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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025, together with the comparative figures for the six months ended 30 June 2024, as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2025	2024	Change %
	<i>(RMB'000, unless otherwise specified)</i>		
Revenues	605,807	720,106	(15.9)
Gross profit	486,023	577,696	(15.9)
Operating loss	(65,580)	(210,434)	(68.8)
Profit/(loss) before income tax	9,622	(116,287)	(108.3)
Profit/(loss) for the period	13,748	(115,369)	(111.9)
Adjusted net profit/(loss)	33,119	(16,962)	(295.3)

Overall financial data

Revenue was RMB605.8 million for the six months ended 30 June 2025, representing a year-on-year decrease of 15.9%.

Total expenses were RMB583.1 million for the six months ended 30 June 2025, representing a year-on-year decrease of 27.4%.

Adjusted net profit was RMB33.1 million for the six months ended 30 June 2025, representing a turnaround from loss of RMB17.0 million in the same period last year.

Net cash outflow used in operating activities was approximately RMB42.8 million, representing a year-on-year decrease of 74.0%.

BUSINESS REVIEW AND OUTLOOK

I. Industry Status and Trends

1. Policy drives market stabilization, and the construction of “Quality Housing” spurs technological upgrades

From January to June 2025, the cumulative sales area of newly built commercial housing in China was 458.51 million square meters, down by 3.5% year-on-year. The cumulative sales value was RMB4.4241 trillion, down by 5.5% year-on-year. The decline in sales of newly built commercial housing narrowed year-on-year, with an improvement in market transaction volume. In terms of policy, the central government has made an adjustment to its official stance in stages on real estate. In April 2025, the Central Political Bureau meeting emphasized on “continuing to consolidate the stable situation in the real estate market”. In June 2025, the State Council meeting clearly stated the need to “take stronger measures to halt the decline and stabilize the real estate market”, proposing the strategic focus of “stabilizing expectations, stimulating demand, optimizing supply, and mitigating risks”, thereby sending further positive signals to the market. Based on the above official stance, local governments have continued to advance the renovation of urban villages, revitalize existing housing stock, and implement measures such as reducing housing provident fund and mortgage loan interest rates, all of which have contributed to stabilizing the real estate market and halting its decline.

Looking ahead to the second half of 2025, driven by policies, it is expected that new home sales and the commencement of construction will be stabilized after a decline. In addition, the 2025 Government Work Report has for the first time incorporated the construction of “quality housing” into the national strategy. Many cities have introduced land plots with low floor area ratios to encourage residential developers to create safe, comfortable, green, and smart “quality housing”. This will impose higher requirements on housing design, construction, and post-construction operations, while also creating opportunities for the application of new technologies in the industry. As a SaaS provider in the Chinese real estate industry, the Company will provide digital capabilities to support residential developers in building “quality housing” projects.

2. With the era of existing real estate coming, asset revitalization will promote the relevant demand on digitalization

The Central Urban Work Conference in July 2025 mentioned that “urbanization in China is shifting from a period of rapid growth to a period of stable development, and urban development is transitioning from a stage of large-scale incremental expansion to a stage focused on improving the quality and efficiency of existing stock”. According to the data from the National Bureau of Statistics, the urbanization rate of permanent resident population in China had increased from 55% in 2014 to 67% in 2024, marking the end of the era of rapid urban expansion. In addition, existing housing stock is now dominating market transactions. According to data from China Real Estate Information Corporation (CRIC), in the first half of 2025, the cumulative transaction volume of second-hand housing in 19 core Chinese cities accounted for nearly 70% of the total transaction volume.

Under the influence of policies and markets, China's urbanization development in the future will rely more on the renovation and transformation of existing real estate, which will bring potential growth space for transactions and operation & management of existing real estate. Real estate developers will focus on revitalizing existing assets such as idle land and properties to improve asset returns. The revitalization process requires strong operational capabilities, and digitalization is a powerful weapon for enhancing revitalization capabilities. Relevant demand on digitalization is expected to continue to grow in the future.

3. *Global real estate technology is booming, with enormous room for growth in the overseas markets*

The global real estate technology market is currently experiencing rapid growth. According to the data from Fortune Business Insights, a globally renowned consulting firm, the global real estate technology market reached a size of US\$36.55 billion in 2024, and is expected to grow to US\$88.37 billion by 2032, with a compound annual growth rate (CAGR) of 11.9%. The real estate industry is rapidly developing with the help of new technologies such as cloud computing, big data, and AI. For example, IOT smart sensing devices can monitor real estate business processes, laying a solid data foundation for refined management. AI can perform in-depth mining and insight analysis on accumulated real-time data, understand and generate professional content, and assist in management decision-making. AR/VR can provide an immersive display of real estate projects, improving marketing effectiveness and conversion rates.

In the markets of developed countries, a large volume of existing real estate assets require refined operational management, and aging infrastructure in urban areas needs regular upgrades and renovations. However, high labor costs have become a significant barrier to industry development. Take Japan, characterized by an aging population, as an example, according to data from the Japan Federation of Construction Contractors, approximately 37% of Japanese construction workers were aged 55 or above in 2024. The aging population structure is forcing the industry to adopt more advanced technologies to reduce over-reliance on manual labor, creating significant opportunities for technological innovation. In developing countries, urbanization is accelerating, with rapid population growth and the launch of numerous residential and infrastructure projects. The large-scale development, construction, and marketing of these projects also present a substantial demand on digitalization.

Looking at the global market, amid the current wave of innovation driven by "AI + digitalization", both developed and developing countries have enormous growth potential in the field of real estate technology. The Company will rely on the technical capabilities accumulated from deep cultivation of real estate digitalization in China to actively explore more overseas market opportunities.

