



TI CLOUD INC .

天潤云股份有限公司

(incorporated in the Cayman Islands with limited liability)
STOCK CODE : 2167

2023

Interim Report



AI-driven Customer Contact cloud platform

*To offer new customer contact experience through
human-robot integration*



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Wu Qiang (吳強) (*Chief Executive Officer*) (*Chairman*)

Pan Wei (潘威)

Li Jin (李晉)

An Jingbo (安靜波)

Independent Non-Executive Directors

Weng Yang (翁陽)

Li Pengtao (李鵬濤)

Li Zhiyong (李志勇)

AUDIT COMMITTEE

Li Zhiyong (李志勇) (*Chairperson*)

Li Pengtao (李鵬濤)

Weng Yang (翁陽)

REMUNERATION COMMITTEE

Li Pengtao (李鵬濤) (*Chairperson*)

Li Zhiyong (李志勇)

Wu Qiang (吳強)

NOMINATION COMMITTEE

Wu Qiang (吳強) (*Chairperson*)

Li Pengtao (李鵬濤)

Weng Yang (翁陽)

JOINT COMPANY SECRETARIES

Wang Huan (王歡)

Lui Wing Yat Christopher (呂穎一)

AUTHORISED REPRESENTATIVES

Wu Qiang (吳強)

Lui Wing Yat Christopher (呂穎一)

AUDITOR

Ernst & Young

*Certified Public Accountants and
Registered Public Interest Entity Auditor*

27/F, One Taikoo Place

979 King's Road, Quarry Bay,

Hong Kong

REGISTERED OFFICE

3-212 Governors Square

23 Lime Tree Bay Avenue

P.O. Box 30746, Seven Mile Beach

Grand Cayman KY1-1203

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

28-29/F, No.1 Building, 2nd Compound

Ronghua South Road

Beijing Economic and Technological Development Zone
Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place

348 Kwun Tong Road

Kowloon, Hong Kong

LEGAL ADVISERS

As to Hong Kong law

Cooley HK

35/F, Two Exchange Square

8 Connaught Place, Central

Hong Kong

As to PRC Law

Commerce & Finance Law Offices

12-14th Floor, China World Office 2

No. 1 Jianguomenwai Avenue

Beijing, PRC



PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

ICS Corporate Services (Cayman) Limited
3-212 Governors Square
23 Lime Tree Bay Avenue
P.O. Box 30746, Seven Mile Beach
Grand Cayman KY1-1203
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPLIANCE ADVISOR

Fortune Financial Capital Limited
Units No. 4102-06, 41/F, COSCO Tower
183 Queen's Road Central
Hong Kong

PRINCIPAL BANKERS

Citibank N.A., Hong Kong Branch
China Merchants Bank Co., Ltd.

STOCK CODE

2167

COMPANY WEBSITE

<https://www.ti-net.com.cn>



FINANCIAL HIGHLIGHTS

	Six months ended June 30,		
	2023 RMB' in thousands, except percentages (unaudited)	2022 RMB' in thousands, except percentages (unaudited)	Year-on-year change
Revenue	212,917	192,604	10.5%
Revenue (SaaS solutions)	198,641	167,669	18.5%
Gross profit	102,067	91,890	11.1%
Gross profit margin	47.9%	47.7%	–
(Loss) before tax	(2,323)	(3,937)	(41.0)%
(Loss) for the period	(2,029)	(3,808)	(46.7)%
Adjusted net profit (a non-IFRS measure)*	1,254	5,720	(78.1)%

* We define adjusted net profit (a non-IFRS measure) as net profit for the period adjusted by adding back share-based compensation, amortization of intangible assets in relation to acquisition and one-off listing expenses as a result of the listing of the Group on the Main Board of the Stock Exchange in June 2022 (being RMB2.1 million for the six months ended June 30, 2023, RMB1.0 million for the six months ended June 30, 2023 and RMB9.5 million for the six months ended June 30, 2022, respectively). Shareholders and potential investors of the Company should note that the adjusted net profit is not a measure required by, or presented in accordance with, the International Financial Reporting Standards (the “IFRSs”).



BUSINESS REVIEW, BUSINESS OVERVIEW AND BUSINESS OUTLOOK

BUSINESS REVIEW

Looking back at the Reporting Period, our revenue increased by 10.5% from RMB192.6 million for the six months ended June 30, 2022 to RMB212.9 million for the six months ended June 30, 2023 and our revenue from SaaS solutions increased by 18.5% from RMB167.7 million for the six months ended June 30, 2022 to RMB198.6 million for the six months ended June 30, 2023, primarily due to the increase in revenue generated from SaaS solutions through subscriptions by high-quality clients, revenue contributions from Beijing Yizhang Yunfeng Technology Co., Ltd. (北京易掌雲峰科技有限公司) which was acquired by the Group, and rapid expansion of our AI-related products portfolio.

As a life-cycle AI-driven SaaS cloud platform for customer contact solutions, we independently developed and achieved the deep integration of “AI, Cloud and Communication” technologies. The revolution of artificial intelligence generated content (“AIGC”) has brought new development opportunities for customer contact industry. In March 2023, we launched the innovative Weiteng Large Language Model Platform (微藤大語言模型)(“**Weiteng LLMP**”). Weiteng LLMP integrates intelligence into the process of customer contact solutions and focus on enterprise knowledge engineering to promote growth. Recently, in August 2023, we introduced version 2.0 of Weiteng LLMP, significantly enhancing the competitiveness of our SaaS products and becoming a key driver for our business growth.

We are committed to our mission of “making customer contact a better experience, with improved efficiency,” and concentrated on providing cloud-native, secure and reliable customer contact solutions for our clients. We have built a broad, high-quality and loyal client base across diverse industries, including technology, insurance, automobile, education, healthcare, banking, manufacturing and logistics, to name a few. In the first half of 2023, we served a total number of 4,222 clients, increasing by 58.8% from 2,658 in the first half of 2022. We strive to cultivate long-term relationships with our clients and evaluate our performance using client retention rate (calculated as the percentage of our existing clients in the immediately preceding period who remain our clients in the current period) and dollar-based net retention rate (calculated by (i) first identifying the clients who subscribed to our solutions in both the benchmark period and the period before and (ii) then using the total revenue attributable to the identified clients in the benchmark period as the numerator and the total revenue attributable to the same group of clients in the preceding period as the denominator) on a regular basis. In the first half of 2023, our SaaS client retention rate and dollar-based net retention rate for all SaaS clients was 74.7% and 105.4%, respectively, compared to 74.7% and 80.7% in the first half of 2022.



BUSINESS REVIEW, BUSINESS OVERVIEW AND BUSINESS OUTLOOK

Technology is at the heart of our solutions. In the first half of 2023, we continued to strengthen our technology leadership through product and technology innovation. We built a strong research and development team of 268 employees as of June 30, 2023, representing 45.8% of our total workforce, increasing by 5.9% from 253 as of June 30, 2022. In the first half of 2023, we maintained rapid product iteration and rolled out releases approximately on a weekly basis, at the same time achieving 99.99% uptime (calculated as the percentage of time our system is available and operational for a client in a given month). Our platform has been operating free from overall system failures for more than 48 months.

BUSINESS OVERVIEW

We offer a broad array of cloud-native customer contact solutions, which are communication solutions that enable enterprises to engage in multi-channel customer interactions. Our solutions, rooted in our cloud-native, secure and reliable platform, empower businesses to create exceptional customer communication experience and intelligize their way of conducting sales, marketing, customer service and other business functions.

Our cloud-based solutions, developed in-house by our research and development team, primarily consist of three offerings, serving a broad range of use cases:

- *Intelligent Contact Center Solutions.* Designed to replace legacy on-premise systems, our Intelligent Contact Center Solutions help businesses migrate their contact center functions to the cloud.
- *Agile Agent Solutions.* Our Agile Agent Solutions are designed to facilitate customer contact activities outside physical contact centers, which are unserved by pureplay contact center solutions.
- *ContactBot Solutions.* Our ContactBot Solutions utilize practical AI applications to automate routine and repetitive duties traditionally handled by clients' human agents.

We deliver solutions with large capacity and high availability in Software as a Service (SaaS) model and Virtual Private Cloud (VPC) model. Our three types of solutions may be deployed via either the SaaS model or the VPC model:

- **SaaS model.** Using our cloud-native customer contact services delivered through the SaaS model, our clients can establish their own customer contact functions without any up-front investment in software or hardware. Services delivered through the SaaS model are deployed in public clouds, which allows our clients to flexibly adjust the number of agent seats according to their changing business needs.
- **VPC model.** VPC solutions combine the scalability and convenience of public cloud computing with the data isolation of private cloud computing, thereby affording greater security. We help our clients deploy highly customizable solutions on the cloud computing platform of their choice, leveraging our extensive industry know-how and deep understanding of industry trends.



