difficulty in recruiting staff for its operations.

We value customer feedback as superior customer service is one of our key sales engines. We have designated customer service teams to timely and effectively address various after-sales customer requests in a customized way and drive overall customer satisfaction. Our large and growing customer base has also provided us with valuable insights into industry best practices that has enabled us to better understand customer needs to continuously refine our offerings and improve customer experience.

Details of an account of the Company's key relationships with its employees, customers, suppliers and other business associates that have a significant impact on the Company are set out in the Environmental, Social and Governance Report of the Company published on the same day with this annual report.

Social Responsibilities, Environmental Policies and Performance

Since 2021, with a deep sense of giving back to the society, Ming Yuan Cloud has established its own public welfare brand, Yuan Public Welfare, focusing on key areas such as education inclusion and rural revitalisation. We went deep into poverty-stricken areas, conducted detailed research on the actual needs of local education, accurately matched resources, and strove to improve the children's learning environment in every public welfare activity. Meanwhile, we explored sustainable public welfare feedback models, and drove a virtuous circle of love transmission with a sense of responsibility. This year, Ming Yuan Cloud won the second 21st Century Vitality • ESG Social Responsibility Cases Award for its practical achievements of "building a diverse future together, stimulating the potential of talents, and fulfilling public welfare missions".

In 2024, Yuan Public Welfare, with a more determined pace, actively advocated deep concern for the education and growth of children in mountainous areas and left behind in rural areas, and was committed to bringing children in these corners into a broader vision of education. We joined hands with the Foshan Friends Camp Children & Teenagers Education Foundation to launch a public welfare activity aimed at lighting up the light of rural education. In this programme, Ming Yuan Cloud donated RMB100,000 to cover about 8,000 students, and carried out on-site teaching, material donations, volunteer visits, etc. to support the development of rural education in all aspects from hardware facilities to teaching quality.

Compliance with Relevant Laws and Regulations

The Group has complied with the requirements under the Companies Ordinance, the Listing Rules, the SFO and the CG Code for, among other things, the disclosure of information and corporate governance. The Group has adopted the Model Code. For further details, please refer to the section headed "Compliance with the Corporate Governance Code" in this section. The Group has also complied with other relevant laws and regulations that have a significant impact on the operations of the Group. Please refer to the section headed "Regulations" in the Prospectus for details.

Key Risks and Uncertainties

There are certain key risks and uncertainties involved in our operations, some of which are beyond our control. Set out below are the material risks and uncertainties that we face:

- our ability to improve and enhance the functions, performance, reliability, design, security, and scalability of our software solutions to suit our customers' evolving needs;
- our ability to maintain and grow our customer base;
- our financial position;
- our ability to continue innovating and keep pace with technological developments;
- our ability to maintain stable relationships with our regional channel partners; and
- security breaches and attacks against our systems and network.

The above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

PROSPECTS

A description of the future development in the Company's future business is provided in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

DIRECTORS

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

Executive Directors

Mr. Gao Yu *(Chairman)*
Mr. Jiang Haiyang *(Chief Executive Officer)*
Mr. Chen Xiaohui *(Vice President)*

Non-executive Director

Mr. Liang Guozhi

Independent Non-executive Directors

Mr. Li Hanhui
Mr. Zhao Liang
Ms. Tong Naqiong *(resigned with effect from 25 September 2024)*
Ms. Wen Hongmei *(appointed with effect from 25 September 2024)*

In accordance with Article 83(2) of the Articles of Association, subject to the provisions of the Articles of Association and the Companies Act (As Revised) of the Cayman Islands, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board or as an addition to the existing Board.

In accordance with Article 83(3) of the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with Article 84(1) of the Articles of Association, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at the AGM at least once every three years.

Accordingly, Mr. Gao Yu, Mr. Liang Guozhi, Mr. Li Hanhui and Ms. Wen Hongmei shall retire from office by rotation and be eligible to offer themselves for re-election at the AGM.

Details of the Directors to be re-elected at the forthcoming AGM are set out in the circular to Shareholders that will be made electronically available for review on the respective websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 30 to 36 of this report. Save as disclosed in this report and as at the Latest Practicable Date, there are no other changes to the Directors' information as required to be disclosed pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from 25 September 2023, which may be terminated by not less than three months' notice in writing served by either party. Each of our non-executive Director and our independent non-executive Directors has entered into an appointment letter with the Company for a term of three years commencing from 25 September 2024, which may be terminated by not less than one month's notice in writing served by either party.

None of the Directors proposed for re-election at the AGM has an unexpired service contract or appointment letter which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As far as the Company is aware, as at 31 December 2024, the interests and/or short positions (if applicable) of our Directors and the chief executive of our Company in the Shares, underlying Shares or debentures of our Company or any of the associated corporations of our Company (within the meaning of Part XV of the SFO), which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to our Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long/Short Positions in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding[(4)]
Mr. Gao[(1)]	Settlor of a trust	376,423,600 (L)	19.36% (L)
Mr. Chen[(2)]	Settlor of a trust	303,644,800 (L)	15.62% (L)
		41,500,000 (S)	2.13% (S)
Mr. Jiang[(3)]	Settlor of a trust	187,826,600 (L)	9.66% (L)
		26,000,000 (S)	1.34% (S)

(L) represents long position, (S) represents short position

Notes:

(1) As at 31 December 2024, GHTongRui Investment Limited directly held 376,423,600 Shares in our Company. GHTongRui Investment Limited is 99% held by MYTongRui Holdings Limited, which is in turn wholly-owned by TMF (Cayman) Ltd., the trustee of the family trust established by Mr. Gao (as the settlor) with him and his family members being the beneficiaries. Accordingly, Mr. Gao is deemed to be interested in the total number of Shares held by GHTongRui Investment Limited.

(2) As at 31 December 2024, HengXinYuan Investment Limited and SunshineSmoor Holdings Limited directly held 299,644,800 Shares and 4,000,000 Shares in our Company, respectively. HengXinYuan Investment Limited and SunshineSmoor Holdings Limited is 99% and wholly held by SunshineMorning Holdings Limited, respectively, which is in turn wholly-owned by TMF (Cayman) Ltd., the trustee of the family trust established by Mr. Chen (as the settlor) with him and his family members being the beneficiaries. Accordingly, Mr. Chen is deemed to be interested in the total number of Shares held by HengXinYuan Investment Limited and SunshineSmoor Holdings Limited.

(3) As at 31 December 2024, LINGFAN Investment Limited directly held 187,826,600 Shares in our Company. LINGFAN Investment Limited is 99% held by Mindfree Holdings Limited, which is in turn wholly-owned by TMF (Cayman) Ltd., the trustee of the family trust established by Mr. Jiang (as the settlor) with him and his family members being the beneficiaries. Accordingly, Mr. Jiang is deemed to be interested in the total number of Shares held by LINGFAN Investment Limited.

(4) As at 31 December 2024, there were 1,943,885,020 Shares in issue (including treasury shares).

Interests in Associated Corporations

Name of Director	Name of associated corporation	Amount of registered capital held	Approximate percentage of interests
Mr. Gao	Ming Yuan Cloud Procurement	RMB4,000,000.05	45.00%
Mr. Chen	Ming Yuan Cloud Procurement	RMB3,022,222.26	34.00%
Mr. Jiang	Ming Yuan Cloud Procurement	RMB1,866,666.69	21.00%

Save as disclosed above and to the best knowledge of our Directors, none of the Directors or chief executive of our Company had or was deemed to have any interest or short positions in the Shares, underlying Shares or debentures of our Company or any of its associated corporations as at 31 December 2024.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, the persons (other than our Directors or the chief executive of our Company) who had interests or short positions in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO are as follows:

Long Position in the Shares

Name of Shareholder	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding(5)
GHTongRui Investment Limited(1)	Beneficial interest	376,423,600 (L)	19.36% (L)
MYTongRui Holdings Limited(1)	Interest in controlled corporation	376,423,600 (L)	19.36% (L)
HengXinYuan Investment Limited(2)	Beneficial interest	299,644,800 (L) 41,500,000 (S)	15.41% (L) 2.13% (S)
SunshineMorning Holdings Limited(2)	Interest in controlled corporation	303,644,800 (L) 41,500,000 (S)	15.62% (L) 2.13% (S)
LINGFAN Investment Limited(3)	Beneficial interest	187,826,600 (L) 26,000,000 (S)	9.66% (L) 1.34% (S)
Mindfree Holdings Limited(3)	Interest in controlled corporation	187,826,600 (L) 26,000,000 (S)	9.66% (L) 1.34% (S)
TMF (Cayman) Ltd.(1)(2)(3)(4)	Trustee of 3 trusts	867,895,000 (L) 67,500,000 (S)	44.65% (L) 3.47% (S)
TMF Trust (HK) Limited (5)	Trustee	184,072,931 (L)	9.47% (L)

(L) represents long position, (S) represents short position

Notes:

(1) GHTongRui Investment Limited is 99% held by MYTongRui Holdings Limited, which is in turn wholly-owned by TMF (Cayman) Ltd., the trustee of the family trust established by Mr. Gao (as the settlor) with him and his family members being the beneficiaries. Accordingly, MYTongRui Holdings Limited is deemed to be interested in the total number of Shares held by GHTongRui Investment Limited.

(2) HengXinYuan Investment Limited is 99% held by SunshineMorning Holdings Limited, which is in turn wholly-owned by TMF (Cayman) Ltd., the trustee of the family trust established by Mr. Chen (as the settlor) with him and his family members being the beneficiaries.

SunshineSmoor Holdings Limited beneficially holds 4,000,000 of our issued Shares and is wholly held by SunshineMorning Holdings Limited.

Accordingly, SunshineMorning Holdings Limited is deemed to be interested in the total number of Shares held by HengXinYuan Investment Limited and SunshineSmoor Holdings Limited.

(3) LINGFAN Investment Limited is 99% held by Mindfree Holdings Limited, which is in turn wholly-owned by TMF (Cayman) Ltd., the trustee of the family trust established by Mr. Jiang (as the settlor) with him and his family members being the beneficiaries. Accordingly, Mindfree Holdings Limited is deemed to be interested in the total number of Shares held by LINGFAN Investment Limited.

(4) TMF (Cayman) Ltd. is deemed to be interested in the total number of Shares held by each of GHTongRui Investment Limited, HengXinYuan Investment Limited, LINGFAN Investment Limited and SunshineSmoor Holdings Limited as noted above.

(5) TMF Trust (HK) Limited is deemed to be interested in the total number of Shares held by MYC Marvellous Limited and JIABAOSZ Investment Limited. JIABAOSZ Investment Limited beneficially holds 82,180,000 of our issued Shares and is 99% held by JINBAOSZ Holdings Limited, which is in turn wholly-owned by TMF Trust (HK) Limited, the trustee of the family trust established by Mr. Yao Wu (as the settlor) with him and his family members being the beneficiaries. MYC Marvellous Limited is a special purpose vehicle wholly-owned by TMF Trust (HK) Limited, the trustee appointed by the Company for the administration of the Share Award Scheme approved and adopted by the Board on 11 June 2021.

(6) As at 31 December 2024, there were 1,943,885,020 Shares in issue (including treasury shares).

Save as disclosed above and to the best knowledge of our Directors, as at 31 December 2024, we were not aware of any other person (other than the Directors or the chief executive of our Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred therein.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended 31 December 2024 was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouse or children under the age of 18 had any right to subscribe for the share capital or debt securities of the Company or any other body corporate or had exercised any such right.

DEED OF NON-COMPETITION

In order to ensure that direct competition does not develop between us and the activities of our controlling shareholders, Mr. Gao, Mr. Chen and Mr. Jiang entered into a deed of non-competition in favor of our Company on 4 September 2020, pursuant to which each of Mr. Gao, Mr. Chen and Mr. Jiang has undertaken to our Company (for itself and for the benefit of its subsidiaries and Consolidated Affiliated Entity) that he would not, and he would use his best endeavors to procure that his associates (except any members of our Group) shall not, whether directly or indirectly (including through any body corporate, partnership, joint venture or other contractual arrangement) or as principal or agent, and whether on their own account or with each other or in conjunction with or on behalf of any person, firm or company or through any entities (except in or through any member of our Group), carry on, engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business which is in competition, directly or indirectly, with the business of any member of our Group.

The Company has received confirmations from Mr. Gao, Mr. Chen and Mr. Jiang confirming their compliance with the deed of non-competition for the year ended 31 December 2024 for disclosure in this report. The independent non-executive Directors have also reviewed the compliance of Mr. Gao, Mr. Chen and Mr. Jiang with the deed of non-competition for the year ended 31 December 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report, each of the Directors confirms that as at 31 December 2024, he/she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules. From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader information technology and software industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these Directors may hold directorships from time to time.

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

Among the related party transactions disclosed in note 33 to the consolidated financial statements, the following transactions constitute connected transaction, or continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and are required to be disclosed in this report in accordance with Rule 14A.71 of the Listing Rules. The Company confirmed that the related party transactions fall under the definition of "connected transaction" or "continuing connected transaction" (as the case may be) in Chapter 14A of the Listing Rules, and it had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. Please see below the information required to be disclosed in compliance with Chapter 14A of the Listing Rules.

Contractual Arrangements

Reasons for using the Contractual Arrangements

The operation of a procurement and supply chain management platform by Ming Yuan Cloud Procurement, our Consolidated Affiliated Entity, involves the provision of procurement information for property developers and suppliers for fees (the "**Relevant Business**"), which is subject to restrictions under PRC regulations relating to value-added telecommunication services.

In order to comply with PRC laws and regulations and the Listing Rules, we determined that it was not viable for our Company to hold our Consolidated Affiliated Entity directly through equity ownership. Instead, we decided that, in line with common practice in industries subject to foreign investment restrictions in the PRC, we would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by our Consolidated Affiliated Entity through the Contractual Arrangements between Ming Yuan Cloud Technology, on one hand, and our Consolidated Affiliated Entity and the Relevant Shareholders, on the other hand.

On 9 September 2021, Ming Yuan Cloud Technology, Ming Yuan Cloud Procurement and Mr. Gao, Mr. Jiang and Mr. Chen as the Relevant Shareholders entered into the series of contractual arrangements (the "**New Contractual Arrangements**"), which are on the same terms and conditions as the series of contractual arrangements dated 16 December 2019 (the "Previous Contractual Arrangements", together with the New Contractual Arrangements, the "**Contractual Arrangements**"), mainly due to the consequential changes to the shareholders and shareholding structure of Ming Yuan Cloud Procurement following the completion of the repurchase of registered capital of RMB2,222,222 by Ming Yuan Cloud Procurement and reduction of registered capital from RMB11,111,111 to RMB8,888,889 by Ming Yuan Cloud Procurement. The Previous Contractual Arrangements were terminated concurrently.

Summary of the Material Terms of the Contractual Arrangements

A description of each of the specific agreements that comprise the Contractual Arrangements entered into by Ming Yuan Cloud Technology and Ming Yuan Cloud Procurement is set out below.

Exclusive Business Cooperation Agreement

Under the exclusive business cooperation agreement entered into between Ming Yuan Cloud Technology and Ming Yuan Cloud Procurement (the "**Exclusive Business Cooperation Agreement**"), in exchange for an annual service fee, Ming Yuan Cloud Procurement agreed to engage Ming Yuan Cloud Technology as its exclusive provider of technical support, consultation and other services, including the following services:

- the use of any relevant software legally owned by Ming Yuan Cloud Technology;
- the use of any intellectual property rights of Ming Yuan Cloud Technology;
- development, maintenance and update of the software in respect of Ming Yuan Cloud Procurement's business;
- design, installation, daily management, maintenance and update of computer network systems, hardware and database design;
- providing technical support and professional training services for relevant employees of Ming Yuan Cloud Procurement;
- providing assistance in consultation, collection and research of relevant technology and market information (excluding market research business that Sino-foreign joint venture companies are prohibited from conducting under PRC laws);
- providing business management consultation;
- providing business strategic development and planning consultation;
- providing business finance consultation and management services;
- provide business operation related information consultation;
- providing marketing and promotional services;
- providing customer order management and customer services;

- transfer, leasing and disposal of equipment or properties; and
- other relevant services requested by Ming Yuan Cloud Procurement from time to time to the extent permitted under PRC laws.

Under the Exclusive Business Cooperation Agreement, the service fees shall be determined with reference to the total consolidated profit of Ming Yuan Cloud Procurement before tax, after the deduction of any accumulated deficit of Ming Yuan Cloud Procurement in respect of the preceding financial year(s) (if any), operating costs, expenses, taxes and other statutory contributions in respect of any financial year. Notwithstanding the foregoing, Ming Yuan Cloud Technology may adjust the scope and amount of service fees according to PRC tax law and tax practices, with reference to the operational capital needs of Ming Yuan Cloud Procurement, and Ming Yuan Cloud Procurement will accept such adjustments. Ming Yuan Cloud Technology shall have sole discretion to decide on the scope of service and amount of service fee.

Exclusive Option Agreement

Under the exclusive option agreement among Ming Yuan Cloud Technology, the Relevant Shareholders, Ming Yuan Cloud Procurement and Ming Yuan Cloud Tai Qi (the "**Exclusive Option Agreement**"), the Relevant Shareholders and/or Ming Yuan Cloud Procurement agreed to grant Ming Yuan Cloud Technology an irrevocable and exclusive right to require, without additional conditions, each of the Relevant Shareholders to transfer any or all their equity interests in Ming Yuan Cloud Procurement, and/or Ming Yuan Cloud Procurement to transfer any or all of the assets it held, to Ming Yuan Cloud Technology and/or a third party designated by it, at any time and from time to time, for a nominal price or at the lowest purchase price that is permitted by the PRC laws. The Relevant Shareholders and Ming Yuan Cloud Procurement agreed to accept the grant of such exclusive right.

Equity Pledge Agreement

Under the equity pledge agreement entered into between Ming Yuan Cloud Technology, the Relevant Shareholders and Ming Yuan Cloud Procurement (the "**Equity Pledge Agreement**"), the Relevant Shareholders agreed to pledge all their respective equity interests in Ming Yuan Cloud Procurement that they own, including any interest or dividend paid for the shares, to Ming Yuan Cloud Technology as first charge to guarantee the performance of contractual obligations and the payment of guaranteed debts as defined in the Equity Pledge Agreement.

Powers of Attorney

The Relevant Shareholders have executed Powers of Attorney. Under the Powers of Attorney, the Relevant Shareholders irrevocably appointed Ming Yuan Cloud Technology, its successors and any of its liquidators (if any), or any of its designated person(s) (including Directors and their successors and liquidators replacing the Directors), as their attorneys-in-fact to exercise on their behalf, certain powers concerning Ming Yuan Cloud Procurement and to exercise its rights as the registered shareholder of Consolidated Affiliated Entity.

Confirmations from the Relevant Shareholders

Each of the Relevant Shareholders, namely, Mr. Gao, Mr. Chen and Mr. Jiang has confirmed to the effect that (i) his spouse does not own and does not have the right to claim any interests in the equity interest of Ming Yuan Cloud Procurement (together with any other interests therein) or exert influence on the day-to-day management by Ming Yuan Cloud Procurement; and (ii) in the event of his death, incapacity, bankruptcy (if applicable), divorce or any other event which causes his inability to exercise his rights as a shareholder of Ming Yuan Cloud Procurement, he will take actions deemed necessary by Ming Yuan Cloud Technology to safeguard the performance of the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Equity Pledge Agreement and the Powers of Attorney, and his successors, guardians, managers, liquidators, creditors, spouse or any other person that has a claim on his equity interest in Ming Yuan Cloud Procurement or related rights will not, under any circumstance and in any way, take any action, when such action may affect or hinder the respective Relevant Shareholder and/or Ming Yuan Cloud Procurement in performing their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Equity Pledge Agreement and the Powers of Attorney.

Spouse undertakings

The spouse of each of the Relevant Shareholders, where applicable, has signed undertakings to the effect that (i) the respective Relevant Shareholder's interests in Ming Yuan Cloud Procurement (together with any other interests therein) do not fall within the scope of communal properties; and (ii) she has no right to such interests of the respective Relevant Shareholder and will not have any claim on such interests.

For details of the major terms of the Contractual Arrangements, please refer to the sub-section headed "Contractual Arrangements – Summary of material terms of the Contractual Arrangements" in the Prospectus and the announcement of the Company dated 10 September 2021.

Save as disclosed in this annual report, during the year ended 31 December 2024, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and none of the Contractual Arrangements has been unwound as the restrictions that led to the adoption of Contractual Arrangements has not been completely removed.

Restrictions under the FITE Regulations

On 11 December 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) ("**FITE Regulations**"), which were amended on 10 September 2008, 6 February 2016 and 29 March 2022 respectively. According to the FITE Regulations and the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》, with effect from 1 November 2024), foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services, including internet content provision services (e-commerce, domestic multi-party communications, store-and-forward and call center business are excluded). The FITE Regulations, as amended on 29 March 2022 and formally implemented on 1 May 2022, removes the qualification requirements for foreign investors of foreign-invested telecommunications enterprises engaged in investment and operation of value-added telecommunications business, but the operation of value-added telecommunications business is still subject to the restrictions on foreign shareholding percentage over foreign investors.

On 8 April 2024, the MIIT issued the Circular of the Ministry of Industry and Information Technology on Launching the Pilot Program of Expanding the Opening-Up of Value-added Telecommunications Services (《工業和信息化部關於開展增值電信業務擴大對外開放試點工作的通告》). On 26 November 2024, the Shenzhen Industrial and Information Technology Bureau (深圳市工業和信息化局) and the Shenzhen Municipal Communications Administration Bureau (深圳市通信管理局) issued the Circular of Launching the Application of Foreign-funded Enterprises for the Pilot Program of Expanding the Opening-Up of Value-added Telecommunications Services (《關於啓動增值電信業務擴大對外開放試點外資企業申報工作的通告》), launching the application for the pilot program of expanding the opening-up of value-added telecommunications services in Shenzhen. The Circular clarifies that wholly foreign-owned enterprises can apply to operate value-added telecommunications services such as information release platforms and delivery services (excluding Internet news information, online publishing, online audio-visual, and Internet cultural operations) in Shenzhen, and puts forward principled requirements for enterprises applying for relevant value-added telecommunications business licenses, such as "having funds and professionals commensurate with conducting business activities, having the reputation or ability to provide long-term services to users, and having necessary venues, facilities and technical solutions." Given that it is still at the pilot stage to allow foreign-funded enterprises to engage in relevant value-added telecommunications services, while the removal of the VIE structure of the Company will involve the application for change or re-application of ICP certificate to the competent authorities, the commencement of the relevant application for change or re-application of ICP certificate may affect the continuity and compliance of the Company's business operation in the event that the specific implementation steps or guidance for the change of ICP certificate are not yet clarified. Therefore, the Company intends to wait for the competent authorities to provide more specific implementation steps or guidance before removing the relevant VIE structure by changing Ming Yuan Cloud Procurement to a wholly-owned subsidiary directly held by the Group, or by other wholly-owned subsidiaries directly held by the Group completing the application for ICP certificates for foreign-funded enterprises and taking over the business of Ming Yuan Cloud Procurement.

Particulars of the Consolidated Affiliated Entity

Our Consolidated Affiliated Entity, namely, Ming Yuan Cloud Procurement, is a limited liability company established in Shenzhen, the PRC on 22 April 2014, which is principally engaged in operation of a procurement and supply chain management platform, Procurement Cloud (雲採購), which involves the provision of procurement information for property developers, construction materials suppliers and other service vendors.

As at 31 December 2024, the equity interest of Ming Yuan Cloud Procurement was held as to 45% by Mr. Gao, 34% by Mr. Chen and 21% by Mr. Jiang.

For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", the Consolidated Affiliated Entity will be treated as our Company's subsidiary, and the directors, chief executives or substantial shareholders (as defined in the Listing Rules) of the Consolidated Affiliated Entity and their respective associates will be treated as our Company's "connected persons". As such, transactions between these connected persons and our Group (including for this purpose the Consolidated Affiliated Entity) other than those under the Contractual Arrangements shall comply with Chapter 14A of the Listing Rules.

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company.

Revenue and Assets subject to the Contractual Arrangements

For the year ended 31 December 2024, the revenue of Ming Yuan Cloud Procurement, subject to the Contractual Arrangements, was RMB187.45 million, accounting for approximately 13.06% of the consolidated revenue of the Group.

As at 31 December 2024, the total assets of Ming Yuan Cloud Procurement, subject to the Contractual Arrangements, was RMB175.32 million, accounting for approximately 3.22% of the total assets of the Group.

Review of the Transactions Carried Out under the Contractual Arrangements during the Reporting Period

Our independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that: (i) the transactions carried out during the year ended 31 December 2024 have been entered into in accordance with the relevant provisions of the Contractual Arrangements, have been operated so that the revenue generated by the Consolidated Affiliated Entity has been substantially retained by Ming Yuan Cloud Technology, (ii) no dividends or other distributions have been made by the Consolidated Affiliated Entity to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group; and (iii) any new contracts entered into, renewed or reproduced between our Group and the Consolidated Affiliated Entity during the year ended 31 December 2024 are on normal commercial terms or on terms more favourable to our Group in the ordinary and usual course of our Group's business, fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of our Company and the Shareholders as a whole.

The Board had reviewed the overall performance of and compliance with the Contractual Arrangements for the year ended 31 December 2024.

