



天潤雲

TI CLOUD INC .

天潤云股份有限公司

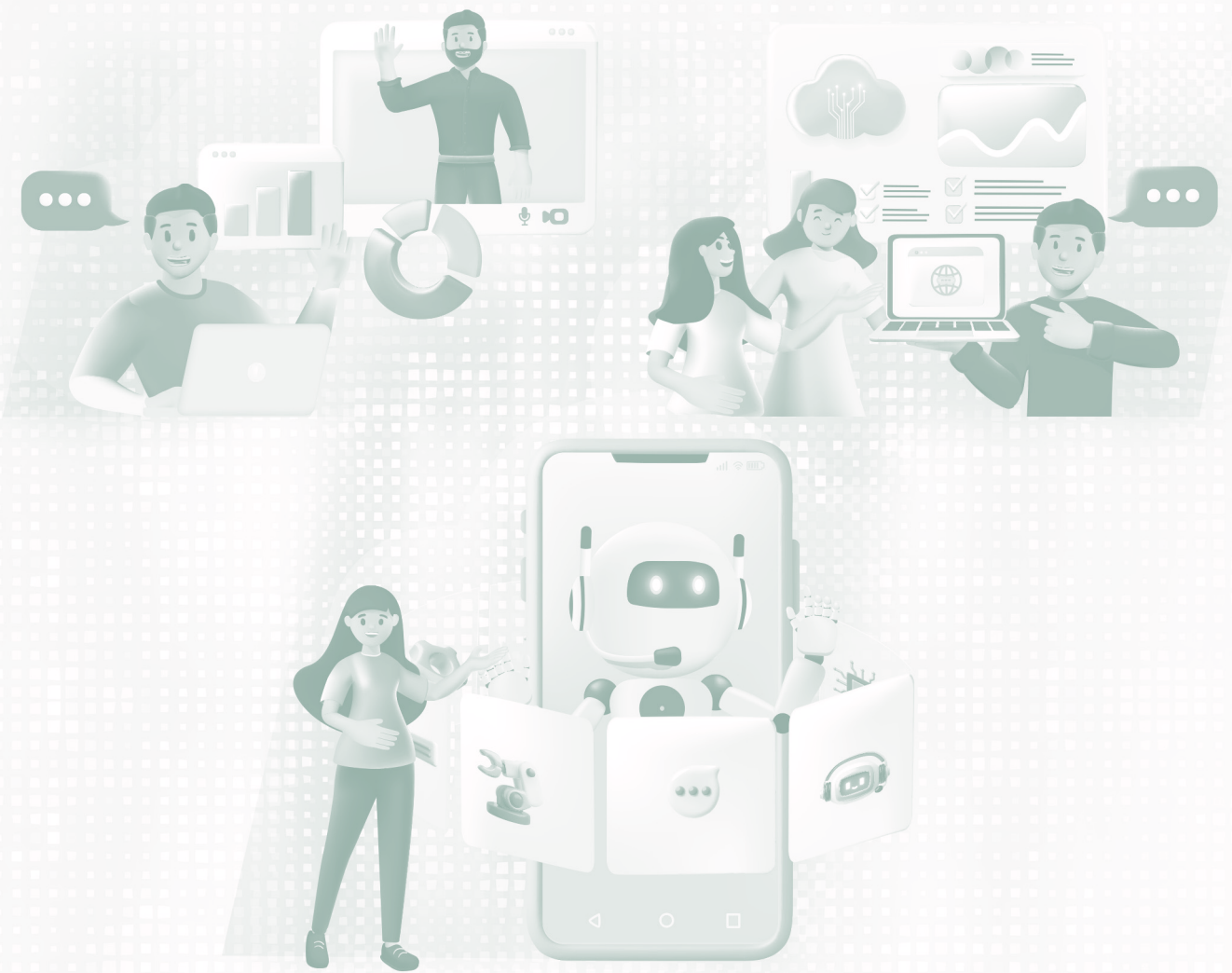
(incorporated in the Cayman Islands with limited liability)
STOCK CODE : 2167

2024
Interim Report



AI-driven Customer Contact cloud platform

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



CONTENTS

Corporate Information	2
Financial Highlights	4
Business Review, Business Overview and Business Outlook	5
Management Discussion and Analysis	10
Corporate Governance and Other Information	18
Independent Review Report	31
Interim Condensed Consolidated Statement of Profit or Loss	32
Interim Condensed Consolidated Statement of Comprehensive Income	33
Interim Condensed Consolidated Statement of Financial Position	34
Interim Condensed Consolidated Statement of Changes in Equity	36
Interim Condensed Consolidated Statement of Cash Flows	38
Notes to Interim Condensed Consolidated Financial Information	41
Definitions	53

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) (*Chairman*)

Li Pengtao (李鵬濤)

Weng Yang (翁陽)

REMUNERATION COMMITTEE

Li Pengtao (李鵬濤) (*Chairman*)

Li Zhiyong (李志勇)

Wu Qiang (吳強)

NOMINATION COMMITTEE

Wu Qiang (吳強) (*Chairman*)

Li Pengtao (李鵬濤)

Weng Yang (翁陽)

JOINT COMPANY SECRETARIES

Wang Huan (王歡)

Lui Wing Yat Christopher (呂穎一)

AUTHORIZED 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 ADVISORS

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

PRINCIPAL BANKS

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,		
	2024 RMB' in thousands, except percentages (unaudited)	2023 RMB' in thousands, except percentages (unaudited)	Year-on-year change
Revenue	236,150	212,917	10.9%
Gross profit	121,920	102,067	19.5%
Gross profit margin	51.6%	47.9%	–
Profit/(Loss) before tax	13,899	(2,323)	–
Profit/(Loss) for the period	13,910	(2,029)	–

BUSINESS REVIEW, BUSINESS OVERVIEW AND BUSINESS OUTLOOK

BUSINESS REVIEW

Looking back at the Reporting Period, the economic recovery proceeded at a slower pace than anticipated. Our clients generally prolonged their decision-making timelines and enforced more stringent decision-making protocols. These changes have increased the difficulty of acquiring new clients. Our revenue increased by 10.9% from RMB212.9 million for the six months ended June 30, 2023 to RMB236.2 million for the six months ended June 30, 2024, and our gross profit increased by 19.5% from RMB102.1 million for the six months ended June 30, 2023 to RMB121.9 million for the six months ended June 30, 2024, primarily due to the increase in revenue generated from SaaS solutions, rapid expansion of our AI-related products portfolio and better cost control.