BUSINESS REVIEW, BUSINESS OVERVIEW AND BUSINESS OUTLOOK

BUSINESS OUTLOOK

We are well-positioned as a life-cycle AI-driven SaaS cloud platform for customer contact solutions. We will continue to implement the following strategies to capture growing market opportunities and further strengthen our market leading position:

- Continue to maintain our leadership in technology by focusing on the deep integration of “AI, Cloud and Communication” technologies. Actively explore the latest AIGC technology at home and abroad, deepen our layout in intelligent customer service, ContactBot and other aspects and continue to implement the application upgrade of “AI+ customer contact solutions”. With the growing demand by enterprise clients for intelligent, efficient and comprehensive customer contact solutions to satisfy their needs for seamless user experiences and the development of the latest AIGC technology, we anticipate that a broad range of usage scenarios will become automated, further enhancing the commercial value of customer contact solutions;
- Continue to optimize and expand the portfolio of solutions to provide better products and service experience for corporate clients. By this approach, we aim to achieve sustained and healthy growth of SaaS subscribers, increase user engagement and record a high net dollar retention. We have successfully built three product innovation and R&D centers in Beijing, Nanjing and Chengdu. Looking ahead to the second half of 2023, the focus is to further improve the R&D efficiency in the Group’s overall customer contact solution products;
- Effectively strengthen our sales and marketing capabilities. As we continued to build our sales and marketing team in the years of 2021 and 2022, we have basically completed the sales coverage of the major areas with high development potential in China. In the future, we will continue to expand our coverage in Bohai Rim, East China, Pearl River Delta and Chengdu-Chongqing regions to enhance our sales capabilities outside of tier-1 cities and scale up our presence in a cost-effective manner; and
- Selectively pursue strategic acquisitions and investments to expand market position and influence. As Chinese enterprises are increasingly willing to migrate to the cloud, we believe there is a high demand to replace legacy on-premise systems with intelligent customer contact solutions. Although we face increasing competition in the customer contact solutions market, we will continue to develop our robust technological capabilities, go-to-market strategies, and expand our broad and high-quality client base to improve our competitiveness in the industry.

With the rise of ChatGPT-based artificial intelligence dialogue robots and large-scale model technology, the customer contact industry has ushered in new development opportunities and technological revolutions. We believe the industry will focus on reinventing current solutions using AI-native transformations. As the foundation of our AI-native strategy, Weiteng LLMP uses enterprise knowledge management as a breakthrough. It empowers the intelligence of various processes such as marketing, sales, and services by solidifying the knowledge base of enterprises. In particular, Weiteng LLMP provides efficient assistance to the entire process of customer contact, enabling “human-machine integration” to enhance productivity through business scenarios such as customer service reception, conversation analysis and extraction, and automatic form filling. At the same time, Weiteng LLMP can allow businesses to understand customer needs and expectations more accurately through in-depth analysis and insight into a large volume of data. This helps clients optimize their marketing strategies, product design, and customer service and drive rapid business growth with knowledge.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue increased by 10.5% from RMB192.6 million for the six months ended June 30, 2022 to RMB212.9 million for the six months ended June 30, 2023, primarily due to a significant increased in the revenue from SaaS solutions.

Revenue by businesses

In the first half of 2023, we derived our revenue from providing (i) SaaS solutions, (ii) VPC solutions and (iii) other services and product sales. The following table sets forth a breakdown of our revenue by businesses for the periods indicated.

	Six months ended June 30,				
	2023		2022		Year-on-year change
	RMB'000 (unaudited)	Percentage of total	RMB'000 (unaudited)	Percentage of total	
SaaS solutions	198,641	93.3%	167,670	87.1%	18.5%
Intelligent Contact Center Solutions	170,525	80.1%	143,602	74.6%	18.7%
Agile Agent Solutions	21,427	10.1%	19,525	10.1%	9.7%
ContactBot Solutions	6,689	3.1%	4,543	2.4%	47.2%
VPC solutions	11,757	5.5%	21,761	11.3%	(46.0)%
Other services and product sales	2,519	1.2%	3,173	1.6%	(20.6)%
Total	212,917	100.0%	192,604	100.0%	10.5%

In the first half of 2023, we generated a revenue of RMB198.6 million from the SaaS model, representing a increased by 18.5% from RMB167.7 million for the first half of 2022. In the same period, we served a total number of 4,158 clients under the SaaS model, increasing by 65.9% from 2,507 in the first half of 2022.

In the first half of 2023, we generated a revenue of RMB11.8 million from the VPC model, representing an decrease by 46.0% from RMB21.8 million for the first half of 2022, primarily attributable to a decrease in average contract value. In the same period, we served 50 VPC clients, increasing from 20 in the first half of 2023. The increase was primarily contributed by clients acquired from our acquisitions.



MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales

Our cost of sales increased by 10.1% from RMB100.7 million for the six months ended June 30, 2022 to RMB110.9 million for the six months ended June 30, 2023. The increase was mainly driven by the increase of our revenue for the same period.

Gross profit and gross profit margin

As a result of the foregoing, we recorded (i) a gross profit of RMB91.9 million and RMB102.0 million for the six months ended June 30, 2022 and the six months ended June 30, 2023, respectively, and (ii) a gross profit margin of 47.7% and 47.9% for the six months ended June 30, 2022 and the six months ended June 30, 2023, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by businesses for the periods indicated.

	2023		2022	
	RMB'000 (unaudited)		RMB'000 (unaudited)	
Gross profit and gross profit margin:				
SaaS solutions	94,674	47.7%	82,382	49.1%
VPC solutions	6,281	53.4%	8,134	37.4%
Other services and product sales	1,112	44.1%	1,374	43.3%
Total	102,067	47.9%	91,890	47.7%

Other income and gains

Our other income and gains increased by 77.1% from a gain of RMB3.6 million for the six months ended June 30, 2022 to a gain of RMB6.4 million for the six months ended June 30, 2023, primarily due to an increase in bank interest income and net foreign exchange gains.

Selling and distribution expenses

Our selling and distribution expenses increased by 23.8% from RMB41.1 million for the six months ended June 30, 2022 to RMB50.9 million for the six months ended June 30, 2023. The increase was primarily due to an increase in employee benefit expenses as a result of an increase in sales and marketing staff headcount from 144 as of June 30, 2022 to 178 as of June 30, 2023.



MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses

Our administrative expenses decreased by (27.2%) from RMB19.6 million for the six months ended June 30, 2022 to RMB14.2 million for the six months ended June 30, 2023, primarily due to a decrease in professional service fees.

Research and development expenses

Our research and development expenses increased by 18.5% from RMB36.2 million for the six months ended June 30, 2022 to RMB42.9 million for the six months ended June 30, 2023, primarily attributable to an increase in employee benefit expenses as a result of an increase in our research and development headcount from 253 as of June 30, 2022 to 268 as of June 30, 2023.

Impairment losses on financial assets

Our impairment losses on financial assets increased by 3.8% from RMB2.1 million for the six months ended June 30, 2022 to RMB2.2 million for the six months ended June 30, 2023.

Other expenses and losses

We recorded other expenses and losses of RMB108 thousand for the six months ended June 30, 2022 and RMB309 thousand for the six months ended June 30, 2023, which primarily represent loss on early termination of lease by the of our office.

Finance costs

We recorded finance costs of RMB333 thousand for the six months ended June 30, 2022 and RMB263 thousand for the six months ended June 30, 2023, which primarily represent interest expenses of our lease liabilities.

(Loss)/Profit for the period

As a result of the foregoing, we generated a loss of RMB3.8 million for the six months ended June 30, 2022 and a loss of RMB2.0 million for the six months ended June 30, 2023. The net loss for the six months ended June 30, 2023 was primarily due to (i) an increase in research and development expenses of 18.5% as compared to the same period in the previous year; and (ii) an increase in selling and distribution expenses of 23.8% as compared to the same period in the previous year.

Adjusted net profit (a non-IFRS measure)

To supplement our unaudited consolidated interim results that are presented in accordance with IFRS, we also use adjusted net profit as an additional measure, which is not required by, or presented in accordance with, IFRS. The Board considers that the presentation of adjusted net profit (a non-IFRS measure) would facilitate comparisons of operating performance from period to period and comparisons with other comparable companies with similar business operations by eliminating the potential impact of certain unusual, non-recurring and/or non-operating items. The adjusted net profit is defined as net profit for the period adjusted by adding back share-based compensation, amortization of intangible assets in relation to acquisition and one-off listing expenses as a result of the listing of the Group on the Main Board of the Stock Exchange in June 2022. However, the presentation of this non-IFRS measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS.



MANAGEMENT DISCUSSION AND ANALYSIS

The adjusted results should not be viewed on a stand-alone basis or as a substitute for results under the IFRS. We recorded an adjusted net profit of RMB1.2 million for the six months ended June 30, 2023, as compared to an adjusted net profit of RMB5.8 million for the six months ended June 30, 2022.

The following table reconciles our adjusted net profit for the period presented to the most directly comparable financial measure calculated and presented under IFRS.

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Reconciliation of net profit and adjusted net profit		
(Loss)/Profit for the period	(2,029)	(3,808)
<i>Add:</i>		
Share-based compensation	2,139	25
Amortization of intangible assets in relation to acquisition	1,144	–
Listing expenses	–	9,503
Adjusted net profit	1,254	5,720

Contract Assets

Our contract assets decreased by 60.5% from RMB14.6 million as of June 30, 2022 to RMB5.8 million as of June 30, 2023. The decrease resulted from the decrease in the ongoing provision of our VPC solutions.

Financial Investments at Fair Value through Profit or Loss

Our financial investments at fair value through profit or loss increased from RMB25.7 million as of December 31, 2022 to RMB60.2 million as of June 30, 2023, which was primarily due to our purchase of wealth management products.

Financial Position, Liquidity and Capital Resources

We have adopted a prudent treasury management policy. 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.

For the six months ended June 30, 2023, we funded our cash requirements principally from cash generated from financing activities through the Global Offering and cash generated from operating activities. Our cash and cash equivalents represent cash and bank balances. We had cash and cash equivalents of RMB110.9 million as of June 30, 2023. As of June 30, 2023, we had no outstanding borrowings. Gearing ratio was not applicable as the Group recorded net cash as of June 30, 2023. Gearing ratio is calculated by dividing total borrowings and lease liabilities net of cash and cash equivalents by total equity and multiplied by 100%.



MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth our cash flows for the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash (used in)/generated from operating activities	(8,551)	(25,809)
Net cash (used in)/generated from investing activities	(64,853)	(22,258)
Net cash (used in)/generated from financing activities	(4,302)	258,382
Net increase in cash and cash equivalents	(77,706)	210,315
Cash and cash equivalents at the beginning of the period	188,406	152,545
Effects of foreign exchange rate changes, net	231	49
Cash and cash equivalents at the end of the period	110,931	362,909

Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities and the net proceeds received from the Global Offering. We currently do not have any other plans for material additional external financing.

Net Cash (Used in)/Generated from Operating Activities

For the six months ended June 30, 2023, net cash used in operating activities was RMB8.6 million, which was primarily attributable to our loss before tax of RMB2.3 million, as adjusted by (i) non-cash items, which primarily comprised of depreciation of right-of-use assets of RMB4.2 million and interest income of RMB3.7 million, and (ii) changes in working capital, which primarily comprised of an increase in trade receivables of RMB7.1 million, an increase in prepayments, other receivables and other assets of RMB5.2 million, and a decrease in contract costs of RMB3.1 million.

For the six months ended June 30, 2022, net cash used in operating activities was RMB25.8 million, which was primarily attributable to our loss before tax of RMB3.9 million, as adjusted by (i) non-cash items, which primarily comprised of depreciation of right-of-use assets of RMB3.2 million, impairment of financial assets of RMB2.1 million, and investment income of RMB1.2 million, and (ii) changes in working capital, which primarily comprised of an increase in trade receivables of RMB35.5 million, an increase in trade payables of RMB14.6 million, and an increase in contract assets of RMB12.6 million.



MANAGEMENT DISCUSSION AND ANALYSIS

Net Cash (Used in)/Generated from Investing Activities

For the six months ended June 30, 2023, net cash used in investing activities was RMB64.9 million, which was primarily attributable to payments of RMB46.9 million for business acquisition, payments of RMB85.0 million for purchases of financial investments at fair value through profit or loss, which were partially offset by proceeds of RMB64.0 million maturity of time deposits and proceeds of RMB51.1 million from disposal of financial investments at fair value through profit or loss.

For the six months ended June 30, 2022, net cash used in investing activities was RMB22.3 million, which was primarily attributable to payments of RMB368.0 million for purchases of financial investments at fair value through profit or loss, which were partially offset by proceeds of RMB345.2 million from disposal/maturity of financial investments at fair value through profit or loss.

Net Cash (Used in)/Generated from Financing Activities

For the six months ended June 30, 2023, net cash used in financing activities was RMB4.3 million, which was attributable to payments of principal portion of lease payments of RMB4.3 million.

For the six months ended June 30, 2022, net cash generated from financing activities was RMB258.4 million, which was primarily attributable to net proceeds of RMB252.1 million from issue of shares and decrease in pledged time deposits for borrowings of RMB21.0 million, partially offset by repayment of borrowings of RMB11.0 million.

Significant Investments Held

The Group did not make or hold any significant investments during the six months ended June 30, 2023.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this interim report and the Prospectus, as of June 30, 2023, we did not have other plans for material investments and capital assets.



MANAGEMENT DISCUSSION AND ANALYSIS

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

On December 15, 2022 (after trading hours), TI Cloud (HK) Limited (the “Purchaser”) (a wholly-owned subsidiary of the Company), the Company, Beijing T&I Net Communication Co., Ltd. (北京天潤融通科技股份有限公司), Agora Inc., Beijing Yisimobo Network Technology Co., Ltd. (北京億思摩博網絡科技有限公司), Beijing Yizhang Yunfeng Technology Co., Ltd. (北京易掌雲峰科技有限公司) (the “Target Company”) and AKKO NET LIMITED (the “Vendor”) entered into an equity transfer agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire equity interest in the Target Company at an initial consideration of approximately US\$14.6 million (approximately HK\$113.7 million) (the “Acquisition”), subject to the adjustments. The initial consideration was determined after arm’s length negotiation, having considered the consideration paid by the Vendor at the time of its acquisition of the Target Company in 2021, the prevailing market pricing for SaaS business, the revenue generated from the Target Company, the business prospects and the synergy effect brought by the Target Company to the Group. Upon completion of the Acquisition that took place on February 1, 2023, the Target Company became an indirect wholly-owned subsidiary of the Company.

For details of the Acquisition, please refer to the announcement of the Company dated December 15, 2022.

Save for the Acquisition disclosed above, we did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies for the Reporting Period.

Employee and Remuneration Policy

The following table sets forth the numbers of our employees categorized by function as of June 30, 2023.

Function	Number of Staff	% of Total
Research and development	268	45.81%
Sales	178	30.43%
Operations	100	17.09%
Management	39	6.67%
Total	585	100%

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans through a PRC government-mandated benefit contribution plan. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our staff, up to a maximum amount specified by the local government from time to time.

We continuously invest in the training and career development of our employees. We have established a comprehensive training and development system covering corporate culture, employee rights and responsibilities, job performance, technical skills and safety management. We also support the health and well-being of our employees by, among other measures, offering free annual health checkups.



MANAGEMENT DISCUSSION AND ANALYSIS

The Company also has a pre-IPO employee share incentive plan (“**Share Incentive Plan**”).

On January 3, 2023, the Company granted 912,648 RSUs to six (6) Grantees in accordance with the terms of the Share Incentive Plan (the “**Grant**”). None of the Grant was subject to approval by the Shareholders, and none of the Grantees is a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or an associate (as defined in the Listing Rules) of any of them. For details of the Grant, please refer to the announcement of the Company dated January 3, 2023.

The total remuneration expenses, including share-based payments, for the six months ended June 30, 2023 were RMB87.0 million, as opposed to RMB74.2 million for the six months ended June 30, 2022, representing a year-on-year increase of 17.3%.

Foreign Exchange Risk

We conduct our businesses mainly in Renminbi (“**RMB**”). Foreign exchange risk arises when future commercial transactions or recognized financial assets and liabilities are denominated in a currency that is not the respective functional currency of our entities. During the six months ended June 30, 2023, exchange gains and losses from foreign currency transactions denominated in a currency other than the functional currency were insignificant. The Board does not expect that the fluctuation of RMB exchange rate and other foreign exchange fluctuations will have a material impact on the business operations of the Group. The Group currently has no hedging policy with respect to foreign exchange risks. Therefore, the Group has not entered into any hedging transactions to manage potential fluctuation in foreign currencies.

Pledge of Assets

As of June 30, 2023, we did not have any charge of assets or pledge of assets.

Capital Commitments

As at 30 June 2023, the Group had no capital commitment.

Contingent Liabilities

As of June 30, 2023, we did not have any material contingent liabilities or guarantees.

Important Events after the End of the Period

Save as disclosed in this interim report and as of the date of this interim report, there were no other significant events that might affect the Group since June 30, 2023.



CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at the date of this interim report, the interests and short positions of the Directors and chief executives in the Shares, underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Model Code, were as follows:

(i) Interest in the Shares

Name of Director	Nature of Interest	Number of Shares Interested	Approximate percentage of shareholding
Wu Qiang (吳強)	Interest in controlled corporation; interest jointly held with another person ⁽¹⁾	86,505,000 (L)	49.72%
Pan Wei (潘威)	Interest in controlled corporation; interest jointly held with another person ⁽¹⁾⁽²⁾	86,505,000 (L)	49.72%
Li Jin (李晉)	Interest in controlled corporation; interest jointly held with another person ⁽¹⁾⁽³⁾	86,505,000 (L)	49.72%
An Jingbo (安靜波)	Interest in controlled corporation; interest jointly held with another person ⁽¹⁾⁽⁴⁾	86,505,000 (L)	49.72%

Notes:

- (1) Xinyun Inc. directly held 37,500,000 Shares; EastUp Holding Limited directly held 22,500,000 Shares. Xinyun Inc. and EastUp Holding Limited are wholly-owned subsidiaries of Hanyun Inc., which is in turn wholly owned by Mr. Wu Qiang. Accordingly, Mr. Wu is deemed to be interested in the total number of Shares held by Xinyun Inc. and EastUp Holding Limited.

Pursuant to the deeds of voting proxy dated June 6, 2021 with each of Connect The Unconnected Limited, Flyflux Holding Limited and Technolo-Jin CO., LTD, Mr. Wu as an attorney has the right to vote over all the Shares held by each of them, as a result of which Mr. Wu, Connect The Unconnected Limited, Flyflux Holding Limited and Technolo-Jin CO., LTD are in substance parties acting in concert.

- (2) Connect The Unconnected Limited, a company wholly owned by Mr. Pan Wei, directly owns 13,500,000 Shares. Accordingly, Mr. Pan Wei is deemed to be interested in the number of Shares held by Connect The Unconnected Limited.
- (3) Technolo-Jin CO., LTD, a company wholly owned by Mr. Li Jin, directly held 8,370,000 Shares. Accordingly, Mr. Li Jin is deemed to be interested in the number of Shares held by Technolo-Jin CO., LTD.
- (4) Flyflux Holding Limited, a company wholly owned by Mr. An Jingbo, directly owns 4,635,000 Shares. Accordingly, Mr. An Jingbo is deemed to be interested in the number of Shares held by Flyflux Holding Limited.
- (5) (L) denotes a long position in the Shares.