4. *AI is accelerating integration with the industry to become a new growth driver for the Company's business*

With the continuous iteration of domestically developed AI large models such as DeepSeek, Alibaba's Qianwen, and ByteDance's Doubao, the technical barriers for domestic enterprises to use AI are gradually lowered. The focus has shifted from algorithm development to practical application scenarios, utilizing AI to solve specific business problems. By combining specific industry knowledge, some enterprises have built different intelligent agents based on general large models and customized them according to business scenarios, converting instructions into specific operations.

Real estate management is characterized by large investments, long cycles, and multiple aspects. Its business chain covers various aspects including investment, construction, transactions, and operations. The process involves a large amount of data processing, analysis, evaluation, and decision-making, making it an ideal scenario for utilizing AI to optimize operations. For example, in the project investment aspect, AI data analysis capabilities can quickly process vast amounts of market data to provide market intelligence analysis and return on investment analysis. In the construction management aspect, AI can assist in the knowledge management of contract documents and other archives, supervise and review on-site processes, and reduce human errors. In the marketing and promotion aspect, AI's multimodal generation capabilities can assist in the generation of various types of marketing materials, such as marketing posters and videos, to improve marketing efficiency.

In this context, the Company has been deeply engaged in the real estate industry for 28 years, accumulating extensive industry know-how and proprietary business data sets. Leveraging these resources, it has continuously trained AI to enhance its analytical capabilities in this industry and has taken the lead in launching multiple AI applications aimed at various aspects of real estate marketing, thereby establishing a strong product barrier. In the future, the Company will continue to provide customers with more comprehensive intelligent solutions to drive sustained business growth.

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, the decline in both sales value and sales area of commercial housing in China gradually narrowed, showing signs of market stabilization and a halt in the downward trend. The Company saw some improvement in contract signings across certain business lines. However, due to the impact of deferred revenue caused by a drop in contract signings in the second half of 2024, all product lines except for Property Management & Operation SaaS experienced varying degrees of revenue decline in the first half of 2025. For the six months ended 30 June 2025, the revenue from Cloud Services was RMB524.7 million, representing a year-on-year decrease of 14.3% (same period in 2024: RMB612.2 million), accounting for 86.6% 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.

In the first half of 2025, CRM Cloud focused on the real estate short video marketing customer acquisition scenario, launching the new “AI Ad Traffic Allocation (AI 投流)” product, which helped customers achieve higher traffic exposure at lower investment costs through features such as live trading monitoring (直播盯盤), traffic analysis, and data diagnostics. Combined with previously released products such as “AI Creative Studio (AI 創意工場)”, “AI Live Streaming Player (AI 直播機)”, and “AI Salesman (AI 銷售員)”, CRM Cloud AI products have covered the entire short video marketing lifecycle, from strategy formulation to content creation, communication and reach, and online customer acquisition. It has become the only VMA video marketing intelligent agent in the real estate industry, helping customers convert traffic into sales.

During the Reporting Period, CRM Cloud strengthened its ecosystem cooperation with mainstream domestic short video platforms by signing an in-depth cooperation agreement with Douyin Life Services Real Estate Business, and concurrently became a first-tier agent of Ocean Engine. It successfully co-hosted the 2025 Real Estate Live Streaming Competition with Ocean Engine and Douyin SDK, promoting the active transformation of real estate into digital marketing. In the first half of 2025, the terminal contract amount for CRM Cloud AI products was approximately RMB32 million, exceeding the total contract amount for the whole year of 2024. The number of newly contracted real estate sales offices reached 1,000. For the six months ended 30 June 2025, AI products had cumulatively covered more than 2,000 real estate sales offices.

For the six months ended 30 June 2025, the product line of CRM SaaS recorded a total revenue of RMB383.4 million, representing a year-on-year decrease of 13.1% (same period in 2024: RMB441.3 million). In particular, the products of CRM Cloud recorded a total revenue of RMB376.7 million, representing a year-on-year decrease of 5.1% (same period in 2024: RMB396.8 million). The number of property sales offices covered by CRM Cloud products in China was 10,004, representing a year-on-year decrease of 7.3% (same period in 2024: 10,794). The average revenue per unit for CRM Cloud in a single property sales office for the first half of the year was RMB37,700, representing a year-on-year increase of 2.4% (same period in 2024: RMB36,800), primarily due to the increase in purchase of AI products of CRM Cloud by customers. The customer account retention rate of CRM Cloud as at 30 June 2025 was 89% (same period in 2024: 88%).

(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 the first half of 2025, the Company provided project-level standardized products by continuously focusing on 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. During the Reporting Period, the Company upgraded its cost management system and added cost data list management functions using AI technology, resulting in a continuous improvement in product competitiveness.

For the six months ended 30 June 2025, the number of newly commenced residential projects in China continued to decline, but the rate of decline has narrowed. In addition, due to the impact of efforts in allocating fiscal funds, the growth rate of domestic infrastructure construction investment has slowed. These factors combined have led to a decrease in IT demand from real estate developers for the commencement of construction, adversely affecting the revenue from the product line of Construction Management SaaS. During the Reporting Period, the product line of Construction Management SaaS recorded a total revenue of RMB46.6 million, representing a year-on-year decrease of 25.5% (same period in 2024: RMB62.5 million). The number of construction sites covered by Construction Management Products in China was 5,264, representing a year-on-year decrease of 28.0% (same period in 2024: 7,316). In particular, the number of industrial and infrastructure construction sites was 2,108, representing a year-on-year increase of 3.5% (same period in 2024: 2,036). The average revenue per unit in a single construction site for the first half of the year was RMB8,900, representing a year-on-year increase of approximately 4.7% (same period in 2024: RMB8,500). The customer account retention rate of Construction Management SaaS as at 30 June 2025 was 70% (same period in 2024: 78%).