As a life-cycle AI-driven cloud platform for customer contact solutions, we independently developed and achieved the deep integration of “AI, Cloud and Communication” technologies. The technological revolution of artificial intelligence generated content (“AIGC”) has brought new development opportunities for customer contact industry. In 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. It significantly enhances the competitiveness of our SaaS products and becomes a key driver for our business growth. In the first half of 2024, we further refined our overall AI solutions and launched Weiteng AI Agent Platform (微藤 AI 智能體平台) (“**Weiteng AI**”). Leveraging the industry know-how accumulated over the years, our “SaaS+AI” product portfolio has been able to deeply penetrate specific business scenarios, assisting clients in problem-solving and achieving tangible business results. Simultaneously, through Weiteng AI, we are actively constructing an open ecosystem of large models, engaging in close collaborations with more large model merchants to collectively expedite the commercialization of AI.

We are committed to our mission of “making customer contact a better experience, with improved efficiency,” and concentrate 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, medical healthcare, consumer goods, and manufacturing, among others. In the first half of 2024, we served a total number of 4,136 SaaS clients, decreasing by 0.5% from 4,158 in the first half of 2023. 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 on a regular basis. In the first half of 2024, our SaaS client retention rate and dollar-based net retention rate for all SaaS clients was 74.2% and 100.3%, respectively, compared to 74.7% and 105.4% in the first half of 2023.

Technology is at the heart of our solutions. In the first half of 2024, we continued to strengthen our technology leadership through product and technology innovation. In the first half of 2024, 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 60 months. In the first half of 2024, we were named the “2024 Best Intelligent Customer Service Solution in China” and included in the “2023 China’s High-Tech Growth Companies List” by “First New Voice” respectively.

BUSINESS REVIEW, BUSINESS OVERVIEW AND BUSINESS OUTLOOK

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-premises systems, our Intelligent Contact Center Solutions help businesses migrate their contact center functions to the cloud, including omni-channel customer service, call center, and smart work orders, and other products.
- *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 the cloud-native customer contact services delivered via our SaaS model, our customers can create their own customer contact functions without any upfront investment in software or hardware. Services delivered through the SaaS model are deployed in the public cloud, which allows our customers to flexibly adjust the number of agent seats based on their changing business needs. We provide our SaaS model through recurring subscription.

VPC model

We also deliver our solutions in VPC, which, as a special category of public cloud, are isolated private clouds hosted within a public cloud environment and accessed exclusively by one user. Leveraging our extensive industry know-how and deep understanding of industry trends, we help enterprises with stringent security requirements, primarily large state-owned enterprises and multinational companies, deploy highly customizable solutions on the cloud computing platform of their choice. In the deployment process, we provide customization services to tailor customer contact functionalities in virtual private clouds for our VPC clients. VPC model is project-based and the fee for each contract varies significantly depending on the requirements specification and level of customization needed.

Other Services and Product Sales

We also generate revenue from other services and product sales, which consist of provision of services and the sale of ancillary products, primarily telecommunications equipment, to our customer contact solutions to satisfy certain ad hoc request from our existing clients.

BUSINESS REVIEW, BUSINESS OVERVIEW AND BUSINESS OUTLOOK

Our Offerings

We offer three types of customer contact solutions to empower our clients in a variety of business scenarios, namely Intelligent Contact Center Solutions, Agile Agent Solutions and ContactBot Solutions.

Intelligent Contact Center Solutions

Our Intelligent Contact Center Solutions help businesses migrate their contact center functions to the cloud. The solutions allow contact center agents hired by our clients and seated in physical contact centers to efficiently interact with clients across multiple channels using desktops. We support contact center agents with intelligent tools and functions to drive efficient and effective customer interactions. Our Intelligent Contact Center Solutions are popular among businesses who want to digitalize their sales, marketing, customer service and other business functions.

The Group has comprehensively upgraded our Intelligent Contact Center Solutions by conducting AI native transformation through Weiteng AI on multiple products covering omni-channel customer service, call center, and smart work orders. Specifically, with the empowerment of AI capabilities, we have achieved significant advancement on the agent side:

- Efficient assistance based on human-machine collaboration (“copilot”)
 - (i) Intelligently extract conversation records with customers during the interactions, and automatically generate business records, so as to improve communication efficiency;
 - (ii) Optimize the preliminary response with one click through Weiteng LLMP, making the agent’s expression more professional and approachable during the interaction;
 - (iii) By monitoring and identifying customer emotions in real time, the agents can promptly switch communication strategies based on customers’ emotional states to improve service quality;
 - (iv) Automatically analyze conversation intent to aid in the search and provision of matched recommended responses, ensuring agents address customer queries without delays; and
 - (v) Rapidly generate a summary of the conversation after the call and intelligently fill it in the business record or create a work order to facilitate subsequent follow-ups.
- In-depth data insights based on conversation analysis
 - (i) Analyze agents’ speech techniques, automatically extract excellent communication practices from well-executed conversations, and create a set of gold-standard scripts;
 - (ii) Intelligently identify customer issues in historical conversations and conduct text clustering and refining analysis;
 - (iii) Analyze customer expressions during calls to distill their views, creating a deeper connection with their sentiments during calls; and

BUSINESS REVIEW, BUSINESS OVERVIEW AND BUSINESS OUTLOOK

- (iv) Significantly improve quality assessment efficiency, by generating an agent competency model and making precise recommendations, based on the scores of multiple indicators such as service efficiency, problem-solving skill, professional level, service attitude, and communication skills.

Agile Agent Solutions

Our Agile Agent Solutions, designed as a mobile application, empower clients' employees other than contact center agents (such as car salespersons, retail store assistants and after-school program tutors) to contact customers at any time in any location. It enables businesses to track and manage each interaction, which significantly increases visibility of business activities and uses data-based analytics to support decision-making. Our Agile Agent Solutions, readily accessible via our proprietary mobile app, enable salespersons to create and convert sales leads on a unified platform when they are on the go and empower businesses to conveniently track and evaluate sales activities.