CORPORATE GOVERNANCE AND OTHER INFORMATION

(ii) Interests in associated corporations of the Company

Name of Director	Name of associated corporation	Number of securities held	Approximate percentage of interests
Wu Qiang (吳強)	T&I Net Communication	31,840,284 (L)	61.63%
Li Jin (李晉)	T&I Net Communication	2,883,468 (L)	5.58%
Pan Wei (潘威)	T&I Net Communication	2,618,700 (L)	5.07%
An Jingbo (安靜波)	T&I Net Communication	1,595,748 (L)	3.09%

Notes:

- (1) Mr. Wu directly holds 18,135,684 shares in T&I Net Communication. Beijing Yunjing Industrial Investment Center (Limited Partnership) (北京雲景興業投資中心(有限合夥)), Beijing Yunhao Investment Center (Limited Partnership) (北京雲昊投資中心(有限合夥)) and Beijing Yunyu Consulting Management Center (Limited Partnership) (北京雲昱諮詢管理中心(有限合夥)) (the "Holding Entities") are interested in 13,704,600 shares in T&I Net Communication. The general partner of each of the Holding Entities is Beijing Yunhao Industrial Investment Consulting Co., Ltd. (北京雲昊興業投資顧問有限公司), which is controlled and wholly owned by Mr. Wu. Therefore, Mr. Wu is deemed to be interested in the total number of shares held by the Holding Entities in T&I Net Communication.
- (2) (L) denotes a long position in the Shares.

Save as disclosed above, as of the date of this interim report, none of the Directors and chief executives of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Model Code.



CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF OUR COMPANY

As at the date of this interim report, as far as known to the Company and Directors, the following persons had the interests or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

Name of Shareholder	Nature of interest	Number of Shares interested	Approximate percentage of shareholding ⁽³⁾
Xinyun Inc. ⁽¹⁾	Beneficial interest	37,500,000 (L)	21.55%
EastUp Holding Limited ⁽¹⁾	Beneficial interest	22,500,000 (L)	12.93%
Hanyun Inc. ⁽¹⁾	Interest in controlled corporation	60,000,000 (L)	34.48%
Wu Qiang (吳強) ⁽¹⁾	Interest in controlled corporation; interest jointly held with another person	86,505,000 (L)	49.72%
Connect The Unconnected Limited ⁽¹⁾⁽²⁾	Beneficial interest; interest jointly held with another person	86,505,000 (L)	49.72%
Pan Wei (潘威) ⁽²⁾	Interest in controlled corporation; interest jointly held with another person	86,505,000 (L)	49.72%
Flyflux Holding Limited ⁽¹⁾⁽³⁾	Beneficial interest; interest jointly held with another person	86,505,000 (L)	49.72%
An Jingbo (安靜波) ⁽³⁾	Interest in controlled corporation; interest jointly held with another person	86,505,000 (L)	49.72%
Technolo-Jin CO., LTD ⁽¹⁾⁽⁴⁾	Beneficial interest; interest jointly held with another person	86,505,000 (L)	49.72%
Li Jin (李晉) ⁽⁴⁾	Interest in controlled corporation; interest jointly held with another person	86,505,000 (L)	49.72%
Fortune Ascend Holdings Ltd. ⁽⁵⁾	Beneficial interest	17,415,000 (L)	10.01%
Wisdom Extra Limited ⁽⁵⁾	Interest in controlled corporation	17,415,000 (L)	10.01%
Mr. Tian Suning ⁽⁵⁾	Interest in controlled corporation	17,415,000 (L)	10.01%
TI YUN Limited ⁽⁶⁾	Nominee of a trust	19,225,952 (L)	11.05%
Tricor Trust (Hong Kong) Limited ⁽⁶⁾	Trustee	19,225,952 (L)	11.05%
Agora, Inc. ⁽⁷⁾	Beneficial interest	9,450,000 (L)	5.43%
Platinum Investment Management Limited	Investment manager; Trustee	9,182,800 (L)	5.28%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) Xinyun Inc. and EastUp Holding Limited are wholly-owned subsidiaries of Hanyun Inc., which is in turn wholly owned by Mr. Wu Qiang. Accordingly, each of Mr. Wu and Hanyun Inc. is deemed to be interested in the total number of Shares held by Xinyun Inc. and EastUp Holding Limited.

Pursuant to the deeds of voting proxy dated June 6, 2021 with each of Connect The Unconnected Limited, Flyflux Holding Limited and Technolo-Jin CO., LTD (each, a “Principal Shareholder”), Mr. Wu as proxy has the right to vote over all the Shares held by each of them, as a result of which Mr. Wu and Principal Shareholders are in substance parties acting in concert.

- (2) Connect The Unconnected Limited is a company wholly owned by Mr. Pan. Accordingly, Mr. Pan is deemed to be interested in the number of Shares held by Connect The Unconnected Limited.
- (3) Flyflux Holding Limited is a company wholly owned by Mr. An. Accordingly, Mr. An is deemed to be interested in the number of Shares held by Flyflux Holding Limited.
- (4) Technolo-Jin CO., LTD is a company wholly owned by Mr. Li. Accordingly, Mr. Li is deemed to be interested in the number of Shares held by Technolo-Jin CO., LTD.
- (5) Fortune Ascend Holdings Ltd. is 94% held by Wisdom Extra Limited, which is in turn wholly-owned by Mr. Tian Suning (“**Mr. Tian**”). Accordingly, each of Mr. Tian and Wisdom Extra Limited is deemed to be interested in the total number of Shares held by Fortune Ascend Holdings Ltd..
- (6) TI YUN Limited is a special purpose vehicle established as a nominee to hold in trust for the Shares underlying the Share Incentive Plan, with Tricor Trust (Hong Kong) Limited acting as the trustee. Accordingly, Tricor Trust (Hong Kong) Limited is deemed to be interested in the number of Shares held by TI YUN Limited. TI YUN Limited will not exercise any voting rights in respect of the Shares underlying the share awards.
- (7) Agora, Inc. (“Agora”) is an exempted company with limited liability incorporated in the Cayman Islands and a cornerstone investor of the Company. Agora is listed on Nasdaq Global Select Market under the symbol “API”.
- (8) (L) denotes a long position in the Shares.
- (9) (S) denotes a short position in the Shares.



CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS OF THE SUBSTANTIAL SHAREHOLDER OF ANY MEMBER OF OUR GROUP (EXCEPT OUR COMPANY)

Name of Shareholder	Name of members of our Group	Nature of Interest	Approximate percentage of Interest
Beijing Tianchuang Chuangrun Investment Center (Limited Partnership) (北京天創創潤投資中心(有限合夥)) ⁽¹⁾	T&I Net Communication	Beneficial owner	24.63%

Note:

- (1) Beijing Tianchuang Chuangrun Investment Center (Limited Partnership) (北京天創創潤投資中心(有限合夥)) is an investment holding limited partnership established under the laws of the PRC. The general partner of Beijing Tianchuang Chuangrun Investment Center (Limited Partnership) is Beijing Tiandi Rongchuang Venture Capital Co., Ltd. (北京天地融創創業投資有限公司), which is controlled and owned as to 98% by Mr. Tian.

Save as disclosed above, as at the date of this interim report, the Directors and chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had the interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO.



CORPORATE GOVERNANCE AND OTHER INFORMATION

USE OF PROCEEDS FROM THE GLOBAL OFFERING

With the shares listed on the Main Board of the Stock Exchange on the Listing Date, the net proceeds from the Global Offering were approximately HK\$255.7 million, after deducting underwriting commissions and offering expenses paid or payable. We received an additional net proceeds of approximately HK\$5.0 thousand pursuant to the partial exercise of the over-allotment option as disclosed in the announcement of the Company dated July 24, 2022. The additional net proceeds were used for the purposes and in the proportion as shown in the Prospectus.

Intended use of net proceeds	Allocation of net proceeds HK\$ million	Percentage of total net proceeds	Amount of net proceeds utilized for the year ended December 31, 2022 HK\$ million	Amount of net proceeds utilized during the six months ended June 30, 2023 HK\$ million	Balance of net proceeds unutilized as of June 30, 2023 HK\$ million	Intended timetable for use of the unutilized net proceeds
Used to further enhance our core technologies, optimize existing portfolio of solutions and develop complementary solutions with a goal to satisfy evolving client needs, provide more comprehensive solutions and improve our overall competitiveness in the market of customer contact solutions	191.8	75%	13.6	21.6	156.6	Before December 31, 2025
Used over the next five years to further enhance our brand image in the market for customer contact solutions, expand our direct sales team, improve our sales capabilities and increase our marketing efforts	51.1	20%	7.0	11.6	32.5	Before December 31, 2025
Used for working capital and general corporate purposes	12.8	5%	6.2	6.1	0.5	Before December 31, 2025
Total	255.7	100%	26.8	39.2	189.7	

As of June 30, 2023, the amount of the net proceeds which has remained unutilized amounted to approximately HK\$189.7 million. There has been no material change or delay in the intended use of net proceeds as previously disclosed in the Prospectus.



CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE INCENTIVE PLAN

The Share Incentive Plan was adopted and approved by resolutions in writing by the Board on May 13, 2021.

Purpose

The purpose of the Share Incentive Plan is to enable our Group to grant awards to selected participants as incentives or rewards for their contribution to our Group, in particular, (i) to motivate them to optimize their performance and efficiency for the benefit of our Group; (ii) to attract and retain them whose contributions are or will be beneficial to our Group; and (iii) to encourage them to enhance cooperation and communication amongst team members for the growth of our Group.

Types of Awards

The Share Incentive Plan provides for awards of RSUs, Shares issued subject to forfeiture or repurchase by our Company until vested ("**Restricted Shares**"), and other share-based awards or rights (collectively, the "**Awards**").

Eligible participants

The Board, in the context of the Share Incentive Plan, including any committee or person(s) duly authorized by the Board, may at its discretion, invite any person belonging to any of the following classes of eligible participants ("**Eligible Participants**"), to take up an Award to subscribe for Shares:

- (i) any full-time executives, officers, managers or employees of our Company or any of its subsidiaries or controlled affiliates, or any entities designated by them, who had attained the requisite seniority and performance grade and/or targets as may be determined by the chief executive officer of our Company from time to time;
- (ii) any directors and supervisors (including non-executive directors and independent non-executive directors) of our Company or any of its subsidiaries or controlled affiliates, or any entities designated by them;
- (iii) any advisor and consultant who the chief executive officer of our Company considers, in its sole discretion, has contributed or will contribute to our Group.

