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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 AND CHANGE IN USE OF PROCEEDS

The Board hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2024, together with the comparative figures for the six months ended 30 June 2023, as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2024	2023	Change %
	(RMB'000, unless otherwise specified)		
Revenues	**720,106**	762,340	(5.5)
Gross profit	**577,696**	608,768	(5.1)
Operating loss	**(210,434)**	(403,167)	(47.8)
Loss before income tax	**(116,287)**	(324,569)	(64.2)
Loss for the period	**(115,369)**	(324,733)	(64.5)
Adjusted net loss	**(16,962)**	(97,136)	(82.5)

Overall financial data

Revenue was RMB720.1 million for the six months ended 30 June 2024, representing a year-on-year decrease of 5.5%.

Total expenses were RMB802.8 million for the six months ended 30 June 2024, representing a year-on-year decrease of 23.0%.

Adjusted net loss was RMB17.0 million for the six months ended 30 June 2024, representing a year-on-year decrease of 82.5%.

Net cash outflow used in operating activities was approximately RMB164.5 million, representing a year-on-year decrease of 39.1%.

BUSINESS REVIEW AND OUTLOOK

I. Industry Review

1. Residential Market

In the first half of 2024, China's cumulative sales area of commercial housing was 480 million square meters, representing a year-on-year decrease of 19.0%, and China's cumulative sales were RMB4,700 billion, representing a year-on-year decrease of 25.0%. China's newly started area of houses for the first half of 2024 was approximately 380 million square meters, representing a year-on-year decrease of 23.7%. In terms of policies, on 17 May 2024, the People's Bank of China announced a reduction in the minimum percentage of down payments for the first and second homes, a reduction in the interest rate on individual housing provident fund loans, and the cancellation of the lower-bound range of mortgage interest rates for the first and second home at the national level. At the same time, local state-owned enterprises were encouraged to purchase some existing commercial housing at reasonable prices for use as affordable housing.

Based on the introduction of favorable policies, the national sales of commercial housing in June 2024 was RMB1,100 billion, representing a month-on-month increase of 50.9% from May and a year-on-year decrease of 13.8%. The decline narrowed compared with the previous months, and the market showed signs of marginal improvement.

2. Commercial, Industrial and Infrastructure Market

In the first half of 2024, the cumulative investment in infrastructure in China increased by 7.7% year-on-year, which was slightly lower than the growth rate at the beginning of the year. Due to factors such as the decrease in local land transaction and fiscal revenue, as well as slow issuance of special bonds, local government funds have tightened, slowing down the progress of infrastructure investment.

Under the new situation, local state-owned platform companies are actively seeking for business transformation. In the past six months, about 200 urban construction investment companies in China have been renamed as industrial investment or operation companies, aiming to gradually transform from development and construction entities to comprehensive urban operation service providers and increase the proportion of their operational business. Under this trend, these state-owned platform companies need to enhance their asset operation capabilities, consolidate their operational assets and market-oriented business. Business transformation will bring corresponding digital transformation needs.

II. Business Review

1. Products and Services

We specialize in providing enterprise-grade 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 product lines of Construction Management SaaS, Property Management & Operation SaaS highly related to the commercial, industrial and infrastructure market all achieved year-on-year growth in revenue. The product lines of CRM SaaS and Skyline PaaS Platform highly related to the residential market experienced varying degrees of year-on-year decline in revenue due to the continued downturn in the industry, resulting in a negative impact on revenue from Cloud Services for the Reporting Period.

For the six months ended 30 June 2024, the revenue from Cloud Services was RMB612.2 million, representing a year-on-year decrease of 3.6% (same period in 2023: RMB635.1 million), accounting for 85.0% 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 save marketing expenses. This product line mainly comprises CRM Cloud and other products involving real estate digital marketing scenarios.

In the first half of 2024, the Company increased research and development in products for customer acquisition. At the end of March, CRM Cloud released multiple new products such as "Video Marketing (視頻營銷)", which now cover real estate marketing business processes such as content generation, platform dissemination, sales lead operation, and conversion transactions. The Company also utilizes generative AI and intelligent analysis to improve the operational efficiency for customers in channel operations, advertising placement, and other businesses, driving continuous growth in the average revenue per user for CRM Cloud projects.

In the first half of 2024, Ming Yuan Cloud, as the only real estate digitalization company ranking on the list, was selected in the AI marketing authoritative report, “Generative AI Changes Marketing Paradigm (《生成式AI 改變營銷範式》)”, released by IDC. “Ming Yuan Cloud Client X Yuexiu Property (明源雲客 X 越秀地產)” was also selected as the only real estate industry case, demonstrating the deep integration and huge potential of AI and real estate marketing.

For the six months ended 30 June 2024, the product line of CRM SaaS recorded a total revenue of RMB441.3 million, representing a year-on-year decrease of 6.0% (same period in 2023: RMB469.5 million). In particular, the products of CRM Cloud recorded a total revenue of RMB396.8 million, representing a year-on-year decrease of 6.6% (same period in 2023: RMB425.0 million). Due to the continued decline in new construction and sales in the residential market in China, the number of property sales offices covered by CRM Cloud in China was reduced to 10,794, representing a year-on-year decrease of 9.1% (same period in 2023: 11,871).

Through continuous innovation, new products developed by CRM Cloud meet customers’ current core business needs. Project stickiness has increased, and some existing and new projects have seen a certain degree of additional purchases. For the six months ended 30 June 2024, the average revenue per user for CRM Cloud in a single property sales office for the half year was RMB36,800, representing a year-on-year increase of 2.8% (same period in 2023: RMB35,800). As of 30 June 2024, the customer account retention rate of CRM Cloud was 88% (same period in 2023: 85%).

(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 2024, the Company accelerated the promotion of the “Construction Project Management (工程項目管理)” series of products to local state-owned platform companies, and revenue from the product lines increased. In June 2024, the product line of Construction Management SaaS launched “AI Smart Cost (AI 智慧成本)” solutions of Ming Yuan Cloud, which automatically collected data from the project workload lists and analyzed it with AI intelligence to achieve automatic precipitation of cost indicators, enabling cost estimation, procurement bidding, contract performance and other business processes.