ContactBot Solutions

Our ContactBot Solutions utilize practical AI applications to automate routine and repetitive duties traditionally handled by clients' human agents. With real-time automatic speech recognition ("**ASR**") and natural language processing ("**NLP**") capabilities, our ContactBot is able to engage in multimodal intelligent interactions. Clients can use both text-based and voice-based intelligent virtual agents which are trained to fit their business needs. Our text-based ContactBot ("**TextBot**") is developed using advanced machine learning techniques, including deep learning and BERT model. Our voice-based ContactBot ("**VoiceBot**") is designed to engage in multi-round dialogues with human-like voice and can guide the conversation and answer customers' questions fluently.

With the integration of Weiteng AI, the Group has improved the deployment efficiency and customer experience of TextBot and VoiceBot. In particular, we have advanced ContactBot Solutions in the following aspects:

- Intelligent Expansion of Corpus: Relying on Weiteng AI and years of knowledge accumulation in vertical industries, quickly enrich the robot's corpus in the cold start stage.
- FAQ Extraction: In the startup phase, identify know-how from the documents in diverse formats and quickly extract FAQs into the database.
- Document-based Q&A: Import various corporate documents with one click to build a knowledge base, quickly locate relevant content within documents through large models, and summarize and generate answers.
- Knowledge Base Health Check: Identify and correct defects in the knowledge base to ensure its quality.
- Unique Customer Experience: ContactBot automatically adopts targeted communication strategies based on different customer profiles.

BUSINESS REVIEW, BUSINESS OVERVIEW AND BUSINESS OUTLOOK

BUSINESS OUTLOOK

We are well-positioned as a life-cycle AI-driven 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 both domestically and internationally, 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. Through this approach, we aim to achieve sustained and healthy growth of SaaS subscribers, increase user engagement and record a high net retention amount. We have successfully built three product innovation and R&D centers in Beijing, Nanjing and Chengdu. Looking ahead to the second half of 2024, our 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 2022 and 2023, 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 traditional on-premises 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 AI 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 AI 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 AI 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 10.9% from RMB212.9 million for the six months ended June 30, 2023 to RMB236.2 million for the six months ended June 30, 2024, primarily due to an increase in the revenue from SaaS solutions.

Revenue by businesses

In the first half of 2024, 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,				
	2024		2023		Year-on-year change
	RMB'000 (unaudited)	Percentage of total	RMB'000 (unaudited)	Percentage of total	
SaaS solutions	219,922	93.1%	198,641	93.3%	10.7%
Intelligent Contact Center Solutions	181,576	76.9%	170,525	80.1%	6.5%
Agile Agent Solutions	25,535	10.8%	21,427	10.1%	19.2%
ContactBot Solutions	12,811	5.4%	6,689	3.1%	91.5%
VPC solutions	13,879	5.9%	11,757	5.5%	18.0%
Other services and product sales	2,349	1.0%	2,519	1.2%	(6.7%)
Total	236,150	100.0%	212,917	100.0%	10.9%

In the first half of 2024, we generated a revenue of RMB219.9 million from the SaaS model, representing an increase by 10.7% from RMB198.6 million for the first half of 2023. In the same period, we served a total number of 4,136 clients under the SaaS model, decreasing by 0.5% from 4,158 in the first half of 2023.

In the first half of 2024, we generated a revenue of RMB13.9 million from the VPC model, representing an increase by 18.0% from RMB11.8 million for the first half of 2023. In the same period, we served 66 VPC clients, increasing from 50 in the first half of 2023.

Cost of Sales

Our cost of sales increased by 3.0% from RMB110.9 million for the six months ended June 30, 2023 to RMB114.2 million for the six months ended June 30, 2024. The increase was mainly driven by revenue growth for the same period which was offset by cost optimization.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded (i) a gross profit of RMB102.0 million and RMB121.9 million for the six months ended June 30, 2023 and the six months ended June 30, 2024, respectively, and (ii) a gross profit margin of 47.9% and 51.6% for the six months ended June 30, 2023 and the six months ended June 30, 2024, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	2024 RMB'000 (unaudited)		2023 RMB'000 (unaudited)	
Gross profit and gross profit margin:				
SaaS solutions	113,197	51.5%	94,674	47.7%
VPC solutions	7,716	55.6%	6,281	53.4%
Other services and product sales	1,007	42.9%	1,112	44.1%
Total	121,920	51.6%	102,067	47.9%

Other Income and Gains

Our other income and gains decreased by 8.0% from a gain of RMB6.4 million for the six months ended June 30, 2023 to a gain of RMB5.9 million for the six months ended June 30, 2024, which primarily represents our interest income.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 4.1% from RMB50.9 million for the six months ended June 30, 2023 to RMB53.0 million for the six months ended June 30, 2024. The increase was primarily due to an increase in sales staff remuneration.

Administrative Expenses

Our administrative expenses increased by 21.1% from RMB14.3 million for the six months ended June 30, 2023 to RMB17.2 million for the six months ended June 30, 2024, primarily due to an increase in employee benefit expenses.

Research and Development Expenses

Our research and development expenses decreased by 7.0% from RMB42.9 million for the six months ended June 30, 2023 to RMB39.9 million for the six months ended June 30, 2024, primarily attributable to the overall improvement in the Company's research and development efficiency.

Impairment Losses on Financial Assets

Our impairment losses on financial assets increased by 50.0% from RMB2.2 million for the six months ended June 30, 2023 to RMB3.3 million for the six months ended June 30, 2024, due to the increase in the size of accounts receivable.

Other Expenses and Losses

We recorded other expenses and losses of RMB309 thousand for the six months ended June 30, 2023 and RMB312.2 thousand for the six months ended June 30, 2024, which primarily represent losses on early termination of the lease of our office.

Finance Costs

We recorded finance costs of RMB262.6 thousand for the six months ended June 30, 2023 and RMB246.9 thousand for the six months ended June 30, 2024, which represent interest expenses of our lease liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

(Loss)/Profit for the Period

As a result of the foregoing, we generated a loss of RMB2.0 million for the six months ended June 30, 2023 and a profit of RMB13.9 million for the six months ended June 30, 2024. The turnaround for the six months ended June 30, 2024 was mainly attributable to the growth in our performance driven by our AI-related products and the improvement in research and development efficiency.