The Group's auditor 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 have provided a letter to our Directors stating that (a) nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors; (b) nothing has come to our attention that causes us to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (c) with respect of the disclosed continuing connected transactions with Ming Yuan Cloud Procurement under the contractual arrangements, nothing has come to our attention that causes us to believe that dividends or other distributions have been made by Ming Yuan Cloud Procurement to the holders of the equity interests of Ming Yuan Cloud Procurement which are not otherwise subsequently assigned or transferred to the Group.

Risks associated with the Contractual Arrangements and Actions taken by the Company to Mitigate the Risks

We believe the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 63 to 68 in the Prospectus and in the announcement of the Company dated 10 September 2021.

- If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, and provided that we are eventually not able to comply with such regulations or interpretations effective at the relevant time, we could be subject to severe consequences, including the nullification of the contractual arrangements and the relinquishment of our interest in our Consolidated Affiliated Entity.

- Our Contractual Arrangements may not be as effective in providing operational control as direct ownership. Our Consolidated Affiliated Entity or their shareholders may fail to perform their obligations under our Contractual Arrangements.

- The shareholders of our Consolidated Affiliated Entity may have conflicts of interest with us, which may materially and adversely affect our business.

- If we exercise the option to acquire equity ownership and assets of our Consolidated Affiliated Entity, the ownership or asset transfer may subject us to certain limitations and substantial costs.

- We may lose the ability to use and enjoy assets held by our Consolidated Affiliated Entity that are material to our business operations if our Consolidated Affiliated Entity 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 how it 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 a finding that we owe additional taxes could substantially reduce our combined profit and the value of our Shareholders' investment.

Our Group has adopted measures to ensure the effective operation of our Group's businesses with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements, including:

- 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;

- our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

- our Company will disclose the overall performance and compliance with the Contractual Arrangements in our annual reports; and

- our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of Ming Yuan Cloud Technology and our Consolidated Affiliated Entity to deal with specific issues or matters arising from the Contractual Arrangements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, no Director or an entity connected with a Director was materially interested, either directly or indirectly, in any transaction, arrangement or contract which is significant in relation to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party subsisting for the year ended 31 December 2024 or as at 31 December 2024.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, no contract of significance was entered into between the Company, or one of its subsidiary companies and its controlling shareholders or any of their subsidiaries (as applicable) or for the provision services to the listed issuer or any of its subsidiaries by its controlling shareholders or any of their subsidiaries for the year ended 31 December 2024.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended 31 December 2024 and up to the date of this report between the Company and a person other than a Director or any person engaged in the full-time employment of the Company.

DIRECTORS' PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Company shall indemnify out of the assets of the Company, any Director against all losses or liabilities incurred or sustained by him as a Director of the Company in defending any proceeding, whether civil or criminal, in which judgment is given in his/her favor, or in which he is acquitted. The Company has arranged appropriate directors' liability insurance coverage for the Directors during the year ended 31 December 2024.

STAFF, REMUNERATION POLICY AND DIRECTORS' REMUNERATION

As at 31 December 2024, we had 1,912 employees (as at 31 December 2023: 2,577 employees). For the year ended 31 December 2024, the Group's total staff costs amounted to approximately RMB1,098,058,000, including salaries, wages, bonuses, pension costs, other social security costs, housing benefits and other employee benefits and share-based compensation. The Group continued to optimize the incentive-based system in line with business development needs and implemented remuneration policies with competitiveness.

The Directors receive compensation in the form of fees, salaries, bonuses, other allowances, benefits in kind, contribution to the pension scheme and other share-based compensation. We determine the compensation of our Directors based on each Director's responsibilities, qualification, position and seniority.

The emolument of executive Directors, non-executive Directors, independent non-executive Directors and senior management of the Group were recommended by the Remuneration Committee and approved by the Board. Details of the Directors' remuneration during the Reporting Period are set out in note 10(c) to the consolidated financial statements. No amount was paid to any Director or any of the five highest paid individual disclosed in note 10(b) 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 SCHEMES

The Company has adopted three share schemes, namely, (1) the Share Incentive Plan, (2) the Share Award Scheme and (3) the Share Option Scheme (together, the "**Share Schemes**"). Each of the Share Incentive Plan and the Share Award Scheme is funded by (i) new Shares to be issued and/or (ii) Shares previously issued to, and held on trust by, MYC Marvellous for the purpose of funding future grant of awards. For the purpose of Chapter 17 of the Listing Rules, the Shares held by MYC Marvellous for such incentivization purpose are to be treated as new Shares.

At the beginning of the Reporting Period, the total number of options, awards and/or RSUs available for grant under the Share Incentive Plan, the Share Award Scheme and the Share Option Scheme were 13,719,580, 36,461,453 and 55,357,499, respectively.

On 10 May 2024 (the "**Amendment Date**"), the terms of the Share Schemes were amended (by way of Shareholders' approval) to fully comply with Chapter 17 of the Listing Rules. For further details of the amendments of the Share Schemes that took effect from the Amendment Date, please refer to the circular of the Company dated 17 April 2024 and the poll results announcement of the Company dated 10 May 2024. On 15 August 2024, the Share Schemes were further amended by the Board with respect to certain administrative aspects.

With effect from the Amendment Date and after the adoption of the Scheme Limit and the Service Provider Sublimit, an aggregate of 196,709,502 underlying Shares shall be available for future grants under all Share Schemes, and 9,835,475 Shares will be available for future grants under Service Provider Sublimit under all Share Schemes. The total number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Reporting Period was 1.45%.

Between 1 January 2024 and 31 December 2024, the Company has granted a total of 26,661,788 award shares. Consequently, the number of options and awards available for grant under the Scheme Limit and the Service Provider Sublimit at the end of the Reporting Period were 194,826,980 and 9,835,475, respectively. As at the date of this report, the total number of Shares available for issue under all the Share Schemes was 194,826,980, representing approximately 10.09% of the issued Shares (excluding any treasury shares held by the Company) as of the date of this report.

Further details regarding each of the Share Schemes are set out below.

SHARE INCENTIVE PLAN

Purpose

The purposes of the Share Incentive Plan are to (i) align the interests of eligible persons ("**Eligible Persons**") with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

Participants

The Eligible Persons who may be selected to become a participant of the Share Incentive Plan are any individual, or a corporate entity (as the case may be), being any of, for the purpose of Chapter 17 of the Listing Rules, (i) an employee participant; (ii) a related entity; and (iii) a service provider, who the Board or the Board delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group or any related entity thereof; however, no individual who is resident in a place where the grant, acceptance or vesting of a RSU pursuant to the Share Incentive Plan is not permitted under the laws and regulations of such place or where, in the view of the Board or the Board delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Incentive Plan and such individual shall therefore be excluded from the term Eligible Person. For further details of the aforementioned scope of Eligible Persons, please refer to the circular of the Company dated 17 April 2024.

Individual Limit

Where any grant of RSUs, awards and other options to a grantee would result in the Shares issued and to be issued in respect of all awards granted to such grantee under the Share Incentive Plan (excluding RSUs and options lapsed in accordance with relevant schemes), in the 12-month period up to and including the grant date of such new grant exceeding 1% in aggregate of the issued share capital of the Company as at the date of the grant date of such new grant (the "**Individual Limit**"), such grant must be separately approved by Shareholders in general meeting with such grantee and his close associates (or associates if the grantee is a connected person of the Company) abstain from voting.

Granting RSUs to a Director, Chief Executive, Substantial Shareholder

Each RSU, award and option granted to a Director, chief executive or substantial shareholder of the Company or any of their respective associates shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive director who is a proposed grantee of such options). In addition, subject always to the Individual Limit, where any grant of RSUs or awards to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all RSUs granted to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue on the grant date, such grant must be approved by the Shareholders in general meeting with the grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour. Further, subject always to the Individual Limit, where any grant of RSUs or any other options pursuant to any other concurrent share schemes to an independent non-executive director or substantial shareholder of the Company or any of their respective associates would result in the number of Shares issued and to be issued upon the exercise of all RSUs granted (excluding RSUs lapsed in accordance with the terms of the Share Incentive Plan) to such person in the 12-month period up to and include the grant date representing in aggregate over 0.1% of the Shares in issue on the Grant Date, such grant shall also be approved by the Shareholders in general meeting with the grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour.

Grant of RSU

A grant letter shall specify the grant date, the period within which it must be accepted, the number of RSU Shares underlying the RSU, the vesting criteria and conditions, the purchase price (if any) for the RSU Shares (including the method of payment and the period(s) within which any such purchase price must be made), the vesting date, any performance targets which shall be achieved before the RSUs can be vested, and any details as the Board or the Board delegate(s) may consider necessary in respect of which an offer of RSUs is made. The Board or the Board delegate(s) may determine the amount payable (if any) on an application or acceptance of an RSU.

Purchase Price

As of the Amendment Date, and subject to future adjustments, no purchase price is to be paid by the grantees of the RSU Shares.

The Board or the Board delegate(s) may determine in its absolute discretion the purchase price of the RSU Shares, taking into account (including but not limited to) the prevailing closing price of the Shares, the purpose of the Share Incentive Plan and the characteristics and profile of the selected participant.

The basis of determining such purchase price of the RSU Shares aligns with the purposes of the Share Incentive Plan as the Eligible Persons will receive an RSU Share at no cost, which is much more competitive than purchasing the Shares in the market, thus incentivizing them to contribute further to the Group's development. Further, the Board noted that it is a common practice for listed companies in Hong Kong to grant restricted share units or award shares to their directors, critical personnel and employees at nil consideration.

Vesting of RSUs

The Board or the Board delegate(s) may determine such vesting criteria and conditions or periods for the RSU to be vested hereunder, provided however that the vesting period in respect of any RSU shall not be less than 12 months from the grant date, except that with respect to a selected participant who is an Employee Participant, a shorter vesting period may be permitted in circumstances set out below:

(1) grants as "make whole" RSUs to a new employee participant upon joining the Group to replace the share awards such selected participant forfeited when leaving his/her previous employer;

(2) grants to an employee participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(3) grants of RSUs which are subject to the fulfilment of performance targets as determined in the conditions of his/her grant;

(4) grants of RSUs the timing of which is set due to administrative and/or compliance reasons unrelated to the performance of the employee participant, in which case the vesting date may be adjusted to take account of the time from which the RSU would have been granted if not for such administrative and/or compliance reasons;

(5) grants of RSUs with a mixed vesting schedule such that the RSUs may vest evenly over a period of 12 months; or

(6) grants of RSUs with a total vesting and holding period of more than 12 months, such as where the RSUs may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date.

Remaining life

Subject to earlier termination by the Board, the Share Incentive Plan shall be valid and effective for a period of 10 years since its adoption date. As at 31 December 2024, the remaining life of the Share Incentive Plan is approximately 5 years and 2 months.

RSUs granted during the Reporting Period

During the Reporting Period, no RSU was granted under the Share Incentive Scheme.

Further details of movement of awards of the Group under the Share Incentive Plan and the Share Award Scheme, in each case during the year ended 31 December 2024 have been set out in pages 69 to 70 of this annual report.

SHARE AWARD SCHEME

Purpose

The purposes of the Share Award Scheme are to (i) align the interests of Eligible Persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

Participants

The Eligible Persons who may be selected to become a participant of the Share Award Scheme are any individual, or a corporate entity (as the case may be), being any of, for the purpose of Chapter 17 of the Listing Rules, (i) an employee participant; (ii) a related entity; and (iii) a service provider, who the Board or the Board delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group or any related entity thereof; however, no individual who is resident in a place where the grant, acceptance or vesting of an award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Board delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme and such individual shall therefore be excluded from the term Eligible Person. For further details of the aforementioned scope of Eligible Persons, please refer to the circular of the Company dated 17 April 2024.

Individual Limit

Where any grant of RSUs, awards and other options to a grantee would result in the Shares issued and to be issued in respect of all awards granted to such grantee under the Share Incentive Plan (excluding RSUs and options lapsed in accordance with relevant schemes), in the 12-month period up to and including the grant date of such new grant exceeding 1% in aggregate of the issued share capital of the Company as at the date of the grant date of such new grant, such grant must be separately approved by Shareholders in general meeting with such grantee and his close associates (or associates if the grantee is a connected person of the Company) abstain from voting.

Granting Award Shares to a Director, Chief Executive, Substantial Shareholder

Each award, RSU and option granted to a Director, chief executive or substantial shareholder of the Company or any of their respective associates shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive director who is a proposed grantee of such options). In addition, subject always to the Individual Limit, where any grant of awards or RSUs to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all awards granted to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue on the grant date, such grant must be approved by the Shareholders in general meeting with the grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour. Further, subject always to the Individual Limit, where any grant of awards or any other options pursuant to any other concurrent share schemes to an independent non-executive director or substantial shareholder of the Company or any of their respective associates would result in the number of Shares issued and to be issued upon the exercise of all awards granted (excluding awards lapsed in accordance with the terms of the Share Award Scheme) to such person in the 12-month period up to and include the grant date representing in aggregate over 0.1% of the Shares in issue on the grant date, such grant shall also be approved by the Shareholders in general meeting with the grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour.

Grant of Award Share

A grant letter shall specify the grant date, the period within which it must be accepted, the number of award Shares underlying the award, the vesting criteria and conditions, the purchase price (if any) for the award Shares (including the method of payment and the period(s) within which any such purchase price must be made), the vesting date, any performance targets which shall be achieved before the award shares can be vested, and any details as the Board or the Board delegate(s) may consider necessary in respect of which an offer of award shares is made. The Board or the Board delegate(s) may determine the amount payable (if any) on an application or acceptance of an award share.

Purchase Price

As of the Amendment Date, and subject to future adjustments, no purchase price is to be paid by the grantees of the award shares

The Board or the Board delegate(s) may determine in its absolute discretion the purchase price of the RSU Shares, taking into account (including but not limited to) the prevailing closing price of the Shares, the purpose of the Share Incentive Plan and the characteristics and profile of the selected participant.

The basis of determining such purchase price of the award shares aligns with the purposes of the Share Award Scheme as the Eligible Persons will receive an award share at no cost, which is much more competitive than purchasing the Shares in the market, thus incentivizing them to contribute further to the Group's development. Further, the Board noted that it is a common practice for listed companies in Hong Kong to grant restricted share units or award shares to their directors, critical personnel and employees at nil consideration.

Vesting of Award Shares

The Board or the Board delegate(s) may determine such vesting criteria and conditions or periods for the award shares to be vested hereunder, provided however that the vesting period in respect of any award share shall not be less than 12 months from the grant date, except that with respect to a selected participant who is an employee participant, a shorter vesting period may be permitted in circumstances set out below:

(1) grants as "make whole" award shares to a new employee participant upon joining the Group to replace the share awards such selected participant forfeited when leaving his/her previous employer;

(2) grants to an employee participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(3) grants of award shares which are subject to the fulfilment of performance targets as determined in the conditions of his/her grant;

(4) grants of award shares the timing of which is set due to administrative and/or compliance reasons unrelated to the performance of the employee participant, in which case the vesting date may be adjusted to take account of the time from which the award shares would have been granted if not for such administrative and/or compliance reasons;

(5) grants of award shares with a mixed vesting schedule such that the award shares may vest evenly over a period of 12 months; or

(6) grants of award shares with a total vesting and holding period of more than 12 months, such as where the RSUs may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date.

Remaining life

Subject to earlier termination by the Board, the Share Award Scheme shall be valid and effective for a period of 10 years since its adoption date. As at 31 December 2024, the remaining life of the Share Award Scheme is approximately 6 years and 5 months.

Award Shares granted during the Reporting Period

During the Reporting Period, an aggregate of 26,661,788 award shares were granted pursuant to the Share Award Scheme.

Details of movement in awards under the Share Incentive Plan and the Share Award Scheme during the Reporting Period pursuant to Rule 17.07 of the Listing Rules

Set forth below are the details of movement in awards under the Share Incentive Plan and the Share Award Scheme during the Reporting Period pursuant to Rule 17.07 of the Listing Rules.

	Number of Shares underlying awards								
Date of award	Unvested awards as at 1 January 2024	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed/ forfeited during the Reporting Period	Cancelled during the Reporting Period	Unvested awards as at 31 December 2024	Vesting Period	Weighted average closing price of the Shares immediately before the dates on which the awards were vested (HK$)	Performance target(s), if any
Employee Participants*									
10 April 2020 *(Note 6)*	4,960,000	–	2,380,000	260,000	–	2,320,000	25 September 2022 to 25 September 2025	2.05	N/A
1 July 2021 *(Note 6)*	22,614,294	–	9,133,199	3,048,136	–	10,432,959	1 July 2023 to 1 July 2026	2.03	See Note 1
29 October 2021 *(Note 6)*	1,030,212	–	199,467	623,631	–	207,114	29 October 2023 to 29 October 2026	2.61	See Note 1
11 January 2022 *(Note 6)*	4,598,613	–	1,379,579	1,602,492	–	1,616,542	11 January 2024 to 11 January 2027	2.49	See Note 1
30 May 2022 *(Note 6)*	2,608,943	–	2,463,107	145,836	–	–	30 May 2024 to 30 May 2027	2.49	See Note 2
14 November 2022 *(Note 6)*	598,627	–	542,720	55,907	–	–	14 November 2024	2.89	See Note 2
14 November 2022 *(Note 6)*	4,903,018	–	2,262,233	716,456	–	1,924,329	1 July 2023 to 1 July 2026	2.03	See Note 2
17 January 2023	29,283	–	–	–	–	29,283	17 January 2025	–	See Note 2
28 April 2023	4,756,370	–	–	769,175	–	3,987,195	28 April 2025	–	See Note 2
7 July 2023	7,233,939	–	–	800,757	–	6,433,182	7 July 2025	–	See Note 2
15 November 2023	1,742,618	–	–	628,903	–	1,113,715	15 November 2025	–	See Note 2
15 November 2023	418,796	–	156,161	262,635	–	–	15 November 2023 to 15 November 2025	2.75	See Note 3
29 April 2024 *(Notes 4 and 8)*	–	24,779,266	–	1,229,442	–	23,549,824	29 April 2026	–	See Note 2
15 November 2024 *(Notes 4 and 8)*	–	1,882,522	–	102,599	–	1,779,923	15 November 2026	–	See Note 2

Notes:

1 These awards are subject to the following performance targets: 1) grantees not graded "C" or worse for his/her personal evaluations for the year preceding the vesting date; 2) grantees not failing to meet prescribed performance targets for the year preceding the vesting date; and 3) grantees passing his/her corresponding rank certification.

2 These awards are subject to the following performance targets: 1) grantees not graded "C" or worse in terms of his/her performance assessment (if applicable) for each of the preceding two years; 2) grantees achieving the prescribed performance targets for each of the preceding two years (if applicable); and 3) grantees passing his/her corresponding rank certification (if applicable) for each of the preceding two years.

3 Certain awards granted to selected employee participant(s) recognized for their past contribution to the Group are not subject to any performance targets. Other awards are subject to the following performance targets: 1) grantees not graded "C" or worse in terms of his/her personal evaluations for the preceding one or two year(s) (as the case may be); 2) grantees achieving the prescribed performance targets for the preceding one or two year(s) (as the case may be) (if applicable); and 3) grantees passing his/her corresponding rank certification for the preceding one or two year(s) (as the case may be).

4 The following grants were made under the Share Award Scheme during the Reporting Period:

Date of grant	Number of award shares granted	Closing price of Shares immediately before date of grant (HK$)	Fair value of awards at the date of grant per Share (HK$)
Employee Participants*			
29 April 2024 *(Note 8)*	24,779,266	2.39	2.39
15 November 2024 *(Note 8)*	1,882,522	2.75	2.75

5 These grants were made without any exercise period, exercise price nor purchase price attached thereto.

6 These grants were made prior to the amendment to Chapter 17 of the Listing Rules taking effect.

7 None of the grantees under the Share Incentive Plan and the Share Award Scheme is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares.

8 Details of the valuation of the share awards of the Company during the Reporting Period, including the accounting standard and policy adopted for the share schemes, are set out in note 27 to the consolidated financial statements.

* Employee Participants include employees of any member of the Group

SHARE OPTION SCHEME

Purpose

The purposes of the Share Option Scheme are to (i) align the interests of Eligible Persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

Participants

The Eligible Persons who may be selected to become a participant of the Share Option Scheme are any individual, or a corporate entity (as the case may be), being any of, for the purpose of Chapter 17 of the Listing Rules, (i) an employee participant; (ii) a related entity; and (iii) a service provider, who the Board or the Board delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group or any related entity thereof; however, no individual who is resident in a place where the grant, acceptance or vesting of an option pursuant to the Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Board delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Option Scheme and such individual shall therefore be excluded from the term Eligible Person. For further details of the aforementioned scope of Eligible Persons, please refer to the circular of the Company dated 17 April 2024.

Individual Limit

Where any grant of Options and other awards to a grantee would result in the Shares issued and to be issued in respect of all Options, awards and RSUs granted or to be granted to such grantee under the Share Option Scheme and other share schemes of the Company (excluding options and such other awards lapsed in accordance with relevant schemes), in the 12-month period up to and including the grant date of such new grant exceeding 1% in aggregate of the issued share capital of the Company as at the date of the grant letter of such new grant, such grant must be separately approved by Shareholders in general meeting with such grantee and his close associates (or associates if the grantee is a connected person of the Company) abstain from voting.

Granting options to a Director, Chief Executive, Substantial Shareholder

Each option, award, and RSU granted to a Director, chief executive or substantial shareholder of the Company or any of their respective associates shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive director who is a proposed grantee of such options). In addition, subject always to the Individual Limit, where any grant of options, any other awards or RSUs pursuant to the Share Option Scheme or any other concurrent share schemes to a substantial shareholder or an independent non-executive Director or any of their respective associates which would result in the Shares in issue and to be issued to such grantee under the Share Option Scheme and any other schemes in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue on the grant date, such grant must be approved by the independent Shareholders in general meeting with the grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour.

Grant of options

A grant letter shall specify the grant date, the period within which it must be accepted, the number of Shares underlying the options to be granted, the vesting criteria and conditions, the exercise price for the relevant options (including the method of payment and the period(s) within which any such purchase price must be made), the vesting date, any performance targets which shall be achieved before the options can be vested, and any details as the Board or the Board delegate(s) may consider necessary in respect of which an offer of options is made.

An amount of RMB1.00 is payable by the grantee to the Company upon acceptance of the offer of options.

Exercise Price

Any option granted may be exercised during a period specified by the Board or the Board delegate(s) in the Grant Letter and shall not expire later than ten years from the Grant Date (the "**Exercise Period**"). The amount payable for each Share to be subscribed for under an option (the "**Exercise Price**") shall be determined by the Board or the Board delegate(s) with reference to Rule 17.03E of the Listing Rules and notified to grantees, but shall be the highest of:

(a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Grant Date of the relevant options, which must be a business day;

(b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five (5) business days immediately preceding the Grant Date of the relevant options; and

(c) the nominal value per Share on the Grant Date.

Vesting of options

Unless otherwise determined by the Board or the Board delegate(s), the options granted under the Share Option Scheme shall vest 25% per year within four (4) anniversary years, and the vesting period shall commence on the grant date and shall last for no less than twelve (12) months, except that any options granted to a selected participant who is an employee participant may be subject to a shorter vesting period, which may be permitted in circumstances set out below:

(1) grants as "make whole" award shares to a new employee participant upon joining the Group to replace the share awards such selected participant forfeited when leaving his/her previous employer;

(2) grants to an employee participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(3) grants of options which are subject to the fulfilment of performance targets as determined in the conditions of his/her grant;

(4) grants of options the timing of which is set due to administrative and/or compliance reasons unrelated to the performance of the employee participant, in which case the vesting date may be adjusted to take account of the time from which the options would have been granted if not for such administrative and/or compliance reasons;

(5) grants of options with a mixed vesting schedule such that the award shares may vest evenly over a period of 12 months; or

(6) grants of options with a total vesting and holding period of more than 12 months, such as where the options may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date.

Remaining life

Subject to earlier termination by the Board, the Share option Scheme shall be valid and effective for a period of 10 years since its adoption date. As at 31 December 2024, the of the Share option Scheme is approximately 6 years and 5 months.

Options granted during the Reporting Period

During the Reporting Period, no options were granted pursuant to the Share Option Scheme.

Details of movement in awards under the Share Option Scheme during the Reporting Period pursuant to Rule 17.07 of the Listing Rules

Date of grant	Outstanding as at 1 January 2024	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Weighted average closing price of the Shares immediately before the dates on which the options were exercised *HK$*	Lapsed/ forfeited during the Reporting Period	Cancelled during the Reporting Period	As at 31 December 2024	Exercise price *HK$*	Exercise period/ Performance targets
Employee Participants										
17 January 2023	41,000,000	–	–	–	–	6,300,000	–	34,700,000	8.196	See Note 1
Total:	41,000,000	–	–	–	–	6,300,000	–	34,700,000		

Notes:

1 The aforesaid options shall automatically lapse upon the expiry of the tenth anniversary of the grant date. Provided that a grantee remains as an eligible participant under the Share Option Scheme and employed with the Group at the time of vesting of the options, the vesting of each tranche shall be subject to fulfilment of performance targets, including (i) not having been graded "C" or worse for his or her personal evaluations in accordance with the performance management policies of the Group; or (ii) not having received any assessment which, by nature, indicates a failure to meet prescribed performance targets or standards, in each case, for each financial year ending 31 December preceding the aforesaid vesting dates.

