

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.



Xuan Wu Cloud Technology Holdings Limited

玄武雲科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2392)

PROFIT WARNING

This announcement is made by Xuan Wu Cloud Technology Holdings Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Director(s)**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Board and a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 (the “**Relevant Period**”), it is expected that the Group would record a net loss ranging from RMB17.4 million to RMB23.6 million (six months ended 30 June 2022: adjusted net profit⁽¹⁾ of RMB9.2 million).

Based on the information currently available, the Board considers that the above expected net loss was mainly attributable to (i) the decrease in gross profit and gross profit margin mainly contributed from the increase in revenue from a major strategic client with lower gross profit margin; (ii) the continuous increase in the Group’s research and development expenses in its CRM SaaS services resulting from the increase in number of experienced artificial intelligence (AI) personnels for business expansion purposes, as well as the increase in selling and distribution expenses (which mainly include travel expenses) during the Relevant Period; and (iii) the increase in our share-based remuneration expenses recorded for the Relevant Period as a result of the restricted share award scheme. Despite the foregoing, due to the gradual recovery of COVID-19 pandemic, the Group is expected to record a revenue ranging from RMB516.3 million to RMB543.3 million, representing a continued revenue growth of approximately 15.0% to 21.0% for the Relevant Period (six months ended 30 June 2022: RMB449.0 million).

Note (1): a non-HKFRS measure defined as profit or loss and adding back listing expenses.

As the Group is still in the process of finalising its interim results for the Relevant Period, the information contained in this announcement is only based on the preliminary assessment by the Board based on the figures and information currently available, and have not been audited or reviewed by the auditor or the audit committee of the Company. Therefore, the actual results of the Group for the Relevant Period may differ from the information contained in this announcement. Further details of the Group's financial results for the Relevant Period will be announced in due course.

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

By order of the Board
Xuan Wu Cloud Technology Holdings Limited
Mr. Chen Yonghui
Chairman, Chief Executive Officer and Executive Director

Hong Kong, Friday, 28 July 2023

As at the date of this announcement, the Board comprises Mr. Chen Yonghui, Mr. Huang Fangjie, Mr. Li Hairong and Mr. Guo Haiqiu as executive Directors; Mr. Xu Xin as non-executive Director; and Mr. Du Jianqing, Ms. Wu Ruifeng and Prof. Wu Jintao as independent non-executive Directors.