Contract Assets

Our contract assets decreased by 60.0% from RMB4.5 million as of December 31, 2023 to RMB1.8 million as of June 30, 2024. The decrease resulted from the decrease in the ongoing provision of our VPC solutions.

Financial Investments

Our financial investments at fair value through profit or loss increased from RMB50.1 million as of December 31, 2023 to RMB60.1 million as of June 30, 2024 and our financial investments at amortised cost increased from RMB0 as of December 31, 2023 to RMB25.3 million as of June 30, 2024, which were primarily due to the purchase of wealth management products.

Financial Position, Liquidity, Capital Resources and Gearing Ratio

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, 2024, we funded our cash requirements principally from cash generated from operating activities. Our cash and cash equivalents represent cash and bank balances, which were primarily denominated in RMB. We had cash and cash equivalents of RMB110.2 million as statement of financial position as of June 30, 2024. As of June 30, 2024, our Group did not have any interest-bearing bank and other borrowings. Thus, neither the gearing ratio nor the debt-to equity ratio was applicable to our Group.

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

	For the six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Net cash (used in)/generated from operating activities	(11,589)	(8,551)
Net cash (used in)/generated from investing activities	(44,039)	(64,853)
Net cash (used in)/generated from financing activities	(3,708)	(4,302)
Net increase/(decrease) in cash and cash equivalents	(59,336)	(77,706)
Cash and cash equivalents at the beginning of the period	169,472	188,406
Effects of foreign exchange rate changes, net	53	231
Cash and cash equivalents at the end of the period	110,189	110,931

MANAGEMENT DISCUSSION AND ANALYSIS

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, 2024, net cash used in operating activities was RMB11.6 million, which was primarily attributable to our profit before tax of RMB13.9 million, as adjusted by (i) non-cash items, which primarily comprised of depreciation of right-of-use assets of RMB3.7 million, and impairment of financial assets, net of RMB3.3 million, and (ii) changes in working capital, which primarily comprised of an increase in trade receivables of RMB29.7 million, a decrease in contract assets of RMB3.2 million, a decrease in prepayments, other receivables of RMB3.4 million, an increase in trade payables of RMB6.0 million, and a decrease in other payables and accruals of RMB16.6 million.

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.

Net Cash (Used in)/Generated from Investing Activities

For the six months ended June 30, 2024, net cash used in investing activities was RMB44.0 million, which was payments of RMB140.0 million for purchases of financial investments at fair value through profit or loss, payments of RMB167.3 million for purchases of time deposits with original maturity over three months, payments of RMB25.0 million for purchases of financial investments at amortised cost, partially offset by proceeds of RMB159.4 million from disposal of non-pledged time deposits with original maturity over three months and proceeds of RMB130.7 million from disposal of financial investments at fair value through profit or loss.

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, payments of RMB38.4 million for purchases of time deposits with original maturity over three months, partially offset by proceeds of RMB64.0 million from disposal of non-pledged time deposits with original maturity over three months and proceeds of RMB51.1 million from disposal 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, 2024, net cash used in financing activities was RMB3.7 million, which was attributable to payments of principal portion of lease payments of RMB3.7 million.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments Held

During the Reporting Period and as of the date of this report, the Company subscribed (the “**Subscriptions**”) for several structured deposit products (the “**Structured Deposit Products**”) offered by Bank of Communications Co., Ltd. (交通銀行股份有限公司), Bank of Ningbo Co., Ltd. (寧波銀行股份有限公司) and China CITIC Bank Corporation Limited (中信銀行股份有限公司) (the “**Counterparty(ies)**”). The Subscriptions were funded by the Group’s surplus cash reserves generated from daily operations. The key terms and conditions of each Subscription are set out in the table below:

Subscription date (Subscription effective immediately)	Counterparty	Name of product	Principal amount subscribed <i>RMB</i>	Term of product	Maturity date (Status)	Type of product	Expected annualized rate of return	Actual return of the matured Subscription <i>RMB</i>	Right of early redemption
April 1, 2024	Bank of Communications Co., Ltd.	Bank of Communications Structured Deposit 98 days* (交通銀行結構性存款98天)	15 million	98 days	July 8, 2024 (Matured)	Principal-guaranteed with floating return	1.15%-1.95%	66,452.05	Not available
April 22, 2024	Bank of Communications Co., Ltd.	Bank of Communications Structured Deposit 98 days* (交通銀行結構性存款98天)	10 million	98 days	July 29, 2024 (Matured)	Principal-guaranteed with floating return	1.15%-1.75% -1.95%	46,986.30	Not available
July 18, 2024	Bank of Communications Co., Ltd.	Bank of Communications Structured Deposit 98 days* (交通銀行結構性存款98天)	15 million	98 days	October 25, 2024 (Outstanding)	Principal-guaranteed with floating return	1.15%-1.75% -1.95%	N/A	Not available
August 5, 2024	Bank of Communications Co., Ltd.	Bank of Communications Structured Deposit 98 days* (交通銀行結構性存款98天)	10 million	98 days	November 11, 2024 (Outstanding)	Principal-guaranteed with floating return	1.05%-1.65% -1.85%	N/A	Not available
March 22, 2024	Bank of Ningbo Co., Ltd.	Bank of Ningbo Structured Deposit 90 days* (寧波銀行 結構性存款90天)	15 million	90 days	June 20, 2024 (Matured)	Principal-guaranteed with floating return	1.65%-2.8%	103,561.64	Not available
June 14, 2024	Bank of Ningbo Co., Ltd.	Bank of Ningbo Structured Deposit 180 days* (寧波銀行 結構性存款180天)	10 million	180 days	December 11, 2024 (Outstanding)	Principal-guaranteed with floating return	1.0%-2.75%	N/A	Not available
May 20, 2024	China CITIC Bank Corporation Limited	CITIC Bank Structured Deposit 93 days* (中信銀行結構性 存款93天)	20 million	93 days	August 20, 2024 (Matured)	Principal-guaranteed with floating return	1.05%-2.55%	100,821.92	Not available
September 1, 2024	China CITIC Bank Corporation Limited	CITIC Bank Structured Deposit 92 days* (中信銀行結構性 存款92天)	20 million	92 days	December 2, 2024 (Outstanding)	Principal-guaranteed with floating return	1.05%-2.0% -2.4%	N/A	Not available