2 These options are to be vested: 1) 25% on 17 January 2025; 2) 25% on 17 January 2026; 3) 25% on 17 January 2027; and 4) 25% on 17 January 2028.

3 Since the adoption of the Share Option Scheme, the only options ever granted were those granted on 17 January 2023 to eligible employee participants of the Group; and no options had been made to (i) any Director, chief executive, substantial shareholder or their respective associates; or (ii) related entity participant or service provider. In addition, there is no participant with options and awards granted and to be granted in excess of the 1% individual limit.

4 The closing price of the Shares immediately before the date of grant of the aforesaid Options was HK$7.73. For the fair value per share of the aforesaid options as at the date of grant, please refer to note 27 to the consolidated financial statements.

5 None of the grantees under the Share Option Scheme is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares.

EQUITY-LINKED AGREEMENT

Save as disclosed in the section headed "Share Schemes" above, there was no equity-linked agreement entered into by the Company during the year ended 31 December 2024.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2024, the respective percentage of purchases attributable to the Group's largest supplier and five largest suppliers in aggregate was 8.03% and 22.76% and the respective percentage of the total sales attributable to the Group's largest customer and five largest customers in aggregate was 2.62% and 9.22%, respectively.

None of our Directors or any of their close associates or any Shareholder (which to the best knowledge of our Directors owned more than 5% of the Company's issued share capital) had any interest in any of our five largest suppliers or customers during the year ended 31 December 2024.

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

During the year ended 31 December 2024, the Company has repurchased a total of 34,466,000 Shares (the "**Share Repurchased**"), out of which a total of 12,316,000 Shares were held as treasury shares as of 31 December 2024, on the Stock Exchange at an aggregate consideration of approximately HK$66.54 million before expenses. Subject to compliance with the Listing Rules, the Company may consider applying such treasury shares for resale, consideration of future acquisitions, or funding existing share schemes of the Company. The Company cancelled a total of 8,311,000 Shares on 6 June 2024 and a total of 14,899,000 Shares on 6 December 2024, respectively. As at 31 December 2024, no Shares Repurchased (excluding treasury shares) remained outstanding and had not been cancelled. Subsequent to the Reporting Period, the Company has repurchased a total of 1,466,000 Shares on the market at the aggregate consideration of approximately HK$3.49 million including expenses in January 2025. Details of the Shares Repurchased by the Company during the Reporting Period are as follows:

		Purchase price paid per Share		
Month of repurchase in 2024	**Total number of Shares Repurchased**	**Highest**	**Lowest**	**Aggregate consideration paid**
		HK$	*HK$*	*HK$*
January	2,020,000	2.15	2.05	4,219,048.81
February	4,351,000	2.15	1.92	8,916,048.93
March	880,000	2.50	2.37	2,136,942.69
July	7,233,000	2.14	1.98	14,921,000.87
August	9,508,000	1.95	1.74	17,653,918.32
September	10,474,000	1.95	1.64	18,692,099.68
Total	34,466,000			66,539,059.30

The Directors were of the view that the Share Repurchases would reflect the Board and the management team's confidence in the Company's business development prospects. Therefore, the Directors believed that the Share Repurchases were in the best interests of the Company and the Shareholders as a whole.

Save as disclosed above and except for the on-market purchase by MYC Marvellous of 1,110,000 Shares on the Stock Exchange for the sole purpose of satisfying the awards granted under the Share Award Scheme upon vesting thereof, neither the Company nor any of its subsidiaries or the Consolidated Affiliated Entity had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2024, the Group made a charitable contribution of approximately RMB0.04 million.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. During the year ended 31 December 2024, the Board is of the opinion that the Company has complied with all the code provisions set out in the CG Code.

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 90 to 94 of this report.

AUDITOR

At the extraordinary general meeting held on 23 December 2024, the Shareholders considered and approved the ordinary resolutions proposing the change of auditors of the Company and decided to appoint Ernst & Young as the Company's auditor for 2024 in accordance with International Accounting Standards for the period until the conclusion of the next annual general meeting. For details, please refer to the circular dated 3 December 2024. The consolidated financial statements have been audited by the Company's auditor, Ernst & Young, which is the Company's auditor for 2024 in accordance with International Accounting Standards. Save as disclosed above, there was no other change of auditors of the Company in the preceding three years.

By order of the Board of Directors
Ming Yuan Cloud Group Holdings Limited

Mr. Gao Yu
Chairman

Shenzhen, the PRC, 25 March 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate our business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the CG Code contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

Corporate governance measures have been considered by the Board to avoid actual or potential conflict of interests between the Group and the controlling shareholders, including: (i) where a Shareholders' meeting is held pursuant to the Listing Rules to consider proposed transactions or arrangements in which the controlling shareholders or any of their associates have a material interest, the controlling shareholder(s) shall abstain from voting and their votes shall not be counted; (ii) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and the controlling shareholders and provide impartial and professional advice to protect the interests of the minority Shareholders; (iii) the controlling shareholders will use their best endeavours to provide all information necessary as required by the independent non-executive Directors for the purpose of their annual review; and (iv) the Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules.

In the opinion of the Directors, during the year ended 31 December 2024, the Company has complied with all the code provisions as set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions since the Listing Date. Having made specific enquiry with the Directors, all of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code during the year ended 31 December 2024.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company as at 31 December 2024.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and makes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing such responsibilities.

Board Composition

The Board currently comprises seven Directors, consisting of three executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors
Mr. Gao Yu *(Chairman)*
Mr. Jiang Haiyang *(Chief Executive Officer)*
Mr. Chen Xiaohui *(Vice President)*

Non-executive Director
Mr. Liang Guozhi

Independent Non-executive Directors
Mr. Li Hanhui
Mr. Zhao Liang
Ms. Tong Naqiong *(resigned with effect from 25 September 2024)*
Ms. Wen Hongmei*(Note)* *(appointed with effect from 25 September 2024)*

Note: Ms. Wen Hongmei has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 25 September 2024 and she confirmed that she understood the requirements under the Listing Rules that are applicable to her as a director of a listed issuer, her obligations as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

The biographical information of the Directors is set out in the section headed "Directors and Senior Management – Directors" on pages 30 to 36 of this report.

Save as disclosed in this annual report, to the best knowledge of the Board, there has been no other financial, business, family, or other material/relevant relationships among members of the Board.

In terms of gender diversity, while there has already been one female Director on the Board as at 31 December 2024, the Company and the Nomination Committee recognise the importance and benefits of gender diversity at the Board level and are committed to continue to identify female candidates and ensure at least one member of the Board shall be female.

As at 31 December 2024, our workforce (including the senior management) consisted of 1,239 male employees and 673 female employees, representing approximately 64.80% and 35.20% of the total workforce, respectively. The Company will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time with the ultimate goal of achieving gender parity.

Board Meetings and General Meetings

Code provision C.5.1 of the CG Code stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals involving active participation, either in person or through electronic means of communication, of a majority of directors.

Code provision C.2.7 of the CG Code requires the chairman should at least annually hold meetings with independent non-executive Directors without the presence of other directors.

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of no less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

The Board met six times during the year ended 31 December 2024 for purposes including but not limited to reviewing and approving the audited annual results of the Group for the year ended 31 December 2023, the unaudited interim results of the Group for the six months ended 30 June 2024 and its publication, and considering the payment of an interim and a final dividend, approving grants of share options and share awards pursuant to relevant share schemes, change of Directors, and change of auditors.

For other Board meetings and Board committee meetings, reasonable notice is generally given. The agenda and accompanying Board papers are dispatched to the Directors or Board committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings shall be kept by the joint company secretaries of the Company with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by the Directors.

During the year ended 31 December 2024, the Company has held the annual general meeting on 10 May 2024. All proposed Shareholders' resolutions put to the above general meetings were duly passed by way of poll. Please refer to the announcement of the Company dated 10 May 2024 for details. An extraordinary general meeting of the Company was held on 23 December 2024. The proposed Shareholders' resolution put to the above general meetings was duly passed by way of poll. Please refer to the announcement of the Company dated 23 December 2024 for details.

The attendance records of each Director at the Board meetings and general meeting(s) of the Company for the year ended 31 December 2024 are set out below:

Name of Director	Attendance/ Number of Board Meetings	Attendance/ Number of Annual General Meeting	Attendance/ Number of Extraordinary General Meeting
Mr. Gao Yu	6/6	1/1	1/1
Mr. Jiang Haiyang	6/6	1/1	1/1
Mr. Chen Xiaohui	6/6	1/1	1/1
Mr. Liang Guozhi	6/6	1/1	1/1
Mr. Li Hanhui	6/6	1/1	1/1
Mr. Zhao Liang	6/6	1/1	1/1
Ms. Wen Hongmei *(appointed with effect from 25 September 2024)*	2/6	N/A	1/1
Ms. Tong Naqiong *(resigned with effect from 25 September 2024)*	4/6	1/1	N/A

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer of the Company are held by Mr. Gao Yu and Mr. Jiang Haiyang, respectively, who are both co-founders of the Group. The Chairman provides overall strategic planning and business direction of the Group and management of the Company. The Chief Executive Officer focuses on the Board's work related to the operation and management of the Company. Their respective responsibilities are clearly defined and set out in writing.

Independent Non-executive Directors

During the year ended 31 December 2024 and up to the date of this report, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors a written annual confirmation of independence for the year ended 31 December 2024 pursuant to Rule 3.13 of the Listing Rules and the Nomination Committee has conducted an annual review on the same and considers each of the independent non-executive Directors to be independent and meet the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 25 September 2023, which may be terminated by not less than three months' notice in writing served by either party. Each of the non-executive Director and independent non-executive Directors has entered into an appointment letter with the Company for a term of three years commencing from 25 September 2024, which may be terminated by not less than one month's notice in writing served by either party. The appointments of Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

Under the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or if their number is not 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 shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. The Articles of Association also provides that any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's 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 sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and 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. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decisions on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal action taken against them arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Continuous Professional Development of Directors

The Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of a Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by regular meetings with senior management of the Group to understand the Group's businesses, governance policies and regulatory environment.

The Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2024, the Directors are continually provided with information relating to the developments in the legal and regulatory regime and the business and market environments to facilitate the execution of their responsibilities. Continuing briefings and professional development for the Directors were arranged by the Company and its professional advisers. According to the records kept by the Company, during the year ended 31 December 2024, each of the Directors, namely Mr. Gao Yu, Mr. Jiang Haiyang, Mr. Chen Xiaohui, Mr. Liang Guozhi, Mr. Li Hanhui, Mr. Zhao Liang, Ms. Tong Naqiong and Ms. Wen Hogmei attend trainings that are relevant to the Director's professional knowledge and skills and in performing their duties and responsibilities as Directors.

The training records of the Directors during the year ended 31 December 2024 are summarized as follows:

Directors	Participated in continuous professional development Note
Executive Directors	
Mr. Gao Yu	✓
Mr. Jiang Haiyang	✓
Mr. Chen Xiaohui	✓
Non-executive Director	
Mr. Liang Guozhi	✓
Independent Non-executive Directors	
Mr. Li Hanhui	✓
Mr. Zhao Liang	✓
Ms. Wen Hongmei *(appointed with effect from 25 September 2024)*	✓
Ms. Tong Naqiong *(resigned with effect from 25 September 2024)*	✓

Note: Attended training/seminar/conference arranged by the Company or other external parties or read relevant materials

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. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authorities and duties, and are provided with sufficient resources to discharge their duties. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

The list of the chairman and members of each Board committee is set out under the section headed "Corporate Information" on page 2 of this annual report.

Audit Committee

The Audit Committee consists of three members, including three independent non-executive Directors, namely Ms. Wen (appointed with effect from 25 September 2024, prior to that, the position was held by Ms. Tong), Mr. Li and Mr. Zhao. Ms. Wen, being the chairperson (as the successor of Ms. Tong) of the Audit Committee, holds the appropriate professional qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal controls system of the Group, review effectiveness of the internal audit function, assist the Board in reviewing the scope of audit, appointment, re-appointment and removal of external auditors, review and approve connected transactions and to advise the Board. The Company's internal audit department is in charge of independent review of the adequacy and effectiveness of internal controls and reporting to the Audit Committee on any issues identified.

During the year ended 31 December 2024, the Audit Committee held three meetings to review the half-year and annual results of the Company; to review financial reporting system and the effectiveness of the risk management and internal control systems of the Group; discussing with the external auditor to assess the impact on applying the new accounting standards; considering the proposed change of the external auditor of the Company, reviewing its independence and qualification, and reviewing and approving the audit scope and fees proposed by the external auditor and make relevant recommendation to the Board.

The attendance records of the Audit Committee Meetings are set out below:

Name of Audit Committee Member	Attendance/Number of Meetings
Mr. Li Hanhui	3/3
Mr. Zhao Liang	3/3
Ms. Wen Hongmei *(appointed with effect from 25 September 2024)*	2/3
Ms. Tong Naqiong *(resigned with effect from 25 September 2024)*	1/3

The Company's annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee on 25 March 2025. The Audit Committee considers that the annual financial results for the year ended 31 December 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Remuneration Committee

The Remuneration Committee consists of three members, including one executive Director, namely Mr. Gao, and two independent non-executive Directors, namely Mr. Li and Mr. Zhao. Mr. Li is the chairperson of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the overall remuneration policy and structure relating to the Directors and senior management of the Group; the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management; and review and/or approve the matters relating to the share schemes of the Company. The Remuneration Committee has adopted the model as described in code provision E.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including salaries, bonuses, pension rights, compensation payments and benefits in kind.

During the year ended 31 December 2024, the Remuneration Committee held four meetings to review the remuneration of the Directors and senior management of the Company and the Company's remuneration policies, practices and related matters.

The attendance records of the Remuneration Committee Meetings are set out below:

Name of Remuneration Committee Member	Attendance/Number of Meetings
Mr. Gao Yu	4/4
Mr. Li Hanhui	4/4
Mr. Zhao Liang	4/4

The remuneration payable to the Directors and senior management of the Group for the year ended 31 December 2024 is shown in the following table by band:

Annual Remuneration	Number of individual(s)
RMB0 to RMB500,000	6
RMB500,001 to RMB1,000,000	2
RMB1,000,001 to RMB1,500,000	2
RMB1,500,001 to RMB2,000,000	1
Total	11

Further details of the remuneration payable to the Directors and the five highest paid individuals for the year ended 31 December 2024 are set out in note 10(b), to the consolidated financial statements in this annual report.

Material matters relating to the Share Schemes that were reviewed and approved by the Remuneration Committee during the Reporting Period are set out below:

1. Review and make recommendations to the Board regarding the overall remuneration policy and structure relating to the Directors and senior management of the Group; and

2. Grant of 24,779,266 RSUs under the Share Award Scheme on 29 April 2024 without a clawback mechanism.

Nomination Committee

The Nomination Committee consists of three members, including one executive Director namely Mr. Gao, and two independent non-executive Directors, namely Mr. Zhao and Ms. Wen (appointed with effect from 25 September 2024, prior to that, the position was held by Ms. Tong). Mr. Gao is the chairperson of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Nomination Committee are to make recommendations to the Board regarding the appointment and re-appointment of Directors and Board succession, and assess the independence of independent non-executive Directors. The Nomination Committee should seek independent professional advice to perform its responsibilities, when necessary, at the Company's expense.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning board diversity as set out in the Company's board diversity policy (the "**Board Diversity Policy**"). The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Company's director nomination policy (the "**Director Nomination Policy**") that are necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.

During the year ended 31 December 2024, the Nomination Committee held two meeting to review the nomination procedures; to review the composition and diversity of the Board, the Nomination Committee, the Remuneration Committee and the Audit Committee; to consider and recommend to the Board on the re-election of Directors at the Company's annual general meeting; to review the implementation and effectiveness of the Board Diversity Policy and the Director Nomination Policy; and to assess the independence of the independent non-executive Directors. The Nomination Committee was satisfied with the current procedures and composition.

The attendance records of the Nomination Committee Meetings are set out below:

Name of Nomination Committee Member	Attendance/Number of Meetings
Mr. Gao Yu	2/2
Mr. Zhao Liang	2/2
Ms. Wen Hongmei *(appointed with effect from 25 September 2024)*	N/A
Ms. Tong Naqiong *(resigned with effect from 25 September 2024)*	2/2

Where vacancies on the Board arise, the Nomination Committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations.

Board Diversity Policy

The Company has the Board Diversity Policy which sets out the objective and approach to enhance the effectiveness of our Board and to maintain high standard of corporate governance. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Board currently consists of one female Director and six male Directors with a balanced mix of knowledge and skills, including but not limited to overall management and strategic development, finance and accounting and risk management, as well as professional experiences in financial leasing and banking. The Board is of the view that our Board satisfies the Board Diversity Policy.

The Company is also committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of the Group to enhance the effectiveness of corporate governance of the Company as a whole.

The Nomination Committee is responsible for reviewing the diversity of the Board. The Nomination Committee has been monitoring and evaluating the implementation of the Board Diversity Policy from time to time to ensure its continued.

The Company has established mechanisms which will ensure that there are channels (in addition to independent non-executive directors) where independent views are available, including the access by directors of the Company to external independent professional advice to assist their performance of duties.

During the Reporting Period, the Board and the Nomination Committee has reviewed the implementation and effectiveness of the Board Diversity Policy and the above mechanisms.

At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objective.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has the Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- integrity and reputation;
- commitment in respect of available time and relevant interest; and
- diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Directors' Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings of the Company. The Nomination Committee will review the Director Nomination Policy, from time to time and as appropriate, to ensure its effectiveness.

Corporate Governance Functions

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

During the year ended 31 December 2024, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management of the Group, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

Governance Structure of Risk Management and Internal Control

The Board acknowledges its responsibilities to make sure that the Group maintains a solid and effective internal control system and monitor the effective implementation of such system. On behalf of the Board, the Audit Committee annually reviews the effectiveness of the internal control and risk management systems. The Board is also responsible for overseeing the risks to the Group, determining the risks that the Group is expected and able to tolerate, and actively considering, analysing and formulating strategies to manage the critical risks to the Group. The Group has designed and implemented an internal control and risk management framework. The internal control system of the Group is designed to manage, rather than eliminate, the risks that impede the ability of the Group to achieve its business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The business operation departments of the Group identify, evaluate and respond to the risks owned by the departments according to their responsibilities, and implement risk management procedures and internal control measures within the scope of each business and functional operation. Meanwhile, the management has established the risk control and compliance management department, which is responsible for providing an independent supervision and audit on the effectiveness of the Group's governance, risk management and internal control systems.

1 Internal Control

The Group has designed an internal control system based on its business characteristics. The internal control system establishes clear policies and procedures for the key business processes, and clearly specifies the roles and responsibilities of each party as well as the authorisation required for the key actions of the Group. Through the control self-assessment, the management evaluates the general effectiveness of the internal control system of the Group.

2 Risk Management

The Group has risk management processes to address various risks in relation to its operations. The Group's risk management objectives include (1) identifying internal and external risks that may affect the achievement of its operating objectives; (2) analysing and evaluating priorities of identified risks; (3) developing risk mitigation plans and action plans to enable reasonable resource allocation by the Group to cope with risks; and (4) supervising the implementation of its risk mitigation plans.

The management has systematically analysed and assessed the nature and severity of the major risks faced in 2024 based on the changes in the internal and external environment and according to the above risk management process. In view of the optimization and adjustment of the Group's business structure, the changes in customer needs and the continuous promotion of digital transformation," implementation and execution risks of business transformation" was newly added as a key focus area in the current year to more accurately reflect the current business development challenges. Other major risk categories are still under control and remain relatively stable.

On behalf of the Board, the Audit Committee monitors the risk profile of the Group and evaluates changes in the nature and severity of the significant risks to the Group. The Audit Committee believes that management has taken appropriate measures to address and manage the significant risks to a level acceptable to the Board.

The following summarizes the current significant risks to the Group and its responses to risks. The Group's risk profile may change and the risks listed below are not exhaustive.

2.1 Market Dynamics and Industry Environmental Risk

In 2024, China's real estate industry encountered multiple shifts, such as changes in market demand, adjustments in the competitive landscape, and fluctuations in the financing environment. Real estate enterprises became more prudent in project investment and operation management, adopting more refined budget planning, resulting in structural differentiation of market demand. The residential development sector continued to face growth pressures, while the demand for digital transformation in non-residential scenarios such as urban renewal and asset operation has significantly increased due to both supportive government policies and the upgraded market requirements. While the willingness to purchase traditional input-heavy systems declined, demand from budget-sensitive customers for flexible subscription models, data-driven decision-making tools and AI efficiency-enhancing products grew, bringing new opportunities for the Group's strategic transformation and market expansion.

In order to ensure steady development in the uncertain macroeconomic environment, the Group optimized its customer structure and carried out product innovations. The customer structure has gradually expanded from a customer group mainly focusing on residential development to state-owned enterprise customers, customers in the non-residential sector, and customers in the international market, and has gradually realized the transformation of real estate digitalization into a global real estate technology platform. Modularized and flexible subscription services were launched for price-sensitive customers to lower the threshold of initial investment. At the same time, the Group accelerated the application of AI-enabled products, such as intelligent marketing content generation tools, to improve the attractiveness of products to customers, and to drive the continuous increase in the penetration rate of cloud services and digital products. Technology upgrade and cost control: The Group improved the efficiency of product modularization and customer secondary development, and realized rapid product iteration and personalized customization capabilities. The Group optimized its internal processes through automation technology, which significantly reduced its operating costs and significantly improved the efficiency of resource utilization, further enhancing the Group's ability to control costs during the industry downturn. Cross-border business and ecological collaboration: The Group actively expanded its international market by launching projects in Singapore, Malaysia and Japan, exporting digital solutions for engineering management and urban renewal, and cooperating with international cloud service partners to enhance the stability and sustainability of the Group's overseas business. The Group built an agile risk management system and forward-looking policy response, set up a professional team to continuously monitor national policies and market dynamics, established a rapid response mechanism, and promptly adjusted its product strategies and pricing models to respond to policy changes through dynamic policy analysis.

2.2 Implementation and Execution Risks of Business Transformation

Following the adjustment in the Group's strategic direction, the Group continued to advance its transformation from the traditional customer service model to the digital product-oriented model covering the whole business chain in 2024. In the course of business transformation, the Group may face risks such as misalignment between legacy processes and new business models, inconsistent organizational execution capabilities and a decline in management efficiency. If the management fails to intervene and adjust in a timely manner, it may result in business interruption or decrease in operational efficiency, which in turn may affect the Group's market performance and customer satisfaction.

The Group has adopted an incremental and pilot-first business transformation strategy. When implementing new business processes, the Group prioritized the implementation of small-scale pilots in specific business units or departments, and then gradually rolled out the new processes to the entire Group after verifying the applicability and effectiveness of the new processes. This method effectively reduced the operational risks and management confusion that may be brought about during the transformation processes and ensured the controllability and flexibility of the transformation processes.

The management of the Group is responsible for the overall coordination and supervision of the implementation progress of the transformation processes. The heads of all departments followed up the transformation in real time and reported to the management regularly to ensure the effectiveness of the implementation of the transformation measures. The Group attached great importance to the improvement of employees' adaptability, and helped employees quickly master the operation methods of new processes by providing targeted skills training and technical support.

In 2024, the Group effectively enhanced the execution efficiency of new business processes through these robust transformation measures, ensuring a smooth transition and sustainable development in the course of the Group's strategic realignment. Meanwhile, the Group maintained business continuity during the transformation process and optimized the process design in a timely manner to maximize the effect of the transformation, further enhancing the response speed and adaptability of the Group in the industry.

2.3 Market Competition Risk

With the acceleration of digital transformation, the Group may face intensified competition in the market, in acquiring new customers and expanding the SaaS product business. Although the Group has a certain competitive advantage in the field of real estate digital services, with the continuous emergence of new competitors and technological innovations, the Group's market position may face certain challenges. In addition, in the process of actively expanding state-owned enterprise customers focusing on industrial development and infrastructure development, the Group encountered the fact that customers have increasing demand for digital application investment in products and services, and how to meet these higher expectations has become a major challenge. On the other hand, the Group is also actively facilitating the expansion of overseas markets, especially expansion into Singapore, Malaysia and Japan. While overseas markets have brought more growth opportunities for the Group, they have also increased the complexity of cross-cultural adaptation and regulatory compliance. Therefore, it is a key challenge for the Group to enable its products to meet the standards for localized substitution selection and create value for more state-owned enterprise customers through technological innovation and product innovation, while meeting the needs of the overseas market.

In order to ensure its competitiveness and stable business growth in the rapidly changing market competition environment, the Group has conducted in-depth research on the needs of state-owned enterprise customers, providing digital products and services that meet the localized substitution standards, consolidating core customer resources, and improving customer satisfaction and stickiness. At the same time, the Group increased the application in the fields of AI, big data and cloud-computing, maintained its leading position in technology through product modularization and SaaS innovation, enhanced the Group's adaptability to technological changes, and continuously improved product value and service capabilities. In the markets of Singapore, Malaysia and Japan, the Group has established local teams, strengthened collaboration with local partners and flexibly responded to regulatory requirements and market changes in different countries, thereby gradually expanding market share and reducing the risks arising from reliance on a single market. The Group has also established effective market feedback and risk management and control mechanisms, regularly monitored the market trends, and adjusted product strategies and resource allocation in a rapid manner to ensure that it maintains agility in the face of market changes.

