

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# 明源雲

## 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)*

(Stock Code: 909)

### PROFIT WARNING

This announcement is made by Ming Yuan Cloud Group Holdings Limited (the “**Company**”, and together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the information currently available to the Board and a preliminary assessment of the Group’s unaudited management accounts for the year ended 31 December 2022, the Group is expected to record a loss attributable to equity holders of the Company in the range of approximately RMB1,140 million to approximately RMB1,180 million for the year ended 31 December 2022 (loss attributable to equity holders of the Company for the year ended 31 December 2021: approximately RMB344 million). The overall financial results of the Group were mainly affected by the following factors:

- i. in 2022, with the persistent outbreak of COVID-19 pandemic in various locations, the residential property market in China underwent multiple blows which had material and adverse effects on decision-making of our customers in relation to their investment in digitalization. The Group’s revenue recognition was adversely affected by a more cautious approach to decision-making, prolonged decision-making and project delivery and execution cycles, delays in new launches of several projects and suspension of works;
- ii. the Group maintained its investment in research and development in 2022. The Group is expected to report research and development expenses for the year ended 31 December 2022 in the range of approximately RMB771 million to approximately RMB835 million, representing an increase of approximately 20% to 30% as compared with the same period in 2021 (research and development expenses for the year ended 31 December 2021: approximately RMB642 million);

- iii. share-based compensation expenses of approximately RMB499 million recognized for the Group's share incentive plans; and
- iv. foreign exchange losses of approximately RMB200 million as a result of exchange rate fluctuations due to the superimposed impacts of the international and domestic macro environment.

Therefore, the elimination of the impacts of relevant items in the calculation of adjusted net income can better reflect the underlying operating performance of the Group as well as facilitate period to period comparison. The Group is expected to report an adjusted net loss for the year ended 31 December 2022 in the range of approximately RMB600 million to approximately RMB650 million, representing a decrease of approximately 295% to 312% as compared with the same period in 2021 (adjusted net income for the year ended 31 December 2021: approximately RMB307 million).

The revenue of the Group's SaaS products for the year ended 31 December 2022 will range between approximately RMB1,400 million and approximately RMB1,450 million, representing an increase of approximately 5% to 8% as compared with the same period in 2021 (revenue of SaaS products for the year ended 31 December 2021: approximately RMB1,338 million).

Although the overall financial results of the Group are significantly affected by the industry and the pandemic, it was considered that:

- i. starting from November 2022, the government has successively introduced a number of favorable policies to support the healthy and stable development of the real estate industry. Market confidence has gradually recovered and the real estate industry has started to rebound;
- ii. starting from December 2022, the epidemic control has been fully relaxed, many relevant restrictions have been lifted, and various economic activities have gradually returned to normal;
- iii. starting from 2022, in response to the changes in industry and markets, the Group has intensified its management on delivery and collection and took proactive cost control measures to improve resource structures. It is expected that net cash generated from operating activities for the second half of 2022 would range from approximately RMB30 million to RMB50 million (net cash used in operating activities for the six months ended 30 June 2022: approximately RMB407 million); and
- iv. for the significant exposure to fluctuations in exchange rates in 2022, the Group has made a series of adjustments to capital allocations, which would effectively reduce foreign exchange risk.

Based on the foregoing, the Board and the management of the Company remain confident about the Group's long-term development.

The Company is still in the process of finalizing its annual results for the year ended 31 December 2022. The information contained in this announcement is only a preliminary assessment by the Board based on the figures and information currently available, and has not been audited or reviewed by the Company's auditor or the audit committee of the Company. Further details of the annual results of the Company for the year ended 31 December 2022 will be announced in March 2023.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Ming Yuan Cloud Group Holdings Limited**  
**GAO Yu**  
*Chairman*

Shenzhen, PRC, 7 March 2023

*As of the date of this announcement, the Board comprises Mr. GAO Yu, Mr. JIANG Haiyang, Mr. CHEN Xiaohui and Mr. JIANG Keyang as executive Directors, Mr. LIANG Guozhi and Mr. YI Feifan as non-executive Directors, and Mr. LI Hanhui, Mr. ZHAO Liang and Ms. TONG Naqiong as independent non-executive Directors.*