* For identification purposes only

MANAGEMENT DISCUSSION AND ANALYSIS

For the Subscriptions, other than the May 20, 2024 and the September 1, 2024 subscriptions made with China CITIC Bank Corporation Limited (the “**CITIC Subscriptions**”), the subsequent subscriptions were made while the previous subscriptions remained outstanding, in accordance with Rule 14.22 of the Listing Rules, the transactions contemplated under each subsequent subscription shall be aggregated with the respective initial subscriptions. Since the highest percentage ratios (as calculated under Rule 14.07 of the Listing Rules) of each of the aggregated transactions amounts exceeded 5% but all of the ratios were below 25%, each of the aforesaid transactions constituted discloseable transactions of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders’ approval requirement under the Listing Rules. As for each of the CITIC Subscriptions, the highest percentage ratios (as calculated under Rule 14.07 of the Listing Rules) amounts exceeded 5% but all of the ratios were below 25%, and therefore constituted a discloseable transaction of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders’ approval requirement under the Listing Rules.

As at the date of this report, the total outstanding amount for all of the Group’s wealth management products disclosed above is RMB55 million. For further details of the Subscriptions, please refer to the Company’s announcement dated September 20, 2024.

The Directors confirmed that the terms of each Subscription was determined between the Company and the respective Counterparty on the basis of commercial terms negotiated at arm’s length after taking into account the surplus cash reserves of the Group available for treasury management purpose, as well as the risk level and expected annualized rate of return of each Structured Deposit Product. The Directors are of the view that (i) from a cash management perspective, the Subscriptions are relatively low-risk in nature and provide the Group a higher return than the fixed term deposits generally offered by commercial banks in the PRC, (ii) the Subscriptions allow the Group to optimize the return on the surplus cash reserves from daily operations, and (iii) the Group has implemented adequate and appropriate internal control procedures to ensure the Subscriptions would not affect the Group’s working capital position, daily operations or adversely affect the interests of independent Shareholders. Accordingly, the Directors (including independent non-executive Directors) consider that the terms of each of Structured Deposit Products are fair and reasonable and are on normal commercial terms, and each of the Subscriptions is in the interests of the Company and the Shareholders as a whole.

The Subscriptions (aggregated when required under Rule 14.22 of the Listing Rules), each represents less than 5% of the Group’s total assets as of June 30, 2024 and therefore does not constitute a significant investment under the Listing Rules. As such, the Group did not make or hold any significant investments during the six months ended June 30, 2024.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this report and the Prospectus, as of June 30, 2024, we did not have other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

We did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies for the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Employee and Remuneration Policy

The following table sets forth the numbers of our employees categorized by function as of June 30, 2024.

Function	Number of Staff	% of Total
Research and development	229	43.0%
Sales	163	30.6%
Operations	108	20.2%
Management	33	6.2%
Total	533	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.

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

On January 15, 2024, the Company granted 498,500 RSUs (the “**2024 Grant**”) to 46 grantees in accordance with the terms of the Share Incentive Plan (the “**2024 Grantees**”). None of the 2024 Grant was subject to approval by the Shareholders, and none of the 2024 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 2024 Grant, please refer to the announcement of the Company dated January 15, 2024.

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, 2024, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Commitments

As of June 30, 2024, the Group had no capital commitment.

Contingent Liabilities

As of June 30, 2024, we did not have any material contingent liabilities or guarantees.

Charge of Assets

There was no charge of our Group's assets as of June 30, 2024.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Company repurchased a total of 119,600 Shares from July 16, 2024 to September 24, 2024 at an aggregate consideration of HK\$305,464 (the "Repurchase"), which represented approximately 0.0687% of the number of issued Shares (excluding treasury shares) as at the date of the 2024 annual general meeting approving the repurchase mandate. Such 119,600 repurchased Shares are held as treasury shares as of the date of this interim report. Details of the Repurchase are as follows:

Month of Repurchase in the Reporting Period and as of the date of this report	No. of Shares repurchased	Repurchase consideration per Share		Aggregate consideration Paid HK\$
		Highest price paid HK\$	Lowest price paid HK\$	
July	115,000	2.73	2.44	294,434
September	4,600	2.41	2.39	11,030
Total	119,600	2.73	2.39	305,464

The Company intends to use the treasury shares to resell on the market prices to raise additional funds for the Company, or transfer or use for share grants under share schemes that comply with Chapter 17 of the Listing Rules and for other purposes permitted under the Listing Rules, the Articles of Association of the Company and the applicable laws of the Cayman Islands, which is subject to market conditions and the Group's capital management needs.

The Board is of the view that the current trading price of the Shares does not reflect their intrinsic value and the Repurchase enhances the value of the Shares, thereby increasing the returns to the Shareholders. In addition, the Board believes that the Repurchase reflects the Company's confidence in its long-term business prospects and the Company's growth potential, which will ultimately benefit the Company and is in the best interests of the Company and the Shareholders as a whole.