2.4 Information Security Risk

The Group places strong emphasis on customer data protection and fully recognizes that information security is critical to both business operations and customer trust. The occurrence of information security incidents may lead to loss or leakage of business secrets, customer and user data, which may further have a significant impact on the Group and parties in interest, including reputational damage, legal proceedings and potential economic losses. Therefore, the Group strictly fulfills its responsibility to protect sensitive customer information and adopts a series of technical and management measures to ensure data security and system stability. The Group has established a comprehensive information security management system, which covers data storage, backup, emergency drills, protection controls and other mechanisms, to ensure the security of the data storage. The Group also regularly conducts penetration tests, disaster preparedness drills and external drills to improve security protection capability across the board.

The Group has obtained the information security protection certification (level 3) and the ISO27001 information security management system certification, and it regularly assesses its network security and establishes coordination and emergency response mechanisms, so as to ensure that it can respond to and handle various information security threats in a timely manner. In addition, the Group has implemented the security development lifecycle (SDL) management model, set six safety bottom lines, and incorporated security requirements into the whole software lifecycle management from security design, development, testing to launch, to comprehensively ensure product security.

With the expansion of overseas business, the Group faces more complex information security challenges, especially the increasing compliance requirements for cross-border data. Data protection regulations vary across from jurisdictions, and countries such as Singapore, Malaysia and Japan all impose strict requirements on data storage, transfer and cross-border sharing. The Group needs to ensure that its overseas businesses comply with local laws and regulations to avoid legal risks or business interruption due to data compliance issues. To this end, the Group is gradually establishing and improving cross-border data compliance management measures, continuously tracking the data protection regulations of various countries, and optimizing the data management process to ensure that its business operations comply with legal requirements.

Effectiveness of Internal Control and Risk Management

On behalf of the Board, the Audit Committee conducts an annual review of the effectiveness of the Group's internal control and risk management systems for the year ended 31 December 2024. The review procedures comprise of, among other things, meeting with management of business units, and the external auditors, reviewing management's self-assessment results on internal control and risk assessment and discussing the significant risks with the senior management team. During the Reporting Period, the Board is of the view that the Group's internal control and risk management systems are effective and adequate, and the Group has complied with the code provisions of the CG Code in relation to internal control and risk management.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2024 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's consolidated financial statements, which are put to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 100 to 106.

AUDITOR'S REMUNERATION

The remuneration paid to the independent auditor of the Company, Ernst & Young (appointed with effect from 23 December 2024), in respect of audit services and non-audit services for the year ended 31 December 2024 is set out below:

Service Category	**Fees Paid/Payable** *RMB'000*
Audit services	2,980
Non-audit services	0
Total	2,980

The remuneration paid to PricewaterhouseCoopers, the former independent auditor of the Company for the year of 2024 from 10 May 2024 to 3 December 2024, in respect of audit services and non-audit services for the year ended 31 December 2024 is set out below:

Service Category	Fees Paid/Payable *RMB'000*
Audit services	1,100
Non-audit services	778
– ESG consultation	100
– Internal control risk consultation	200
– Product delivery operation optimization consultation	478
Total	1,878

JOINT COMPANY SECRETARIES

During the Reporting Period, Mr. Ye Junwen ("**Mr. Ye**") and Ms. Leung Shui Bing ("**Ms. Leung**") are 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. Leung's primary contact person at the Company is Mr. Ye.

For the year ended 31 December 2024, each of Mr. Ye and Ms. Leung has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Company engages with the Shareholders through various communication channels. To enable shareholders and other stakeholders to exercise their rights in an informed manner based on a good understanding of the Group's operations, businesses and financial information, the Company adopted the shareholders' communication policy with the objective of ensuring equal, timely, effective, transparent, accurate and open communications with the shareholders of the Company. The policy also sets out a number of ways to ensure effective and efficient communication strategies with shareholders and other stakeholders are achieved, including but not limited to actionable corporate communications (in both English and Chinese, to facilitate shareholders' understanding), posting of relevant information on the corporate website and shareholders' meetings.

To safeguard Shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings of the Company, including the election of individual Directors. All resolutions put forward at general meetings of the Company will be voted on by poll pursuant to the Listing Rules and poll results announcement will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

General meetings provide an opportunity for constructive communication between the Company and the shareholders. For shareholders to communicate their views on various matters affecting the Company and the Company to solicit and understand the views of shareholders and other stakeholders, the Company adopts a number of mechanisms, including encouraging shareholders to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings.

Convening an Extraordinary General Meeting

Pursuant to Article 58 of the Articles of Association, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) 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/herself (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.

Putting Forward Proposals at Annual General Meetings

The Company must hold an annual general meeting of the Company every financial year other than the financial year of the Company's adoption of the Articles of Association and such annual general meeting must hold within six (6) months after the end of the Company's financial year, unless a longer period would not infringe the Listing Rules, if any. A meeting of members or any class thereof may be held by means of such telephone, electronic or other communication facilities and participation in such a meeting shall constitute presence at such meeting.

To facilitate communication between the Company, shareholders and the investor community, the corporate website has been adopted as the designated hub for publication of the corporate information, such as principal business activities and latest development of the Company and the Group. Also, it provides information on corporate governance of the Group as well as the compositions and functions of the Board and the Board committees.

Putting Forward Enquiries to the Board

For putting forward any enquiry to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

The Shareholders may send their proposals or enquiries as mentioned above to the following:

Address: 801, Tower A, Gemdale Viseen Tower, 16 Gaoxin South 10th Road, Gaoxin Community, Yuehai Subdistrict, Nanshan District, Shenzhen, PRC

Email: ir@mingyuanyun.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through AGMs and other general meetings. At the AGMs, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

During the year ended 31 December 2024, the Company has held the annual general meeting on 10 May 2024. All proposed Shareholders' resolution put to the above general meetings were duly passed by way of poll. Please refer to the announcement of the Company dated 10 May 2024 for details. An extraordinary general meeting was held on 23 December 2024. All proposed Shareholders' resolution put to the above general meetings were duly passed by way of poll. Please refer to the announcement of the Company dated 23 December 2024 for details.

During the Reporting Period, the Board has reviewed the implementation and confirmed effectiveness of the shareholders' communication policy, in particular, by ensuring that: (i) the general meeting of the Company (where the Board and appropriate senior management of the Company are available to respond to enquiries) was held to provide an opportunity for communication between the Directors, senior management and the Shareholders; (ii) both English and Chinese version of any corporate communication that requires Shareholders' attention or any announcements relating to matters to be disclosed under the Listing Rules (including but not limited to those involving insider information, corporate actions and corporate transactions) were published in a timely manner; (iii) the Company's website, where information on the Company's announcements, reports, financial information and other information are available for public access, has been maintained as a communication platform with the Shareholders; and (iv) written enquiries or requests sent by Shareholders to the Company's address or email are dealt with in an informative and timely manner.

CORPORATE CULTURE

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Company to deliver long-term sustainable performance and fulfill its role as a responsible corporate citizen. The Company is committed to developing a positive and progressive culture that is built on the values of "equality, simplicity and courage; partnership and professionalism; as well as openness, innovation and customer achievement".

The Board sets and promotes the above corporate culture and expects and requires all employees to reinforce such culture. All of our new employees are required to attend orientation and training programs so that they have a better understanding of our corporate culture, structure and policies, learn relevant laws and regulations, and raise their quality awareness. During the Reporting Period, the Company continued to strengthen the culture construction by holding the 26th anniversary of its founding and plenty of online and offline activities, including team-building exercises, training sessions, and social events. These endeavors foster camaraderie among employees, enhance the sense of belonging within the Company, and constitute integral components of the Company's culture-building efforts.

The Board annually reviews and assesses the Company's business performances to guarantee the Company's sustainable long-term growth. The Board believes that the corporate culture aligns with the Group's purpose, values and strategy.

CHANGE IN CONSTITUTIONAL DOCUMENTS

Pursuant to the annual general meeting of the Company held on 10 May 2024, the special resolutions to approve the proposed amendments to the second amended and restated articles of association of the Company and to adopt the third amended and restated articles of association of the Company were duly passed by way of poll by the shareholders. Consequently, the third amended and restated articles of association was duly adopted with effect from 10 May 2024. Please refer to the announcement of the Company dated 10 May 2024 for details.

DIVIDEND POLICY

The Company does not have any pre-determined dividend pay-out ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors, among others, financial results, cash flow situation, business conditions and strategies and future operations and earnings, as set out in the dividend policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to Shareholders' approval.

As of 31 December 2024, there was no arrangement under which a Shareholder had waived or agreed to waive any dividends.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Ming Yuan Cloud Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Ming Yuan Cloud Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 107 to 224 which comprise the consolidated statement of financial position as at 31 December 2024, 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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") 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 International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("IAASB"). 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 Hong Kong Institute of Certified Public Accountants' *Code of Ethics for Professional Accountants* (the "Code"), and we have 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 matters	How our audit addressed the key audit matters
Revenue recognition	
The Group's revenue was primarily derived from the provision of cloud services of approximately RMB1,195 million and on-premise software and services of approximately RMB240 million, totalled approximately RMB1,435 million for the year ended 31 December 2024. Revenue is recognised when the Group satisfies a performance obligation by transferring the control of promised goods or services to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for that goods or services at either a point in time or over time. We focused on this area due to the significance of the revenue transactions and the significant judgements and estimates involved in principal-agent assessment for sales through regional partners and the progress towards complete satisfaction of a performance obligation for revenue from on-premise implementation and value-added services. Therefore, we identified the revenue recognition as a key audit matter. The Group's disclosures about revenue recognition are included in notes 2.5, 4(b), 4(c) and 6 to the consolidated financial statements.	Our audit procedures in relation to revenue recognition included the following: • We evaluated the Group's revenue accounting and assessed the Group's accounting policies. • We obtained an understanding, evaluated the design, and tested the controls related to the revenue recognition process. • We inspected the Group's contracts with customers and other relevant underlying documents, such as acceptance reports, on a sample basis, to understand the terms of service provision and assessed revenue recognised against the Group's accounting policy with reference to the requirements of the prevailing accounting standards, including but not limited to the principal-agent assessment for sales through regional partners. For on-premise implementation and value-added services, we agreed the progress towards complete satisfaction of the performance obligation to the progress reports and compared key information in the progress reports with underlying documents. • We obtained external confirmations, on a sample basis, to confirm contract amounts and accounts receivable related information for selected customers and conducted alternative test on samples without reply. • We performed analytical review of revenue to assess the revenue fluctuations during the year.

Key audit matters	How our audit addressed the key audit matters
	• We evaluated the judgements and estimates applied by the management in revenue recognition, including but not limited to the principal-agent assessment for sales through regional partners and the progress towards complete satisfaction of a performance obligation for revenue from on-premise implementation and value-added services. • We assessed the adequacy of the Group's disclosures regarding revenue recognition.

Key audit matters	How our audit addressed the key audit matters
Expected credit losses ("ECLs") for trade receivables and contract assets	
As at 31 December 2024, the gross amount of the Group's trade receivables and contract assets amounted to approximately RMB324 million which represented approximately 6% of the total assets of the Group. Management has estimated the expected credit losses ("ECLs") on the trade receivables and contract assets and a loss allowance of approximately RMB160 million was made against the trade receivables and contract assets as at 31 December 2024. Management estimated the ECLs on trade receivables and contract assets applied judgements in making the estimation and selecting the inputs used in the ECLs calculation, based on the customers' settlement history, financial position of major customers as well as forward-looking information. We considered this area a key audit matter due to the magnitude of the balance of trade receivables and contract assets as well as the significant judgements and estimates involved in the estimation of the related ECLs given the complexity of the methodology and subjectivity of significant assumptions used. The Group's disclosures about ECLs on the trade receivables and contract assets are included in notes 3.1(b), 4(e) and 23 to the consolidated financial statements.	Our procedures in relation to the assessment of the ECLs of trade receivables and contract assets included the following: • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls of the estimation of the ECLs on trade receivables and contract assets. • We assessed the ECLs provisioning methodology adopted by management based on our understanding on the Group's business and credit control process and the credit risk characteristics of the trade receivables and contract assets. • We tested, on a sample basis, the ageing analysis of trade receivables and contract assets. • We evaluated the financial position of major customers by checking to relevant information and evaluated the management's assessment of forward-looking information with reference to our understanding of the Group's business and industry and external macroeconomic data. • We re-calculated the provision for ECLs using management's model. • We assessed the adequacy of the Group's disclosures regarding ECLs on trade receivables and contract assets.

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 IFRSs issued by the IASB and the disclosure requirements of 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 ISAs 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.

As part of an audit in accordance with ISAs, 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Leung Yat Him.

Ernst & Young
Certified Public Accountants
Hong Kong
25 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenues	6	**1,434,818**	1,639,644
Cost of sales	7	**(332,099)**	(336,417)
Gross profit		**1,102,719**	1,303,227
Selling and marketing expenses	7	**(757,712)**	(921,689)
General and administrative expenses	7	**(244,033)**	(519,506)
Research and development expenses	7	**(482,050)**	(643,033)
Net impairment losses on financial assets and contract assets	3.1(b)	**(44,849)**	(46,091)
Other income	8	**85,198**	66,250
Other losses, net	9	**(35,556)**	(2,378)
Operating loss		**(376,283)**	(763,220)
Finance income	11	**183,713**	182,592
Finance costs	11	**(4,418)**	(7,104)
Finance income, net		**179,295**	175,488
Share of losses of investments accounted for using the equity method	19	**(409)**	(1,691)
Loss before income tax		**(197,397)**	(589,423)
Income tax credit	12	**7,851**	2,380
Loss for the year		**(189,546)**	(587,043)
Loss attributable to:			
Owners of the Company		**(189,546)**	(585,634)
Non-controlling interests		**–**	(1,409)
		(189,546)	(587,043)
Loss per share attributable to ordinary equity holders of the Company (expressed in RMB per share)			
Basic	13	**(0.10)**	(0.32)
Diluted	13	**(0.10)**	(0.32)

The notes on pages 115 to 224 are integral parts of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December **2024** **RMB'000**	2023 RMB'000
Loss for the year		**(189,546)**	(587,043)
Other comprehensive loss, net of tax			
Items that may be reclassified to profit or loss			
Currency translation differences from foreign operations		**(111,617)**	(42,772)
Losses on dilution of equity interests in associate	19	**(946)**	–
Items that will not be reclassified to profit or loss			
Currency translation differences from the Company		**174,721**	59,408
Changes in fair value of financial assets at fair value through other comprehensive loss, net of tax	26	**(139)**	(5,259)
Total comprehensive loss for the year		**(127,527)**	(575,666)
Total comprehensive loss attributable to:			
Owners of the Company		**(127,527)**	(574,257)
Non-controlling interests		**–**	(1,409)
		(127,527)	(575,666)

The notes on pages 115 to 224 are integral parts of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**162,569**	224,713
Investment properties	16	**210,056**	178,646
Right-of-use assets	17	**247,605**	304,981
Intangible assets	18	**918**	1,996
Financial assets at fair value through profit or loss	21	**49,147**	77,222
Financial assets at fair value through other comprehensive income	22	**196**	360
Contract acquisition costs	6	**3,744**	7,639
Prepayments and other receivables	23	**26,019**	32,477
Deferred income tax assets	28	**30,886**	23,033
Investments accounted for using the equity method	19	**12,061**	19,184
Term deposit with original maturity over three months	24	**590,940**	237,792
Restricted cash	24	**719**	745
Total non-current assets		**1,334,860**	1,108,788
Current assets			
Inventories		**3,527**	9,536
Contract assets	6	**84,659**	80,663
Contract acquisition costs	6	**212,351**	255,337
Trade receivables	23	**78,303**	66,168
Prepayments and other receivables	23	**41,974**	55,767
Financial assets at fair value through profit or loss	21	**226,333**	111,257
Term deposit with original maturity over three months	24	**1,506,240**	181,290
Restricted cash	24	**245**	260
Cash and cash equivalents	24	**1,945,220**	3,972,900
		4,098,852	4,733,178
Assets classified as held for sale		**14,780**	10,252
Total current assets		**4,113,632**	4,743,430
Total assets		**5,448,492**	5,852,218
EQUITY			
Share capital	25	**170**	170
Treasury shares		**(25,814)**	(4,492)
Reserves	26	**7,388,782**	7,408,985
Accumulated losses		**(2,660,252)**	(2,470,706)
Total equity		**4,702,886**	4,933,957

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Contract liabilities	6	**17,332**	32,013
Lease liabilities	17	**43,552**	89,919
Deferred income tax liabilities	28	**79**	102
Total non-current liabilities		**60,963**	122,034
Current liabilities			
Trade payables	29	**24,518**	23,762
Other payables and accruals	30	**193,378**	214,970
Contract liabilities	6	**432,906**	514,861
Lease liabilities	17	**33,841**	42,634
Total current liabilities		**684,643**	796,227
Total liabilities		**745,606**	918,261
Total equity and liabilities		**5,448,492**	5,852,218

The notes on pages 115 to 224 are integral parts of these consolidated financial statements.

The consolidated financial statements on pages 107 to 224 were approved for issue by the board of directors on 25 March 2025 and were signed on its behalf.

Gao Yu,
Director

Xiao Zhimiao,
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company					
		Share capital RMB'000	Treasury shares RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Total equity RMB'000
As at 1 January 2024		**170**	**(4,492)**	**7,408,985**	**(2,470,706)**	**4,933,957**	**4,933,957**
Loss for the year		**–**	**–**	**–**	**(189,546)**	**(189,546)**	**(189,546)**
Changes in fair value of financial assets at fair value through other comprehensive loss, net of tax	26	**–**	**–**	**(139)**	**–**	**(139)**	**(139)**
Currency translation differences		**–**	**–**	**63,104**	**–**	**63,104**	**63,104**
Losses on dilution of equity interests in associate	19	**–**	**–**	**(946)**	**–**	**(946)**	**(946)**
Total comprehensive loss for the year		**–**	**–**	**62,019**	**(189,546)**	**(127,527)**	**(127,527)**
Transactions with owners:							
Issuance of ordinary shares	25(a)	**2**	**–**	**–**	**–**	**2**	**2**
Treasury shares	25(a)	**–**	**–**	**–**	**–**	**–**	**–**
Share-based compensation reserve	26	**–**	**–**	**145,582**	**–**	**145,582**	**145,582**
Repurchase of the shares of the Company	25(c)	**–**	**(62,708)**	**–**	**–**	**(62,708)**	**(62,708)**
RSUs withheld upon vesting	25(c)	**–**	**(18,898)**	**–**	**–**	**(18,898)**	**(18,898)**
Transfer of vested restricted share units from treasury shares	26	**–**	**18,832**	**(18,832)**	**–**	**–**	**–**
Cancellation of shares	25(b)	**(2)**	**41,452**	**(41,450)**	**–**	**–**	**–**
Dividend distribution to the owners of the Company	14	**–**	**–**	**(167,522)**	**–**	**(167,522)**	**(167,522)**
Total transactions with owners of the Company		**–**	**(21,322)**	**(82,222)**	**–**	**(103,544)**	**(103,544)**
As at 31 December 2024		**170**	**(25,814)**	**7,388,782**	**(2,660,252)**	**4,702,886**	**4,702,886**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company						
		Share capital RMB'000	Treasury shares RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2023		172	(219,501)	7,207,104	(1,885,025)	5,102,750	(8,297)	5,094,453
Loss for the year		–	–	–	(585,634)	(585,634)	(1,409)	(587,043)
Changes in fair value of financial assets at fair value through other comprehensive loss, net of tax	26	–	–	(5,259)	–	(5,259)	–	(5,259)
Currency translation differences		–	–	16,636	–	16,636	–	16,636
Total comprehensive loss for the year		–	–	11,377	(585,634)	(574,257)	(1,409)	(575,666)
Transactions with owners:								
Issuance of ordinary shares	25(a)	2	–	–	–	2	–	2
Treasury shares	25(a)	–	(2)	–	–	(2)	–	(2)
Appropriation for statutory surplus reserve	26(a)	–	–	47	(47)	–	–	–
Share-based compensation reserve	26	–	–	417,322	–	417,322	–	417,322
Repurchase of the shares of the Company	25(c)	–	(3,638)	–	–	(3,638)	–	(3,638)
Transfer of vested restricted share units from treasury shares	26	–	1	(8,221)	–	(8,220)	–	(8,220)
Cancellation of shares	25(b)	(4)	218,648	(218,644)	–	–	–	–
Disposal of a subsidiary		–	–	–	–	–	9,706	9,706
Total transactions with owners of the Company		(2)	215,009	190,504	(47)	405,464	9,706	415,170
As at 31 December 2023		170	(4,492)	7,408,985	(2,470,706)	4,933,957	–	4,933,957

The notes on pages 115 to 224 are integral parts of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 December	
		2024	2023
		RMB'000	RMB'000
Cash flows from operating activities			
Cash used in operations	31	**(209,434)**	(326,765)
Interest received		**138,880**	187,836
Net cash used in operating activities		**(70,554)**	(138,929)
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		**(6,917)**	(8,325)
Proceeds from disposal of property, plant and equipment		**812**	3,278
Payments for purchase of intangible assets		**(146)**	(193)
Payments for purchase of financial assets at fair value through profit or loss – wealth management products		**(2,071,365)**	(2,544,263)
Proceeds from disposal of financial assets at fair value through profit or loss – wealth management products		**1,998,366**	2,458,049
Payments for purchase of financial assets at fair value through profit or loss – unlisted securities and funds		**(2,348)**	(6,035)
Proceeds from disposal of interests in an associate	19	**5,250**	–
Disposal of a subsidiary		**–**	(36)
Proceeds from income of financial assets at fair value through profit or loss		**10**	46
Placement of term deposits with initial terms over three months		**(5,946,609)**	(984,574)
Receipt from maturity of term deposits with initial terms over three months		**4,347,541**	3,625,807
Net cash (used in)/generated from investing activities		**(1,675,406)**	2,543,754

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 December **2024** **RMB'000**	 2023 RMB'000
Cash flows from financing activities			
Payments for the repurchase of the shares of the Company		**(62,708)**	(3,638)
Shares withheld for restricted share units		**(18,898)**	(8,221)
Dividend paid		**(167,522)**	–
Principal elements of lease payments		**(38,667)**	(57,474)
Interest paid		**(4,418)**	(7,104)
Net cash used in financing activities		**(292,213)**	(76,437)
Net increase/(decrease) in cash and cash equivalents		**(2,038,173)**	2,328,388
Cash and cash equivalents at the beginning of the year		**3,972,900**	1,642,078
Effects of exchange rate changes on cash and cash equivalents		**10,493**	2,434
Cash and cash equivalents at end of the year	24	**1,945,220**	3,972,900

The notes on pages 115 to 224 are integral parts of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

Ming Yuan Cloud Group Holdings Limited (the "Company") was incorporated in the Cayman Islands on 3 July 2019 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing") on 25 September 2020 (the "Listing Date").

The Company is an investment holding company. The Company and its subsidiaries (collectively, the "Group") are principally engaged in the provision of cloud services, on-premise software and services for property developers and other industry participants along the real estate value chain in the People's Republic of China (the "PRC") (collectively, the "Business"), which enable property developers and other real estate industry participants to streamline and digitalise their business operations.

The financial statements are presented in Renminbi ("RMB"), unless otherwise stated, and were approved for issue by the Company's board of directors (the "Board") on 25 March 2025.

1.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance ("HKCO"). All values in the consolidated financial statements are rounded to the nearest thousand except when otherwise indicated.

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for financial asset at fair value through profit or loss and financial asset at fair value through other comprehensive income, which have been measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 to the consolidated financial statements.

2 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 New and amended standards and interpretations

(a) Amended standards adopted by the Group

The Group has adopted the following revised standards for the first time for the current year's financial statements:

Amendments to IFRS 16	*Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to IFRS 7 and IAS 7	*Supplier finance arrangements*

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

2.1 New and amended standards and interpretations *(Continued)*

(a) Amended standards adopted by the Group (Continued)

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

Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

(b) New and amended standards and interpretations not yet effective

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

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[2]

1 Effective for annual periods beginning on or after 1 January 2025

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

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

4 No mandatory effective date yet determined but available for adoption

2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

2.1 New and amended standards and interpretations *(Continued)*

(b) New and amended standards and interpretations not yet effective (Continued)

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application. 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 disclosure of management-defined performance measures in a note and introduces new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that the new and revised standards are unlikely to have a significant impact on the Group's results of operations and financial position.

