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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 six months ended June 30, 2022, the Group is expected to record a loss attributable to equity holders of the Company in the range of approximately RMB540 million to approximately RMB580 million for the six months ended June 30, 2022 (for the six months ended June 30, 2021: profit attributable to equity holders of the Company of approximately RMB165.31 million). The overall financial results of the Group were mainly affected by the following factors:

- i. since July 2021, with the persistent outbreak of COVID-19 pandemic in many places, the residential property market in China has undergone multiple terrible blows which have 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 the first half of 2022, in particular, the Skyline PaaS Platform;
- iii. share-based compensation expenses of approximately RMB221 million recognized for the Group’s share incentive plans; and
- iv. foreign exchange losses of approximately RMB116 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 six months ended June 30, 2022 in the range of approximately RMB320 million to approximately RMB360 million, representing a decrease of approximately 265% to 286% as compared with the same period in 2021 (adjusted net income for the six months ended June 30, 2021: approximately RMB193.54 million).

The revenue of the Group's SaaS products for the six months ended June 30, 2022 will range between approximately RMB660 million and approximately RMB680 million, representing an increase of approximately 20% to 23% as compared with the same period in 2021 (for the six months ended June 30, 2021: approximately RMB551.84 million).

It is expected that revenue from SaaS products accounted for approximately 75% to 77% of the Group's total operating revenue for the six months ended June 30, 2022 (for the six months ended June 30, 2021: approximately 56.7%).

Although the overall financial results of the Group are significantly affected by the industry and the pandemic, the Board and management of the Company are confident in the long-term development of the Group.

The Company is still in the process of finalizing its interim results for the six months ended June 30, 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 interim results of the Company for the six months ended June 30, 2022 will be announced in August 2022.

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, The People's Republic of China, August 2, 2022

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. ZENG Jing as independent non-executive Directors.