For the six months ended 30 June 2024, the product line of Construction Management SaaS recorded a total revenue of RMB62.5 million, representing a year-on-year increase of 4.9% (same period in 2023: RMB59.6 million). The number of construction sites covered by Construction Management SaaS in China was 7,316, representing a year-on-year decrease of 1.6% (same period in 2023: 7,435). In particular, the number of industrial and infrastructure construction sites was 2,036, representing a year-on-year increase of 86.6% (same period in 2023: 1,091). The average revenue per user in a single construction site for the half year was RMB8,500, representing a year-on-year increase of 6.3% (same period in 2023: RMB8,000). As of 30 June 2024, the customer account retention rate of Construction Management SaaS was 78% (same period in 2023: 83%).

(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 2024, state-owned enterprise customers paid more and more attention to the revitalization of existing real estate, with the aim of improving the operational efficiency of real estate projects and thus increasing corporate revenue. "Asset Management Cloud (雲資管)" and "Cloud Lease (雲租賃)", self-developed products of the Company, can provide dynamic project supervision and overall analysis of operating data, helping customers to sort out their assets and keep track of operational benefits. During the Reporting Period, the revenue from the product line of Property Management & Operation SaaS maintained a high growth.

In May 2024, state-owned platform companies nationwide successively started commercial housing resumption, converting the acquired commercial housing projects into affordable housing projects. The digital demand related to the leasing and operational business of affordable housing projects gradually emerged, and the "Operation Management Platform for Affordable Housing (保障房運營管理平台)" solution created by the Company ushered in more market opportunities.

For the six months ended 30 June 2024, the product line of Property Management & Operation SaaS recorded a total revenue of RMB46.3 million, representing a year-on-year increase of 30.5% (same period in 2023: RMB35.5 million). As of 30 June 2024, the customer account retention rate of Property Management & Operation SaaS was 94% (same period in 2023: 93%).

(4) Skyline PaaS Platform

Since Skyline PaaS Platform was launched in November 2020, it has been focusing on developing five major independent capacities of "aPaaS Capacity, iPaaS Capacity, bpmPaaS Capacity, DaaS Capacity and Technology Innovation", covering five suite products namely "aPaaS, iPaaS, bpmPaaS, BI&Big Data and BPA&Portal".

In the first half of 2024, Skyline PaaS Platform completed multi-language, multi-time zone, and multi-currency architecture support. Through a unified translation workbench integrated with AI tools, the platform application is adapted to multiple languages including English, Traditional Chinese, etc., providing the product configuration support for the international expansion of the Company.

In terms of AI empowerment, Skyline PaaS Platform has added GPT capabilities, including prompt builders, technology builders, model builders and GPT assistants, etc. It can provide Copilot assistant for building business process automation scenarios for enterprise management, improving work efficiency and accuracy; for application development, it provides AIGC + Low Code capability, significantly improves productivity, and supports visual correction, making it easier for users to develop applications more efficiently.

As China's residential market is in a state of deep adjustment, residential property developers reduced the procurement of Skyline products and services. For the six months ended 30 June 2024, the product line of Skyline PaaS Platform recorded a total revenue of RMB62.1 million, representing a year-on-year decrease of 12.0% (same period in 2023: RMB70.6 million). Currently, Skyline PaaS Platform has established cooperation with a total of over 2,400 customers.

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. In addition to the sales of software licensing, we also offer related implementation services, product support services and value-added services.

In the first half of 2024, China's residential market is still in a stage of deep adjustment. Private residential property developers' IT expenditure tended to be conservative. Except for product support and special value-added services that address the necessary demands of existing customers, revenues from new product licenses and delivery have both declined year-on-year. For the six months ended 30 June 2024, the total revenue from On-premise Software and Services was RMB107.9 million, representing a year-on-year decrease of 15.1% (same period in 2023: RMB127.2 million).

2. Sales and Distribution Network

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

As of 30 June 2024, our direct sales force consisted of more than 300 employees with good knowledge about products, technology and the real estate industry and extensive professional experience. The Company organizes the direct sales force by geographic locations and customer types to maximize sales efficiency.

3. Management and Operation

In the first half of 2024, the Company continued to implement the management policy of cost reduction and efficiency improvement, and optimizing resource allocation. At the organizational level, the Company optimized some organizational structures and streamlined management levels. At the financial level, the Company strengthened internal budget management and expense control, effectively controlled expenses from the source and process, and reduced a number of unnecessary expenses.

For the six months ended 30 June 2024, the Company's selling and marketing expenses were RMB407.8 million, representing a year-on-year decrease of 9.8% (same period in 2023: RMB452.0 million). Our general and administrative expenses were RMB140.9 million, representing a year-on-year decrease of 46.6% (same period in 2023: RMB263.8 million). Our research and development expenses were RMB254.1 million, representing a year-on-year decrease of 22.2% (same period in 2023: RMB326.7 million). The Company's per capita output for the half year of 2024 was RMB301,000, representing a year-on-year increase of 22.9% (same period in 2023: RMB245,000).

III. Industry Prospect

1. Residential Market

1.1 In the short to medium term, residential real estate policy in China is expected to continue to be relaxed. On 18 July 2024, the Third Plenary Session of the 20th Central Committee of the Communist Party of China passed the Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization (《中共中央關於進一步全面深化改革推進中國式現代化的決定》), which mentions that "municipal governments will be given greater decision-making powers to regulate the real estate market, and based on local conditions, some cities will be permitted to abolish or reduce restrictions on housing purchases and to scrap relevant standards for ordinary and non-ordinary housing." It is expected that cities with restrictive residential transactions will continue to launch house purchasing incentive policies in the future to stimulate demand for house purchasing from perspectives such as subsidies for house purchasing and exemptions on transaction taxes and fees, aiding the market recovery.