2.2 Subsidiaries

2.2.1 Consolidation

(a) Subsidiaries controlled through contractual arrangements

Shenzhen Mingyuan Cloud Technology Co., Ltd. (深圳市明源雲科技有限公司, "Ming Yuan Cloud Technology"), the subsidiary of the Company, obtained the controlling power over the 100% equity interest in Shenzhen Mingyuan Cloud Procurement Technology Limited ("Ming Yuan Cloud Procurement") through the contractual arrangements, which enables Ming Yuan Cloud Technology and the Group to:

- Exercise effective control over Ming Yuan Cloud Procurement;
- Exercise equity holders' voting rights of Ming Yuan Cloud Procurement;
- Receive substantially 100% of the economic interests and returns generated by Ming Yuan Cloud Procurement in consideration for the technical support, consulting and other services provided exclusively by Ming Yuan Cloud Technology;

2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

2.2 Subsidiaries *(Continued)*

2.2.1 Consolidation (Continued)

(a) *Subsidiaries controlled through contractual arrangements (Continued)*

- Obtain an irrevocable and exclusive right to purchase 100% of the equity interests in Ming Yuan Cloud Procurement from its registered shareholders at a nominal consideration unless the relevant government authorities request that another amount be used as the purchase consideration and in which case the purchase consideration shall be such amount. Where the purchase consideration is required by the relevant government authorities to be an amount other than a nominal amount, the registered shareholders of Ming Yuan Cloud Procurement shall return the amount of purchase consideration they have received to Ming Yuan Cloud Technology. At Ming Yuan Cloud Technology's request, the registered shareholders of Ming Yuan Cloud Procurement will promptly and unconditionally transfer their respective equity interests of Ming Yuan Cloud Procurement to Ming Yuan Cloud Technology (or its designee within the Group) after Ming Yuan Cloud Technology exercises its purchase right;

- Obtain pledges over 100% of the entire equity interests in Ming Yuan Cloud Procurement from its registered shareholders to secure, among others, performance of their obligations under the contractual arrangements.

The Group does not have any equity interest in Ming Yuan Cloud Procurement. However, through the contractual arrangements, the Group has rights to variable returns from its involvement with Ming Yuan Cloud Procurement and has the ability to affect those returns through its power over Ming Yuan Cloud Procurement and is considered to control Ming Yuan Cloud Procurement. Consequently, the Company regards Ming Yuan Cloud Procurement as a 100% controlled structured entity and has consolidated the financial position and results of operations of Ming Yuan Cloud Procurement in the consolidated financial statements.

2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

2.3 Financial assets

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("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).

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 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 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.

2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

2.3 Financial assets *(Continued)*

General approach (Continued)

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 and contract assets 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 established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

2.4 Share-based benefits

As disclosed in Note 27, the Group operates an equity-settled share-based compensation plan, under which the Group receives service from its employees in exchange for the equity instruments of the Company.

The fair value of the employee services received in exchange for the grant of equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments at the date at which they are granted:

- Including any market performance conditions (e.g., the entity's share price);

- Excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

- Including the impact of any non-vesting conditions (e.g., the requirement for employees to save or hold shares for a specific period of time).

Service and non-market performance vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The grant by the Company of its equity instruments to the employees of its subsidiaries is treated as a capital contribution in the separate financial statements of the Company. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

At the end of each reporting period, the entity revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

2.5 Revenue recognition

Revenue is measured when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at the point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates transaction price to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices at which a promised good or service is sold separately to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration due from the customer).

2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

2.5 Revenue recognition *(Continued)*

The accounting policy for the Group's revenue sources

The Group derives revenue separately or in combination, from cloud services and on-premise software and services that enable property developers and other real estate industry participants to digitalise and streamline their business operations over the internet, and are sold either through regional channel partners or to the end customers directly.

Cloud services transforms how property developers and other real estate players optimise their procurement, construction, sales, marketing, property asset management, and other property related operations. For on-premise software and services, in addition to software licencing, the Group offers implementation services, product support services and value-added services to make customers' own business processes, databases and systems with enhanced performance and customisation.

The Group enters into contracts with end customers that can include combination of software licencing and services which are accounted for as separate performance obligations when they are capable of being distinct and do not have significant integration.

The transaction price is the price after discount and is a fixed amount upon signing the contract. The products cannot be returned unless significant problems are found, which rarely happens.

(a) Cloud services

Cloud services mainly include software as a service and platform as a service, along with related implementation services, value-added services and other support services. The Group provides cloud services directly to end customers, i.e., the cloud service users, or sells through its regional channel partners.

Cloud services primarily consist of fees that provide end customers access to one or more of the cloud applications. Revenue is recognised over time if the contract requires, or the customer reasonably expects, that the entity will undertake activities that significantly affect the intellectual property to which the customer has rights, and the rights granted by the licence directly expose the customer to any positive or negative effects of the entity's activities. Otherwise revenue is recognised at a point in time.

The Group applies time-based methods to measure the progress towards complete satisfaction of the performance obligation when the Group has a stand-ready obligation to perform that over a period of time.

2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

2.5 Revenue recognition *(Continued)*

(b) On-premise software and services – software licencing

Software licencing is a right to use the licence. The software has standalone functionality and the customer can use the software as it is available at a point in time. Licences are typically delivered by providing the customer a software dongle with access to download the software. The Group recognises revenue for such licences at the point in time when the customer has received licences and software dongles, and thus has control over the software and the Group has a present right to payment.

(c) On-premise software and services – implementation and value-added services

By providing implementation services, the Group assists customers to streamline and expedite the implementation process, and offer customers pre-configured extensions that meet the specific needs of various types of customers.

Value-added services include customised configuration and development of specific applications. The Group also provides customers with tailored professional advice to better address each customer's distinct pain points and challenges.

Revenue from implementation and value-added services is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation, which is measured based on input method.

The Group recognises receivables for performance obligations satisfied over time gradually as the performance obligation is satisfied. When the performance obligation is satisfied over time while a right to consideration is conditional, contract asset is recognised. When the Group determines that a right to consideration is unconditional, receivable is recognised. Contract liabilities primarily reflect invoices due or payments received in advance of revenue recognition. They are recognised as revenue upon transfer of control to the customers of the promised products and services.

2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

2.5 Revenue recognition *(Continued)*

(d) On-premise software and services – product support services

Product support services are provided mainly in the form of fixed-price contracts. Revenue related to these services is recognised ratably over the service contract period.

Principal versus agent considerations

For cloud services and on-premise product support services sold through regional channel partners, end customers are recognised as direct customers of the Group as regional channel partners cannot control the products before transferring to end customers.

The determination of whether to record the revenue gross or net is based on an assessment of various factors, including but not limited to whether the Group (i) is primarily responsible for fulfilling the promise to provide the specified good or service; (ii) has inventory risk before the specified good or service has been transferred to a customer; (iii) has discretion in establishing the price for the specified good or service; and (iv) has latitude in selecting suppliers.

Incremental costs of obtaining customer contract

Incremental costs of obtaining customer contract primarily consist of sales commissions capitalised as an asset. Assets recognised from capitalising costs to obtain a contract are amortised to profit or loss on a systematic basis, consistent with the pattern of revenue recognition to which the assets relate. For cloud services and on-premise product support services, the differences between the gross amount billed to the end customers by the regional channel partners and the amount billed to regional channel partners by the Group are recognised as contract acquisition costs. The contract acquisition costs are charged into selling and marketing expenses on a ratable basis which is in line with the revenue recognition.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and security price risk), credit risk and liquidity risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's businesses are principally conducted 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. The Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

The functional currency of the Company is Hong Kong dollars ("HKD"), which is exposed to foreign currency risk with respect to the Company's monetary assets and liabilities denominated in RMB. For balances denominated in United States dollar ("USD") that are reasonably stable with HKD under the Linked Exchange Rate System, the directors are of the opinion that the Company does not have significant foreign exchange risk, the exposure to fluctuation in exchange rates will only arise from the translation to the presentation currency of the Group.

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting date are as follows:

	Currency denomination	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Cash and cash equivalents	USD	**1,572,661**	3,023,738
Term deposits	USD	**1,473,242**	70,848
Contract assets	USD	**177**	–
Other receivables	USD	**152**	–
Other payables	USD	**(23)**	–
		3,046,209	3,094,586

As at 31 December 2024, for the USD financial asset and financial liabilities, if the functional currencies had strengthened/weakened by 0.5% against the USD with all other variables held constant, the pre-tax loss for the year ended 31 December 2024 would have been approximately RMB15,231,000 higher/lower (2023: RMB15,473,000).

	Currency denomination	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Cash and cash equivalents	RMB	**58**	18
Other receivables	RMB	**–**	2,495,702
Other payables	RMB	**(67,157)**	(2,543,781)
		(67,099)	(48,061)

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

As at 31 December 2024, for the RMB financial assets and RMB financial liabilities, if the functional currencies had strengthened/weakened by 5% against the RMB with all other variables held constant, the pre-tax loss for the year ended 31 December 2024 would have been approximately RMB3,355,000 lower/higher (2023: RMB2,403,000).

(ii) Interest rate risk

The Group has no significant interest-bearing assets or liabilities except for the term deposits, restricted cash, and cash and cash equivalents, of which the interest rates are not expected to change significantly.

(iii) Security price risk

The Group is exposed to equity price risk mainly arising from investments held by the Group that are classified as fair value through profit or loss ("FVPL") (Note 21) and fair value through other comprehensive income ("FVOCI") (Note 22). The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. Each investment is managed by senior management of the Group on a case by case basis. Sensitivity analysis is performed by management to assess the exposure of the Group's financial results. See Note 3.3 for details.

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, restricted cash, term deposits, as well as trade and other receivables and contract assets. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Risk management

For cash and cash equivalents and restricted cash, management manages the credit risk by placing most of the deposits in state-owned financial institutions in the PRC or reputable banks and financial institutions having high-credit-quality in the PRC and Hong Kong.

For term deposits, management places the deposits in banks through a reputable financial institution with acceptable credit rating.

For trade receivables and contract assets, the Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group's management divides customers into different categories based on their financial position, the availability of guarantees from third parties, past experience and other factors, and reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. The debtors mainly provide buildings as collateral to the Group's trade receivables and contract assets. The credit periods granted to customers in different categories differ from 0 to 90 days.

For other receivables, the Group assesses the nature of the financial assets and the financial condition of the counterparties. Management has closely monitored the credit qualities and the collectability of these financial assets.

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(ii) Impairment of financial assets and contract assets

The Group has four types of assets that are subject to the expected credit loss model:

- Cash and cash equivalents and restricted cash;
- Term deposits;
- Trade receivables and contract assets; and
- Other receivables.

Cash and cash equivalents, restricted cash and term deposits

Cash and cash equivalents, restricted cash and term deposits are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents, restricted cash and term deposits are also subject to the impairment requirements of IFRS 9, while the identified impairment loss was immaterial.

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics, except for the credit impaired trade receivables and contract assets, of which the expected credit losses have been measured individually.

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

Trade receivables and contract assets (Continued)

As at 31 December 2024 and 2023, the ageing analysis of trade receivables and contract assets, net of impairment allowances, is presented below.

31 December 2024	Up to 3 months	3 to 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
On individual basis						
Expected loss rate	93%	89%	89%	79%	69%	
Gross carrying amount (RMB'000) – trade receivables	1,618	573	2,896	4,723	8,650	18,460
Gross carrying amount (RMB'000) – contract assets	277	309	166	2,215	3,603	6,570
Subtotal (RMB'000)	1,895	882	3,062	6,938	12,253	25,030
Loss allowance (RMB'000)	(1,755)	(786)	(2,713)	(5,494)	(8,488)	(19,236)
Net balance (RMB'000)	140	96	349	1,444	3,765	5,794
On collective basis						
Expected loss rate	14%	29%	47%	76%	100%	
Gross carrying amount (RMB'000) – trade receivables	47,180	17,010	25,140	33,713	43,219	166,262
Gross carrying amount (RMB'000) – contract assets	67,523	13,667	22,577	13,187	14,287	131,241
Subtotal (RMB'000)	114,703	30,677	47,717	46,900	57,506	297,503
Loss allowance (RMB'000)	(16,148)	(8,810)	(22,262)	(35,609)	(57,506)	(140,335)
Net balance (RMB'000)	98,555	21,867	25,455	11,291	–	157,168

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

Trade receivables and contract assets (Continued)

31 December 2023	Up to 3 months	3 to 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
On individual basis						
Expected loss rate	65%	70%	76%	62%	71%	
Gross carrying amount (RMB'000) – trade receivables	2,135	2,502	4,184	4,708	4,919	18,448
Gross carrying amount (RMB'000) – contract assets	632	121	164	647	4,988	6,552
Subtotal (RMB'000)	2,767	2,623	4,348	5,355	9,907	25,000
Loss allowance (RMB'000)	(1,811)	(1,841)	(3,311)	(3,306)	(7,027)	(17,296)
Net balance (RMB'000)	956	782	1,037	2,049	2,880	7,704
On collective basis						
Expected loss rate	9%	24%	46%	77%	100%	
Gross carrying amount (RMB'000) – trade receivables	35,209	13,854	18,811	31,962	22,069	121,905
Gross carrying amount (RMB'000) – contract assets	65,969	13,498	9,820	14,322	9,991	113,600
Subtotal (RMB'000)	101,178	27,352	28,631	46,284	32,060	235,505
Loss allowance (RMB'000)	(9,149)	(6,494)	(13,192)	(35,483)	(32,060)	(96,378)
Net balance (RMB'000)	92,029	20,858	15,439	10,801	–	139,127

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

Trade receivables and contract assets (Continued)

The reconciliations of loss allowances for trade receivables and contract assets as at 31 December 2024 and 2023 to the opening loss allowances are as follows:

	Contract assets		Trade receivables	
	Year ended 31 December		Year ended 31 December	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
At the beginning of the year	**39,489**	37,245	**74,185**	74,323
Increase in loss allowance recognised in profit or loss during the year	**13,663**	13,286	**32,234**	24,974
Receivables written off during the year as uncollectible	**–**	(11,020)	**–**	(24,920)
Disposal of a subsidiary	**–**	(22)	**–**	(192)
At the end of the year	**53,152**	39,489	**106,419**	74,185

The amount recovered from written-off trade receivables and contract assets in prior years for the year ended 31 December 2024 totaled RMB1,072,000 (2023: nil).

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

Trade receivables and contract assets (Continued)

Impairment losses on trade receivables and contract assets are presented as net impairment losses on financial assets and contract assets within operating profit.

The expected loss rates are determined based on historical observed default rates over the expected life of the trade receivables and contract assets which are adjusted to reflect current market condition and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product of the PRC and Fixed-Asset Investment as the most relevant factors and adjusts the historical loss rates based on the expected changes of such factors.

Other receivables

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. Impairment of other receivables is measured as 12-month expected credit losses. The 12-month expected credit loss is the portion of lifetime expected credit loss that is resulted from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the loss allowance will be based on the lifetime expected credit loss. The management has performed assessment on the recoverability of these balances and do not identify events leading to significant increase in credit risk since origination. Management considers that the expected credit loss was immaterial as at 31 December 2024 and 2023.

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

Write-off policy

Financial assets and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where financial assets and contract assets have been written off, the Group continues to engage in activities to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the senior management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total contractual cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024					
Trade payables	**24,518**	**–**	**–**	**24,518**	**24,518**
Other payables and accruals (excluding salary and staff welfare payables and tax payable)	**20,708**	**–**	**–**	**20,708**	**20,708**
Lease liabilities	**36,704**	**35,755**	**8,735**	**81,194**	**77,393**
	81,930	**35,755**	**8,735**	**126,420**	**122,619**

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk (Continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total contractual cash flows RMB'000	Carrying amount RMB'000
At 31 December 2023					
Trade payables	23,762	–	–	23,762	23,762
Other payables and accruals (excluding salary and staff welfare payables and tax payable)	21,719	–	–	21,719	21,719
Lease liabilities	49,774	49,615	43,941	143,330	132,553
	95,255	49,615	43,941	188,811	178,034

3.2 Capital management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern and support the sustainable growth of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance equity holders' value in the long term.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as liquid liabilities, which are lease liabilities, less cash and cash equivalents, restricted cash, term deposits and liquid investments which are investments in wealth management products included in financial assets at FVPL. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt. As at 31 December 2024 and 2023, the Group had a net cash position.

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.3 Fair value estimation

3.3.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The tables below analyse the Group's financial instruments carried at fair value as at 31 December 2024 and 2023 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2024				
Financial assets at FVPL				
Investments in wealth management products (Note 21(a))	–	–	**226,333**	**226,333**
Investments in unlisted securities and funds (Note 21(b))	–	–	**49,147**	**49,147**
	–	–	**275,480**	**275,480**
Financial assets at FVOCI				
Investments in unlisted equity (Note 22)	–	–	**196**	**196**

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.3 Fair value estimation *(Continued)*

3.3.1 Fair value hierarchy (Continued)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2023				
Financial assets at FVPL				
Investments in wealth management products (Note 21(a))	–	–	136,771	136,771
Investments in unlisted securities and funds (Note 21(b))	–	–	51,708	51,708
	–	–	188,479	188,479
Financial assets at FVOCI				
Investments in unlisted equity (Note 22)	–	–	360	360

For the years ended 31 December 2024 and 2023, there was no transfer among Level 1, Level 2 and Level 3.

3.3.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- The latest round financing, i.e., the prior transaction price or the third-party pricing information; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

There were no changes to valuation techniques during the years ended 31 December 2024 and 2023.

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.3 Fair value estimation *(Continued)*

3.3.2 Valuation techniques used to determine fair values (Continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the year.

All of the resulting fair value estimates are included in Level 3, where the fair values have been determined based on various applicable valuation techniques.

3.3.3 Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 items including investments in wealth management products, investments in unlisted securities, investments in unlisted funds, and investments in unlisted equity which the Group has redeemable rights for the years ended 31 December 2024 and 2023.

	Financial assets at FVPL		Financial assets at FVOCI
	Investments in wealth management products RMB'000	Investments in unlisted securities and funds RMB'000	Investments in unlisted equity RMB'000
As at 1 January 2024	**136,771**	**51,708**	**360**
Acquisitions	**2,071,365**	**2,348**	**–**
Disposals	**(1,998,366)**	**–**	**–**
Unrealised changes in fair value	**478**	**(4,909)**	**(164)**
Realised income or gains	**16,085**	**–**	**–**
As at 31 December 2024	**226,333**	**49,147**	**196**
As at 1 January 2023	29,702	53,387	6,547
Acquisitions	2,544,263	6,035	–
Transfer (Note 21(b))	–	266	–
Disposals	(2,458,049)	–	–
Unrealised changes in fair value	68	(7,980)	(6,187)
Realised income or gains	20,787	–	–
As at 31 December 2023	136,771	51,708	360

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.3 Fair value estimation *(Continued)*

3.3.4 Valuation process, inputs and relationships to fair value

A team in the finance department of the Group performs the valuations of financial instruments required for financial reporting purposes, including the Level 3 fair values. This team reports directly to the Chief Financial Officer ("CFO"). Discussions of valuation processes and results are held between the CFO and the valuation team at least once a year. External valuation experts will be involved when necessary.

At each financial year end, the finance department:

- verifies all major inputs to the valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

Changes in Level 3 fair values are analysed at each reporting date during the yearly valuation discussions between the CFO and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

The valuation of the Level 3 instruments mainly included investments in wealth management products (Note 21(a)), investments in unlisted securities and funds, and investments in unlisted equity (Note 21(b), Note 22). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including option pricing and equity allocation model, discounted cash flow model, Net asset value method and market approach, etc. The fair values of unlisted fund investments at fair value through profit or loss have been stated with reference to the adjusted net asset value provided by the relevant administrators of the fund investments. The fair value measurement is positively correlated to the net asset value of the underlying funds. Fair values of investments in unlisted equity included in financial assets at FVOCI were valuated based on net asset values of the unlisted companies.

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.3 Fair value estimation *(Continued)*

3.3.4 Valuation process, inputs and relationships to fair value (Continued)

The following table summarises the quantitative information about the significant unobservable inputs used in recurring Level 3 fair value measurements:

Description	Fair value at 31 December 2024 RMB'000	Fair value at 31 December 2023 RMB'000	Valuation technique	Unobservable inputs	Range of inputs at 31 December 2024	Range of inputs at 31 December 2023	Relationship of unobservable inputs to fair value
Investments in wealth management products	**226,333**	136,771	Discounted cash flow method	Expected rate of return	**2.60%-3.70%**	2.85%-3.70%	Increasing or decreasing the expected rate of return by 5% would increase or decrease the fair value by approximately RMB112,000
Investments in unlisted securities in financial assets at FVPL(*)	**23,819**	31,293	Net asset value method, market approach	Expected volatility	**58.65%-63.03%**	53.96%-58.99%	Increasing the expected volatility by 5% would decrease the fair value by approximately RMB542,000; and decreasing the expected volatility by 5% would increase the fair value by approximately RMB557,000
				Risk-free rate	**1.19%-1.30%**	2.22%-2.39%	The higher the risk-free rate, the lower the fair value
				P/S ratio	**3.96-5.60**	6.49-7.17	Increasing the P/S ratio by 5% would increase the fair value by approximately RMB766,000; and decreasing the P/S ratio by 5% would decrease the fair value by approximately RMB788,000

3 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

3.3 Fair value estimation *(Continued)*

3.3.4 Valuation process, inputs and relationships to fair value (Continued)

Description	Fair value at 31 December 2024 RMB'000	Fair value at 31 December 2023 RMB'000	Valuation technique	Unobservable inputs	Range of inputs at 31 December 2024	Range of inputs at 31 December 2023	Relationship of unobservable inputs to fair value
				Discounts for lack of marketability	**25.00%-30.00%**	25.00%-30.00%	Increasing the DLOM by 5% would decrease the fair value by approximately RMB298,000; and decreasing the DLOM by 5% would increase the fair value by approximately RMB294,000.
Investments in unlisted funds in financial assets at FVPL(*)	**25,328**	20,415	Net asset value method	Underlying asset's value	**N/A**	N/A	Increase/decrease in underlying assets' value would result in increase/decrease in fair value

If the fair values of financial assets at FVPL held by the Group had been 10% higher/lower, the loss before income tax for the year ended 31 December 2024 would have been approximately RMB27,548,000 lower/higher (2023: RMB18,848,000).

If the fair values of financial assets at FVOCI held by the Group had been 10% higher/lower, the total comprehensive loss before income tax for the year ended 31 December 2024 would have been approximately RMB19,600 lower/higher (2023: RMB36,000).

There were no transfers among Level 1, 2 and 3 of fair value hierarchy classifications during the years ended 31 December 2024 and 2023.

The carrying amounts of the Group's other financial assets, including cash and cash equivalents, restricted cash, term deposits, trade receivables, other receivables, and of the Group's financial liabilities, including trade payables, other payables and accruals and lease liabilities, approximate to their fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Estimation of the fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions, see Note 3.3.

(b) Recognition of revenue from implementation and value-added services

Revenue from implementation and value-added services is recognised over the period of the contract by reference to the progress of work performed and acknowledged by the customers. The Group has to estimate the value of services performed to date as a proportion of the value of total services to be performed.

(c) Gross vs. net assessment in revenue recognition

As disclosed in Note 2.5, the Group provides cloud services and on-premise software and services to its customers using different business models, which involves the assessment of revenue recognition on a gross or net basis, i.e., principal versus agent assessment in different business models. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified service before it is transferred to the end customer, the indicators of which include but not limited to (i) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (ii) whether the entity has inventory risk before the specified service has been transferred to a customer; and (iii) whether the entity has discretion in establishing the prices for the specified good or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgement when assessing the indicators depending on each different circumstance.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(CONTINUED)*

(d) Allocation of selling price of each distinct performance obligation

As disclosed in Note 2.5, contracts with customers may include multiple performance obligations. When the performance obligations are assessed to be distinct, the Group allocates revenue to each performance obligation based on their relative standalone selling prices. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating whether the performance obligations are distinct and the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

(e) Expected credit losses for trade receivables and contract assets

The impairment provisions for trade receivables and contract assets are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to profit or loss. Management reassesses the provision at the end of the reporting period. Where the basis of judgements and estimates is different from the initial assessment, such differences will impact the provision for impairment and the carrying values of the trade receivables and contract assets.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(CONTINUED)*

(f) Current and deferred income taxes

The Group is subject to income taxes in the PRC and other jurisdictions. Judgement is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group considers whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing, by assuming the taxation authority will examine those amounts and will have full knowledge of all relevant information. When the Group concludes that it is probable that a particular tax treatment is accepted, the Group determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. If the Group concludes that it is not probable that a particular tax treatment is accepted, the Group uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Group assesses its judgements and estimates if facts and circumstances change.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

5 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors consider the business from product perspective. The Group has identified the following operating segments:

Cloud services	Including software as a service and platform as a service, along with related implementation services, value-added services and other support services.
On-premise software and services	On-premise software and services, a business process management software and related services that allow an organisation to use a system of integrated applications to manage the business and automate back-office functions relating to technology, services, and human resources.

There was no information by segment about total assets, total liabilities, inter-segment revenue, interest revenue, interest expense and other profit and loss items, such as depreciation, amortisation and income tax provided to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

Substantially all of the revenue from external customers and the non-current assets (excluding financial instruments and deferred tax assets) of the Group were generated/located in the PRC. The geographical information of revenue from external customers is based on the locations of the customers.

