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## **Xuan Wu Cloud Technology Holdings Limited**

**玄武雲科技控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2392)**

### **PROFIT WARNING**

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

The board (the “**Board**”) of directors of the Company (the “**Director(s)**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Board and a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (the “**Reporting Period**”), it is expected that the Group would record a net loss ranging from RMB63.0 million to RMB77.0 million (year ended 31 December 2022: net loss of RMB35.0 million).

Based on the information currently available, the Board considers that the above expected increase in net loss was mainly attributable to (i) the decline in gross profit and gross profit margin in the CRM services of the Group due to intensified market competition in the industry; (ii) the increase in the Group’s selling and distribution expenses and research and development expenses during the Reporting Period as the Company continued to expand its business with new products and AIGC-related technologies; and (iii) the increase in our share-based compensation expenses recorded for the Reporting Period due to the restricted share award scheme.

Despite the foregoing, the Board is expected to record a revenue ranging from RMB1,250.0 million to RMB1,300.0 million for the Reporting Period, representing a year-to-year increase of approximately 20% to 25% (year ended 31 December 2022: RMB1,043.4 million). Such expected increase was primarily driven by the continuous growth in ARPU (average revenue per user) in CRM PaaS services, as well as steady growth in the number of clients in CRM SaaS services.

As the Group is still in the process of finalising its annual results for the Reporting Period, the information contained in this announcement is only based on the preliminary assessment by the Board based on the figures and information currently available and may be subject to further adjustments and finalisation. Therefore, the actual results of the Group for the Reporting Period may differ from the information contained in this announcement and further details of the Group's financial results for the Reporting Period is expected to be published in due course.

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

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

Hong Kong, Wednesday, 28 February 2024

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