Maximum number of Shares

Unless otherwise duly approved by the Board, the total number of Shares underlying the Share Incentive Plan shall not exceed 26,550,000 Shares, representing approximately 15.26% of the issued Shares of the Company as of the date of this report.

The number of awards available for grant under the Share Incentive Plan as at January 1, 2023 and June 30, 2023 were 4,166,785 and 3,370,244, respectively. During the Reporting Period, on 3 January 2023, 912,648 RSUs were granted to six eligible employees, which are to be vested, released and converted into the ordinary shares of the Company in three equal tranches on January 3, 2024, January 3, 2025 and January 3, 2026. The purchase price for such RSUs granted is HK\$4.1 per share and the closing price of the Shares as at the date of grant was HK\$12.68. For further details, please refer to the announcement of the Company dated January 3, 2023.



CORPORATE GOVERNANCE AND OTHER INFORMATION

As at the date of this report, an aggregate of 23,179,756 Shares were granted pursuant to the Share Incentive Plan, representing approximately 13.32% of the Company's issued Shares. As such, the maximum number of Shares that may be granted pursuant to the Share Incentive Plan is 3,370,244 Shares, representing approximately 1.94% of the Company's issued Shares.

Maximum entitlement of each Eligible Participant

Under the Share Incentive Plan, there is no specific limit on the maximum number of Shares which may be granted to a single Eligible Participant. Unless otherwise duly approved by the Board, the total number of Shares underlying the Share Incentive Plan shall not exceed 26,550,000 Shares. The Board may in its absolute discretion determine the number of Shares underlying the Share Incentive Plan. The Company will not further issue new Shares for the purpose of the Share Incentive Plan unless otherwise duly approved by the Shareholders.

Performance Target

The participant may be required to achieve any performance targets as the Board may specify before the relevant Awards can be vested, exercised or settled upon the grant of an Award to an Eligible Participant.

Consideration for RSU and Restricted Share purchase price

The price to be paid upon the vesting and settlement of RSUs, and the purchase price of Restricted Shares shall, subject to any adjustments made pursuant to the Share Incentive Plan, be such amount in such form as may be determined by the Board from time to time and set out in the offer for the grant of an Award.

Conditions of Issuance of Shares

The Eligible Participant who accepts the offer for the grant of an Award (the "Grantee") must not have committed any breach of the Share Incentive Plan and any ancillary documents that he has entered into with our Company in respect of the Award.

The Grantee must not have violated any provision of the articles of association or constitutional documents of the relevant member of our Group, or otherwise impaired the interests of our Group.

The Board may, at its absolute discretion, fix any other performance targets that must be achieved and any other conditions that must be fulfilled before any Award can be vested or settled.

If the conditions set out above in this clause are not satisfied, the RSUs and/or Restricted Shares shall automatically lapse on the date on which such conditions are not satisfied, as determined by the Board in its absolute discretion.

Vesting of Awards

(i) Settlement of RSUs

RSUs are vested and settled according to the vesting schedule set out in the offer document. Subject to the terms of the applicable Award, RSUs will be settled upon vesting by delivery to the Grantee of the number of Shares that equals the number of RSUs that then become vested. If RSUs are settled, one or more of the Directors of our Company will, on behalf of our Company, cause and direct the share registrar of our Company to update our Company's register of members with the name of the Grantee entered therein as the record holder of the Shares.



CORPORATE GOVERNANCE AND OTHER INFORMATION

(ii) Release of Restricted Share Restricted

Shares are vested and no longer subject to forfeiture as set out in the offer document. Subject to the terms of the applicable Award, Restricted Shares shall be released from escrow. After the Restricted Shares are released, the Shares shall be freely transferable by the Grantee, subject to applicable restrictions in the Award and any legal restrictions.

Non-transferability of the Awards

Save and except for the provisions in the paragraph below and except under the applicable laws or as otherwise provided by the Share Incentive Plan, the Awards shall be personal to the Grantee and the Grantee shall not sell, transfer, pledge or assign the Awards and the Share Incentive Plan or any interest or benefits therein.

The Grantee shall be permitted to transfer the Awards to his wholly owned entity or any trust arrangement whereby the Grantee is the sole beneficiary. The terms of the Share Incentive Plan shall be binding upon the personal representatives, executors, administrators, heirs, successors and assignees of the Grantee. Unless transferred pursuant to the foregoing, the Awards shall be exercisable, during the Grantee's lifetime, only by the Grantee.

Without limiting the generality of the foregoing, except as otherwise provided by the Share Incentive Plan, the Awards may not be assigned, transferred, pledged or hypothecated in any way, shall not be assignable by operation of law, and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Awards contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Awards shall be null and void and without effect and such breach by an Grantee shall entitle our Company to cancel any outstanding Awards granted to such Grantee.

Remaining Life

The Share Incentive Plan shall be valid and effective until May 13, 2031, after which period no further Awards may be offered but the provisions of the Share Incentive Plan shall remain in force to the extent necessary to give effect to the exercise, vesting or settlement of any Award granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Incentive Plan.

Termination

Our Company may by resolution in general meeting or the Board may at any time terminate the operation of the Share Incentive Plan and in such event no further Award shall be offered but the provisions of the Share Incentive Plan shall remain in force to the extent necessary to give effect to any outstanding Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Incentive Plan. Outstanding Awards granted prior to such termination but not yet exercised, settled or released at the time of termination shall continue to be valid and exercisable or releasable in accordance with the Share Incentive Plan.

Further details of the Share Incentive Plan are set out in the section headed "Statutory and General Information — D. Share Incentive Plan" of Appendix IV to the Prospectus and note 28 to the consolidated financial statements in the 2022 Annual Report of the Company.



CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of the RSUs and Restricted Shares under the Share Incentive Plan during the six months ended June 30, 2023 are set out below:

Name/Type	Date of grant	Vesting Period	Number of Restricted Shares		Number of Restricted Shares granted during the Reporting Period ⁽²⁾	Number of RSUs vested during the Reporting Period ⁽⁵⁾	Number of RSUs cancelled during the Reporting Period ⁽⁶⁾	Number of RSUs cancelled during the Reporting Period	Number of RSUs lapsed during the Reporting Period	Number of Restricted Shares lapsed during the Reporting Period	Number of RSUs unvested as of June 30, 2023 ⁽⁴⁾	Number of Restricted Shares unvested as of June 30, 2023 ⁽⁴⁾	Closing price of the Shares immediately before date of award of RSU or Restricted Shares ⁽³⁾
			as of January 1, 2023	as of January 1, 2023									
Directors of the Company													
Nil ⁽¹⁾													
Senior management													
Zhang Tao	May 13, 2021	on the 6-month, 18-month and 30-month anniversaries of the Listing Date	0	1,000,000	0	0	0	0	0	0	0	0	-



CORPORATE GOVERNANCE AND OTHER INFORMATION

Name/Type	Date of grant	Vesting Period	Number of unvested RSUs as of January 1, 2023	Number of Restricted Shares unvested as of January 1, 2023	Number of RSUs granted during the Reporting Period ⁽²⁾	Number of Restricted Shares vested during the Reporting Period ⁽⁵⁾	Number of RSUs cancelled during the Reporting Period ⁽⁶⁾	Number of Restricted Shares cancelled during the Reporting Period ⁽⁶⁾	Number of RSUs lapsed during the Reporting Period	Number of Restricted Shares lapsed during the Reporting Period	Number of unvested RSUs as of June 30, 2023 ⁽⁴⁾	Number of Restricted Shares unvested as of June 30, 2023 ⁽⁴⁾	Closing price of the Shares immediately before date of award of RSU or Restricted Shares ⁽³⁾
Other employees	May 13, 2021	on the 6-month, 18-month and 30-month anniversaries of the Listing Date	244,061	12,741,925	0	0	38,667	77,440	0	0	205,394	12,664,485	-
	May 13, 2021	on the 6-month, 18-month, 30-month, 42-month and 54-month anniversaries of the Listing Date	40,000	0	0	0	0	0	0	0	40,000	0	-
	January 3, 2023	in three equal tranches: (i) 1/3 on January 3, 2024; (ii) 1/3 on January 3, 2025; and (iii) 1/3 on January 3, 2026	0	0	912,648	0	0	0	0	0	912,648	0	12.700
Total	/	/	284,061	13,741,925	912,648	0	38,667	77,440	0	0	1,158,042	13,664,485	-



CORPORATE GOVERNANCE AND OTHER INFORMATION

Note:

- (1) No RSUs or Restricted Shares were granted to any Director of the Company pursuant to the Share Incentive Plan. There was no outstanding or unvested RSUs or Restricted Shares in favour of any Director of the Company as of January 1, 2023. No RSUs or Restricted Shares were granted to any Director of the Company during the Reporting Period. There were no RSUs or Restricted Shares in favour of any Director of the Company as of June 30, 2023.
- (2) The fair value of each RSUs was calculated based on the market price of the Company's Shares at the grant date. The fair value of Awards granted to the eligible participants during the Reporting Period was RMB10,298,258, and the corresponding share-based payment expense was RMB6,968,380, after deducting the amount of the cash consideration paid/payable by the eligible participants.
- (3) The Company's Shares were listed on the Main Board of the Stock Exchange on June 30, 2022.
- (4) The purchase price of the unvested RSUs is HK\$4.1. The Restricted Shares were granted at nil purchase price.
- (5) Since no shares were vested under the Share Incentive Plan during the Reporting Period, the weighted average closing price of the Shares prior to the date of vesting is not applicable.
- (6) The purchase price of the cancelled RSUs is HK\$4.1. The cancelled Restricted Shares were granted at nil purchase price.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company was incorporated in the Cayman Islands on March 31, 2021 with limited liability, and the Shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date.