The segment information for the year ended 31 December 2024 is as follows:

	Cloud services RMB'000	On-premise software and services RMB'000	Total RMB'000
Revenues	**1,195,093**	**239,725**	**1,434,818**
Cost of sales	**(162,935)**	**(169,164)**	**(332,099)**
Gross profit	**1,032,158**	**70,561**	**1,102,719**

5 SEGMENT INFORMATION *(CONTINUED)*

The segment information for the year ended 31 December 2023 is as follows:

	Cloud services RMB'000	On-premise software and services RMB'000	Total RMB'000
Revenues	1,338,663	300,981	1,639,644
Cost of sales	(157,551)	(178,866)	(336,417)
Gross profit	1,181,112	122,115	1,303,227

6 REVENUES

The Group's revenues include revenues from cloud services and on-premise software and services. The Group acts as the principal to end customers for sales of cloud services and on-premise product support services. In respect of on-premise software licensing, implementation and value-added services, the Group acts as the principal to end customers in the model of direct sales whereas the Group acts as the principal to regional channel partners in the model of sales through them. Revenue is stated net of value added tax ("VAT") in the PRC and comprises the following:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Cloud services	**1,195,093**	1,338,663
On-premise software and services	**239,725**	300,981
	1,434,818	1,639,644

6 REVENUES *(CONTINUED)*

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Cloud services		
– Revenues over time	**1,113,174**	1,268,087
– Revenues at a point in time	**81,919**	70,576
On-premise software and services		
– Revenues over time	**210,842**	239,010
– Revenues at a point in time	**28,883**	61,971
	1,434,818	1,639,644

Revenue from each individual customer is lower than 10% of the Group's total revenue for the years ended 31 December 2024 and 2023.

(a) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Contract assets	**137,811**	120,152
Less: Loss allowance (Note 3.1)	**(53,152)**	(39,489)
Total contract assets	**84,659**	80,663
Contract acquisition costs (ii)	**216,095**	262,976
Less: non-current portion	**(3,744)**	(7,639)
	212,351	255,337
Contract liabilities (iii)	**450,238**	546,874
Less: non-current portion	**(17,332)**	(32,013)
	432,906	514,861

6 REVENUES *(CONTINUED)*

(a) Assets and liabilities related to contracts with customers *(Continued)*

(i) Significant changes in contract assets, contract acquisition costs and contract liabilities

Contract assets are the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. Such assets increased as a result of the increase of non-completed contracts.

Contract acquisition costs represent the differences between the gross amount billed to the end customers by the regional channel partners and the amount billed to regional channel partners by the Group, where the regional channel partners are the agents of the Group. Such assets decreased as a result of the decline of the average commission rate.

Contract liabilities of the Group mainly arise from the non-refundable advance payments made by customers while the underlying services are yet to be provided. Such liabilities decreased mainly as a result of the decline of the Group's revenues from on-premise software and services and decrease of advance payments from customers.

(ii) Assets recognised from costs to obtain a contract

Management expects the incremental costs, only including sale commissions, as a result of obtaining the contracts are recoverable. The Group has capitalised the amounts and amortised when the related revenue is recognised. For the year ended 31 December 2024, the amount of amortisation was RMB142,585,000 (2023: RMB180,384,000). There was no impairment loss in relation to the costs capitalised.

6 REVENUES *(CONTINUED)*

(a) Assets and liabilities related to contracts with customers *(Continued)*

(iii) Revenue recognised in relation to contract liabilities

The following table shows the amount of revenue recognised in the current year relating to carried-forward contract liabilities.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue recognised in relation to contract liabilities	**411,199**	478,170

(iv) Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from fixed-price long-term contracts:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Unsatisfied long-term contracts		
– On-premise software and services	**132,537**	169,460
– Cloud services	**678,706**	818,827
	811,243	988,287

The management expects that unsatisfied performance obligations of approximately RMB726,183,000 as at 31 December 2024 (2023: RMB889,324,000) will be recognised as revenue within 1 year. The remaining unsatisfied performance obligations of approximately RMB85,060,000 (2023: RMB98,963,000) will be recognised as revenue in 1 to 2 years.

All other contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts was not disclosed.

7 EXPENSES BY NATURE

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Employee benefit expenses (Note 10)	**952,476**	1,182,525
Commission expenses	**334,052**	418,047
Share-based compensation expenses (Note 10)	**145,582**	417,322
Outsourcing expenses	**80,625**	58,432
Professional and technical service fees	**53,489**	57,086
IT and communication charges	**43,105**	48,225
Depreciation of right-of-use assets (Note 17)	**40,345**	52,563
Depreciation of property, plant and equipment (Note 15)	**37,285**	38,077
Exhibition and promotion charges	**31,055**	27,764
Travelling and entertainment expenses	**27,971**	31,252
Costs of inventories sold	**24,448**	35,835
Utilities expenses	**12,950**	15,898
Office expenses	**11,477**	12,221
Taxes and surcharges	**9,821**	10,362
Auditor's remuneration	**4,858**	6,845
– Audit services	**4,080**	4,200
– Non-audit services	**778**	2,645
Depreciation of investment properties (Note 16)	**3,773**	3,715
Amortisation of intangible assets (Note 18)	**988**	2,599
Others	**1,594**	1,877
	1,815,894	2,420,645

No research and development expenses had been capitalised during the years ended 31 December 2024 and 2023.

8 OTHER INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Government grants	**46,496**	20,432
Dividend from investments in unlisted funds	**10**	46
VAT refund (a)	**9,187**	7,354
Rental income	**12,929**	13,172
Income from wealth management products ((b), Note 21(a))	**16,563**	20,855
Others	**13**	4,391
	85,198	66,250

(a) According to the circular "Announcement of the Ministry of Finance, the General Administration of Taxation and the General Administration of Customs on deepening policies related to VAT reformation" (Announcement of the Ministry of Finance, the General Administration of Taxation and the General Administration of Customs [2019] No.39 財政部稅務總局海關總署公告2019年第39號), the application VAT rate for sales of computer software was 13%.

According to the circular Cai Shui [2011] No.100, software enterprises which engage in the sales of self-developed software in the PRC are entitled to VAT refund to the extent that the effective VAT rate of the sales of the software in the PRC exceeds 3%.

(b) It represented realised income or gains and unrealised fair value changes from wealth management products that are measured at fair value through profit or loss.

9 OTHER LOSSES, NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Net (losses)/gains on disposal of property, plant and equipment	**(1,406)**	238
Termination of leases	**(2,626)**	(7,661)
Net losses on disposal of assets held for sale	**(271)**	(202)
Fair value losses on investments in unlisted securities and funds included in financial assets at FVPL (Note 21(b))	**(4,909)**	(7,980)
Write-down of inventories to net realisable value	**(7,059)**	–
Foreign exchange (losses)/gains	**(18,416)**	14,141
Disposal of a subsidiary (Note 35)	**–**	124
Others	**(869)**	(1,038)
	(35,556)	(2,378)

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Salaries, wages and bonuses	**768,850**	946,260
Pension costs – defined contribution plans (a)	**80,349**	84,894
Other social security costs, housing benefits and other employee benefits	**103,277**	151,371
Share-based compensation (Note 27)	**145,582**	417,322
	1,098,058	1,599,847

(a) Pension costs – defined contribution plans

Employees of the group companies in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The group companies are required to contribute a certain percentage of their payroll costs to the central pension scheme.

Other than the monthly contributions, the Group has no further obligations for the payment of retirement and other post-retirement benefits of its employees.

As at 31 December 2024 and 2023, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions.

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) *(CONTINUED)*

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group did not include any directors for the year ended 31 December 2024 (2023: none). Details of the emoluments for the five (2023: five) individuals during year ended 31 December 2024 are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Salaries and wages	**5,977**	4,998
Discretionary bonuses	**654**	4,359
Pension costs – defined contribution plans	**287**	226
Other social security costs, housing benefits and other employee benefits	**351**	323
Share-based compensation	**39,280**	95,919
	46,549	105,825

The number of highest paid employees whose remuneration fell within the following bands is as follows:

	Number of individuals	
	Year ended 31 December	
	2024	2023
Emoluments bands:		
HKD7,500,001 to HKD8,000,000	**1**	–
HKD8,500,001 to HKD9,000,000	**1**	–
HKD10,500,001 to HKD11,000,000	**1**	–
HKD11,500,001 to HKD12,000,000	**2**	–
HKD13,500,001 to HKD14,000,000	**–**	1
HKD14,500,001 to HKD15,000,000	**–**	1
HKD19,000,001 to HKD19,500,000	**–**	1
HKD19,500,001 to HKD20,000,000	**–**	1
HKD50,000,001 to HKD50,500,000	**–**	1
	5	5

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) *(CONTINUED)*

(b) Five highest paid individuals *(Continued)*

No incentive payment for joining the Group or as compensation for loss of office was paid or payable to any of the five highest paid individuals for the years ended 31 December 2024 and 2023.

During the year and in prior years, share options and restricted share units ("RSUs") were granted to certain employees in the disclosures in respect of their services to the Group, further details of which are included in note 27 to the financial statements. The fair value of such options and the RSUs, which have been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant.

(c) Directors' and chief executive's emoluments

Remuneration of every director and the chief executive is set out below:

	Directors' fees RMB'000	Salaries, wages and bonuses (note) RMB'000	Pension costs-defined contribution plans RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
For the year ended 31 December 2024					
Chairman and executive director:					
Mr. Gao Yu	–	29	7	7	43
Executive directors:					
Mr. Chen Xiaohui	–	667	50	60	777
Mr. Jiang Haiyang	–	715	50	66	831
Non-executive director:					
Mr. Liang Guozhi	–	–	–	–	–
Independent non-executive directors:					
Mr. Li Hanhui	92	–	–	–	92
Mr. Zhao Liang	92	–	–	–	92
Ms. Tong Naqiong (iii)	69	–	–	–	69
Ms. Wen Hongmei (iii)	23	–	–	–	23
	276	1,411	107	133	1,927

Note: There are no discretionary bonuses being paid.

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) *(CONTINUED)*

(c) Directors' and chief executive's emoluments *(Continued)*

	Directors' fees RMB'000	Salaries, wages and bonuses RMB'000	Pension costs-defined contribution plans RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
For the year ended 31 December 2023					
Chairman and executive director:					
Mr. Gao Yu	–	434	46	63	543
Executive directors:					
Mr. Chen Xiaohui	–	434	46	63	543
Mr. Jiang Haiyang	–	566	46	67	679
Mr. Jiang Keyang (i)	–	218	15	22	255
Non-executive directors:					
Mr. Liang Guozhi	–	–	–	–	–
Mr. Yi Feifan (ii)	–	–	–	–	–
Independent non-executive directors:					
Mr. Li Hanhui	90	–	–	–	90
Mr. Zhao Liang	90	–	–	–	90
Ms. Tong Naqiong (iii)	90	–	–	–	90
	270	1,652	153	215	2,290

Notes:

(i) Resigned on 28 March 2023.

(ii) Resigned on 28 March 2023.

(iii) Ms. Tong Naqiong resigned on 25 September 2024. Ms. Wen Hongmei was appointed as the Company's independent non-executive director on 25 September 2024.

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) *(CONTINUED)*

(d) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors during the years ended 31 December 2024 and 2023.

(e) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available directors' services subsisted at the end of each reporting period or at any time during the years ended 31 December 2024 and 2023.

(f) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings were entered into in favour of directors, controlled bodies corporate by and connected entities with such directors during the years ended 31 December 2024 and 2023.

(g) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's Business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the years ended 31 December 2024 and 2023.

11 FINANCE INCOME, NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Finance income		
– Interest income from bank deposits	**183,713**	182,592
Finance costs		
– Interest expenses on lease liabilities	**(4,418)**	(7,104)
Finance income, net	**179,295**	175,488

12 INCOME TAX

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax	**–**	–
Deferred income tax (Note 28)	**(7,851)**	(2,380)
Income tax	**(7,851)**	(2,380)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate of 25%, being the standard income tax rate in the PRC for the years ended 31 December 2024 and 2023. The differences are analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Loss before income tax	**(197,397)**	(589,423)
Share of losses of investments accounted for using the equity method	**409**	1,691
Total	**(196,988)**	(587,732)
Tax calculated at the statutory PRC tax rate of 25%	**(49,247)**	(146,933)
Tax losses for which no deferred income tax asset was recognised	**67,220**	109,474
Super deduction for research and development expenses	**(59,748)**	(61,787)
Utilisation of tax losses previously not recognised	**(12,432)**	(36,234)
Effects of different tax rates in overseas jurisdictions	**(21,099)**	(31,318)
Expenses not deductible for tax purposes	**38,262**	116,646
Income not subject to tax	**(9,751)**	(10,705)
Effects of preferential tax rates applicable to PRC subsidiaries of the Group	**38,944**	58,477
Income tax	**(7,851)**	(2,380)

12 INCOME TAX *(CONTINUED)*

(a) Cayman Islands

Under the current laws of the Cayman Islands, entities incorporated in the Cayman Islands are not subject to tax on income or capital gain. In addition, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

(b) British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in the British Virgin Islands are not subject to tax on income or capital gain. In addition, the British Virgin Islands does not impose a withholding tax on payments of dividends to shareholders.

(c) Hong Kong profits tax

No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax during the years ended 31 December 2024 and 2023.

(d) PRC corporate income tax ("CIT")

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate was 25% for the year ended 31 December 2024 (2023: 25%).

Ming Yuan Cloud Technology was granted the qualification of High and New Technology Enterprise ("HNTE") in 2018 and it has renewed the qualification of HNTE in 2021 and 2024. Ming Yuan Cloud Technology was qualified to apply the preferential CIT rate of 15% as an HNTE for the year ended 31 December 2024 (2023: 15%).

Shenzhen Mingyuan Yunke Electronic Commerce Co., Ltd. (深圳市明源雲客電子商務有限公司, "Ming Yuan Cloud Client") had also applied to the relevant tax bureau and was granted the qualification of HNTE in 2016 and it has renewed the qualification as an HNTE in 2022. In addition, according to Circular 27 and Circular 49, the newly established software enterprises were entitled to tax exemption for two years commencing from the first year of profitable operation and thereafter to a preferential rate at half of the corporate income tax rate for three years. Therefore, Ming Yuan Cloud Client applied a preferential corporate income tax rate of 12.5% (2023: 12.5%) for the year ended 31 December 2024 since it was the fifth year of profitable operation (2023: fourth). The application of preferential tax rate stated above is subject to critical estimates of the management of the Group.

12 INCOME TAX *(CONTINUED)*

(d) PRC corporate income tax ("CIT") *(Continued)*

Shenzhen Mingyuan Cloud Space Electronic Commerce Co., Ltd. (深圳市明源雲空間電子商務有限公司, "Ming Yuan Cloud Space"), and Ming Yuan Cloud Procurement have been qualified to apply the preferential CIT rate of 15% for HNTE beginning from 1 January 2019 and have renewed the qualification as an HNTE in 2022. Ming Yuan Cloud Space and Ming Yuan Cloud Procurement have been qualified to apply the preferential CIT rate of 15% (2023: 15%) for HNTE for the year ended 31 December 2024.

Wuhan Mingyuan Dongli Software Co., Ltd. (武漢明源動力軟件有限公司, "Wuhan Ming Yuan Power") and Shenzhen Mingyuan Cloud Chain Internet Technology Limited (深圳市明源雲鏈互聯網科技有限公司, "Ming Yuan Cloud Chain") have been qualified to apply the preferential CIT rate of 15% for HNTE beginning from 1 January 2021 and they have renewed the qualification as HNTEs in 2024. Accordingly, they were qualified to apply the preferential CIT rate of 15% (2023:15%) for HNTE for the year ended 31 December 2024.

Wuhan Mingyuan Cloud Technology Co., Ltd. (武漢明源雲科技有限公司, "Wuhan Ming Yuan Cloud Technology") has been qualified to apply the preferential CIT rate of 15% for HNTE beginning from 8 December 2023. Accordingly, it was qualified to apply the preferential CIT rate of 15% (2023:15%) for HNTE for the year ended 31 December 2024.

Wuhan Mingyuan Zhuoyue Information Technology Service Co., Ltd. (武漢明源卓越信息技術服務有限公司, "Wuhan Ming Yuan Excel") has been qualified to apply the preferential CIT rate of 15% for HNTE beginning from 24 December 2024. Accordingly, it was qualified to apply the preferential CIT rate of 15% (2023:25%) for HNTE for the year ended 31 December 2024.

(e) Super deduction for research and development expenses

From 1 January 2023, according to Ministry of Finance State Administration of Taxation Announcement No. 7 of 2023 (財政部稅務總局公告2023年第7號, "Ministry of Finance State Administration of Taxation Announcement No. 7 of 2023"), an additional 100% of the actual amount of research and development expenses can be deducted before tax.

12 INCOME TAX *(CONTINUED)*

(f) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

13 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the years ended 31 December 2024 and 2023.

	Year ended 31 December	
	2024	2023
Loss attributable to owners of the Company (RMB'000)	**(189,546)**	(585,634)
Weighted average number of ordinary shares outstanding (thousand) (Note)	**1,840,860**	1,837,277
Basic loss per share (in RMB)	**(0.10)**	(0.32)

Note: The weighted average number of ordinary shares outstanding for the years ended 31 December 2024 and 2023 has been determined based on the number of shares in issue, transfer of vested restricted share units from treasury shares and shares repurchased.

13 LOSS PER SHARE *(CONTINUED)*

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

For the years ended 31 December 2024 and 2023, as the Group incurred losses, the potential ordinary shares of restricted share units as mentioned in Note 27 were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, the diluted loss per share amounts for the years ended 31 December 2024 and 2023 are the same as the basic loss per share amounts.

14 DIVIDENDS

The Board has recommended the declaration and payment of the special dividend of HK$0.1 (equivalent to RMB0.092) per Share out of the share premium, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting. The special dividend proposed has not been recognised as liability in these consolidated financial statements.

A special dividend of HKD0.1 (equivalent to approximately RMB0.091) per Share was approved by the shareholders of the Company at the 2023 annual general meeting of the Company held on 10 May 2024, amounting to RMB167,522,000, and was paid on 5 July 2024.

15 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Computer equipment RMB'000	Furniture and office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Assets under construction RMB'000	Total RMB'000
At 1 January 2024							
Cost	149,707	26,285	43,556	1,778	110,043	9,518	340,887
Accumulated depreciation	(13,018)	(19,917)	(25,933)	(850)	(56,456)	–	(116,174)
Net book amount	136,689	6,368	17,623	928	53,587	9,518	224,713
Year ended 31 December 2024							
Opening net book amount	136,689	6,368	17,623	928	53,587	9,518	224,713
Additions	–	1,038	268	–	3,107	8,129	12,542
Disposals	–	(816)	(1,402)	–	–	–	(2,218)
Transfer to investment properties (Note 16)	(35,183)	–	–	–	–	–	(35,183)
Transfer upon completion	–	–	47	–	3,388	(3,435)	–
Depreciation charge	(2,749)	(3,429)	(8,459)	(271)	(22,377)	–	(37,285)
Closing net book amount	98,757	3,161	8,077	657	37,705	14,212	162,569
At 31 December 2024							
Cost	112,893	23,824	40,253	1,778	116,538	14,212	309,498
Accumulated depreciation	(14,136)	(20,663)	(32,176)	(1,121)	(78,833)	–	(146,929)
Net book amount	98,757	3,161	8,077	657	37,705	14,212	162,569

15 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

	Buildings RMB'000	Computer equipment RMB'000	Furniture and office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Assets under construction RMB'000	Total RMB'000
At 1 January 2023							
Cost	149,663	44,241	48,847	1,196	104,648	4,693	353,288
Accumulated depreciation	(10,212)	(29,929)	(20,779)	(671)	(37,898)	–	(99,489)
Net book amount	139,451	14,312	28,068	525	66,750	4,693	253,799
Year ended 31 December 2023							
Opening net book amount	139,451	14,312	28,068	525	66,750	4,693	253,799
Additions	44	524	626	582	5,661	4,825	12,262
Disposals	–	(1,307)	(1,671)	–	(266)	–	(3,244)
Disposal of a subsidiary	–	(27)	–	–	–	–	(27)
Depreciation charge	(2,806)	(7,134)	(9,400)	(179)	(18,558)	–	(38,077)
Closing net book amount	136,689	6,368	17,623	928	53,587	9,518	224,713
At 31 December 2023							
Cost	149,707	26,285	43,556	1,778	110,043	9,518	340,887
Accumulated depreciation	(13,018)	(19,917)	(25,933)	(850)	(56,456)	–	(116,174)
Net book amount	136,689	6,368	17,623	928	53,587	9,518	224,713

15 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

Depreciation of the Group's property, plant and equipment has been recognised as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
General and administrative expenses	**9,164**	7,396
Research and development expenses	**11,038**	17,600
Selling and marketing expenses	**17,083**	13,081
	37,285	38,077

(a) Depreciation methods and useful lives

Property, plant and equipment are stated at historical costs less depreciation. Historical costs include expenditures that are directly attributable to the acquisition of items of property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate the cost of items of property, plant and equipment, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter of the lease term of as follows:

- Buildings — 30 to 50 years
- Computer equipment — 3 to 5 years
- Furniture and office equipment — 3 to 5 years
- Motor vehicles — 5 years
- Leasehold improvements — Shorter of estimated useful lives and remaining lease terms

See Note 38.4 for the other accounting policies relevant to property, plant and equipment.

16 INVESTMENT PROPERTIES

	Buildings RMB'000	Land use right RMB'000	Total RMB'000
Year ended 31 December 2024			
Opening net book amount	**176,885**	**1,761**	**178,646**
Transfer from property, plant and equipment (Note 15)	**35,183**	**–**	**35,183**
Depreciation charge	**(3,724)**	**(49)**	**(3,773)**
Closing net book amount	**208,344**	**1,712**	**210,056**
At 31 December 2024			
Cost	**226,378**	**2,349**	**228,727**
Accumulated depreciation	**(18,034)**	**(637)**	**(18,671)**
Net book amount	**208,344**	**1,712**	**210,056**

	Buildings RMB'000	Land use right RMB'000	Total RMB'000
Year ended 31 December 2023			
Opening net book amount	180,551	1,810	182,361
Depreciation charge	(3,666)	(49)	(3,715)
Closing net book amount	176,885	1,761	178,646
At 31 December 2023			
Cost	189,564	2,349	191,913
Accumulated depreciation	(12,679)	(588)	(13,267)
Net book amount	176,885	1,761	178,646

The investment properties comprise 22 floors (2023: 19 floors) of two buildings located in Wuhan for offices in 2024, held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties through rental.

16 INVESTMENT PROPERTIES *(CONTINUED)*

Investment properties are initially measured at cost, including related transaction costs, and where applicable, borrowing costs. Subsequently, they are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis, after considering the estimated residual value (5% of original cost), over the estimated useful lives. The estimated useful lives of the Group's investment properties are 48 to 50 years.

As at 31 December 2024, the fair value of investment properties was approximately RMB219,478,000 (2023: RMB201,442,000). The fair value measurement of investment properties is categorised within Level 3 of the fair value hierarchy, which is calculated based on the average selling prices of properties in the same area or in the vicinity.

(a) Leasing arrangements

Undiscounted lease payments receivable on leases of investment properties are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Within 1 year (including 1 year)	**13,313**	12,750
Between 1 and 2 years (including 2 years)	**14,109**	12,692
Between 2 and 3 years (including 3 years)	**9,481**	12,948
Between 3 and 4 years (including 4 years)	**9,209**	8,188
Between 4 and 5 years (including 5 years)	**9,487**	7,990
Later than 5 years	**107,295**	91,178
	162,894	145,746

17 LEASES

(a) Amounts recognised in the statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Right-of-use assets		
– Buildings	**69,289**	121,849
– Land use right	**178,316**	183,132
	247,605	304,981
Lease liabilities		
– Current	**33,841**	42,634
– Non-current	**43,552**	89,919
	77,393	132,553

Additions to the buildings in right-of-use assets for the years ended 31 December 2024 and 2023 were RMB33,347,000 and RMB3,421,000, respectively. There were no additions to the land use right in right-of-use assets for the years ended 31 December 2024 and 2023.

17 LEASES *(CONTINUED)*

(b) Amounts recognised in profit or loss

The consolidated statement of profit or loss shows the following amounts relating to leases:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
– Buildings	**40,223**	52,441
– Land use right	**122**	122
	40,345	52,563
Interest expense (included in finance costs)	**4,418**	7,104

The total cash outflow from financing activities for leases for the years ended 31 December 2024 and 2023 was RMB38,667,000 and RMB64,578,000 respectively, and the total cash outflow from operating activities for leases for the years ended 31 December 2024 and 2023 was RMB74,000 and RMB765,000, respectively. The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in Note 31(c) and 32(b), respectively, to the financial statements.

(c) The Group's leasing activities and how these are accounted for

The Group leases certain offices and land. Rental contracts for offices are typically made for fixed periods of 1 months to 60 months. Rental contracts for land are typically made for fixed periods of 45 years to 50 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17 LEASES *(CONTINUED)*

(d) Variable lease payments

No variable payment terms are contained in the leases.

(e) Extension and termination options

Lease payments to be made under reasonably certain extension options are included in the measurement. No termination options are included in building leases across the Group.

(f) Residual value guarantees

No residual value guarantees are provided in relation to leases.