(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 the first half of 2025, state-owned platform company customers maintained a steady demand for “Asset Management Cloud (雲資管)” and “Cloud Lease (雲租賃)” products. The target market shifted from top-tier customers down to mid-tier customers, with product penetration gradually increasing. Currently, approximately 250 state-owned platform companies are equipped with products related to Property Management & Operation SaaS. Meanwhile, the Company has continuously optimized product interfaces and delivery costs, resulting in sustained improvements in product competitiveness. In addition to state-owned platform company customers, the Company has deeply expanded into two vertical customer groups: industrial parks and affordable housing operation companies. For the “Investment Promotion Management System” in industrial parks, an AI industrial investment promotion agent module has been added, which can intelligently match relevant factory resources based on the characteristics of the industry in which the customer operates, accurately present the advantages of housing resources, and determine the leasing intention.

For the six months ended 30 June 2025, the penetration rate of the product line of Property Management & Operation SaaS in leading state-owned platform companies had initially reached a certain scale. However, due to the impact of the macroeconomic environment and government budgets, some state-owned platform companies saw a decline in their procurement demand for Property Management & Operation SaaS products, resulting in a decline in the average revenue per unit for the product line of Property Management & Operation SaaS and a slowdown in revenue growth. During the Reporting Period, the product line of Property Management & Operation SaaS recorded a total revenue of RMB47.2 million, representing a year-on-year increase of 2.0% (same period in 2024: RMB46.3 million). The customer account retention rate of Property Management & Operation SaaS was 90% as at 30 June 2025 (same period in 2024: 94%).

(4) Skyline PaaS Platform

Since Skyline PaaS Platform was launched in 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.

At the international level, in the first half of 2025, Skyline PaaS Platform continued to enhance its international architecture, adding language packs for Japanese and Traditional Chinese on top of Simplified Chinese and English. On the technical front, Skyline AI development platform further consolidated industry-specific unstructured knowledge such as engineering safety documentation and leasing business risk control rules, to support task orchestration and autonomous planning modes for building business agent. By leveraging RAG technology, the platform has significantly improved the accuracy of agent, and has already developed multiple enterprise-level digital employees based on business processes such as procurement and tendering and leasing.

In the first half of 2025, China’s residential market was in a stage of adjustment, and residential property developers reduced the procurement of Skyline products and services. The product line of Skyline PaaS Platform recorded a total revenue of RMB47.5 million, representing a year-on-year decrease of 23.5% (same period in 2024: RMB62.1 million). Skyline PaaS Platform has maintained cooperation with approximately 1,200 customers, empowered approximately 3,000 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 the first half of 2025, due to the limited number of new customers in the residential market, new product licenses and contract amount of delivery contracts have both declined year-on-year, while the contract amount of product support services and special value-added services for existing customers remained stable. In the first half of 2025, the revenue from On-premise Software and Services was RMB81.1 million, representing a year-on-year decrease of 24.8% (same period in 2024: RMB107.9 million).

1.3 Overseas Operations

In the first half of 2025, the Company has established a global talent, brand (Mytepro), marketing, and operations system. From the market aspect, the Company has set up localized teams in three major regions: Japan, Hong Kong (China), and Southeast Asia, and has developed deep collaborations with multiple well-known local software integrators, consulting companies, and other channel partners. In August 2025, the Company acquired the entire equity interests of ASIOT Co., Ltd., a Japanese real estate technology company. Its smart meter reading product “A-Smart” holds a leading position in the Japanese market and is highly recognized by many customers in the Japanese real estate industry, with enormous room for future growth. At the product level, the Company has developed a diverse product matrix based on the “AI+IOT+SaaS” product philosophy, tailored to the market characteristics of developed and developing countries. In early 2025, the Company launched “Linkforce”, a safety and labor management platform product targeting real estate construction companies. The product successfully completed contract signing with customers and was implemented and delivered to customers in Hong Kong, China, achieving high customer satisfaction levels and marking a significant breakthrough for the new product in markets of developed regions. In the first half of 2025, overseas product contract amount exceeded RMB15 million, with the Company’s brand and reputation in overseas markets continuing to grow.

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. In the Chinese market, 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. As of 30 June 2025, the direct sales force of the Company consisted of more than 240 employees with good knowledge about products, technology and the real estate industry and extensive professional experience.

3. *Management and Operation*

In the first half of 2025, the Company continued to implement cost reduction and efficiency improvement in line with lean operations, with a particular focus on the use of intelligent tools to enhance organizational efficiency. In terms of customer service, the AI customer service developed by the Company can independently resolve informational inquiries from customers, with an accuracy rate of 80% for answering standard new product inquiries. Currently, approximately 23% of customer inquiries are handled by AI customer service, improving employee work efficiency and customer satisfaction. In terms of R&D, Skyline AI development platform assists R&D personnel with auxiliary programming and testing, with an AI code generation adoption rate of 36.8%, effectively reducing resource investment while ensuring the quality of R&D output. In terms of marketing, the Company proactively adjusted its channel contract signing ratio in response to market changes, resulting in an overall decrease in commission expenses. During the Reporting Period, the Company's costs and expenses all declined to varying degrees due to the combined effects of the above factors.

In the first half of 2025, the Company's selling and marketing expenses were approximately RMB317.2 million, representing a year-on-year decrease of 22.2% (same period in 2024: RMB407.8 million). Our general and administrative expenses were approximately RMB61.3 million, representing a year-on-year decrease of 56.5% (same period in 2024: RMB140.9 million). Our research and development expenses were approximately RMB204.7 million, representing a year-on-year decrease of 19.4% (same period in 2024: RMB254.1 million). The Company's per capita output for the first half of the year was RMB345,000, representing a year-on-year increase of 14.6% (same period in 2024: RMB301,000).