1.2 In the long term, structural demand in the residential market still exists. According to the analysis of the China Housing Stock Measurement Report (《中國住房存量測算報告》), China's urbanization rate was 66.2% in 2023, and it is expected that there will be an inflow of more than 200 million urban population into the metropolitan areas and city clusters in the future, the core cities will continue to face housing shortage, and the demand for improved housing will remain strong. Due to the low-frequency and high-value characteristics of residential transactions in China, a large number of business scenarios rely heavily on offline environment, resulting in a significantly lower digital penetration rate of real estate compared to other industries. With the continuous evolution of emerging technologies such as AI and market recovery, residential developers will still maintain the digital upgrades of their core business, and the market penetration rate is expected to continue to increase in the long term.

1.3 China continues to increase its investment in affordable housing. In May 2024, the People's Bank of China set up an affordable housing central bank lending of RMB300 billion to support local state-owned enterprises in acquiring stock commercial housing at a reasonable price to be used as affordable housing for sale or lease to boost the stock reduction in the commercial housing market and increase the supply of affordable housing. Published on 18 July 2024, the Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization (《中共中央關於進一步全面深化改革，推進中國式現代化的決定》) mentioned, "shall accelerate the establishment of rent and purchase housing system; accelerate the construction of a new model of real estate development and increase the construction and supply of affordable housing to meet the rigid housing demand of wage earners." It is expected that China will gradually establish a "market + affordable" housing supply system in the future. As the local acquisition and reservation of commercial housing is generally carried out by local platform companies, the business digital demand of the renovation, business solicitation and operation involved after the acquisition and reservation of relevant commercial housing projects will provide the Company with clear market opportunities.

2. Commercial, Industrial and Infrastructure Market

2.1 National treasury instruments will continue to support infrastructure investment, and the special bonds and ultra-long-term special treasury bonds issued by the central government will enter an intensive issuance period in the second half of the year. With the funding support in place, China's infrastructure investment volume growth is expected to increase, the funding of local state-owned platform companies will improve significantly, and the digital demand derived from relevant project construction is expected to be enhanced.

2.2 Local governments regard the revitalization of existing assets as an important channel for raising finance income, thus realizing the comprehensive effects of increasing the efficiency of enterprises, increasing government tax revenue, and revitalizing cities by changing the use of stock assets and improving the utilization rate of assets. The digital system can effectively help state-owned enterprises identify the base number of the stock real estate, establish a real-time dynamic management mechanism, and provide data and information basis for the subsequent optimization and transformation of the stock real estate and the allocation of resources. In the long run, the inventory of real estate management & operation product line still has strong customer demand and growth potential.

IV. Business Outlook

China's residential market is still undergoing a period of deep adjustment. In the face of this tremendous negative impact, the Company has timely carried out business transformation and attained some progress, achieving year-on-year revenue growth in some product lines. In the long term, the Company believes in the digital opportunities brought about by China's real estate market in trillions and is determined to implement the strategic objective of "shifting from new real estate market development to both new real estate development and existing real estate management", and to accelerate its business transformation in key customer base and target markets.

In the second half of 2024, the Company will continue to implement the four major strategies set out at the beginning of the year:

1. Deeply penetrating into the customer base of high-quality state-owned enterprises and ensuring growing income from customers

1.1 We will focus on the demand of high-quality state-owned residential property developers, and accelerate the promotion of customer acquisition products such as "video marketing" to facilitate the selling of customer projects. We will integrate AI technology into management products to provide customers with a more customized service experience and strive to increase the market share of state-owned residential property developers.

1.2 We will select state-owned platform companies with high ratings and stable operations and provide them with more vertical digital solutions for their respective business areas. For example, we will provide affordable housing construction companies with digital solutions on basic affordable housing projects to meet the management needs in the business stages of construction, business solicitation, and operation. We will continue to cultivate customer demands in different subsectors and accelerate the increase in revenue from state-owned platform company customers.

2. Upgrading products by integrating AI technology and exploring more business growth opportunities

2.1 We will build "AI + SaaS" applications and incubate more functional modules with scenario value leveraging large models. The Company has successively released products and solutions such as "Creative Factory (創意工廠)" and "AI Smart Cost (AI 智慧成本)" in the business fields of smart marketing and project construction, which have proven their commercial value to customers. In the future, the Company will continue to help customers realize the intelligent upgrade of their business and management, and create the most professional AI large model for the real estate industry in China.

2.2 We will realize "AI + PaaS" integration and enhance the productivity of the PaaS platform through large models. The Skyline PaaS platform launched productivity tools such as "Application Development Assistant (應用開發助手)" and "Data Analysis Assistant (數據分析助手)", which can quickly generate data models, pages/forms, business processes, report analysis and other objects based on natural semantics, images and documents, and support zero/low code customization requirements to help customers quickly build and expand their own applications. The Company will continue to utilize AI to empower the Skyline PaaS platform and enhance the production capabilities of its developers.

3. Launching internationalization strategy and actively expanding overseas markets

3.1 At present, the Company has made partial breakthroughs in the Southeast Asian market, established cooperative relationships with a number of ecological partners, and successfully contracted a number of overseas customers. In the second half of the year, the Company will accelerate the promotion in the Southeast Asian market and Hong Kong market to establish more local benchmark customers.

3.2 In the first half of the year, the Company completed the international adaptation and transformation of its overseas products, and its key products have been ready for delivery. In combination with the expansion of customers, the Company will launch a number of overseas products and solutions integrating AI capabilities in the second half of the year and will ensure high-quality deliveries to contracted customers.

3.3 The Company will further expand the scale of its overseas team. Based on the establishment of the Singapore subsidiary, we will continue to establish local teams in Malaysia and Hong Kong in the future, and at the same time, continue to expand the overseas product research and development team, so as to lay a good foundation of talents for accelerating the expansion of overseas markets in 2025.

4. ***Continuing to increase revenue and reduce expenditure, cut costs and improve efficiency, and enhance operation quality***

4.1 We will improve the quality of our operations and continue to optimize cost inputs while ensuring the delivery and service quality. Especially in terms of research and development resources, the Company will adopt more stringent product project establishment management to ensure that the resources are invested in research and development projects with the highest potential and in line with the Company's strategic objectives. The Company will adopt the outsourcing partnership model in non-core areas to continuously reduce research and development costs.