18 INTANGIBLE ASSETS

	Goodwill RMB'000	Software licenses RMB'000	Total RMB'000
At 1 January 2023			
Cost	45,896	18,717	64,613
Accumulated amortisation	–	(12,123)	(12,123)
Accumulated impairment provision	(32,808)	–	(32,808)
Net book amount	13,088	6,594	19,682
Year ended 31 December 2023			
Opening net book amount	13,088	6,594	19,682
Additions	–	170	170
Disposal of a subsidiary	(13,088)	(2,169)	(15,257)
Amortisation charge	–	(2,599)	(2,599)
Closing net book amount	–	1,996	1,996
At 31 December 2023			
Cost	–	15,058	15,058
Accumulated amortisation	–	(13,062)	(13,062)
Net book amount	–	1,996	1,996
Year ended 31 December 2024			
Opening net book amount	**–**	**1,996**	**1,996**
Additions	**–**	**129**	**129**
Disposals	**–**	**(219)**	**(219)**
Amortisation charge	**–**	**(988)**	**(988)**
Closing net book amount	**–**	**918**	**918**
At 31 December 2024			
Cost	**–**	**14,311**	**14,311**
Accumulated amortisation	**–**	**(13,393)**	**(13,393)**
Net book amount	**–**	**918**	**918**

18 INTANGIBLE ASSETS *(CONTINUED)*

(a) Amortisation of the Group's intangible assets has been recognised as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
General and administrative expenses	**804**	2,007
Research and development expenses	**184**	592
	988	2,599

19 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Balance at 1 January	**19,184**	20,875
Disposal	**(5,768)**	–
Losses on dilution of equity interests in associate	**(946)**	–
Share of losses of an associate	**(409)**	(1,691)
Balance at 31 December	**12,061**	19,184

During the year ended 31 December 2024, the Group disposed of portion of interests in Mingqi with a total consideration of RMB5,250,000, and therefore, the amount of losses on disposal was RMB518,000, which was presented in the consolidated statement of profit or loss within "other losses, net". As at 31 December 2024, the Group had 23% (2023: 30%) interests in Hangzhou Mingqi Intelligence Technology Company Limited (杭州明啟數智科技有限公司, "Mingqi"), which is accounted for as an associate of the Group as the Group has secured a place in Mingqi's board of directors. Mingqi is a private company and there is no quoted market price available for its shares. There are no commitments or contingent liabilities relating to the Group's interests in Mingqi. In the opinion of the directors, Mingqi is immaterial to the Group.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Financial assets		
Financial assets at amortised cost		
Trade receivables (Note 23)	**78,303**	66,168
Other receivables (Note 23)	**38,202**	38,125
Term deposits (Note 24)	**1,506,240**	419,082
Restricted cash (Note 24)	**964**	1,005
Cash and cash equivalents (Note 24)	**1,945,220**	3,972,900
	3,568,929	4,497,280
Financial assets at FVPL (Note 21)	**275,480**	188,479
Financial assets at FVOCI (Note 22)	**196**	360
	3,844,605	4,686,119
Financial liabilities		
Financial liabilities at amortised cost		
Trade payables (Note 29)	**24,518**	23,762
Other payables and accruals (excluding accrued payroll and employee benefit expenses, VAT and surcharges payable) (Note 30)	**20,708**	21,719
Lease liabilities (Note 17)	**77,393**	132,553
	122,619	178,034

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of financial assets mentioned above.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Investments in wealth management products (a)	**226,333**	136,771
Investments in unlisted securities and funds (b)	**49,147**	51,708
	275,480	188,479
Less: non-current portion		
Investments in wealth management products (a)	**–**	(25,514)
Investments in unlisted securities and funds (b)	**(49,147)**	(51,708)
	226,333	111,257

(a) Investments in wealth management products

Movements in investments in wealth management products were as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**136,771**	29,702
Acquisitions	**2,071,365**	2,544,263
Disposals	**(1,998,366)**	(2,458,049)
Unrealised changes in fair value (Note 8)	**478**	68
Realised income (Note 8)	**16,085**	20,787
At the end of the year	**226,333**	136,771

The returns on all of these wealth management products are not guaranteed, and therefore the Group classified them as financial assets at FVPL. Realised income and unrealized changes in fair value on these financial assets are recognised in "other income" in the consolidated statement of profit or loss. For the fair value estimation, please refer to Note 3.3 for details.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(CONTINUED)*

(b) Investments in unlisted securities and funds

The Group's investments in unlisted securities and funds included in financial assets at FVPL represent the investments in unlisted securities which the Group has redemption rights under certain redemption events or investments in unlisted funds. For the fair value estimation, please refer to Note 3.3 for details.

Movements of investments in unlisted securities and funds included in financial assets at FVPL were as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**51,708**	53,387
Acquisitions	**2,348**	6,035
Transfer	**–**	266
Unrealised changes in fair value (Note 9)	**(4,909)**	(7,980)
At the end of the year	**49,147**	51,708
Investments in unlisted securities	**23,819**	31,293
Investments in unlisted funds	**25,328**	20,415
Total	**49,147**	51,708

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group's investments in financial assets at FVOCI are all investments in unlisted equity, which represent the investments in certain privately owned companies. For the fair value estimation, please refer to Note 3.3 for details.

Movements of investments in unlisted equity were as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**360**	6,547
Unrealised changes in fair value (Note 26, 28)	**(164)**	(6,187)
At the end of the year	**196**	360

23 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables from contracts with customers (a)	**184,722**	140,353
Less: Loss allowance (Note 3.1)	**(106,419)**	(74,185)
Trade receivables, net	**78,303**	66,168
Prepayments to suppliers	**11,898**	32,727
Prepayments for property, plant and equipment	**12,161**	12,161
Prepayments for employee benefits	**5,732**	5,231
Total prepayments	**29,791**	50,119
Rental and other deposits	**18,476**	21,814
Others	**19,787**	16,348
Less: Loss allowance (b)	**(61)**	(37)
Other receivables, net	**38,202**	38,125
Total trade receivables, prepayments and other receivables	**146,296**	154,412
Less: Non-current deposits and prepayments	**(26,019)**	(32,477)
Current portion	**120,277**	121,935

23 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES *(CONTINUED)*

(a) Trade receivables

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables from contracts with customers	**184,722**	140,353
Less: Loss allowance (Note 3.1(b))	**(106,419)**	(74,185)
	78,303	66,168

Movements in the Group's loss allowance for trade receivables are disclosed in Note 3.1.

The Group normally allows 0 to 90 days credit periods to its customers. An ageing analysis of the trade receivables as at 31 December 2024 and 2023, based on the date of recognition, is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Ageing:		
Up to 3 months	**48,798**	37,344
3 to 6 months	**17,583**	16,356
6 months to 1 year	**28,036**	22,995
1 to 2 years	**38,436**	36,670
Over 2 years	**51,869**	26,988
	184,722	140,353

Trade receivables are amounts due from customers for software licensing or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current.

23 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES *(CONTINUED)*

(b) Movements in the Group's loss allowance for other receivables are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**37**	29
Impairment provision	**24**	7,831
Receivables written off during the year as uncollectible	**–**	(7,823)
At the end of the year	**61**	37

24 CASH AND CASH EQUIVALENTS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Cash at banks and on hand (i)	**4,043,364**	4,392,987
Less: Restricted cash (ii)	**(964)**	(1,005)
Term deposits (iii)	**(2,097,180)**	(419,082)
Cash and cash equivalents	**1,945,220**	3,972,900

24 CASH AND CASH EQUIVALENTS *(CONTINUED)*

(i) Cash at banks and on hand was denominated in the following currencies:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
RMB	**985,193**	1,287,327
USD	**3,045,903**	3,094,585
HKD	**11,220**	11,075
Japanese Yen ("JPY")	**661**	–
Singapore Dollar ("SGD")	**197**	–
Malaysian Ringgit ("MYR")	**190**	–
	4,043,364	4,392,987

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB985,193,000 (2023: RMB1,287,327,000). The RMB is not freely convertible into other currencies, however, under Mainland China'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. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

(ii) The restricted cash was pledged to banks as required by certain customers' contract implementation of the Group.

24 CASH AND CASH EQUIVALENTS *(CONTINUED)*

(iii) An analysis of the Group's term deposits by currency is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Included in non-current assets:		
RMB term deposits over 1 year	**590,940**	237,792
Included in current assets:		
RMB term deposits over 3 months to 1 year	**32,998**	110,442
USD term deposits over 3 months to 1 year	**1,473,242**	70,848
	1,506,240	181,290
	2,097,180	419,082

As at 31 December 2024, the term deposits carried interest rates of 2.6% to 5.4% per annum.

25 SHARE CAPITAL

Authorised:

	Number of ordinary shares '000	Nominal value of ordinary shares HKD'000	Number of preferred shares '000	Nominal value of preferred shares HKD'000
As at 31 December 2023 and 2024	3,800,000	380	–	–

Issued:

	Number of ordinary shares '000	Nominal value of ordinary shares HKD'000	Share capital RMB'000
As at 1 January 2023	1,959,526	196	172
Issuance of ordinary shares (a)	27,233	2	2
Cancellation of shares (b)	(44,443)	(4)	(4)
As at 31 December 2023 (c)	1,942,316	194	170
As at 1 January 2024	**1,942,316**	**194**	**170**
Issuance of ordinary shares (a)	**24,779**	**2**	**2**
Cancellation of shares (b)	**(23,210)**	**(2)**	**(2)**
As at 31 December 2024 (c)	**1,943,885**	**194**	**170**

(a) During the year ended 31 December 2024, the Company allotted and issued a total of 24,779,266 (2023: 27,232,775) ordinary shares to MYC Marvellous Limited. The issuance resulted in the increase in share capital of RMB2,000 (2023: RMB2,000) and the ordinary shares issued were presented as treasury shares.

25 SHARE CAPITAL *(CONTINUED)*

Issued: ***(Continued)***

(b) A total of 23,210,000 (2023: 44,443,000) shares were cancelled during the year end 2024, resulting in the decrease in the Company's share capital.

(c) During the year ended 31 December 2024, the Group purchased 35,576,000 (2023: 1,373,000) of its shares on the Hong Kong Stock Exchange at a total consideration of RMB62,708,000 (2023: RMB3,638,000). The total amount paid for the purchase of the shares has been charged to treasury shares and share premium of the Group. As of 31 December 2024, the Group held a total of 114,208,931 (2023: 92,541,011) treasury shares, primarily sourced from share repurchases and the issuance of new shares. These treasury shares are mainly intended for use in the share option scheme in the future.

As RSUs vest, employees who are Chinese tax residents incur personal income tax obligations based on the market price of the Company's shares on the vesting date. These tax obligations are typically fulfilled by the Company through withholding the number of shares, which were equivalent in market value to the total tax obligation and then held by MYC Marvellous Limited.

Where any group company purchases the Company's equity instruments, for example as a result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued and as other reserve. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

26 RESERVES

	Share premium RMB'000	Surplus reserve RMB'000	Exchange reserve RMB'000	Share-based compensation reserve RMB'000	Other reserve RMB'000	Total reserves RMB'000
At 1 January 2024	**7,529,943**	**129**	**(46,942)**	**644,192**	**(718,337)**	**7,408,985**
Changes in fair value of financial assets at FVOCI, net to tax (Note 22)	**–**	**–**	**–**	**–**	**(139)**	**(139)**
Currency translation differences	**–**	**–**	**63,104**	**–**	**–**	**63,104**
Losses on dilution of equity interests in associate	**–**	**–**	**–**	**–**	**(946)**	**(946)**
Share-based compensation expenses (Note 27)	**–**	**–**	**–**	**145,582**	**–**	**145,582**
Transfer of vested restricted share units from treasury shares (Note 27)	**340,569**	**–**	**–**	**(359,401)**	**–**	**(18,832)**
Cancellation of shares	**(41,450)**	**–**	**–**	**–**	**–**	**(41,450)**
Dividend distribution to the owners of the Company	**(167,522)**	**–**	**–**	**–**	**–**	**(167,522)**
At 31 December 2024	**7,661,540**	**129**	**16,162**	**430,373**	**(719,422)**	**7,388,782**
At 1 January 2023	7,360,863	82	(63,578)	622,815	(713,078)	7,207,104
Changes in fair value of financial assets at FVOCI, net of tax (Note 22)	–	–	–	–	(5,259)	(5,259)
Currency translation differences	–	–	16,636	–	–	16,636
Appropriation to statutory surplus reserve (a)	–	47	–	–	–	47
Share-based compensation expenses (Note 27)	–	–	–	417,322	–	417,322
Transfer of vested restricted share units from treasury shares (Note 27)	387,724	–	–	(395,945)	–	(8,221)
Cancellation of shares	(218,644)	–	–	–	–	(218,644)
At 31 December 2023	7,529,943	129	(46,942)	644,192	(718,337)	7,408,985

26 RESERVES *(CONTINUED)*

(a) Appropriation to statutory surplus reserve

In accordance with the PRC Company Law and the articles of association, each of the PRC subsidiaries of the Group is required to appropriate 10% of its profits after tax, as determined in accordance with Accounting Standards for Business Enterprises and other applicable regulations, to the statutory surplus reserve until such reserve reaches 50% of its registered capital. The appropriation to the reserve must be made before any distribution of dividends to shareholders. Apart from the statutory surplus reserve, discretionary surplus reserve can be appropriated according to the resolution of shareholders' meeting. The surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the PRC subsidiary's capital provided that the amount of surplus reserve remaining after the capitalisation shall not be less than 25% of its capital.

27 SHARE-BASED COMPENSATION

2020 Share Incentive Plan

On 29 March 2020, the board of directors of the Company passed a resolution, according to which an aggregate of 7,484,080 ordinary shares of the Company were issued and allotted to MYC Marvellous Limited, an employee share trust controlled by the Company (the "2020 Share Incentive Plan"). Effective from 31 March 2020, the shares held by MYC Marvellous Limited were subdivided into 74,840,800 shares.

On 10 April 2020, 8 July 2021, 29 October 2021 and 1 November 2021, the Company granted RSUs to the Group's employees (the "Grantees") subject to the 2020 Share Incentive Plan, representing 43,743,004 ordinary shares of par value HKD0.0001 each in the share capital of the Company. The RSUs awarded are either subject to a vesting scale in tranches from the grant date over a certain service period on condition that employees remain in service, or vested on the grant date. Once the vesting conditions underlying the respective RSUs are met and the RSUs are released, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

On 11 January 2022, 24 August 2022 and 14 November 2022, the Company granted RSUs to the Grantees, representing 26,794,019 ordinary shares of par value HKD0.0001 each in the share capital of the Company. The RSUs awarded are subject to a vesting scale in tranches from the grant date over a certain service period, on condition that employees remain in service with certain performance requirements. Once the vesting conditions underlying the respective RSUs are met and the RSUs are released, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

27 SHARE-BASED COMPENSATION *(CONTINUED)*

2020 Share Incentive Plan *(Continued)*

On 17 January 2023 and 15 November 2023, the Company granted RSUs to the Grantees, representing 1,817,655 ordinary shares of par value HKD0.0001 each in the share capital of the Company. The RSUs awarded are subject to a vesting scale in tranches from the grant date over a certain service period, on condition that employees remain in service with certain performance requirements. Once the vesting conditions underlying the respective RSUs are met and the RSUs are vested, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

2021 Share Award Scheme

On 11 June 2021, the board of directors of the Company passed a resolution, according to which an aggregate number of ordinary shares (the "Award Shares") of the Company, not exceeding 5% of the total number of issued shares as at 11 June 2021, may be awarded to eligible persons (the "2021 Share Award Scheme").

On 1 July 2021 and the Company granted RSUs to the Grantees, representing 41,443,996 ordinary shares of par value HKD0.0001 each in the share capital of the Company. The RSUs awarded are subject to a vesting scale in tranches from the grant date over a certain service period, on condition that employees remain in service with certain performance requirements. Once the vesting conditions underlying the respective RSUs are met and the RSUs are released, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

On 30 May 2022 and 14 November 2022, the Company granted RSUs to the Grantees, representing 13,089,993 ordinary shares of par value HKD0.0001 each in the share capital of the Company. The RSUs awarded are subject to a vesting scale in tranches from the grant date over a certain service period, on condition that employees remain in service with certain performance requirements. Once the vesting conditions underlying the respective RSUs are met and the RSUs are released, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

On 28 April 2023, 7 July 2023 and 15 November 2023, the Company granted Award Shares to the Grantees, representing 27,628,775 ordinary shares of par value HKD0.0001 each in the share capital of the Company. The Award Shares are subject to a vesting scale in tranches from the grant date over a certain service period, on condition that employees remain in service with certain performance requirements. Once the vesting conditions underlying the respective Award Shares are met and the Award Shares are vested, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

27 SHARE-BASED COMPENSATION *(CONTINUED)*

2021 Share Award Scheme *(Continued)*

On 29 April 2024 and 15 November 2024, the Company granted Award Shares to the Grantees, representing 26,661,788 ordinary shares of par value HKD0.0001 each in the share capital of the Company. The Award Shares are subject to a vesting scale in tranches from the grant date over a certain service period, on condition that employees remain in service with certain performance requirements. Once the vesting conditions underlying the respective Award Shares are met and the Award Shares are vested, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

2021 Share Option Scheme

On 11 June 2021, the shareholders of the Company passed a resolution to approve the adoption of a share option scheme (the "Share Option Scheme") and to authorise the board of directors of the Company to grant options thereunder to eligible participants. The percentage of the total issued shares of the Company that may be issued upon exercise of the share options to be granted under the Share Option Scheme shall not exceed 5% as at 11 June 2021.

On 17 January 2023, the Company granted a total of 41,200,000 share options to 59 employees of the Group, representing 1 ordinary share of par value HKD0.0001 each in the share capital of the Company. The share options awarded are subject to a vesting scale in tranches from the grant date over a certain service period, on condition that employees remain in service with certain performance requirements. Once the vesting conditions underlying the respective share options are met and the share options are vested, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

The share-based compensation expenses recognised during the years ended 31 December 2024 and 2023 are summarised in the following table:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Share-based compensation expenses	**145,582**	417,322

27 SHARE-BASED COMPENSATION *(CONTINUED)*

Expected retention rate

The Group has to estimate the expected percentage of grantees that will stay within the Group at the end of each of the vesting periods of the virtual share options (the "Expected Retention Rate") in order to determine the amount of share-based compensation expenses charged to the consolidated statement of profit or loss. As at 31 December 2024 and 2023, the Expected Retention Rate was assessed to be 96%.

(a) RSUs

Movements in the number of RSUs granted and the respective weighted average grant date fair values per RSU are as follows:

	Number of RSUs	Weighted average grant date fair value per RSU (RMB)
Outstanding as at 1 January 2023	65,902,074	20.76
Granted during the year	29,446,430	3.26
Vested during the year	(29,927,836)	13.23
Lapsed/forfeited	(9,925,955)	14.10
Outstanding as at 31 December 2023	55,494,713	16.72
Outstanding as at 1 January 2024	**55,494,713**	**16.72**
Granted during the year	**26,661,788**	**2.20**
Vested during the year	**(18,516,295)**	**19.41**
Lapsed/forfeited	**(10,245,969)**	**14.91**
Outstanding as at 31 December 2024	**53,394,237**	**8.88**

The fair values of RSUs granted in 2024 and 2023 were calculated based on the market prices of the Company's shares at the respective grant dates.

27 SHARE-BASED COMPENSATION *(CONTINUED)*

Expected retention rate *(Continued)*

(b) Share options

Movements in the number of share options granted and the respective weighted average grant date fair values per share option are as follows:

	Number of share options	Weighted average grant date fair value per share option (RMB)
Outstanding as at 1 January 2023	–	–
Granted during the year	41,200,000	3.88
Forfeited	(200,000)	3.88
Outstanding as at 31 December 2023	41,000,000	3.88
Outstanding as at 1 January 2024	**41,000,000**	**3.88**
Forfeited	**(6,300,000)**	**3.83**
Outstanding as at 31 December 2024	**34,700,000**	**3.89**

Share options outstanding at the end of the year have the following expiry date and exercise price:

Grant date	Expiry date	Exercise price
17 January 2023	17 January 2033	HKD8.20

27 SHARE-BASED COMPENSATION *(CONTINUED)*

Expected retention rate *(Continued)*

(b) Share options (Continued)

The fair value of share options granted was determined using the Binomial Option Pricing Model by an independent appraiser based on significant unobservable inputs. These inputs include:

	Fair value of share options granted	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Share options	HKD185,396,000 (equivalent to RMB159,560,000)	Volatility	59.37%	The higher the volatility, the higher the fair value
		Risk-free interest rate	3.13%	The higher the risk-free interest rate, the higher the fair value
		Dividend yield	0.00%	The higher the dividend yield, the lower the fair value

The fair value of share options is subject to a number of assumptions and the limitation of the model. There were no significant inter-relationships between unobservable inputs that materially affect fair values.

28 DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Deferred income tax assets:		
Deferred income tax assets	**41,631**	41,445
Set-off of deferred income tax liabilities pursuant to set-off provision	**(10,745)**	(18,412)
Net deferred income tax assets	**30,886**	23,033
Deferred income tax liabilities:		
Deferred income tax liabilities	**(10,824)**	(18,514)
Set-off of deferred income tax assets pursuant to set-off provision	**10,745**	18,412
Net deferred income tax liabilities	**(79)**	(102)

The movements in deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	As at 1 January 2024 RMB'000	Credited/ (charged) to profit or loss RMB'000	Credited to reserves RMB'000	As at 31 December 2024 RMB'000
The balance comprises temporary differences attributable to:				
Deferred income tax assets				
– Financial assets at FVPL	2,340	766	–	3,106
– Financial assets at FVOCI	1,821	–	25	1,846
– Lease liabilities	19,827	(8,148)	–	11,679
– Impairment provisions	17,457	7,543	–	25,000
	41,445	161	25	41,631
Deferred income tax liabilities				
– Right-of-use assets	(18,224)	7,760	–	(10,464)
– Financial assets at FVPL	(290)	(70)	–	(360)
	(18,514)	7,690	–	(10,824)

28 DEFERRED INCOME TAX *(CONTINUED)*

	As at 1 January 2023 RMB'000	Credited/ (charged) to profit or loss RMB'000	Disposal of a subsidiary RMB'000	Credited to reserves RMB'000	As at 31 December 2023 RMB'000
The balance comprises temporary differences attributable to:					
Deferred income tax assets					
– Financial assets at FVPL	1,210	1,130	–	–	2,340
– Financial assets at FVOCI	893	–	–	928	1,821
– Lease liabilities	32,738	(12,189)	(722)	–	19,827
– Impairment provisions	16,992	596	(131)	–	17,457
	51,833	(10,463)	(853)	928	41,445
Deferred income tax liabilities					
– Intangible assets	(622)	–	622	–	–
– Right-of-use assets	(31,518)	12,606	688	–	(18,224)
– Financial assets at FVPL	(303)	13	–	–	(290)
– Interest receivable	(224)	224	–	–	–
	(32,667)	12,843	1,310	–	(18,514)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefits through the future taxable profits is probable. Management will continue to assess the recognition of deferred income tax assets in future reporting periods.

28 DEFERRED INCOME TAX *(CONTINUED)*

At the end of the years, the Group had the following unutilised tax losses available for offsetting against future taxable profits for which no deferred tax assets were recognised:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Tax losses expiring:		
Within 5 years	**189,040**	132,590
Over 5 years	**2,329,572**	2,070,936
	2,518,612	2,203,526

The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB96,298,000 at 31 December 2024 (2023: RMB64,470,000). Deferred income tax liability is not recognised where the timing of the reversal of the temporary difference is controlled by the Group and the directors have confirmed that such earnings will not be distributed out of the PRC in the foreseeable future.

29 TRADE PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables to third parties	**24,518**	23,762

29 TRADE PAYABLES *(CONTINUED)*

As at 31 December 2024 and 2023, the ageing analysis of the trade payables based on the date of recognition is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Ageing:		
Up to 3 months	**15,832**	15,509
3 to 6 months	**1,988**	473
6 months to 1 year	**1,146**	2,141
Over 1 year	**5,552**	5,639
	24,518	23,762

30 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Accrued payroll and employee benefit expenses	**168,564**	187,764
VAT and surcharges payable	**4,106**	5,487
Commissions payable to regional channel partners	**7,486**	7,144
Accrued auditor's remuneration	**2,980**	4,200
Deposits from regional channel partners	**1,597**	1,652
Others	**8,645**	8,723
	193,378	214,970

31 CASH FLOW INFORMATION

(a) Cash used in operations

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Loss before income tax	**(197,397)**	(589,423)
Adjustments for:		
Depreciation of right-of-use assets	**40,345**	52,563
Depreciation of property, plant and equipment	**37,285**	38,077
Depreciation of investment properties	**3,773**	3,715
Net impairment losses on financial assets and contract assets	**45,921**	46,091
Write-down of inventories to net realizable value	**7,059**	–
Finance income, net	**(179,295)**	(175,488)
Net exchange difference	**18,416**	(14,141)
Amortisation of intangible assets	**988**	2,599
Net losses/(gains) on disposal of property, plant and equipment	**1,406**	(238)
Termination of leases	**2,626**	7,661
Net losses on disposal of assets held for sale	**271**	202
Share-based compensation expenses	**145,582**	417,322
Share of losses of an associate	**409**	1,691
Disposal of a subsidiary	**–**	(121)
Fair value losses on financial assets at FVPL	**4,909**	7,980
Income from wealth management products	**(16,573)**	(20,901)
Operating cash flows before movements in working capital	**(84,275)**	(222,411)
Changes in working capital:		
Trade receivables	**(44,369)**	(28,208)
Contract acquisition costs	**46,881**	9,333
Contract assets	**(17,659)**	(37,373)
Restricted cash	**41**	2,125
Prepayments and other receivables	**13,176**	5,369
Inventories	**(1,050)**	(2,811)
Trade payables	**756**	(14,105)
Contract liabilities	**(96,636)**	(52,098)
Other payables and accruals	**(26,299)**	13,414
Cash used in operations	**(209,434)**	(326,765)

31 CASH FLOW INFORMATION *(CONTINUED)*

(b) Non-cash investing and financing activities

There were no material non-cash investing and financing transactions except for the additions of the right-of-use assets (Note 17(a)) and the share-based compensation described in Note 2 for the years ended 31 December 2024 and 2023.