III. Business Outlook

Since 2022, the Company has been committed to mitigating the negative impact of the decline in the scale of the real estate industry in China through strategies such as adjusting product strategies and customer structure, optimizing internal cost management, and exploring more revenue growth drivers. During the Reporting Period, the Company achieved its goal of restoring profitability. In terms of growth, although the revenue scale is still declining, the revenue structure has improved, with AI and overseas products contributing to revenue to a certain extent. Looking ahead to the full year, the residential market in China is moving towards stabilization after a decline. The Company will continue to increase its investment in AI innovation while ensuring business profitability, expand into overseas markets with huge potential, and drive the Company's business towards a new round of sustained growth and large-scale profitability. In the second half of 2025, the Company will continue to implement the strategies formulated at the beginning of the year:

1. Strategic focus in domestic market to continuously improve profitability

In the second half of 2025, the Company will focus on core products and key customers in the domestic market, ensuring that profit serves as the guiding principle of value.

At the customer level, the Company has strictly restricted the signing of projects with high loss risks and high customization levels, effectively reducing the number of unhealthy projects and significantly improving the Company's profitability. In the future, the Company will continue to strictly control project signing standards and focus on balancing its customer structure, expanding into infrastructure and industrial customers and reducing its reliance on residential developer customers.

At the product level, the Company has successively shut down some loss-making product lines. New product development will focus on high-profit and high-potential tracks. The Company will increase investment in AI products, enhance the value and functionality of AI products, and boost customers' purchasing willingness. For existing core products, the Company will deeply tap into the value of existing customers, strengthen customer success services, increase the renewal rate of existing customers, and achieve profitability for core products across the entire value chain.

2. Increasing investment in overseas markets and accelerating global market expansion

In the second half of 2025, the Company will increase its investment in overseas markets to further drive revenue growth.

At the market level, building on its deep cultivation of the Japanese, Southeast Asian, and Hong Kong markets, the Company will actively enter the Middle Eastern and European markets to accelerate its global market expansion. The Company will recruit key talents needed for overseas market development, establish localized teams in key regions, and provide high-quality services to enhance the Company's brand influence and market share in local markets. In addition to building its own team, the Company will also accelerate its internationalization process through investment and mergers and acquisitions to achieve sustained rapid growth in overseas revenue.

At the product level, the "Linkforce" product has been validated by the market. On the one hand, the Company will continue to iterate the product to cover more application scenarios on construction sites. On the other hand, the Company will accelerate the expansion of this product in the Hong Kong, Middle East, and European markets. For the newly acquired Japanese "A-SMART" product, the Company will continuously iterate the product based on market demand and reduce supply chain costs to achieve its comprehensive promotion in the Japanese real estate market. In the future, overseas markets will focus on the product positioning of "AI+IOT+SaaS", building a differentiated product matrix targeting developed and developing countries to achieve the rapid expansion of products in the global market.

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

The Company has fully integrated AI technology into its existing technology stack and launched a large number of AI applications in the real estate marketing field to help enterprises efficiently acquire customers and improve sales conversion rates. The Company will adhere to the “AI+SaaS” product strategy, with new product development following the principle of AI first. Leveraging its continuously upgraded underlying large model capabilities and brand influence accumulated over the years, the Company will accelerate the deep integration of AI technology with real estate business scenarios. From a technical perspective, the Company adopts an “API call + fine-tuning model” approach to access large model capabilities, reducing R&D investment while ensuring effective use. From a product perspective, the Company prioritizes the development and promotion of “AI+marketing” products, while exploring the commercialization of “AI+management” products. From a commercial perspective, based on a subscription model, the Company explores a business model primarily based on usage, enriching the commercialization path of its products.

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

The Company will continue to implement internal resource and talent allocation, improve the employee development channel system, strengthen the construction of reserve talent teams such as “Source Power” and continuously cultivate new forces through efficient training mechanisms to create momentum for the development of the Company. The Company will further optimize the performance mechanism to enhance the long-term value creation and risk sharing awareness of employees and management. The Company will control the size of its workforce and fully apply AI tools to all R&D, delivery, and functional line work to continuously improve human efficiency and reduce costs.

MANAGEMENT DISCUSSION AND ANALYSIS

	Six months ended 30 June		
	2025	2024	Change
	<i>RMB'000</i>	<i>RMB'000</i>	%
Revenues	605,807	720,106	(15.9)
Cost of sales	(119,784)	(142,410)	(15.9)
Gross profit	486,023	577,696	(15.9)
Selling and marketing expenses	(317,159)	(407,759)	(22.2)
General and administrative expenses	(61,251)	(140,944)	(56.5)
Research and development expenses	(204,738)	(254,068)	(19.4)
Net impairment losses on financial assets and contract assets	(33,707)	(18,979)	77.6
Other income	55,936	49,371	13.3
Other gains/(losses), net	9,316	(15,751)	(159.1)
Operating loss	(65,580)	(210,434)	(68.8)
Finance income	76,809	97,006	(20.8)
Finance costs	(1,484)	(2,668)	(44.4)
Finance income, net	75,325	94,338	(20.2)
Share of losses of investments accounted for using the equity method	(123)	(191)	(35.6)
Profit/(loss) before income tax	9,622	(116,287)	(108.3)
Income tax credit	4,126	918	349.5
Profit/(loss) for the period	13,748	(115,369)	(111.9)
Profit/(loss) attributable to owners of the Company	13,748	(115,369)	(111.9)

Revenues

During the Reporting Period, our total revenue was RMB605.8 million, representing a year-on-year decrease of 15.9% (same period in 2024: RMB720.1 million). The following table sets forth a breakdown of our revenue by business segment for the financial periods indicated.