Save as disclosed in this interim report, there have been no important events affecting the Company since the end of the Reporting Period and up to the date of this interim report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As of June 30, 2024, 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 follow:

(i) Interest in the Shares

Name of Director	Nature of interest	Number of Shares interested ⁽⁵⁾⁽⁶⁾	Approximate percentage of shareholding ⁽⁶⁾
Mr. WU Qiang (吳強)	Interest in controlled corporation; interest jointly held with another person ⁽¹⁾	86,505,000(L)	49.72%
Mr. PAN Wei (潘威)	Interest in controlled corporation; interest jointly held with another person ⁽¹⁾⁽²⁾	86,505,000(L)	49.72%
Mr. LI Jin (李晉)	Interest in controlled corporation; interest jointly held with another person ⁽¹⁾⁽³⁾	86,505,000(L)	49.72%
Mr. 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. 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 (“**Mr. Pan**”), directly owns 13,500,000 Shares. Accordingly, Mr. Pan 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 (“**Mr. Li**”), directly held 8,370,000 Shares. Accordingly, Mr. Li 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 (“**Mr. An**”), directly owns 4,635,000 Shares. Accordingly, Mr. An is deemed to be interested in the number of Shares held by Flyflux Holding Limited.
- (5) (L) denotes a long position in the Shares.
- (6) The number and percentage of Shares were calculated based on 174,000,400 shares of the Company in issue as of June 30, 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(ii) Interests in Associated Corporations of the Company

Name of Director	Name of associated corporation	Number of shares interested ⁽²⁾	Approximate percentage of shareholding
Mr. WU Qiang (吳強) ⁽¹⁾	T&I Net Communication	31,840,284(L)	61.63%
Mr. LI Jin (李晉)	T&I Net Communication	2,883,468(L)	5.58%
Mr. PAN Wei (潘威)	T&I Net Communication	2,618,700(L)	5.07%
Mr. 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 June 30, 2024, 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.

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

As of June 30, 2024, 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 ⁽⁸⁾⁽⁹⁾	Approximate percentage of shareholding ⁽⁹⁾
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%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholder	Nature of interest	Number of Shares interested ⁽⁸⁾⁽⁹⁾	Approximate percentage of shareholding ⁽⁹⁾
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	12,007,372(L)	6.90%
Tricor Trust (Hong Kong) Limited ⁽⁶⁾	Trustee	12,007,372(L)	6.90%
Agora, Inc. ⁽⁷⁾	Beneficial interest	9,453,400(L)	5.43%

Notes:

- (1) Xinyun Inc. and EastUp Holding Limited are wholly-owned subsidiaries of Hanyun Inc., which is in turn wholly owned by Mr. Wu. 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (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 (as defined below), 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) The number and percentage of Shares were calculated based on 174,000,400 shares of the Company in issue as of June 30, 2024.

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

Name of Shareholder	Nature of members of our Group	Nature of Interest	Approximate percentage of interests
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 99% by Mr. Tian.

Save as disclosed above, as of June 30, 2024, 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.

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 (following partial exercise of the Over-allotment Option, as defined in the Prospectus) 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Intended use of net proceeds	Allocation of net proceeds HK\$ million	Percentage of total net proceeds	Amount of net proceeds utilized as of January 1, 2024 HK\$ million	Amount of net proceeds utilized during the six months ended June 30, 2024 HK\$ million	Balance of net proceeds unutilized as of June 30, 2024 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%	60.6	24.7	106.5	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%	31.7	10.0	9.3	Before December 31, 2025
Used for working capital and general corporate purposes	12.8	5%	12.8	–	–	
Total	255.7	100%	105.1	34.7	115.8	

As of June 30, 2024, the amount of the net proceeds which has remained unutilized amounted to approximately HK\$115.8 million. There has been no material change or delay in the intended use of net proceeds as previously disclosed in the Prospectus.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 (including treasury shares) of the Company as of the date of this interim report.

The number of options and awards available for grant under the Share Incentive Plan as at January 1, 2024 and June 30, 2024 were 3,612,182 and 3,153,042, respectively.

During the Reporting Period, on January 15, 2024, the Company granted 498,500 RSUs (the “**2024 Grant**”) to 46 grantees in accordance with the terms of the Share Incentive Plan (the “**2024 Grantee**”), which are to be vested to each Grantee in three equal tranches on January 15, 2025, January 15, 2026, and January 15, 2027. 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 the 2024 Grant was HK\$4.89. No new Shares are issued and allotted in relation to the 2024 Grant. As such, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Reporting Period is nil. For details of the 2024 Grant, please refer to the announcement of the Company dated January 15, 2024.

As at the date of this interim report, an aggregate of 23,386,958 Shares were granted pursuant to the Share Incentive Plan, representing approximately 13.44% of the Company’s issued Shares (including treasury shares). As such, the maximum number of Shares that may be granted pursuant to the Share Incentive Plan is 3,163,042 Shares, representing approximately 1.82% of the Company’s issued Shares (including treasury shares).

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 the RSUs to be granted to a participant under the Share Incentive Plan, 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 a 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of the RSUs and Restricted Shares under the Share Incentive Plan during the six months ended June 30, 2024 are set out below:

Name/Type	Date of grant ⁽³⁾	Vesting Period	Number of RSUs invested as of January 1, 2024	Number of Restricted Shares granted during the Reporting Period ⁽³⁾	Number of RSUs granted during the Reporting Period ⁽³⁾	Number of Restricted Shares vested during the Reporting Period ⁽⁶⁾	Number of RSUs cancelled during the Reporting Period ⁽⁷⁾	Number of Restricted Shares cancelled during the Reporting Period ⁽⁷⁾	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, 2024 ⁽⁵⁾	Number of Restricted Shares unvested as of June 30, 2024 ⁽⁵⁾	Closing price of the Shares immediately before date of award of RSU or Restricted Shares ⁽⁴⁾
Directors of the Company Nil ⁽¹⁾													
Senior management Zhang Tao ⁽²⁾	May 13, 2021	on the 6-month, 18-month and 30-month anniversaries of the Listing Date	0	0	0	0	0	0	0	0	0	500,000	-
Other employees	May 13, 2021	on the 6-month, 18-month and 30-month anniversaries of the Listing Date	101,042	0	0	0	19,360	0	0	0	101,042	6,698,210	-
	May 13, 2021	on the 6-month, 18-month, 30-month, 42-month and 54-month anniversaries of the Listing Date	30,000	0	0	0	0	0	0	0	30,000	0	-