4.2 We will continue to improve our human efficiency, strengthen the construction of cadres and professional capabilities, and improve skills and work efficiency of employees. The Company will expand the scale of campus recruitment to reserve more high-potential new talents, further improve the talent structure, enhance the reasonable mobility of talents and resource sharing, and improve the overall operating efficiency of the Company.

4.3 We will intensify the application of AI across the Company, and our research and development personnel will use development tools such as "Skyline GPT-Application Development Assistant (天際 GPT－應用開發助手)" and "Data Analysis Assistant (數據分析助手)" to enhance the research and development efficiency of the Company in development/testing and other aspects. In the future, the Company will continue to strengthen the training of service/delivery/function line employees to ensure that they use AI tools to achieve human-machine collaboration, maximize production capacity and innovation capabilities, and enable the Company to maintain a leading position in the competition.

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Revenues	**720,106**	762,340
Cost of sales	**(142,410)**	(153,572)
Gross profit	**577,696**	608,768
Selling and marketing expenses	**(407,759)**	(452,004)
General and administrative expenses	**(140,944)**	(263,849)
Research and development expenses	**(254,068)**	(326,700)
Net impairment losses on financial assets and contract assets	**(18,979)**	(16,752)
Other income	**49,371**	27,890
Other (losses)/gains, net	**(15,751)**	19,480
Operating loss	**(210,434)**	(403,167)
Finance income	**97,006**	83,852
Finance costs	**(2,668)**	(4,218)
Finance income, net	**94,338**	79,634
Share of losses of investments accounted for using the equity method	**(191)**	(1,036)
Loss before income tax	**(116,287)**	(324,569)
Income tax credit/(expense)	**918**	(164)
Loss for the period	**(115,369)**	(324,733)
Loss attributable to:		
Owners of the Company	**(115,369)**	(323,324)
Non-controlling interests	**–**	(1,409)
	(115,369)	(324,733)

Revenues

During the Reporting Period, our total revenue was RMB720.1 million, representing a year-on-year decrease of 5.5% (same period in 2023: RMB762.3 million). The following table sets forth a breakdown of our revenue by business segment for the financial period(s) indicated.

	Six months ended 30 June		
	2024	2023	Change
	RMB	*RMB*	*%*
	(RMB in thousand, except percentage)		
Cloud Services	**612,174**	635,140	(3.6)
– CRM SaaS	**441,280**	469,521	(6.0)
– Construction Management SaaS	**62,452**	59,554	4.9
– Property Management & Operation SaaS	**46,303**	35,489	30.5
– Skyline PaaS Platform	**62,139**	70,576	(12.0)
On-premise Software and Services	**107,932**	127,200	(15.1)
Total	**720,106**	762,340	(5.5)

For the six months ended 30 June 2024, the revenue from Cloud Services was RMB612.2 million, representing a year-on-year decrease of 3.6%, accounting for 85.0% of the total revenue (same period in 2023: 83.3%). In terms of the segmented product lines of Cloud Services, the revenue from CRM SaaS was RMB441.3 million, representing a year-on-year decrease of 6.0% during the Reporting Period. The revenue from Construction Management SaaS was RMB62.5 million, representing a year-on-year increase of 4.9%, the revenue from Property Management & Operation SaaS was RMB46.3 million, representing a year-on-year increase of 30.5%.

For the six months ended 30 June 2024, the revenue from On-premise Software and Services was RMB107.9 million, representing a year-on-year decrease of 15.1%.

Gross Profit

During the Reporting Period, the Group's overall gross profit was RMB577.7 million, representing a year-on-year decrease of 5.1% (same period in 2023: RMB608.8 million). Our overall gross profit margin remained stable at 80.2% (same period in 2023: 79.9%).

Selling and Marketing Expenses

During the Reporting Period, our selling and marketing expenses were RMB407.8 million, representing a year-on-year decrease of 9.8% (same period in 2023: RMB452.0 million). Our selling and marketing expenses after excluding the share-based compensation were RMB394.1 million, representing a year-on-year decrease of 6.5% (same period in 2023: RMB421.4 million).

General and Administrative Expenses

During the Reporting Period, our general and administrative expenses were RMB140.9 million, representing a year-on-year decrease of 46.6% (same period in 2023: RMB263.8 million). Our general and administrative expenses after excluding the share-based compensation were RMB61.3 million, representing a year-on-year decrease of 17.5% (same period in 2023: RMB74.3 million).

Research and Development Expenses

During the Reporting Period, our research and development expenses were RMB254.1 million, representing a year-on-year decrease of 22.2% (same period in 2023: RMB326.7 million). Our research and development expenses after excluding the share-based compensation were RMB248.9 million, representing a year-on-year decrease of 22.0% (same period in 2023: RMB319.2 million).

Net Impairment Losses on Financial Assets and Contract Assets

During the Reporting Period, our net impairment losses were RMB19.0 million, representing a year-on-year increase of 13.1% (same period in 2023: RMB16.8 million).

Other Income

During the Reporting Period, our other income was RMB49.4 million, representing a year-on-year increase of 77.1% (same period in 2023: RMB27.9 million).

Other (Losses)/Gains, Net

During the Reporting Period, our other losses, net amounted to RMB15.8 million, representing a year-on-year increase of RMB35.3 million (other gains, net for the same period in 2023: RMB19.5 million).

Operating Loss

During the Reporting Period, our operating loss amounted to RMB210.4 million, representing a year-on-year decrease of 47.8% (operating loss for the same period in 2023: RMB403.2 million).

Finance Income

During the Reporting Period, our finance income amounted to RMB97.0 million, representing a year-on-year increase of 15.6% (same period in 2023: RMB83.9 million), primarily due to an increase in interest income from bank deposits.

Finance Costs

During the Reporting Period, our finance costs amounted to RMB2.7 million, representing a year-on-year decrease of 35.7% (same period in 2023: RMB4.2 million).

Loss Before Income Tax

As a result of the foregoing, we had a loss before income tax of RMB116.3 million for the six months ended 30 June 2024, representing a year-on-year decrease of 64.2% (loss before income tax for the same period in 2023: RMB324.6 million).

Income Tax Credit/(Expense)

During the Reporting Period, our income tax credit amounted to RMB0.9 million (income tax expense for the same period in 2023: RMB0.2 million).