	Six months ended 30 June		
	2025	2024	Change
	RMB	RMB	%
<i>(RMB in thousand, except percentage)</i>			
Cloud Services	524,690	612,174	(14.3)
– CRM SaaS	383,377	441,280	(13.1)
– Construction Management SaaS	46,556	62,452	(25.5)
– Property Management & Operation SaaS	47,241	46,303	2.0
– Skyline PaaS Platform	47,516	62,139	(23.5)
On-premise Software and Services	81,117	107,932	(24.8)
Total	605,807	720,106	(15.9)

For the six months ended 30 June 2025, the revenue from Cloud Services was RMB524.7 million, representing a year-on-year decrease of 14.3%, accounting for 86.6% of the total revenue (same period in 2024: 85.0%). The decrease in the revenue from Cloud Services was mainly due to changes in the macro market environment and deferred revenue recognition arising from the decline in historical contracts, which led to a decrease in the overall revenue from Cloud Services.

For the six months ended 30 June 2025, the revenue from On-premise Software and Services was RMB81.1 million, representing a year-on-year decrease of 24.8%. The revenue of product support services and special value-added services from the existing customers remained stable. However, due to the limited number of new customers in the residential market and the year-on-year decrease in the sales of new product licenses and contract amount of delivery contracts, revenue from On-premise Software and Services decreased.

Gross Profit

During the Reporting Period, the Group's overall gross profit was RMB486.0 million, representing a year-on-year decrease of 15.9% (same period in 2024: RMB577.7 million). Our overall gross profit margin remained stable at 80.2% (same period in 2024: 80.2%).

Selling and Marketing Expenses

During the Reporting Period, our selling and marketing expenses were RMB317.2 million, representing a year-on-year decrease of 22.2% (same period in 2024: RMB407.8 million). Our selling and marketing expenses after excluding the share-based compensation were RMB307.6 million, representing a year-on-year decrease of 22.0% (same period in 2024: RMB394.1 million).

General and Administrative Expenses

During the Reporting Period, our general and administrative expenses were RMB61.3 million, representing a year-on-year decrease of 56.5% (same period in 2024: RMB140.9 million). Our general and administrative expenses after excluding the share-based compensation were RMB58.3 million, representing a year-on-year decrease of 5.0% (same period in 2024: RMB61.3 million).

Research and Development Expenses

During the Reporting Period, our research and development expenses were RMB204.7 million, representing a year-on-year decrease of 19.4% (same period in 2024: RMB254.1 million). Our research and development expenses after excluding the share-based compensation were RMB197.9 million, representing a year-on-year decrease of 20.5% (same period in 2024: RMB248.9 million).

Net Impairment Losses on Financial Assets and Contract Assets

During the Reporting Period, our net impairment losses were RMB33.7 million, representing a year-on-year increase of 77.4% (same period in 2024: RMB19.0 million). As at 30 June 2025, the original carrying amount of our trade receivables and contract assets was RMB362.3 million, and the accumulated loss allowance was equivalent to 53.3% of the original carrying amount (as at 31 December 2024: 49.5%), mainly due to the decrease in contract collection turnover rate and the increase in expected loss rate.

Other Income

During the Reporting Period, our other income was RMB55.9 million, representing a year-on-year increase of 13.3% (same period in 2024: RMB49.4 million).

Other Gains/(Losses), Net

During the Reporting Period, our other gains, net amounted to RMB9.3 million (net losses for the same period in 2024: RMB15.8 million), mainly due to exchange rate fluctuations, resulting in foreign exchange gains on the foreign currency assets held by the Company. During the Reporting Period, our foreign exchange gains amounted to RMB31.8 million (foreign exchange losses for the same period in 2024: RMB4.7 million).

Operating Loss

During the Reporting Period, our operating loss amounted to RMB65.6 million, representing a year-on-year decrease of 68.8% (operating loss for the same period in 2024: RMB210.4 million).

Finance Income

During the Reporting Period, our finance income amounted to RMB76.8 million, representing a year-on-year decrease of 20.8% (same period in 2024: RMB97.0 million), primarily due to a decrease in interest income from bank deposits.

Finance Costs

During the Reporting Period, our finance costs amounted to RMB1.5 million, representing a year-on-year decrease of 44.4% (same period in 2024: RMB2.7 million).

Profit/(Loss) Before Income Tax

As a result of the foregoing, we had a profit before income tax of RMB9.6 million for the six months ended 30 June 2025, representing a turnaround from loss before income tax of RMB116.3 million in the same period last year.

Income Tax Credit

During the Reporting Period, our income tax credit amounted to RMB4.1 million (same period in 2024: RMB0.9 million).

Profit/(Loss) for the Period

As a result of the foregoing, during the Reporting Period, we recorded a profit for the period of approximately RMB13.7 million, representing a turnaround from loss of RMB115.4 million in the same period last year.

Non-IFRS Measures

To supplement our consolidated financial statements 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 period to period 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 Profit/(Loss)

We define adjusted net profit/(loss) as profit/(loss) for the period adjusted by adding back share-based compensation expenses.

The following table reconciles our adjusted net profit/(loss) for the six months presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net profit/(loss) for the period.

	Six months ended 30 June		
	2025	2024	Change
	RMB'000	RMB'000	%
Reconciliation of net profit/(loss) and adjusted net profit/(loss)			
Profit/(loss) for the period	13,748	(115,369)	(111.9)
Share-based compensation expenses	19,371	98,407	(80.3)
Adjusted net profit/(loss)	33,119	(16,962)	(295.3)

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 30 June 2025, cash and cash equivalents and term deposits of the Group totaled to approximately RMB3,661.4 million (31 December 2024: RMB4,042.4 million), mainly because the Group purchased low-risk wealth management products issued by financial institutions. 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 30 June 2025, net current assets of the Group were approximately RMB3,486.0 million (31 December 2024: RMB3,429.0 million). As at 30 June 2025, the current ratio of current assets to current liabilities was approximately 5.54, down from 6.01 as at 31 December 2024.

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 interest-bearing liabilities, which are lease liabilities, less cash and cash equivalents, restricted cash, term deposits and liquid investments which are investments in wealth management products and investments in debt instruments 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 30 June 2025, the Group has a net cash position.