(c) Net cash reconciliation

This section sets out an analysis of net cash and the movements in net cash for the years ended 31 December 2024 and 2023.

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Cash and cash equivalents	**1,945,220**	3,972,900
Restricted cash	**964**	1,005
Term deposits	**2,097,180**	419,082
Liquid investments (Note i)	**226,333**	136,771
Lease liabilities	**(77,393)**	(132,553)
Net cash	**4,192,304**	4,397,205

(i) Liquid investments comprise the Group's investments in wealth management products included in financial assets at FVPL. See Note 21(a) for details.

31 CASH FLOW INFORMATION *(CONTINUED)*

(c) Net cash reconciliation *(Continued)*

	Cash and cash equivalents RMB'000	Restricted cash RMB'000	Term deposits RMB'000	Liquid investments RMB'000	Lease liabilities RMB'000	Total RMB'000
Net cash as at 1 January 2024	**3,972,900**	**1,005**	**419,082**	**136,771**	**(132,553)**	**4,397,205**
Cash flows	**(2,038,173)**	**(41)**	**1,599,068**	**89,084**	**43,085**	**(306,977)**
Foreign exchange adjustments	**10,493**	**–**	**34,197**	**–**	**–**	**44,690**
Fair value changes	**–**	**–**	**–**	**478**	**–**	**478**
Non-cash movements	**–**	**–**	**44,833**	**–**	**12,075**	**56,908**
Net cash as at 31 December 2024	**1,945,220**	**964**	**2,097,180**	**226,333**	**(77,393)**	**4,192,304**
Net cash as at 1 January 2023	1,642,078	3,130	2,994,122	29,702	(224,556)	4,444,476
Cash flows	2,328,388	(2,125)	(2,641,233)	107,001	64,578	(143,391)
Foreign exchange adjustments	2,434	–	47,938	–	–	50,372
Fair value changes	–	–	–	68	–	68
Non-cash movements	–	–	18,255	–	27,425	45,680
Net cash as at 31 December 2023	3,972,900	1,005	419,082	136,771	(132,553)	4,397,205

32 COMMITMENTS

(a) Capital commitments

The Group mainly has capital commitments with respect to assets under construction, leasehold improvements and land use right. As at 31 December 2024, no capital expenditure was contracted for at the end of the year but not recognised as liabilities (2023: nil).

32 COMMITMENTS *(CONTINUED)*

(b) Operating lease commitments

The Group leases certain offices and land under non-cancellable operating lease arrangements with lease terms less than 1 year, which can be exempted from IFRS 16. The Group's future aggregate minimum lease payments for such short term non-cancellable operating leases were as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Within 1 year	**88**	113

33 SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control and joint control. Members of key management and their close family members of the Group are also considered as related parties.

Save as disclosed elsewhere in these financial statements, the directors of the Company are of the view that the following parties were related parties that had transactions or balances with the Group for the years ended 31 December 2024 and 2023:

Key management personnel compensation

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Salaries, wages and bonuses	**5,653**	6,068
Pension costs – defined contribution plans	**307**	334
Other social security costs, housing benefits and other employee benefits	**377**	451
Share-based compensation	**6,394**	50,599
	12,731	57,452

34 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	As at 31 December	
		2024	2023
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Interests in subsidiaries		**4,894,970**	2,142,846
Current assets			
Prepayments and other receivables		**1,620**	2,543,816
Term deposits		**1,473,242**	70,848
Cash and cash equivalents		**1,575,293**	3,024,303
Financial assets at fair value through profit or loss		**9,331**	–
Total current assets		**3,059,486**	5,638,967
Total assets		**7,954,456**	7,781,813
EQUITY			
Share capital	25	**170**	170
Treasury shares		**(22,020)**	(2,736)
Reserves	(a)	**8,700,146**	8,617,044
Accumulated losses	(a)	**(798,909)**	(884,723)
Total equity		**7,879,387**	7,729,755
LIABILITIES			
Current liabilities			
Other payables and accruals		**75,069**	52,058
Total liabilities		**75,069**	52,058
Total equity and liabilities		**7,954,456**	7,781,813

34 STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(CONTINUED)*

(a) Reserve movements of the Company

	Reserves RMB'000	Accumulated losses RMB'000
As at 1 January 2023	8,316,427	(1,010,132)
Profit for the year	–	125,409
Dividend distribution to the owners of the company	–	–
Share-based compensation expenses (Note 26)	417,322	–
Transfer of vested restricted share units from treasury shares (Note 26)	(8,221)	–
Cancellation of shares (Note 26)	(218,644)	–
Currency translation differences	110,160	–
As at 31 December 2023	8,617,044	(884,723)
As at 1 January 2024	**8,617,044**	**(884,723)**
Profit for the year	**–**	**85,814**
Dividend distribution to the owners of the company	**(177,990)**	**–**
Share-based compensation expenses (Note 26)	**145,582**	**–**
Transfer of vested restricted share units from treasury shares (Note 26)	**(17,761)**	**–**
Cancellation of shares (Note 26)	**(41,450)**	**–**
Currency translation differences	**174,721**	**–**
As at 31 December 2024	**8,700,146**	**(798,909)**

35 SUBSIDIARIES

Company name	Place and date of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Registered/ issued capital	Percentage of attributable equity interest As at 31 December	
				2024	2023
Directly held:					
Ming Yuan Cloud Investment	BVI/ 10 July 2019 Limited liability company	Investment holding/ BVI	USD0.01/ USD0.01	**100.00%**	100.00%
Earl Dazzle	BVI/ 20 December 2016 Limited liability company	Investment holding/ BVI	USD2/ USD2	**100.00%**	100.00%
Everlasting Light Investment	BVI/ 9 November 2023 Limited liability company	Investment holding/ BVI	USD0.01/ USD0.01	**100.00%**	100.00%
Indirectly held:					
MytePro Technology Pte. Ltd. (SINGAPORE)	Singapore/ 14 August 2023 Limited liability company	Investment holding and cloud services/ Singapore	SGD2,000,000/ SGD997,200	**100.00%**	100.00%
MytePro Technology Limited (HONG KONG)	Hong Kong/ 22 July 2019 Limited liability company	Investment holding/ Hong Kong	HKD5,000,000/ HKD5,000,000	**100.00%**	100.00%
Viscount Dazzle	Hong Kong/ 1 February 2017 Limited liability company	Investment holding/ Hong Kong	HKD1/ HKD1	**100.00%**	100.00%
Northern Lights Cloud	PRC/ 6 September 2019 Wholly-foreign-owned enterprise	Investment holding/ PRC	USD294,000,000/ USD294,000,000	**100.00%**	100.00%
Ming Yuan Cloud Technology	PRC/ 27 November 2003 Limited liability company	Investment holding, cloud services, on-premise software and services/PRC	RMB1,831,644,737/ RMB1,831,544,870	**100.00%**	100.00%

35 SUBSIDIARIES *(CONTINUED)*

Company name	Place and date of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Registered/ issued capital	Percentage of attributable equity interest As at 31 December 2024	2023
Indirectly held:					
Ming Yuan Cloud Client	PRC/ 30 July 2014 Limited liability company	Investment holding and cloud services/ PRC	RMB10,700,000/ RMB10,700,000	**100.00%**	100.00%
Shenzhen Cheng'guo Technology Digital Marketing Co., Ltd. (深圳市橙果科技數字營銷有限公司)	PRC/ 25 July 2018 Limited liability company	Cloud services/ PRC	RMB10,000,000/ RMB1,000,000	**100.00%**	100.00%
Ming Yuan Cloud Procurement	PRC/ 22 April 2014 Limited liability company	Cloud services/ PRC	RMB8,888,889/ RMB8,888,889	**100.00%**	100.00%
Ming Yuan Cloud Space	PRC/ 6 August 2015 Limited liability company	Cloud services/ PRC	RMB10,000,000/ RMB10,000,000	**100.00%**	100.00%
Wuhan Ming Yuan Power	PRC/ 8 April 2008 Limited liability company	On-premise software and services/ PRC	RMB211,000,000/ RMB211,000,000	**100.00%**	100.00%
Wuhan Ming Yuan Excel	PRC/ 24 November 2010 Limited liability company	On-premise software and services/ PRC	RMB42,000,000/ RMB42,000,000	**100.00%**	100.00%
Shenzhen Mingyuan Cloud Computing Co., Ltd. (深圳市明源雲計算有限公司, "Ming Yuan Cloud Calculation")	PRC/ 8 March 2016 Limited liability company	Investment holding and technology services/ PRC	RMB50,000,000/ RMB50,000,000	**100.00%**	100.00%

35 SUBSIDIARIES *(CONTINUED)*

Company name	Place and date of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Registered/ issued capital	Percentage of attributable equity interest As at 31 December 2024	2023
Indirectly held:					
Ningbo Meishan Bonded Port Area Mingyuan Shengshi Investment Co. Ltd. (寧波梅山保稅港區明源盛世投資有限公司) (i)	PRC/ 30 September 2016 Limited liability company	Investment holding/ PRC	RMB5,000,000/ RMB5,000,000	**N/A**	100.00%
Wuhan Mingyuan Cloud Technology Co., Ltd. (武漢明源雲科技有限公司, "Wuhan Ming Yuan Cloud Technology")	PRC/ 12 July 2016 Limited liability company	On-premise software and services/ PRC	RMB20,000,000/ RMB20,000,000	**100.00%**	100.00%
Mingyuan Cloud Technology (Hong Kong) Limited	Hong Kong/ 13 November 2018 Limited liability company	Technology services/ Hong Kong	USD10,000/ USD10,000	**100.00%**	100.00%
Ming Yuan Cloud Chain	PRC/ 12 April 2019 Limited liability company	Cloud services/ PRC	RMB101,111,111/ RMB90,500,000	**100.00%**	100.00%
Beijing Mingyuan Cloud Xinchuang Technology Co., Ltd. (北京明源雲新創科技有限公司)	PRC/ 23 April 2023 Limited liability company	Investment holding/ PRC	RMB10,000,000/ RMB10,000,000	**100.00%**	100.00%
Chengdu Jingjian Technology Limited (成都市境見科技有限公司, "Jingjian")	PRC/ 29 March 2021 Limited liability company	Cloud services/ PRC	RMB10,000,000/ Nil	**100.00%**	100.00%

35 SUBSIDIARIES *(CONTINUED)*

Company name	Place and date of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Registered/ issued capital	Percentage of attributable equity interest As at 31 December 2024	2023
Indirectly held:					
Wuhan Mingyuan Cloud Creative Technology Limited (武漢明源雲創新科技有限公司, "Wuhan Ming Yuan Cloud Creative Technology")	PRC/ 8 October 2021 Limited liability company	Investment holding/ PRC	RMB960,000,000/ RMB318,510,000	**100.00%**	100.00%
Wuhan Mingyuan Cloud Intelligence Technology Limited (武漢明源雲數智科技有限公司, "Wuhan Ming Yuan Cloud Intelligence")	PRC/ 8 October 2021 Limited liability company	Investment holding/ PRC	RMB960,000,000/ RMB318,510,000	**100.00%**	100.00%
Wuhan Mingyuan Cloud Xinchu Technology Limited (武漢明源雲新楚科技有限公司, "Wuhan Ming Yuan Cloud Xinchu")	PRC/ 27 August 2021 Wholly-foreign-owned enterprise	Investment holding/ PRC	USD300,000,000/ USD130,000,000	**100.00%**	100.00%
Hainan Mingyuan Cloud Navigation Technology Limited (海南明源雲領航科技有限公司)	PRC/ 2 April 2021 Limited liability company	Investment holding/ PRC	RMB40,000,000/ RMB40,000,000	**100.00%**	100.00%
MytePro Technology Sdn. Bhd.	MALAYSIA/ 1 Aug 24 Limited liability company	Investment holding/ Malaysia	MYR1,000,000/ MYR222,575	**100.00%**	N/A
MytePro Technology Japan Co., Ltd.	Japan/ 10 Oct 24 Limited liability company	Investment holding/ Japan	JPY5,000,000/ JPY5,000,000	**100.00%**	N/A
On trust:					
MYC Marvellous Limited	BVI/ 25 February 2020 Limited liability company	Employee stock holding platform/ BVI	USD50,000/ USD1	**100.00%**	100.00%

(i) Ningbo Meishan Bonded Port Area Mingyuan Shengshi Investment Co. Ltd was deregistered on 24 October 2024.

(ii) On 12 June 2023, a 30% equity interest in Woxiang was disposed of by the Group at a cash consideration of RMB300,000. After the transaction, the Group lost control of Woxiang.

36 CONTINGENT LIABILITIES

The Group had no material contingent liabilities outstanding as at 31 December 2024 and 2023.

37 SUBSEQUENT EVENTS

The Group did not have significant events after 31 December 2024 which may result in adjustments or additional disclosure to be made in these financial statements.

38 OTHER ACCOUNTING POLICIES

38.1 Subsidiaries

38.1.1Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

(a) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, a joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income ("OCI") in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means that amounts previously recognised in OCI are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.1 Subsidiaries *(Continued)*

38.1.1Consolidation (Continued)

(b) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred;
- the liabilities incurred to the former owners of the acquired business;
- the equity interests issued by the Group;
- the fair value of any asset or liability resulting from a contingent consideration arrangement; and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.1 Subsidiaries *(Continued)*

38.1.1Consolidation (Continued)

(b) Business combination (Continued)

The excess of

- the consideration transferred;
- the amount of any non-controlling interest in the acquired entity; and
- the acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss and other comprehensive income.

(c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.1 Subsidiaries *(Continued)*

38.1.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividends exceed the total comprehensive income of the subsidiaries in the period the dividends are declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

38.2 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates

Investments in associates are accounted for using the equity method of accounting in accordance with IAS 28. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee and the share of OCI of the investee after the date of acquisition. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. The Group's investments in these associates include goodwill identified on acquisition, net of any accumulated impairment loss. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income or loss is reclassified to the consolidated statement of profit or loss where appropriate.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.2 Associates *(Continued)*

Investments in associates (Continued)

The Group's share of the associates' post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income or loss is recognised in the consolidated statement of comprehensive income The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associate are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of losses of investments accounted for using the equity method" in the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies for associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interests in associates are recognised in the consolidated statement of comprehensive income.

38.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The Functional Currency of the Company is HKD. The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency. As the major operations of the Group are within the PRC, the Group has determined RMB as its presentation currency and presented its consolidated financial statement in RMB (unless otherwise stated).

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.3 Foreign currency translation *(Continued)*

(b) Transactions and balances

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses impacting profit or loss are presented in the consolidated statement of profit or loss within "other losses, net".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss ("FVPL"), are recognised in the consolidated statement of financial position as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as financial assets at fair value through OCI ("FVOCI"), are included in OCI.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or lost and comprehensive income are translated at the average exchange rates (unless this average not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting currency translation differences are recognised in OCI.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in OCI.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.4 Property, plant and equipment

The Group's material accounting policy for property, plant and equipment is explained in Note 15.

Subsequent costs of property, plant and equipment are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 38.6).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in "other gains, net" in the consolidated statement of profit or loss.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.5 Intangible assets

(a) Software licences

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining software are recognised as expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software or database so that it will be available for use;
- management intends to complete the software or database, and use or sell it;
- there is an ability to use or sell the software or database;
- it can be demonstrated how the software or database will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software or database are available; and
- the expenditure attributable to the software or database during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software or database include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. There were no development costs meeting these criteria and capitalised as intangible assets for the years ended 31 December 2024 and 2023.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.5 Intangible assets *(Continued)*

(b) Research and development expenditures

Research and development expenditures that do not meet the criteria in (a) above are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in subsequent periods.

(c) Amortisation method and period

The Group amortises software licenses using the straight-line method over 5 years which is the best estimation under current business needs.

38.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets (other than goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.7 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

See Note 20 for details of each type of financial assets.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.7 Financial assets *(Continued)*

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses), net" together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of profit and loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other gains/(losses), net". Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses are presented in "other gains/(losses), net" and impairment expenses are presented as a separate line item in the consolidated statement of profit or loss.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.7 Financial assets *(Continued)*

(c) Measurement (Continued)

Debt instruments (Continued)

- FVPL: Assets that do not meet the criteria for amortised cost or financial assets at FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "other gains/(losses), net" in the period in which it arises, except for the unrealised changes in fair value and realised income arising from investments in wealth management products presented net within "other income".

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as "other income" when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "other gains/(losses), net" in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.7 Financial assets *(Continued)*

(d) Derecognition

Financial assets

The Group derecognises a financial asset, if the part being considered for derecognition meets one of the following conditions: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) the contractual rights to receive the cash flows of the financial asset have been transferred, the Group transfers substantially all the risks and rewards of ownership of the financial asset; or (iii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to the eventual recipient in an agreement that meets all the conditions of derecognition of transfer of cash flows ("pass through" requirements) and transfers substantially all the risks and rewards of ownership of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred; and
- the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised directly in equity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability.

Other 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 profit or loss.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.7 Financial assets *(Continued)*

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when the Group currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

38.8 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

38.9 Trade and other payables

These amounts represent liabilities for products and services provided to the Group prior to the end of each reporting period which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

38.10 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.10 Current and deferred income tax *(Continued)*

(b) Deferred income tax

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

38.11 Employee benefits

(a) Pension obligations

The Group contributes on a monthly basis to various defined contribution plans organised by the relevant governmental authorities. The Group's liability in respect of these plans is limited to the contributions payable in each period. Contributions to these plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plan prior to vesting fully in the contributions. Assets of the plans are held and managed by government authorities and are separated from those of the Group.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.11 Employee benefits *(Continued)*

(b) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plans. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

38.12 Leases

The Group leases certain offices and land. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each reporting period.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.12 Leases *(Continued)*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months. Low-value assets comprise machinery with value below RMB35,000.

38 OTHER ACCOUNTING POLICIES *(CONTINUED)*

38.12 Leases *(Continued)*

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful lives and the lease terms on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

38.13 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of each reporting period.

38.14 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

DEFINITIONS

In this report, the following expressions have the meanings set out below unless the context otherwise requires:

"2024 Interim Report"	the interim report of the Company for the six months ended 30 June 2024
"AGM"	the annual general meeting of the Company
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board", "our Board" or "Board of Directors"	the board of directors of our Company
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China, for the purposes of this report only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
"Company", "our Company", or "the Company"	Ming Yuan Cloud Group Holdings Limited (明源雲集團控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 3 July 2019
"Consolidated Affiliated Entity"	the entity that we control through contractual arrangements
"Director(s)"	the director(s) of our Company
"Forthcoming Annual General Meeting"	the forthcoming annual general meeting of the Company which is scheduled to take place on 20 May 2025, further details of which will be included in a notice to be made electronically available for review on the respective website of the Stock Exchange and the Company
"Global Offering"	the Hong Kong public offering and the international offering of the offer shares

DEFINITIONS

"Group", "our Group", "the Group", "we", "us", or "our"	our Company and its subsidiaries and Consolidated Affiliated Entity from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries and Consolidated Affiliated Entity, such subsidiaries and Consolidated Affiliated Entity as if they were subsidiaries and Consolidated Affiliated Entity of our Company at the relevant time
"HKD" or "HK$" or "HK dollars"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IFRSs"	International Financial Reporting Standards
"Latest Practicable Date"	15 April 2025, being the latest practicable date for ascertaining certain information in this report
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	25 September 2020, being the date on which the Shares were listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Ming Yuan Cloud Client"	Shenzhen Mingyuan Yunke Electronic Commerce Co., Ltd. (深圳市明源雲客電子商務有限公司), a limited liability company established in Shenzhen, the PRC on 30 July 2014, one of our non-wholly owned subsidiaries
"Ming Yuan Cloud Procurement"	Shenzhen Mingyuan Cloud Procurement Technology Limited (深圳市明源雲採購科技有限公司) (previously known as Shenzhen Mingyuan Yunlian Electronic Commerce Co., Ltd. (深圳市明源雲鏈電子商務有限公司)), a limited liability company established in Shenzhen, the PRC on 22 April 2014 and is our Consolidated Affiliated Entity
"Ming Yuan Cloud Space"	Shenzhen Mingyuan Cloud Space Electronic Commerce Co., Ltd. (深圳市明源雲空間電子商務有限公司), previously known as Shenzhen Mingyuan Cloud Services Electronic Business Limited (深圳市明源雲服務電子商務有限公司), a limited liability company established in Shenzhen, the PRC on 6 August 2015, one of our non-wholly owned subsidiaries

"Ming Yuan Cloud Technology"	Shenzhen Mingyuan Cloud Technology Co., Ltd. (深圳市明源雲科技有限公司) (formerly known as Shenzhen Ming Yuan Software Limited (深圳市明源軟件股份有限公司) and Shenzhen Ming Yuan Tuo Zhan Software Technology Limited (深圳市明源拓展軟件科技有限公司)), a limited liability company established in Shenzhen, the PRC on 27 November 2003, one of our wholly-owned subsidiaries
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of our Company, dated 15 September 2020, in relation to the Global Offering
"Relevant Shareholders"	collectively, Mr. Gao, Mr. Chen and Mr. Jiang as registered shareholders of Ming Yuan Cloud Procurement
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year ended 31 December 2024
"RMB" or "Renminbi"	Renminbi Yuan, the lawful currency of China
"RSU(s)"	a restricted unit share granted by the Board to a selected participant, which may vest in the form of RSU shares or the actual selling price of the RSU shares in cash, as the Board may determine in accordance with the terms of the Share Incentive Plan
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council of China
"Scheme Limit"	the total number of Shares which may be issued in respect of all options, awards and RSUs to be granted under the Share Scheme(s) (as the case may be) and, and any other schemes of the Company

DEFINITIONS

"Service Provider Sublimit"	the total number of new Shares which may be issued pursuant to awards, options and/or RSUs granted and to be granted under the relevant Share Scheme(s) to service providers, which must not exceed 0.5% of the total number of issued Shares as at the date of the Shareholders' approval of the Service Provider Sublimit
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of HK$0.0001 each
"Shareholder(s)"	holder(s) of our Shares
"Share Premium Account"	the share premium account of the Company, the amount standing to the credit of which was approximately RMB7,388,782,000 as at 31 December 2024 based in the audited consolidated financial statements of the Company for the Reporting Period
"Special Dividend"	the declaration and payment of HK$0.1 (equivalent to RMB0.092) per Share out of the Share Premium Account, subject to the approval by the Shareholders at the Forthcoming Annual General Meeting and the conditions set forth in the section headed "Dividends" in this announcement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"treasury share(s)"	has the meaning ascribed thereto under the Listing Rules
"USD" or "US$" or "US dollar"	United States Dollar, the lawful currency of the United States of America
"YoY"	year-on-year
"%"	per cent.

In this report, unless otherwise indicated, the terms "associate", "associated corporation", "connected person", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules.

GLOSSARY OF TECHNICAL TERMS

"AIoT"	artificial intelligence of things, the combination of artificial intelligence technologies with the Internet of Things (IoT) infrastructure to achieve more efficient IoT operations, improve human-machine interactions and enhance data management and analytics
"app" or "application"	application software designed to run on smartphones and other mobile devices
"architecture"	the structure under which an information system's hardware, software, data and communication capabilities are put together
"cloud-based"	applications, services or resources made available to users on demand via the Internet from a cloud computing provider 's servers with access to shared pools of configurable resources
"customer entity"	a legal entity which subscribes for our software solutions by entering into contracts with us or our regional channel partners (who are responsible for marketing and selling our software solutions in designated geographic locations), as the case may be, and uses such software solutions, during the relevant period
"data analytics"	the use of advanced analytic techniques against very large, diverse data sets to uncover hidden patterns, unknown correlations, market trends, customer preferences, and other useful information that can help organizations make more informed business decisions
"ERP"	enterprise resource planning, a business process management software that allows an organization to use a system of integrated applications to manage the business and digitalize back-office functions relating to technology, services, and human resources

GLOSSARY OF TECHNICAL TERMS

"PaaS"	platform as a service, a category of cloud computing services that provides a platform and environment to allow developers to build applications over the Internet
"paying end group customer"	a legal entity that (i) is the largest shareholder of a customer entity with at least 30% of voting interests of such customer entity; (ii) is the largest shareholder owning at least 30% of voting interests of a legal entity that owns at least 50% of voting interests of a customer entity; or (iii) owns at least 50% of voting interests of a legal entity that owns at least 30% of voting interests of a customer entity, together with such affiliated customer entities, are deemed as one paying end group customer. For avoidance of doubt, in respect of On-premise Software and Services, we generate revenues from direct sales to our paying end group customers and sales to our regional channel partners, and in respect of Cloud Services, we generate revenues from sales to our paying end group customers both directly and through our regional channel partners
"SaaS"	software as a service, a cloud-based software licensing and delivery model in which software and associated data are centrally hosted
"Skyline PaaS Platform"	a low-code PaaS platform launched by the Group for aPaaS Capacity, iPaaS Capacity, bpmPaaS Capacity, DaaS Capacity and Technology Innovation