Loss for the Period

As a result of the foregoing, during the Reporting Period, we recorded a loss for the period of approximately RMB115.4 million, representing a year-on-year decrease of 64.5% (loss for the same period in 2023: RMB324.7 million).

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 Loss

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

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

	Six months ended 30 June		
	2024	2023	Change
	RMB'000	*RMB'000*	*%*
Reconciliation of net loss and adjusted net loss			
Net loss for the period	**(115,369)**	(324,733)	(64.5)
Share-based compensation expenses	**98,407**	227,597	(56.8)
Adjusted net loss	**(16,962)**	(97,136)	(82.5)

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 2024, cash and cash equivalents and term deposits of the Group recorded a total of approximately RMB3,841.5 million (31 December 2023: RMB4,392.0 million), and the Group did not have any banking facilities. Most of the cash and cash equivalents of the Group were denominated in RMB. The term deposits of the Group were denominated in RMB and USD.

Current Ratio

As at 30 June 2024, net current assets of the Group were approximately RMB3,496.8 million (31 December 2023: RMB3,947.2 million). As at 30 June 2024, the current ratio of current assets to current liabilities was approximately 5.43, down from 5.96 as at 31 December 2023.

Capital Management and Gearing Ratio

In order to maintain or adjust the capital structure, we may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. We monitor capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as liquid liabilities, which are lease liabilities, less cash and cash equivalents, restricted cash, term deposits and liquid investments which are investments in wealth management products 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 2024, the Group has a net cash position.

Capital Commitments

As at 30 June 2024, we did not have material capital commitments with respect to assets under construction (31 December 2023: nil).

Contingent Liabilities

As at 30 June 2024, we did not have any material contingent liabilities.

Foreign Exchange Risk Management

We mainly carry out our operations in the PRC with most transactions settled in Renminbi, and we are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollars and the HK dollars in exchange of Renminbi. 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, 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 impairment losses are made for irrecoverable amounts. The credit periods granted to customers in different categories differ from 0 to 90 days.

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

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

Fund and Working Capital Management

Our funds and liquidity management are centrally carried out by our finance department. Our finance department is generally responsible for overall management and implementation of funds, including formulating the capital management policy for our Group, guiding, coordinating and standardizing the fund management of regional companies, making 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 2024, we did not pledge any of our assets.

Material Acquisitions, Disposals and Significant Investments

As at 30 June 2024, we did not hold any significant investments.

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

During the six months ended 30 June 2024, 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 2024, the Group did not have plans for material investments and capital assets.

Subsequent Event

Since 30 June 2024 and up to the date of this announcement, there were no other significant events affecting the Group.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenues	5	**720,106**	762,340
Cost of sales	6	**(142,410)**	(153,572)
Gross profit		**577,696**	608,768
Selling and marketing expenses	6	**(407,759)**	(452,004)
General and administrative expenses	6	**(140,944)**	(263,849)
Research and development expenses	6	**(254,068)**	(326,700)
Net impairment losses on financial assets and contract assets		**(18,979)**	(16,752)
Other income	7	**49,371**	27,890
Other (losses)/gains, net	8	**(15,751)**	19,480
Operating loss		**(210,434)**	(403,167)
Finance income		**97,006**	83,852
Finance costs		**(2,668)**	(4,218)
Finance income, net		**94,338**	79,634
Share of losses of investments accounted for using the equity method		**(191)**	(1,036)
Loss before income tax		**(116,287)**	(324,569)
Income tax credit/(expense)	9	**918**	(164)
Loss for the period		**(115,369)**	(324,733)
Loss attributable to:			
Owners of the Company		**(115,369)**	(323,324)
Non-controlling interests		**–**	(1,409)
		(115,369)	(324,733)
Losses per share for loss attributable to owners of the Company (expressed in RMB per share)			
Basic	10	**(0.06)**	(0.18)
Diluted	10	**(0.06)**	(0.18)

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(115,369)**	(324,733)
Other comprehensive income, net of tax		
Items that may be reclassified to profit or loss		
Currency translation differences from foreign operations	**(16,579)**	(95,950)
Items that will not be reclassified to profit or loss		
Currency translation differences	**39,121**	156,245
Changes in fair value of financial assets at fair value through other comprehensive loss, net of tax	**(182)**	–
Total comprehensive loss for the period	**(93,009)**	(264,438)
Total comprehensive loss attributable to:		
Owners of the Company	**(93,009)**	(263,029)
Non-controlling interests	**–**	(1,409)
	(93,009)	(264,438)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	**As at 30 June 2024** ***RMB'000*** **(Unaudited)**	**As at 31 December** 2023 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**206,139**	224,713
Investment properties		**176,788**	178,646
Right-of-use assets		**262,968**	304,981
Intangible assets		**1,396**	1,996
Financial assets at fair value through profit or loss		**44,313**	77,222
Financial assets at fair value through other comprehensive income		**146**	360
Contract acquisition costs	*5*	**4,478**	7,639
Prepayments and other receivables	*12*	**28,955**	32,477
Deferred income tax assets		**25,962**	23,033
Investments accounted for using the equity method		**13,743**	19,184
Term deposit with original maturity over three months		**552,748**	237,792
Restricted cash		**719**	745
Total non-current assets		**1,318,355**	1,108,788
Current assets			
Inventories		**9,545**	9,536
Contract assets	*5*	**100,673**	80,663
Contract acquisition costs	*5*	**223,872**	255,337
Trade receivables	*12*	**86,593**	66,168
Prepayments and other receivables	*12*	**49,973**	55,767
Financial assets at fair value through profit or loss		**514,229**	111,257
Term deposit with original maturity over three months		**837,178**	181,290
Restricted cash		**1,725**	260
Cash and cash equivalents		**2,451,619**	3,972,900
		4,275,407	4,733,178
Assets classified as held for sale		**10,978**	10,252
Total current assets		**4,286,385**	4,743,430
Total assets		**5,604,740**	5,852,218