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name/Type	Date of grant ⁽³⁾	Vesting Period	Number of RSUs unvested as of January 1, 2024	Number of Restricted Shares granted during the Reporting Period ⁽³⁾	Number of RSUs granted during the Reporting Period ⁽³⁾	Number of Restricted Shares granted during the Reporting Period ⁽³⁾	Number of RSUs vested during the Reporting Period ⁽⁶⁾	Number of Restricted Shares vested during the Reporting Period ⁽⁶⁾	Number of RSUs cancelled during the Reporting Period ⁽⁷⁾	Number of Restricted Shares cancelled during the Reporting Period ⁽⁷⁾	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, 2024 ⁽⁵⁾	Number of Restricted Shares unvested as of June 30, 2024 ⁽⁵⁾	Closing price of the Shares immediately before date of award of RSU or Restricted Shares ⁽⁴⁾
	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	825,540	0	0	0	0	0	0	0	0	0	550,360	0	12.70
	January 15, 2024	in three equal tranches: (i) 1/3 on January 15, 2025; (ii) 1/3 on January 15, 2026; and (iii) 1/3 on January 15, 2027	0	0	498,500	0	0	0	20,000	0	0	0	478,500	0	4.90
Total	/	/	956,582	0	498,500	0	0	20,000	19,360	0	0	0	1,159,902	7,198,210	-

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (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, 2024. 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, 2024.
- (2) Our former chief financial officer who was appointed as our Chief Financial Officer in March 2021 and resigned from the position on December 8, 2023.
- (3) The fair value of each RSU 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 approximately RMB2,216,000, and the corresponding share-based payment expense was approximately RMB358,000, after deducting the amount of the cash consideration paid/payable by the Eligible Participants.
- (4) The Company's Shares were listed on the Main Board of the Stock Exchange on June 30, 2022.
- (5) The purchase price of the unvested RSUs is HK\$4.1. The Restricted Shares were granted at nil purchase price.
- (6) The weighted average closing price of the Shares immediately before the vest of the Awards is HK\$6.31.
- (7) 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 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 C1 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.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 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.

The Audit Committee has reviewed the interim condensed consolidated financial information of the Group for the six months ended June 30, 2024 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

The Company repurchased a total of 119,600 Shares at an aggregate consideration of HK\$305,464 from July 16, 2024 to September 24, 2024. For details, please refer to “Important Events after the Reporting Period.” During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s securities (including sale of treasury shares) listed on the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

As of June 30, 2024, 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, 2024. (six months ended June 30, 2023: Nil).

CHANGES IN INFORMATION OF DIRECTORS

Mr. Li Jin, our executive Director, has served as the legal representative and an executive director of Beijing Yizhangyunfeng Technology Co., Ltd. and Nanjing Yizhang Beifeng Information Technology Co., Ltd. since March 12, 2024 and May 30, 2024, respectively.

Saved as disclosed above, there have been no changes to the information of Directors that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period and up to the date of this interim 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 32 to 52, which comprises the condensed consolidated statement of financial position of TI Cloud Inc. (the "Company") and its subsidiaries (the "Group") as at 30 June 2024 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

29 August 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
REVENUE	5	236,150	212,917
Cost of sales		(114,230)	(110,850)
Gross profit		121,920	102,067
Other income and gains		5,967	6,400
Selling and distribution expenses		(52,964)	(50,864)
Administrative expenses		(17,189)	(14,257)
Research and development expenses		(39,878)	(42,884)
Impairment losses on financial and contract assets, net		(3,317)	(2,213)
Other expenses and losses		(393)	(309)
Finance costs		(247)	(263)
PROFIT/(LOSS) BEFORE TAX	6	13,899	(2,323)
Income tax credit	7	11	294
PROFIT/(LOSS) FOR THE PERIOD		13,910	(2,029)
EARNINGS/(LOSS) PER SHARE			
Basic (RMB)	9	7.99 cents	(1.17) cents
Diluted (RMB)	9	7.99 cents	(1.17) cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited) (Restated)
PROFIT/(LOSS) FOR THE PERIOD	13,910	(2,029)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of a subsidiary not operating in Chinese Mainland	(795)	(5,130)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	1,691	7,788
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	896	2,658
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	14,806	629

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,796	2,010
Right-of-use assets		9,496	12,000
Financial investments		3,563	–
Goodwill		99,544	99,544
Other intangible assets		12,466	12,813
Prepayments, other receivables and other assets		2,114	2,168
Deferred tax assets		1,408	1,396
Total non-current assets		130,387	129,931
CURRENT ASSETS			
Trade receivables	11	115,836	89,862
Contract assets		1,809	4,464
Contract costs		8,005	8,545
Prepayments, other receivables and other assets		21,460	24,952
Prepaid tax		33	20
Financial investments		85,452	50,087
Restricted cash		200	670
Time deposits		137,294	128,603
Cash and cash equivalents		110,189	169,472
Total current assets		480,278	476,675
CURRENT LIABILITIES			
Trade payables	12	33,005	26,957
Contract liabilities		47,366	45,844
Other payables and accruals		32,935	49,563
Lease liabilities		6,497	7,103
Tax payable		1,241	1,204
Total current liabilities		121,044	130,671
NET CURRENT ASSETS		359,234	346,004

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		489,621	475,935
NON-CURRENT LIABILITIES			
Lease liabilities		2,495	4,478
Deferred tax liabilities		979	1,092
<u>Total non-current liabilities</u>		3,474	5,570
<u>Net assets</u>		486,147	470,365
EQUITY			
Share capital	13	114	114
Reserves		486,033	470,251
<u>Total equity</u>		486,147	470,365

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	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 1 January 2024 (audited)	114	247,984*	95,790*	3,978*	27,719*	13,213*	81,567*	470,365
Profit for the period (unaudited)	-	-	-	-	-	-	13,910	13,910
Other comprehensive income for the period:								
Exchange differences on translation of the Company and its subsidiaries not operating in Chinese Mainland (unaudited)	-	-	-	-	-	896	-	896
Total comprehensive income for the period (unaudited)	-	-	-	-	-	896	13,910	14,806
Equity-settled share-based payment arrangements (unaudited)	-	-	-	976	-	-	-	976
Transfer from retained profits	-	-	-	-	82	-	(82)	-
At 30 June 2024 (unaudited)	114	247,984*	95,790*	4,954*	27,801*	14,109*	95,395*	486,147