Capital Commitments

As at 30 June 2025, we did not have material capital commitments with respect to assets under construction (31 December 2024: nil).

Contingent Liabilities

As at 30 June 2025, 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 currency 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, our 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, past experience and other factors, and reviews regularly the recoverable amount of each individual receivable to ensure that adequate allowance for impairment losses are made for irrecoverable amounts. The credit periods granted to customers in different categories range 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 six-month funding plans, reviewing and summarizing six-month 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 six-month 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 30 June 2025, we did not pledge any of our assets.

Material Acquisitions, Disposals and Significant Investments

As at 30 June 2025, 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 six months ended 30 June 2025, there were no material acquisitions, disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments and Capital Assets

During the six months ended and as of 30 June 2025, the Group did not have plans for material investments and capital assets.

Subsequent Event

The Group's wholly-owned subsidiary, MytePro Technology Japan Co., Ltd. ("**MytePro Japan**"), entered into a share purchase agreement ("**Share Purchase Agreement**") with three independent third parties subsequent to the Reporting Period to acquire ASIOT Co., Ltd. ("**Target Company**"), which is a service provider specializing in artificial intelligence and Internet of Things solutions for the Japanese real estate industry. Pursuant to the Share Purchase Agreement, MytePro Japan has agreed to acquire 100% equity interest in the Target Company at an aggregate cash consideration of JPY700,000,000. Upon completion of the acquisition, the Company will hold 100% equity interest in the Target Company. The Target Company will become a subsidiary of the Company, and the financial results of the Target Company will be consolidated into the financial statements of the Group. For details, please refer to the Company's announcement dated 12 August 2025.

Save as disclosed above, there were no other material events after the Reporting Period.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenues	5	605,807	720,106
Cost of sales	6	(119,784)	(142,410)
Gross profit		486,023	577,696
Selling and marketing expenses	6	(317,159)	(407,759)
General and administrative expenses	6	(61,251)	(140,944)
Research and development expenses	6	(204,738)	(254,068)
Net impairment losses on financial assets and contract assets		(33,707)	(18,979)
Other income	7	55,936	49,371
Other gains/(losses), net	8	9,316	(15,751)
Operating loss		(65,580)	(210,434)
Finance income		76,809	97,006
Finance costs		(1,484)	(2,668)
Finance income, net		75,325	94,338
Share of losses of investments accounted for using the equity method		(123)	(191)
Profit/(loss) before income tax		9,622	(116,287)
Income tax credit	9	4,126	918
Profit/(loss) for the period		13,748	(115,369)
Profit/(loss) attributable to owners of the Company		13,748	(115,369)
Earnings/(loss) per share for profit/(loss) attributable to owners of the Company (expressed in RMB per share)			
Basic	10	0.01	(0.06)
Diluted	10	0.01	(0.06)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	13,748	(115,369)
Other comprehensive loss, net of tax		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences from foreign operations	75,502	(16,579)
<i>Items that will not be reclassified to profit or loss</i>		
Currency translation differences	(119,634)	39,910
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	<u>12</u>	<u>(182)</u>
Total comprehensive loss for the period	<u>(30,372)</u>	<u>(93,009)</u>
Total comprehensive loss attributable to owners of the Company	<u>(30,372)</u>	<u>(93,009)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		As at 31 December 2024
	As at 30 June 2025	
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	151,396	162,569
Investment properties	207,849	210,056
Right-of-use assets	230,429	247,605
Intangible assets	648	918
Financial assets at fair value through profit or loss	41,881	49,147
Financial assets at fair value through other comprehensive income	210	196
Contract acquisition costs	5 2,457	3,744
Prepayments and other receivables	12 26,135	26,019
Deferred income tax assets	38,548	30,886
Investments accounted for using the equity method	5,239	12,061
Term deposit with original maturity over one year	353,015	590,940
Restricted cash	500	719
Total non-current assets	1,058,307	1,334,860
Current assets		
Inventories	8,884	3,527
Contract assets	5 83,108	84,659
Contract acquisition costs	5 175,590	212,351
Trade receivables	12 85,971	78,303
Prepayments and other receivables	12 73,491	41,974
Financial assets at fair value through profit or loss	507,369	226,333
Term deposit with original maturity over three months	1,466,198	1,506,240
Restricted cash	219	245
Cash and cash equivalents	1,842,172	1,945,220
	4,243,002	4,098,852
Assets classified as held for sale	10,252	14,780
Total current assets	4,253,254	4,113,632
Total assets	5,311,561	5,448,492

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Note</i>		
EQUITY			
Share capital		170	170
Treasury shares		(48,692)	(25,814)
Reserves		7,195,809	7,388,782
Accumulated losses		(2,646,504)	(2,660,252)
Total equity		4,500,783	4,702,886
LIABILITIES			
Non-current liabilities			
Contract liabilities	5	17,544	17,332
Lease liabilities		25,791	43,552
Deferred income tax liabilities		172	79
Total non-current liabilities		43,507	60,963
Current liabilities			
Trade payables	14	39,946	24,518
Other payables and accruals	14	301,944	193,378
Contract liabilities	5	386,817	432,906
Current income tax liabilities		3,446	—
Lease liabilities		35,118	33,841
Total current liabilities		767,271	684,643
Total liabilities		810,778	745,606
Total equity and liabilities		5,311,561	5,448,492

NOTES TO THE INTERIM FINANCIAL INFORMATION

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 (Cap. 22, Act 3 of 1961 as consolidated and 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 since 25 September 2020.

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**”), which enable property developers and other real estate industry participants to streamline and digitalise their business operations.

The interim condensed consolidated financial information for the six months ended 30 June 2025 (“**Interim Financial Information**”) is presented in Renminbi (“**RMB**”), unless otherwise stated, and was approved for issue by the Company on 30 August 2025.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024 (“**2024 Financial Statements**”), which 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**”).