	Note	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
EQUITY			
Share capital		**171**	170
Treasury shares		**(1,765)**	(4,492)
Reserves		**7,319,032**	7,408,985
Accumulated losses		**(2,586,075)**	(2,470,706)
Total equity		**4,731,363**	4,933,957
LIABILITIES			
Non-current liabilities			
Contract liabilities	*5*	**26,450**	32,013
Lease liabilities		**57,251**	89,919
Deferred income tax liabilities		**122**	102
Total non-current liabilities		**83,823**	122,034
Current liabilities			
Trade payables	*13*	**26,142**	23,762
Other payables and accruals	*14*	**301,342**	214,970
Contract liabilities	*5*	**429,596**	514,861
Current income tax liabilities		**1,958**	–
Lease liabilities		**30,516**	42,634
Total current liabilities		**789,554**	796,227
Total liabilities		**873,377**	918,261
Total equity and liabilities		**5,604,740**	5,852,218

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 financial information for the six months ended 30 June 2024 ("**Interim Financial Information**") is presented in Renminbi ("**RMB**"), unless otherwise stated, and was approved for issue by the Company on 15 August 2024.

2 BASIS OF PREPARATION

This Interim Financial Information has been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting". This Interim Financial Information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023 ("**2023 Financial Statements**"), which have been prepared in accordance with IFRS Accounting Standards ("**IFRS**") issued by International Accounting Standards Board ("**IASB**").

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the 2023 Financial Statements, as described in those annual consolidated financial statements, except for the adoption of amended IFRS effective as of 1 January 2024. Income tax expense was recognised based on management's estimate of the annual income tax rate expected for the full financial year.

(a) New and amended standards adopted by the Group

The Group has applied new and amended standards effective for the financial period beginning on 1 January 2024. The adoption of these new and revised standards does not have any significant impact on the consolidated financial statements of the Group.

(b) New standards, amendments to standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations have been issued and are effective for annual periods beginning on or after 1 January 2025 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Financial Instruments Standards	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be determined

The Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. Management has performed preliminary assessment and does not anticipate any significant impact on the Group's financial position and results of operations upon adopting these standards, amendments to standards and interpretations to the existing IFRS.

4 SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") has been identified as executive directors of the Company. 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.
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 were 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 businesses of the Group are carried out in the PRC.

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

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

The segment information for the six months ended 30 June 2023 (unaudited) is as follows:

	Cloud services	On-premise software and services	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenues	635,140	127,200	762,340
Cost of sales	(72,988)	(80,584)	(153,572)
Gross profit	562,152	46,616	608,768

5 REVENUES

The Group's revenue includes revenues from cloud services and on-premise software and services. The Group acts as the principal to end customers for sales of cloud services. In respect of on-premise software and 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	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cloud services	**612,174**	635,140
On-premise software and services	**107,932**	127,200
	720,106	762,340

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cloud services		
– Revenues over time	**594,779**	611,555
– Revenues at a point in time	**17,395**	23,585
On-premise software and services		
– Revenues over time	**84,261**	96,164
– Revenues at a point in time	**23,671**	31,036
	720,106	762,340

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 2024	As at 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contract assets	**147,159**	120,152
Less: Loss allowance	**(46,486)**	(39,489)
Total contract assets	**100,673**	80,663
Contract acquisition costs	**228,350**	262,976
Less: non-current portion	**(4,478)**	(7,639)
	223,872	255,337
Contract liabilities	**456,046**	546,874
Less: non-current portion	**(26,450)**	(32,013)
	429,596	514,861

(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 primarily arise from the Group's on-premise software and services business.

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 primarily arise from the Group's cloud services business.

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 primarily arise from the Group's cloud services business.

6 EXPENSES BY NATURES

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**494,595**	583,830
Commission expenses	**185,975**	200,496
Share-based compensation	**98,407**	227,597
Outsourcing expenses	**30,219**	29,552
Depreciation of property, plant and equipment	**21,652**	19,422
Depreciation of right-of-use assets	**21,310**	28,933
Professional and technical service fees	**21,071**	17,946
IT and communication charges	**19,035**	22,671
Costs of inventories sold	**12,409**	17,965
Traveling and entertainment expenses	**11,736**	12,124
Exhibition and promotion charges	**8,794**	10,238
Short-term rental and utilities expenses	**6,483**	8,715
Taxes and surcharges	**5,132**	4,801
Office expenses	**4,153**	5,961
Depreciation of investment properties	**1,858**	1,857
Amortization of intangible assets	**600**	1,577
Others	**1,752**	2,440
	945,181	1,196,125

No research and development expenses had been capitalised for the six months ended 30 June 2024 and 2023.

7 OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants	**31,973**	8,791
VAT refund	**4,666**	3,131
Income from wealth management products	**6,149**	7,482
Income generated from offline activities and others	**–**	1,889
Rental income	**6,571**	6,574
Others	**12**	23
	49,371	27,890

8 OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Fair value losses on investments in unlisted equity securities included in financial assets at FVPL	**(7,395)**	(2,505)
Foreign exchange (losses)/gains	**(4,732)**	29,831
Termination of leases	**(2,750)**	(7,661)
Net (losses)/gains on disposal of property, plant and equipment	**(498)**	130
Net losses on disposal of assets held for sale	**(271)**	–
Disposal of a subsidiary	**–**	124
Others	**(105)**	(439)
	(15,751)	19,480

9 INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**1,958**	3
Deferred income tax	**(2,876)**	161
Income tax (credit)/expense	**(918)**	164

10 LOSSES PER SHARE

Basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2024 and 2023.

(a) Basic losses per share

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (RMB'000)	**(115,369)**	(323,324)
Weighted average number of ordinary shares in issue (thousand)	**1,844,378**	1,811,795
Basic losses per share (in RMB)	**(0.06)**	(0.18)

(b) Diluted losses per share

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

During the six months ended 30 June 2024 and 2023, as the Group incurred losses, the potential ordinary shares of restricted share units and share options were not included in the calculation of dilutive losses per share, as their inclusion would be anti-dilutive. Accordingly, diluted losses per share for the six months ended 30 June 2024 and 2023 are the same as basic losses per share.

11 DIVIDENDS

On 19 March 2024, the board of directors recommended the declaration and payment of the special dividend of HK$0.1 (equivalent to RMB0.091) per share out of the share premium. The special dividend recommendation was approved at the annual general meeting on 10 May 2024. The special dividend of RMB179,532,000 was paid on 5 July 2024.