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to the Shareholders. For the Reporting Period, the Company has applied the principles and complied with all the applicable code provisions as set out in Part 2 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules except as disclosed below.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company currently does not have a separate chairman and chief executive officer and Mr. WU Qiang currently performs both roles.



CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole. Save as disclosed above, none of the Directors of the Company is aware of any information which would reasonably indicate that the Company has not complied with the code provisions as set out in the Corporate Governance Code for the Reporting Period.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code for the Reporting Period.

AUDIT COMMITTEE

The Company has established Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Audit Committee comprises three members, namely Mr. LI Zhiyong, Mr. LI Pengtao and Ms. WENG Yang, with Mr. Li Zhiyong (being our independent non-executive Director with the appropriate professional qualifications) as chair of the Audit Committee.

The interim condensed consolidated financial information of the Group has been reviewed by the Company's auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, with no disagreement from the Audit Committee.



CORPORATE GOVERNANCE AND OTHER INFORMATION

The Audit Committee has reviewed the interim condensed consolidated financial information of the Group for the six months ended June 30, 2023 and this interim report, and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control system, risk management, financial reporting matters with senior management members with no disagreement.

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a nomination committee and a remuneration committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

As of June 30, 2023, the Directors were not aware of any circumstances resulting in the disclosure obligation under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

INTERIM DIVIDENDS

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2023. (six months ended 30 June 2022: Nil)

CHANGES IN INFORMATION OF DIRECTORS

The Company is not aware of any changes in the information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Prospectus and up to June 30, 2023.



INDEPENDENT REVIEW REPORT



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the board of directors of TI Cloud Inc.
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 31 to 56, which comprises the condensed consolidated statement of financial position of TI Cloud Inc. (the "Company") and its subsidiaries (the "Group") as at 30 June 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
30 August 2023



INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited) (Restated)
REVENUE	5	212,917	192,604
Cost of sales		(110,850)	(100,714)
Gross profit		102,067	91,890
Other income and gains		6,400	3,613
Selling and distribution expenses		(50,864)	(41,071)
Administrative expenses		(14,257)	(19,592)
Research and development expenses		(42,884)	(36,204)
Impairment losses on financial and contract assets, net		(2,213)	(2,132)
Other expenses and losses		(309)	(108)
Finance costs		(263)	(333)
LOSS BEFORE TAX	6	(2,323)	(3,937)
Income tax credit	7	294	129
LOSS FOR THE PERIOD		(2,029)	(3,808)
LOSS PER SHARE			
Basic and diluted (RMB)	9	(1.17) cents	(2.54) cents



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited) (Restated)
LOSS FOR THE PERIOD	(2,029)	(3,808)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Group's subsidiaries not operating in Mainland China	(5,130)	–
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	7,788	(784)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	2,658	(784)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	629	(4,592)



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	Notes	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited) (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,495	2,464
Right-of-use assets		10,155	10,897
Goodwill	14	96,220	–
Other intangible assets		14,347	2,462
Prepayments, other receivables and other assets		1,168	53,378
Deferred tax assets		1,310	1,089
Total non-current assets		125,695	70,290
CURRENT ASSETS			
Trade receivables	11	95,805	87,146
Contract assets		5,760	4,474
Contract costs		8,826	10,273
Prepayments, other receivables and other assets		26,152	14,291
Prepaid tax		26	27
Financial investments		85,316	40,886
Cash and cash equivalents		239,749	341,669
Total current assets		461,634	498,766
CURRENT LIABILITIES			
Trade payables	12	27,991	28,644
Contract liabilities		36,365	29,598
Other payables and accruals		37,111	28,535
Lease liabilities		5,827	6,668
Tax payable		1,162	622
Total current liabilities		108,456	94,067
NET CURRENT ASSETS		353,178	404,699
TOTAL ASSETS LESS CURRENT LIABILITIES		478,873	474,989



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	Note	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited) (Restated)
NON-CURRENT LIABILITIES			
Lease liabilities		3,317	3,425
Deferred tax liabilities		1,224	–
Total non-current liabilities		4,541	3,425
Net assets		474,332	471,564
EQUITY			
Share capital	13	114	114
Reserves		474,218	471,450
Total equity		474,332	471,564



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Note								Total RMB'000
		Share capital RMB'000	Share premium account RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Reserve funds RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	
At 31 December 2022 (audited)		114	247,984	95,790	106	27,499	9,653	98,499	471,645
Effect of adoption of amendments to IAS 12	3(c)	-	-	-	-	-	-	(81)	(81)
At 1 January 2023 (restated)		114	247,984	95,790	106	27,499	9,653	90,418	471,564
Loss for the period (unaudited)		-	-	-	-	-	-	(2,029)	(2,029)
Other comprehensive income for the period:									
Exchange differences on translation of the Company and its subsidiaries not operating in Mainland China (unaudited)		-	-	-	-	-	2,658	-	2,658
Total comprehensive income for the period (unaudited)		-	-	-	-	-	2,658	(2,029)	629
Equity-settled share-based payment arrangements (unaudited)		-	-	-	2,139	-	-	-	2,139
At 30 June 2023 (unaudited)		114	247,984*	95,790*	2,245*	27,499*	12,311*	88,389*	474,332

* These reserve accounts comprise the consolidated reserves of RMB474,218,000 (unaudited) in the consolidated statement of financial position as at 30 June 2023 (31 December 2022: RMB471,450,000 (audited and restated)).



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Notes	Share capital RMB'000	Share premium account RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Reserve funds RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 31 December 2021 (audited)		98	-	95,790	58	27,324	153	98,048	221,471
Effect of adoption of amendments to IAS 12	3(c)	-	-	-	-	-	-	56	56
At 1 January 2022 (restated)		98	-	95,790	58	27,324	153	98,104	221,527
Loss for the period (restated)		-	-	-	-	-	-	(3,808)	(3,808)
Other comprehensive loss for the period:									
Exchange differences on translation of the Company and its subsidiaries not operating in Mainland China (unaudited)		-	-	-	-	-	(784)	-	(784)
Total comprehensive loss for the period (restated)		-	-	-	-	-	(784)	(3,808)	(4,529)
Issue of shares (unaudited)	13	16	248,222	-	-	-	-	-	248,238
Equity-settled share-based payment arrangements (unaudited)		-	-	-	25	-	-	-	25
At 30 June 2022 (unaudited and restated)		114	248,222	95,790	83	27,324	(631)	94,296	465,198



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,323)	(3,937)
Adjustments for:		
Finance costs	263	333
Interest income	(3,687)	(567)
Investment income	(583)	(1,199)
Fair value gains on financial investments at fair value through profit or loss	(175)	(413)
Loss on disposal/write-off of property, plant and equipment	5	16
Loss/(gain) on early termination of right-of-use assets and lease liabilities	91	(2)
Depreciation of property, plant and equipment	649	773
Depreciation of right-of-use assets	4,189	3,220
Amortisation of other intangible assets	1,487	293
Impairment of financial assets	2,213	2,132
Equity-settled share-based payment expense	2,139	25
	4,268	674
Increase in trade receivables	(7,140)	(35,498)
Increase in contract assets	(1,789)	(12,607)
Decrease in contract costs	3,147	–
Decrease/(increase) in prepayments, other receivables and other assets	(5,204)	1,710
Increase/(decrease) in trade payables	(1,020)	14,611
Increase/(decrease) in contract liabilities	(615)	21
Increase/(decrease) in other payables and accruals	(1,699)	3,552
Effect of foreign exchange rate changes, net	1,274	(363)
	(8,778)	(27,900)
Cash used in operations	(8,778)	(27,900)
Interest paid	(263)	(333)
Corporate income tax refunded	490	2,424
	(8,551)	(25,809)
Net cash flows used in operating activities	(8,551)	(25,809)



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,428	860
Purchases of property, plant and equipment	(616)	(322)
Proceeds from disposal of property, plant and equipment	17	5
Purchases of other intangible assets	(708)	–
Business acquisition	(46,900)	–
Purchases of time deposits with original maturity over three months	(38,408)	–
Proceeds from maturity of time deposits with original maturity over three months	64,006	–
Purchases of financial investments at fair value through profit or loss	(85,000)	(368,000)
Proceeds from disposal of financial investments at fair value through profit or loss	51,065	345,199
Purchases of financial investments at amortised cost	(25,000)	–
Proceeds from disposal of financial investments at amortised cost	15,263	–
Net cash flows used in investing activities	(64,853)	(22,258)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares, net of direct share issue expense	–	252,095
Decrease in pledged time deposits for borrowings	–	21,000
Repayment of borrowings	–	(10,990)
Principal portion of lease payments	(4,302)	(3,723)
Net cash flows from/(used in) financing activities	(4,202)	258,382
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	(77,706)	210,315
Cash and cash equivalents at beginning of period	188,406	152,545
Effect of foreign exchange rate changes, net	231	49
CASH AND CASH EQUIVALENTS AT END OF PERIOD	110,931	362,909



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	70,931	362,909
Short term deposits	40,000	–
Time deposits	128,818	–
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	239,749	362,909
Less: time deposits with original maturity over three months when acquired	(128,818)	–
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	110,931	362,909



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

1. CORPORATE INFORMATION

TI Cloud Inc. (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands on 31 March 2021. The ordinary shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 30 June 2022. The registered office of the Company is located at the offices of ICS Corporate Services (Cayman) Limited, 3- 212 Governors Square, 23 Lime Tree Bay Avenue, P.O. Box 30746, Seven Mile Beach, Grand Cayman KY1-1203, Cayman Islands.