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRSs Accounting Standard for the first time for the current period’s financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRSs Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4 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 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 six months ended 30 June 2025 is as follows:

	Cloud services <i>RMB'000</i> (Unaudited)	On-premise software and services <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Revenues	524,690	81,117	605,807
Cost of sales	(69,876)	(49,908)	(119,784)
Gross profit	454,814	31,209	486,023

The segment information for the six months ended 30 June 2024 is as follows:

	Cloud services <i>RMB'000</i> (Unaudited)	On-premise software and services <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Revenues	612,174	107,932	720,106
Cost of sales	(70,413)	(71,997)	(142,410)
Gross profit	541,761	35,935	577,696

5 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:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cloud services	524,690	612,174
On-premise software and services	81,117	107,932
	605,807	720,106
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cloud services		
– Revenues over time	478,147	594,779
– Revenues at a point in time	46,543	17,395
On-premise software and services		
– Revenues over time	71,214	84,261
– Revenues at a point in time	9,903	23,671
	605,807	720,106

5 REVENUES (CONTINUED)

(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 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Contract assets	138,295	137,811
Less: Loss allowance	(55,187)	(53,152)
Total contract assets	<u>83,108</u>	<u>84,659</u>
Contract acquisition costs	178,047	216,095
Less: non-current portion	(2,457)	(3,744)
	<u>175,590</u>	<u>212,351</u>
Contract liabilities	404,361	450,238
Less: non-current portion	(17,544)	(17,332)
	<u>386,817</u>	<u>432,906</u>

(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 decreased as a result of the increase of loss allowance.

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 contracts earned by the regional channel partners.

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 contracts and decrease of advance payments from customers.

6 EXPENSES BY NATURES

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Employee benefit expenses	382,781	494,595
Commission expenses	139,395	185,975
Outsourcing expenses	38,674	30,219
Professional and technical service fees	20,298	21,071
IT and communication charges	19,608	19,035
Share-based compensation	19,371	98,407
Costs of inventories sold	16,555	12,409
Depreciation of right-of-use assets	16,392	21,310
Depreciation of property, plant and equipment	13,929	21,652
Exhibition and promotion charges	8,836	8,794
Traveling and entertainment expenses	8,024	11,736
Utilities expenses	5,830	6,483
Office expenses	4,978	4,153
Taxes and surcharges	4,722	5,132
Depreciation of investment properties	2,207	1,858
Auditor's remuneration	453	1,403
Amortisation of intangible assets	270	600
Others	609	349
	<u>702,932</u>	<u>945,181</u>

No research and development expenses were capitalised for the six months ended 30 June 2025 and 2024.

7 OTHER INCOME

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Government grants	33,832	31,973
Income from wealth management products	11,429	6,149
Rental income	5,842	6,571
VAT refund	4,833	4,666
Others	–	12
	<u>55,936</u>	<u>49,371</u>

8 OTHER GAINS/(LOSSES), NET

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Foreign exchange gains/(losses)	31,782	(4,732)
Termination of leases	(97)	(2,750)
Net losses on disposal of property, plant and equipment	(227)	(498)
Impairment of assets held for sale	(1,243)	–
Net losses on disposal of assets held for sale	(1,712)	(271)
Provision for decline in inventory value	(3,025)	–
Fair value losses on investments in unlisted securities and funds included in financial assets at FVPL	(7,435)	(7,395)
Impairment of investments in an associate	(8,684)	–
Others	(43)	(105)
	<u>9,316</u>	<u>(15,751)</u>

9 INCOME TAX

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax	3,446	1,958
Deferred income tax	(7,572)	(2,876)
Income tax	<u>(4,126)</u>	<u>(918)</u>

10 EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

The calculation of the diluted earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings/(loss) per share calculation, and the number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

10 EARNINGS/(LOSS) PER SHARE (CONTINUED)

The calculations of basic and diluted earnings/(loss) per share are based on:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic and diluted earnings/(loss) per share calculation	<u>13,748</u>	<u>(115,369)</u>
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings/(loss) per share calculation ('000)	1,827,352	1,842,995
Effect of dilution – weighted average number of ordinary shares: Share Award Scheme	<u>33,039</u>	<u>–</u>
Total	<u>1,860,391*</u>	<u>1,842,995</u>

* The diluted earnings per share amounts are based on the profit for the period of RMB13,748,000 and the weighted average number of ordinary shares of 1,860,390,611 outstanding during the period, adjusted for the effect of all dilutive potential ordinary shares.

11 DIVIDENDS

A special dividend of HKD0.1 (equivalent to approximately RMB0.092) per ordinary share, amounting to RMB167,743,000, was approved by the shareholders of the Company at the 2024 annual general meeting of the Company held on 20 May 2025, and was paid on 08 July 2025.

The board of directors of the Company did not propose any interim dividend for the six months ended 30 June 2025.

12 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables from contracts with customers	224,023	184,722
Less: Loss allowance	(138,052)	(106,419)
Trade receivables – net	85,971	78,303
Prepayments to suppliers	7,041	11,898
Prepayments for property, plant and equipment	12,161	12,161
Prepayments for employee benefits	3,261	5,732
Total prepayments	22,463	29,791
Rental and other deposits	18,930	18,476
Others	58,331	19,787
Less: Loss allowance	(98)	(61)
Other receivables – net	77,163	38,202
Trade receivables, prepayments and other receivables	185,597	146,296
Less: Non-current deposits and prepayments	(26,135)	(26,019)
Current portion	159,462	120,277

(a) Trade receivables

The Group normally allows credit periods of 0 to 90 days to its customers. An ageing analysis of the trade receivables as at 30 June 2025 and 31 December 2024, based on the date of recognition, is as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Ageing		
Up to 3 months	51,396	48,798
3 to 6 months	15,695	17,583
6 months to 1 year	41,770	28,036
1 to 2 years	46,191	38,436
Over 2 years	68,971	51,869
	224,023	184,722