The board of directors did not propose any interim dividend for the six months ended 30 June 2024.

12 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2024	As at 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables from contracts with customers	**172,753**	140,353
Less: Loss allowance	**(86,160)**	(74,185)
Trade receivables – net	**86,593**	66,168
Prepayments to suppliers	**32,410**	32,727
Prepayments for property, plant and equipment	**12,161**	12,161
Prepayments for employee benefits	**4,464**	5,231
Total Prepayments	**49,035**	50,119
Rental and other deposits	**17,546**	21,814
Others	**12,391**	16,348
Less: Loss allowance	**(44)**	(37)
Other receivables – net	**29,893**	38,125
Trade receivables, prepayments and other receivables	**165,521**	154,412
Less: Non-current deposits and prepayments	**(28,955)**	(32,477)
Current portion	**136,566**	121,935

(a) Trade receivables

The Group normally allows 0 to 90 days credit period to its customers. Aging analysis of the trade receivables as at 30 June 2024 and 31 December 2023, based on date of recognition, is as follows:

	As at 30 June 2024	As at 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Aging		
Up to 3 months	**45,893**	37,344
3 to 6 months	**17,016**	16,356
6 months to 1 year	**37,788**	22,995
1 to 2 years	**47,535**	36,670
Over 2 years	**24,521**	26,988
	172,753	140,353

13 TRADE PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables to third parties	**26,142**	23,762

As at 30 June 2024 and 31 December 2023, the aging analysis of the trade payables based on date of recognition is as follows:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Aging		
Up to 3 months	**13,030**	15,509
3 to 6 months	**764**	473
6 months to 1 year	**5,301**	2,141
Over 1 year	**7,047**	5,639
	26,142	23,762

14 OTHER PAYABLES AND ACCRUALS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Dividend payable	**179,532**	-
Accrued payroll and employee benefit expenses	**101,265**	187,764
VAT and surcharges payable	**3,822**	5,487
Commissions payable to regional channel partners	**8,762**	7,144
Deposits from regional channel partners	**1,602**	1,652
Accrued auditor's remuneration	**600**	4,200
Others	**5,759**	8,723
	301,342	214,970

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

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

As at 30 June 2024, the use of the Net Proceeds for "*Selectively pursue strategic investments and acquisitions*" has not been deployed for the proposed allocation as designated and disclosed in the Prospectus in an efficient manner. In this regard, the Board, after considering (i) the overall business operating environment, (ii) the present and future development of the Group, and (iii) other factors as set out below in the paragraph headed "*Reasons for and benefits of the Change in Use of Proceeds*", has resolved to change the use of the idle portion of the Net Proceeds allocated under (i) "*further upgrade and enhance the functionalities and features of our existing SaaS products*", (ii) "*enhance research and development efforts in cutting-edge technologies*" and (iii) "*selectively pursue strategic investments and acquisitions*" for investing in short-term wealth management products to be identified by the Group from time to time in the foreseeable future (the "**Change in Use of Proceeds**").

The table below illustrates, among others, (i) the utilization of the Net Proceeds during the Reporting Period and the unutilized amount of Net Proceeds as of 30 June 2024; and (ii) the Change in Use of Proceeds, in each case, in accordance with paragraph 11(8) of Appendix D2 to the Listing Rules:

Item	Approximate % of total Net Proceeds as disclosed in the Prospectus	Net Proceeds from the Global Offering	Unutilized Net Proceeds as at 1 January 2024	Net Proceeds utilized during the Reporting Period	Utilized Net Proceeds as at 30 June 2024	Unutilized Net Proceeds as at 30 June 2024	Current expected timeline of full utilization of the unutilized Net Proceeds (Note 1)
		HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	
Further upgrade and enhance the functionalities and features of our existing SaaS products (Note 2)							
(a) Hire and train more high-quality IT specialists, technology architects, software developers and examiners, as well as SaaS product managers	18.0%	1,243.86	305.39	157.79	1,096.26	147.60	Before 31 December 2026
(b) Purchase from qualified suppliers advanced equipment, infrastructure and applications	6.0%	414.62	179.21	76.60	312.01	102.61	Before 31 December 2026
(c) Invest in product development to introduce new SaaS products	6.0%	414.62	198.95	72.72	288.39	126.23	Before 31 December 2026

Item	Approximate % of total Net Proceeds as disclosed in the Prospectus	Net Proceeds from the Global Offering *HK$ million*	Unutilized Net Proceeds as at 1 January 2024 *HK$ million*	Net Proceeds utilized during the Reporting Period *HK$ million*	Utilized Net Proceeds as at 30 June 2024 *HK$ million*	Unutilized Net Proceeds as at 30 June 2024 *HK$ million*	Current expected timeline of full utilization of the unutilized Net Proceeds *(Note 1)*
Enhance research and development efforts in cutting-edge technologies *(Note 2)*							
(a) Develop our proprietary key fundamental technologies that support product innovation	8.0%	552.82	356.57	39.80	236.05	316.77	Before 31 December 2030
(b) Develop our own technology infrastructure	12.0%	829.24	534.87	59.70	354.07	475.17	Before 31 December 2030
Further upgrade and enhance the functionalities and features of our cloud-based ERP solutions							
(a) Enhance our existing product support and value-added service capabilities	6.0%	414.62	–	–	414.62	–	Not applicable
(b) Expand our existing ERP modules and functions to cover more internal business and operational processes of property developers	4.0%	276.41	–	–	276.41	–	Not applicable
Enhance our sales and marketing capabilities and strengthen our brand reputation							
(a) Expand, retain and train our direct sales force	3.0%	207.31	–	–	207.31	–	Not applicable
(b) Establish an interactive, knowledge-sharing platform with leading property developers	2.0%	138.21	–	–	138.21	–	Not applicable
(c) Enhance our branding and marketing activities to acquire new customers	3.0%	207.31	–	–	207.31	–	Not applicable
(d) Invest to strengthen and expand our regional channel partner network	2.0%	138.21	–	–	138.21	–	Not applicable
Selectively pursue strategic investments and acquisitions *(Note 2)*	20.0%	1,382.06	802.55	–	579.51	802.55	Before 31 December 2028
Working capital and general corporate purposes	10.0%	691.03	–	–	691.03	–	Not applicable
Total	100.0%	6,910.32	2,377.54	406.61	4,939.39	1,970.93	