During the period, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the provision of artificial intelligence-based cloud customer contact solution software and related services in Software as a Service (“SaaS”) model and Virtual Private Cloud (“VPC”) model.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. 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 Group’s annual consolidated financial statements for the year ended 31 December 2022.

The interim condensed consolidated financial information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

Contractual arrangements

Due to regulatory restrictions on foreign ownership in providing telecommunication services in the People’s Republic of China (the “PRC”), the Group’s business was carried out by Beijing T&I Net Communication Technology Co., Ltd. (“T&I Net Communication”), the investment holding and operating company whose shares were indirectly held by then shareholders of the Company prior to the completion of the reorganisation (the “Reorganisation”) pursuant to which the Company became the holding company of the then companies now comprising the Group on 12 May 2021, as well as its subsidiaries operating in Mainland China during the period. As part of the Reorganisation, on 12 May 2021, TI Cloud (Beijing) Technology Co., Ltd., a wholly-foreign-owned enterprise indirectly owned by the Company, T&I Net Communication and/or the then shareholders of T&I Net Communication entered into a set of contractual arrangements, including an exclusive consulting services agreement, an exclusive purchase option agreement, equally pledge agreements, a voting proxy agreement, spousal consents as well as powers of attorney, which enable the Company to exercise effective control over T&I Net Communication and obtain substantially all economic benefits of T&I Net Communication. Accordingly, T&I Net Communication has since been effectively controlled by the Company based on the aforementioned contractual arrangements notwithstanding that the Company does not have any direct or indirect equity interest in T&I Net Communication.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

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 2022, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The nature and impact of the revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position of performance of the Group.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the revised IFRSs are described below: (continued)

- (c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022. The quantitative impact on the financial information is summarised below.

Impact on the interim condensed consolidated statement of financial position:

	Note	Increase/(decrease)		
		As at 30 June 2023 RMB'000	As at 31 December 2022 RMB'000	As at 1 January 2022 RMB'000
Liabilities				
Deferred tax liabilities	(i)	112	81	(56)
Total non-current liabilities		112	81	(56)
Total liabilities		112	81	(56)
Net assets		(112)	(81)	56
Equity				
Retained profits (included in reserves)		(112)	(81)	56
Total equity		(112)	(81)	56



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the revised IFRSs are described below: (continued)

(c) (continued)

Note (i): The deferred tax asset and the deferred tax liability arising from lease contracts of the same subsidiary have been offset in the statement of financial position for presentation purposes.

Impact on the interim condensed consolidated statement of profit or loss:

	Increase/(decrease) For the six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Income tax credit	(3)	(63)
Loss for the period	3	63
Total comprehensive income for the period	(3)	–
Total comprehensive loss for the period	–	63

	Increase/(decrease) For the six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Basic and diluted loss per share attributable to ordinary equity holders of the Company	0.00 cent	0.04 cent

The adoption of amendments to IAS 12 did not have any impact on the other comprehensive income/(loss) and the interim condensed consolidated statements of cash flows for the six months ended 30 June 2023 and 2022.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the revised IFRSs are described below: (continued)

- (d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the provision of artificial intelligence-based customer contact solution software and related services in SaaS model and VPC model. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Mainland China	212,885	192,604
Hong Kong	32	–
	212,917	192,604

The revenue information above is based on the locations of the customers.

(b) Non-current assets

All of the Group's non-current assets were located in Mainland China as at the end of the reporting period (31 December 2022: All (audited)).



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

4. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

During the six months ended 30 June 2023, there was no customer individually accounted for more than 10% of the Group's revenue (30 June 2022: Nil (unaudited)).

5. REVENUE

An analysis of revenue from contracts with customers is as follows:

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
SaaS solutions	198,641	167,670
VPC solutions	11,757	21,761
Other services and product sales	2,519	3,173
	212,917	192,604

Disaggregation of the Group's revenue from contracts with customers by the timing of revenue recognition is set out below:

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Transfer over time:		
SaaS solutions	198,641	167,670
VPC solutions	3,363	20,301
Other services and product sales	2,128	2,613
	204,132	190,584
Transfer at a point in time:		
VPC solutions	8,394	1,460
Other services and product sales	391	560
	8,785	2,020
	212,917	192,604



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Cost of services provided	110,637	100,271
Cost of products sold	213	443
Depreciation of property, plant and equipment	649	773
Depreciation of right-of-use assets	4,189	3,220
Amortisation of other intangible assets	1,487	293
Impairment of financial and contract assets, net:		
Impairment of trade receivables	1,629	1,896
Impairment of contract assets	503	236
Impairment of other receivables	81	–
	2,213	2,132
Foreign exchange differences, net*	–	85

* The amount is included in "Other expenses and losses" in profit or loss.

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries/ jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Pursuant to the relevant rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands (30 June 2022: Nil (unaudited)).

Hong Kong

The Hong Kong profits tax rate is 16.5% during the period. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 (30 June 2022: HK\$2,000,000 (unaudited)) of assessable profits of the Group's subsidiary incorporated in Hong Kong, TI Cloud (HK) Limited, arising in Hong Kong will be taxed at 8.25% (30 June 2022: 8.25% (unaudited)). No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (30 June 2022: Nil (unaudited)).



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

7. INCOME TAX (continued)

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in Mainland China are subject to corporate income tax at a rate of 25% on the taxable income (30 June 2022: 25% (unaudited)). During the period, T&I Net Communication and Beijing Yizhang Yunfeng Technology Co., Ltd. were entitled to a preferential tax rate of 15% (30 June 2022: 15% (unaudited)) because they were accredited as a "High and New Technology Enterprise". In addition, the Group's other subsidiaries operating in Mainland China were entitled to a preferential effective tax rate of 5% (30 June 2022: 2.5% (unaudited)) for the period because they were regarded as "small-scaled minimal profit enterprises" with annual taxable income within RMB3,000,000 (30 June 2022: within RMB1,000,000 (unaudited)) during the period.

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited) (Restated)
Current tax charged for the period	51	24
Deferred tax credited for the period	(345)	(153)
	(294)	(129)

8. DIVIDENDS

There was no dividend declared by the Group during the six months ended 30 June 2023 (30 June 2022: Nil (unaudited)).



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

9. LOSS PER SHARE

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 170,000,400 (2022: 150,132,597 (unaudited)) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2023 and 2022 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2023 and 2022.

The calculation of basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Loss		
Loss attributable to ordinary equity holders of the Company	<u>(2,029)</u>	<u>(3,808)</u>

	Number of shares For the six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period	<u>174,000,400</u>	<u>150,132,597</u>

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired assets at an aggregate cost of RMB701,000 (30 June 2022: RMB322,000 (unaudited)), and disposed of assets with an aggregate net book value of RMB21,000 (30 June 2022: RMB22,000 (unaudited)), resulting in a net loss on disposal of RMB5,000 (30 June 2022: RMB16,000 (unaudited)).



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

11. TRADE RECEIVABLES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Trade receivables	106,180	95,853
Impairment	(10,375)	(8,707)
	95,805	87,146

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of services rendered or the billing date and net of loss allowance, is as follows:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 3 months	65,907	64,817
4 to 12 months	26,882	20,497
1 to 2 years	3,016	1,832
	95,805	87,146

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the date of services received or the billing date, is as follows:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 3 months	20,171	19,409
4 to 12 months	5,206	8,624
1 to 2 years	2,419	513
Over 2 years	195	98
	27,991	28,644



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

13. SHARE CAPITAL

	30 June 2023		31 December 2022	
	USD'000 (Unaudited)	RMB'000 equivalent (Unaudited)	USD'000 (Audited)	RMB'000 equivalent (Audited)
Issued and fully paid:				
174,000,400 (31 December 2022: 174,000,400) ordinary shares at USD0.0001 each	17	114	17	114

A summary of movements in the Company's share capital and share premium account is as follows:

	Number of shares in issue	Share capital		Share premium account RMB'000	Total RMB'000
		USD'000	RMB'000		
At 1 January 2022 (unaudited)	150,000,000	15	98	–	98
Issue of shares at 30 June 2022 (note) (unaudited)	24,000,000	2	16	263,728	263,744
Share issue expenses	–	–	–	(15,506)	(15,506)
At 30 June 2022 (unaudited)	174,000,400	17	114	248,222	248,336
At 1 January and 30 June 2023 (unaudited)	174,000,400	17	114	247,984	248,098

Note: On 30 June 2022, the Company issued 24,000,000 ordinary shares in its initial public offering at HK\$12.85 per share for a total cash consideration, before expenses, of HK\$308,400,000 (equivalent at approximately RMB263,744,000).



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

14. BUSINESS COMBINATION

(A) Acquisition of Beijing Yizhang Yunfeng Technology Co., Ltd. (the “Yizhang Yunfeng Acquisition”)

On 15 December 2022, TI Cloud (HK) Limited (“TI HK”), the Company, T&I Net Communication, Agora Inc. (“Agora”), Beijing Yisimobo Network Technology Co., Ltd., Beijing Yizhang Yunfeng Technology Co., Ltd. (“Yizhang Yunfeng”) and AKKO NET LIMITED (“AKKO”, an indirect wholly-owned subsidiary of Agora) entered into an equity transfer agreement pursuant to which AKKO has conditionally agreed to sell, and TI HK has conditionally agreed to buy, the entire equity interest of Yizhang Yunfeng at a cash consideration of US\$14,600,000 (equivalent to RMB101,700,000), all of which has been paid as of 30 June 2023. The Yizhang Yunfeng Acquisition was made as part of the Group’s strategy to expand its market shares and strengthen its research and development of SaaS business. The transaction was completed on 1 February 2023, and accordingly Yizhang Yunfeng became a wholly-owned subsidiary of the Group.