13 TRADE PAYABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade payables to third parties	39,946	24,518

As at 30 June 2025 and 31 December 2024, the ageing analysis of the trade payables based the on date of recognition is as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Ageing		
Up to 3 months	32,254	15,832
3 to 6 months	3,189	1,988
6 months to 1 year	813	1,146
Over 1 year	3,690	5,552
	39,946	24,518

14 OTHER PAYABLES AND ACCRUALS

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Dividend payable	166,529	—
Accrued payroll and employee benefit expenses	98,362	168,564
VAT and surcharges payable	19,845	4,106
Commissions payable to regional channel partners	7,278	7,486
Deposits from regional channel partners	1,597	1,597
Accrued auditor's remuneration	752	2,980
Others	7,581	8,645
	301,944	193,378

OTHER INFORMATION

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

Corporate Governance

The Board is committed to achieving good corporate governance standards to safeguard the interests of the Shareholders and to enhance corporate value, formulate our business strategies and policies, and enhance its transparency and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules as its own code of corporate governance. During the Reporting Period, the Board is of the opinion that the Company has complied with all the code provisions set out in the CG Code.

Purchase, Sale, or Redemption of the Company’s Listed Securities

During the Reporting Period, the Company has repurchased a total of 8,516,000 Shares (the “**Shares Repurchased**”) on the Stock Exchange at an aggregate consideration of HK\$23,707,751.06 before expenses. As at 30 June 2025, a total of 8,516,000 Shares Repurchased remained outstanding and had not been cancelled. Subsequent to the Reporting Period, the Company has repurchased a total of 666,000 Shares on the market at the aggregate consideration of approximately HK\$1,974,410.00 before expenses in July 2025. On 6 August 2025, the Company has cancelled a total of 9,182,000 Shares repurchased from 8 January 2025 until 25 July 2025. As at the date of this announcement, all outstanding repurchased Shares were cancelled.

Details of the Shares Repurchased during the Reporting Period are as follows:

Month of repurchase	Total number of Shares Repurchased	Purchase price paid per Share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
2025				
January	1,466,000	2.50	2.27	3,485,391.06
March	1,951,000	3.15	2.94	5,981,590.00
April	3,452,000	3.10	2.52	9,774,680.00
May	499,000	2.96	2.82	1,434,460.00
June	1,148,000	2.73	2.51	3,031,630.00
Total	8,516,000			23,707,751.06

As at 30 June 2025, a total of 12,316,000 Shares were held as treasury share by the Company. 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 Directors were of the view that the Shares Repurchased would reflect the Board and the management team's confidence in the Company's business development prospects. Therefore, the Directors believed that the Shares Repurchased 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 Limited 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.

Employees

As at 30 June 2025, we had 1,604 (31 December 2024: 1,912) employees in total, representing a decrease of 16.1% compared with 31 December 2024.

The Group continued to optimize the incentive-based system in line with business development needs and implemented remuneration policies with competitiveness. We provide various incentives and benefits to our employees. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees.

As required under PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

To maintain the quality, knowledge and skill levels of our workforce, we provide continuing education and training programs, including internal and external training, for our employees to improve their technical, professional or management skills. We also provide trainings programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects.

We have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.

Model Code for 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 Reporting Period.

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 30 June 2025.

Audit Committee

The Board has established the Audit Committee which comprises three independent non-executive Directors, namely Ms. WEN Hongmei (溫紅梅) (Chairperson), Mr. LI Hanhui (李漢輝) and Mr. ZHAO Liang (趙亮). Ms. WEN Hongmei, being the chairperson of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and Stock Exchange).

The Audit Committee has jointly reviewed with the management of the Company the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim financial information for the six months ended 30 June 2025) of the Group. The Audit Committee considered that the interim financial information is in compliance with the applicable accounting standards, laws and regulations.

Review of Interim Financial Information

The independent auditor of the Company, namely Ernst & Young, has carried out a review of the interim financial information in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as of 31 December 2024. The comparative information for the interim condensed consolidated statements of comprehensive income, changes in equity and cash flows, and the related explanatory notes, for the six months ended 30 June 2025 have been reviewed.

Publication of Interim Results and Interim Report

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.mingyuanyun.com. The interim report of the Company for the Reporting Period containing all the information required by the Listing Rules 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.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definitions and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

“Audit Committee”	the audit committee of the Board
“Board”, “our Board” or “Board of Directors”	the board of directors of our Company
“Chairman”	the chairman of the Board
“China” or “PRC”	the People’s Republic of China, for the purposes of this announcement 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
“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
“IFRS”	International Financial Reporting Standards

“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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Reporting Period”	for the six months ended 30 June 2025
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of China
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“treasury share(s)”	has the meaning ascribed thereto under the Listing Rules
“U.S.”	United States of America
“USD” or “US\$” or “US dollars”	United States Dollars, the lawful currency of the U.S.
“%”	per cent.

GLOSSARY OF TECHNICAL TERMS

“application”	application software designed to run on smartphones and other mobile devices
“cloud-based”	applications, services or resources made available to users on demand via the Internet from a cloud computing provider’s server with access to shared pools of configurable resources
“CRM”	customer relationship management, a strategy for managing an organization’s relationships and interactions with customers and potential customers
“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
“PaaS”	platform as a service, a category of cloud computing services that provides a platform and environment to allow property developers to build applications over the Internet
“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

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

Shenzhen, PRC, 26 August 2025

As of the date of this announcement, the Board comprises Mr. GAO Yu, Mr. JIANG Haiyang and Mr. CHEN Xiaohui as executive Directors, Mr. LIANG Guozhi as non-executive Director, and Mr. LI Hanhui, Mr. ZHAO Liang and Ms. WEN Hongmei as independent non-executive Directors.