Notes:

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

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

Reasons for and benefits of the Change in Use of Proceeds

As illustrated in the above table, the remaining Net Proceeds allocated for (i) "*further upgrade and enhance the functionalities and features of our existing SaaS products*", (ii) "*enhance research and development efforts in cutting-edge technologies*" and (iii) "*selectively pursue strategic investments and acquisitions*" were expected to be fully utilized by 31 December 2026, 2030 and 2028, respectively. During the Reporting Period, a total of approximately HK$307.11 million had been utilized under the allocated usage of "*further upgrade and enhance the functionalities and features of our existing SaaS products*". Despite funds being deployed in an orderly manner in accordance with the disclosures in the Prospectus, an approximate amount of HK$376.44 million remains to be utilized before 31 December 2026. Additionally, during the Reporting Period, a total of approximately HK$99.50 million had been utilized for "*enhancing research and development efforts in cutting-edge technologies*", and, as at 30 June 2024, HK$791.94 million remains to be utilized before 31 December 2030. Despite conducting prudent and stringent selection and due diligence process, amidst challenging global macroeconomic conditions in 2024, in respect of "*selectively pursue strategic investments and acquisitions*", the Company had not been able to identify (i) an optimal or appropriate window for utilization of the Net Proceeds for such purpose, or (ii) suitable targets for strategic investments and acquisitions. As a result, during the period from the Listing Date to the Reporting Period, only HK$579.51 million had been utilized, and a substantial portion of such Net Proceeds remained unutilized.

Taking into account the Group's current operation and business updates, with a view to improving efficiency in the use of temporarily idle Net Proceeds allocated, the Board proposes to change the use of proceeds to investing in short-term wealth management products, which is expected to facilitate efficient and meaningful allocation of financial resources and utilization of idle finds, and in turn further enhancing the overall profitability of the Company and creating better investment return to the Company and the Shareholders as a whole. The Company will continue to pursue suitable investments and acquisitions should the appropriate opportunities arise.

The wealth management products intended to be subscribed by the Company shall be low risk in nature, as such, the Company does not anticipate the day-to-day capital turnover of the Group or the operation of the Group's principal businesses to be impacted. The proposed subscription of wealth management products, if materialized, may constitute notifiable transaction(s) under Chapter 14 of the Listing Rules. Further announcement(s) will be made by the Company in this regard as and when appropriate in accordance with the Listing Rules.

The Board considers that the development direction of the Company is still in line with the disclosures in the Prospectus despite the Change in Use of Proceeds as stated above. The Company will use the remaining Net Proceeds for the purpose as disclosed in the Prospectus and follow the allocation and implementation timetable as disclosed above. The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Prospectus. The Board will continuously assess the plan for the use of the unutilized Net Proceeds and may revise or amend such plan where necessary to cope with the changing market conditions and strive for better business performance of the Group.

OTHER INFORMATION

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: 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 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. For 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 Listed Securities

During the Reporting Period, the Company has repurchased a total of 7,251,000 Shares (collectively, the "**Shares Repurchased**") on the Stock Exchange at an aggregate consideration of HK$15,272,040.43 before expenses. On 6 June 2024, the Company has cancelled a total of 8,311,000 Shares Repurchased from 5 December 2023 until 28 March 2024. As at 30 June 2024, all Shares Repurchased during the Reporting Period had been cancelled.

Further 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 Highest	Purchase price paid per Share Lowest	Aggregate consideration
		HK$	*HK$*	*HK$*
2024				
January	2,020,000	2.15	2.05	4,219,048.81
February	4,351,000	2.15	1.92	8,916,048.93
March	880,000	2.50	2.37	2,136,942.69
Total	**7,251,000**			**15,272,040.43**

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 its shareholders as a whole.

As at 30 June 2024, there is no treasury shares held by the Company. Subsequently, the Company had repurchased a total of 7,233,000 Shares on the Stock Exchange held as treasury shares at the aggregate consideration of HK$14,921,000.87 in July 2024. Subject to compliance with the Listing Rules, the Company may consider applying such treasury shares for funding existing share schemes of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries 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 2024, we had 2,202 (31 December 2023: 2,577) employees in total, representing a decrease of 14.6% compared with 31 December 2023.

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 2024.

Audit Committee

The Board has established the Audit Committee which comprises three independent non-executive Directors, namely Ms. TONG Naqiong (童娜瓊) (Chairperson), Mr. LI Hanhui (李漢輝) and Mr. ZHAO Liang (趙亮). Ms. TONG Naqiong, 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 2024) 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 PricewaterhouseCoopers, 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 2023. 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 2024 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" or "our Board" or "Board of Directors"	the board of Directors of our Company
"Chairman"	the chairman of the Board
"Change in Use of Proceeds"	has the meaning ascribed to it in the section headed "USE OF NET PROCEEDS FROM THE GLOBAL OFFERING" in this announcement
"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" or "our Company" or "the Company" or "Ming Yuan Cloud"	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
"Global Offering"	the Hong Kong public offering and the international offering of the offer shares
"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 Dollar, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	IFRS Accounting 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, 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
"Net Proceeds"	has the meaning ascribed to it in the section headed "USE OF NET PROCEEDS FROM THE GLOBAL OFFERING" in this announcement
"Prospectus"	the prospectus of our Company, dated 15 September 2020, in relation to the Global Offering
"Reporting Period"	for the six months ended 30 June 2024
"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$0.0001 each
"Shareholder(s)"	holder(s) of our Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U.S."	United States of America
"USD" or "US$" or "US dollars"	United States Dollar, 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 servers with access to shared pools of configurable resources
"Customer Relationship Management"	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, 15 August 2024

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 Ms. TONG Naqiong, Mr. LI Hanhui, and Mr. ZHAO Liang as independent non-executive Directors.