The fair values of the identifiable assets and liabilities of Yizhang Yunfeng as at the date of acquisition were as follows:

	Fair value recognised on acquisition RMB’000
Property, plant and equipment	86
Right-of-use assets	1,558
Other intangible assets	6,964
Trade receivables	3,148
Contract costs	1,700
Prepayments, other receivables and other assets	3,813
Cash and cash equivalents	9,633
Trade payables	(367)
Contract liabilities	(7,382)
Other payables and accruals	(2,475)
Lease liabilities	(1,372)
Deferred tax liabilities	(1,063)
	<hr/>
Total identifiable net assets at fair value	14,243
Goodwill on acquisition	85,952
	<hr/>
	100,195
	<hr/>
Satisfied by cash	
Prepaid in 2022	48,662
Paid in current period	51,533
	<hr/>
	100,195
	<hr/>



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

14. BUSINESS COMBINATION (continued)

(A) Acquisition of Beijing Yizhang Yunfeng Technology Co., Ltd. (the “Yizhang Yunfeng Acquisition”) (continued)

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB3,148,000 and RMB3,216,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB3,327,000 and RMB3,216,000, respectively, of which trade receivables of RMB179,000 are expected to be uncollectible.

The Group incurred transaction costs of RMB150,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the interim condensed consolidated statement of profit or loss.

An analysis of the cash flows in respect of the acquisition of Yizhang Yunfeng is as follows:

	RMB'000
Cash consideration paid in current period	51,533
Cash and bank balances acquired	9,633
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Net outflow of cash and cash equivalents included in cash flows from investing activities	41,900
Transaction costs of the acquisition included in cash flow from operating activities	150
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	42,050

Since the acquisition, Yizhang Yunfeng contributed RMB8,131,000 to the Group's revenue and RMB4,743,000 to the consolidated loss for the six months ended 30 June 2023.

Had the combination taken place at the beginning of the period, the revenue and loss of the Group for the period would have been RMB214,795,000 and RMB2,821,000, respectively.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

14. BUSINESS COMBINATION (continued)

(B) Acquisition of the SaaS business of Chengdu GoldArmor Technology Inc. (the “GoldArmor Acquisition”)

On 30 November 2022, T&I Net Communication and Chengdu GoldArmor Technology Inc. (“GoldArmor”) entered into a business and asset transfer agreement pursuant to which GoldArmor has conditionally agreed to sell, T&I Net Communication has conditionally agreed to buy, the SaaS business operated by GoldArmor (the “GoldArmor Business”) and its related assets at a cash consideration of RMB16,000,000, of which RMB3,200,000 has been paid in 2022, RMB5,000,000 has been paid during the period and RMB7,800,000 remained unsettled as of 30 June 2023. The GoldArmor Acquisition was made as part of the Group’s strategy to expand its market shares of SaaS business with a brand name known as Live800. The transaction was completed on 9 January 2023, and the GoldArmor Business has since carried out by Chengdu Tianrun Golden Armor Technology Co., Ltd., a new established wholly-owned subsidiary of the Group.

The fair values of the identifiable assets and liabilities relating to the GoldArmor Business as at the date of acquisition were as follows:

	Fair value recognised on acquisition RMB’000
Other intangible assets	5,700
Right-of-use assets	1,023
Prepayments, other receivables and other assets	318
Lease liabilities	(1,024)
Deferred tax liabilities	(285)
<hr/>	
Total identifiable net assets at fair value	5,732
Goodwill on acquisition	10,268
<hr/>	
	16,000
<hr/>	
Satisfied by cash	
Prepaid in 2022	3,200
Paid in current period	5,000
Payable as of 30 June 2023	7,800
<hr/>	
	16,000
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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

14. BUSINESS COMBINATION (continued)

(B) Acquisition of the SaaS business of Chengdu GoldArmor Technology Inc. (the "GoldArmor Acquisition") (continued)

The Group incurred transaction costs of RMB50,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the interim condensed consolidated statement of profit or loss.

An analysis of the cash flows in respect of the GoldArmor acquisition is as follows:

	RMB'000
Cash consideration paid in current period	5,000
Net outflow of cash and cash equivalents included in cash flows from investing activities	5,000
Transaction costs of the acquisition included in cash flow from operating activities	50
	<u>5,050</u>

Since the acquisition, the SaaS business acquired from GoldArmor contributed RMB4,973,000 to the Group's revenue and RMB3,334,000 to the consolidated loss for the six months ended 30 June 2023.

Had the combination taken place at the beginning of the period, the revenue and loss of the Group for the period would have been RMB212,956,000 and RMB2,250,000, respectively.

15. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	1,392	2,091
Post-employment benefits	153	136
	<u>1,545</u>	<u>2,227</u>



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Financial investments at fair value through profit or loss	60,175	25,733	60,175	25,733
Other receivables and other assets, non-current portion	310	658	292	634
	60,485	26,391	60,467	26,367

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's senior management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the senior management.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group's unlisted investments mainly comprise structured deposits. The Group has estimated the fair value of structured deposits by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group's non-current portion of other receivables and other assets were security deposits relating to lease contracts for buildings. Their fair values have been calculated by discounting the expected future cash flows using rated currently available for instruments with similar terms, credit risk and remaining maturity.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As of June 30, 2023

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 30 June 2023

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Financial investments at fair value through profit or loss	-	60,175	-	60,175

As at 31 December 2022

	Fair value measurement using			Total RMB'000 (Audited)
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Financial investments at fair value through profit or loss	25,733	-	-	25,733

The Group did not have any financial liabilities measured at fair value as at the end of the reporting period (31 December 2022: Nil (audited)).

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (30 June 2022: Nil (unaudited)).



DEFINITIONS

“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Beijing Tianchuang Chuangrun”	Beijing Tianchuang Chuangrun Investment Center (Limited Partnership) (北京天創創潤投資中心(有限合夥)), a limited partnership established under the laws of the PRC on June 1, 2015
“Beijing Tiandi Rongchuang”	Beijing Tiandi Rongchuang Venture Capital Co., Ltd. (北京天地融創創業投資有限公司), a limited company incorporated under the laws of the PRC on February 21, 2006, being the general partner of Beijing Tianchuang Chuangrun
“Beijing Yunhao”	Beijing Yunhao Investment Center (Limited Partnership) (北京雲昊投資中心(有限合夥)), a limited partnership established under the laws of the PRC on May 12, 2015
“Beijing Yunhao Industrial Investment Consulting”	Beijing Yunhao Industrial Investment Consulting Co., Ltd. (北京雲昊興業投資顧問有限公司), a limited Company established under the laws of the PRC on June 1, 2015, being the general partner of Beijing Yunhao, Beijing Yunjing and Beijing Yunyu
“Beijing Yunjing”	Beijing Yunjing Industrial Investment Center (Limited Partnership) (北京雲景興業投資中心(有限合夥)), a limited partnership established under the laws of the PRC on May 12, 2015
“Beijing Yunyu”	Beijing Yunyu Consulting Management Center (Limited Partnership) (北京雲昱諮詢管理中心(有限合夥)), a limited partnership established under the laws of the PRC on November 24, 2020
“Board”	the board of directors of our Company
“China”, or “PRC”	the People’s Republic of China, except where the context requires otherwise and only for the purposes of this interim report, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan



DEFINITIONS

“Company”, “our Company”, or “the Company”	TI Cloud Inc. (天润云股份有限公司), an exempted company with limited liability incorporated in the Cayman Islands on March 31, 2021 and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2167)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entities”	the entities that we control through the Contractual Arrangements, being T&I Net Communication and its subsidiaries
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. WU Qiang, Mr. Pan Wei, Mr. LI Jin and Mr. AN Jingbo, Hanyun Inc., Xinyun Inc., EastUp Holding Limited, Connect The Unconnected Limited, Flyflux Holding Limited, and Technolo-Jin CO., LTD.
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of our Company
“Global Offering”	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company, its subsidiaries and the Consolidated Affiliated Entities from time to time
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong



DEFINITIONS

“IFRSs”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	June 30, 2022, the date on which the Shares are listed and on which dealings in the Shares are first permitted to take place 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
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
“Mr. Wu” or “Mr. WU Qiang”	Mr. WU Qiang (吳強), an executive Director, Chairman of the Board, our Chief Executive Officer and one of our Controlling Shareholders
“Prospectus”	the prospectus of the Company dated June 21, 2022
“Reporting Period”	the six months ended June 30, 2023
“RMB” or “Renminbi”	Renminbi, the lawful currency of PRC
“RSU(s)”	a restricted share unit award to be granted to a participant under the Share Incentive Plan
“SaaS”	Software as a Service, a cloud-based software licensing and delivery model in which software and associated data are centrally hosted
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital our Company with a nominal value of US\$0.0001 each



DEFINITIONS

“Shareholder(s)”	holder(s) of our Share(s)
“Share Incentive Plan”	the share incentive plan of our Company adopted by the Board on May 13, 2021, the principal terms of which are set out in the section headed “Statutory and General Information – D. Share Incentive Plan” in Appendix IV to the Prospectus
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“T&I Net Communication”	Beijing T&I Net Communication Co., Ltd. (北京天潤融通科技股份有限公司), a limited liability company established in Beijing, the PRC on February 23, 2006, and is one of our Consolidated Affiliated Entities by virtue of the Contractual Arrangements
“United States”, “U.S.” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US dollars”, “U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“VPC”	as a special category of public cloud, is an isolated cloud hosted within a public cloud environment and accessed exclusively by one user
“%”	per cent