* These reserve accounts comprise the consolidated reserves of RMB486,033,000 (unaudited) in the consolidated statement of financial position as at 30 June 2024 (31 December 2023: RMB470,251,000 (audited)).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	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 1 January 2023 (audited)	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 Chinese Mainland (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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	13,899	(2,323)
Adjustments for:		
Finance costs	247	263
Interest income	(4,048)	(3,687)
Investment income	(965)	(583)
Fair value gains on financial investments at fair value through profit or loss, net	(149)	(175)
Loss on disposal/write-off of property, plant and equipment	1	5
Loss/(gain) on early termination of leases	(44)	91
Depreciation of property, plant and equipment	551	649
Depreciation of right-of-use assets	3,667	4,189
Amortisation of other intangible assets	1,584	1,487
Impairment of financial assets, net	3,317	2,213
Write-off of prepayments	15	–
Write-off of other receivables	228	–
Equity-settled share-based payment expense	976	2,139
	19,279	4,268
Increase in trade receivables	(29,699)	(7,140)
Decrease/(increase) in contract assets	3,245	(1,789)
Decrease in contract costs	540	3,147
Decrease/(increase) in prepayments, other receivables and other assets	3,353	(5,204)
Decrease in restricted cash	470	–
Increase/(decrease) in trade payables	6,048	(1,020)
Increase/(decrease) in contract liabilities	1,522	(615)
Increase/(decrease) in other payables and accruals	(16,628)	(1,699)
Effect of foreign exchange rate changes, net	26	1,274
	(11,844)	(8,778)
Cash used in operations	(11,844)	(8,778)
Interest received	592	–
Interest paid	(247)	(263)
Chinese Mainland corporate income tax refunded/(paid)	(90)	490
Net cash flows used in operating activities	(11,589)	(8,551)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,224	1,428
Purchases of property, plant and equipment	(338)	(616)
Proceeds from disposal of property, plant and equipment	–	17
Purchases of other intangible assets	(1,237)	(708)
Investment in financial investments at fair value through profit or loss	(3,548)	–
Business combination	–	(46,900)
Placement of time deposits with original maturity over three months	(167,273)	(38,408)
Withdrawal of non-pledged time deposits with original maturity over three months	159,384	64,006
Purchases of financial investments at fair value through profit or loss	(140,000)	(85,000)
Proceeds from disposal/maturity of financial investments at fair value through profit or loss	130,749	51,065
Purchases of financial investments at amortised cost	(25,000)	(25,000)
Proceeds from disposal of financial investments at amortised cost	–	15,263
Net cash flows used in investing activities	(44,039)	(64,853)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease payments	(3,708)	(4,302)
Net cash flows used in financing activities	(3,708)	(4,302)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of period	169,472	188,406
Effect of foreign exchange rate changes, net	53	231
CASH AND CASH EQUIVALENTS AT END OF PERIOD	110,189	110,931

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	75,189	70,931
Short term deposits	35,000	40,000
<hr/>		
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position and interim condensed consolidated statement of cash flows	110,189	110,931

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 2024 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 2023.

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 in preparation for the initial offering of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited in 2021 (the “Reorganisation”), as well as its subsidiaries operating in Chinese Mainland. 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

30 June 2024

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 2023, 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 IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

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

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

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	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Chinese Mainland	235,429	212,885
Hong Kong	721	32
	236,150	212,917

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 Chinese Mainland as at the end of the Reporting Period (31 December 2023: Chinese Mainland (audited)).

The non-current asset information is based on the location of the assets and excludes financial instruments and deferred tax assets.

Information about Major Customers

During the six months ended 30 June 2024, there was no customer individually accounted for more than 10% of the Group’s revenue (30 June 2023: Nil (unaudited)).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

5. REVENUE

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

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
SaaS solutions	219,922	198,641
VPC solutions	13,879	11,757
Other services and product sales	2,349	2,519
	236,150	212,917

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	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Transfer over time:		
SaaS solutions	219,922	198,641
VPC solutions	3,177	3,363
Other services and product sales	2,349	2,128
	225,448	204,132
Transfer at a point in time:		
VPC solutions	10,702	8,394
Other services and product sales	–	391
	10,702	8,785
	236,150	212,917

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Cost of services provided	114,230	110,637
Cost of products sold	–	213
Depreciation of property, plant and equipment	551	649
Depreciation of right-of-use assets	3,667	4,189
Amortisation of other intangible assets	1,584	1,487
Impairment of financial and contract assets, net:		
Trade receivables	3,725	1,629
Contract assets	(590)	503
Financial assets included in prepayments, other receivables and other assets	182	81
	3,317	2,213
Write-off of prepayments*	15	–
Write-off of other receivables*	228	–
Foreign exchange differences, net*	82	–

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

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 2023: 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 2023: 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 is subject to a tax rate of 8.25% (30 June 2023: 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 2023: Nil (unaudited)).

Chinese Mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in Chinese Mainland are subject to corporate income tax at a rate of 25% on the taxable income (30 June 2023: 25% (unaudited)). During the period, T&I Net Communication was entitled to a preferential tax rate of 15% (30 June 2023: 15% (unaudited)) because it was accredited as a "High and New Technology Enterprise". In addition, the Group's other subsidiaries operating in Chinese Mainland were entitled to a preferential effective tax rate of 5% (30 June 2023: 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 2023: within RMB3,000,000 (unaudited)) during the period.

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Current tax charged for the period	114	51
Deferred tax credited for the period	(125)	(345)
Total tax credit for the period	(11)	(294)

8. DIVIDENDS

There was no dividend purposed, declared or paid by the Company during the six months ended 30 June 2024 (30 June 2023: Nil (unaudited)).

9. EARNINGS/LOSS PER SHARE

The calculation of the basic earnings/loss per share amount is based on the profit/loss for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 174,000,400 (2023: 174,000,400 (unaudited)) in issue during the period.

No adjustment has been made to the basic earnings/loss per share amounts presented for the six months ended 30 June 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2023.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets at an aggregate cost of RMB338,000 (30 June 2023: RMB701,000 (unaudited)), and disposed of assets with an aggregate net book value of RMB1,000 (30 June 2023: RMB21,000 (unaudited)), resulting in a net loss on disposal of RMB1,000 (30 June 2023: RMB5,000 (unaudited)).

11. TRADE RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	132,823	103,198
Impairment	(16,987)	(13,336)
Total	115,836	89,862

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

11. TRADE RECEIVABLES (Continued)

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 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 3 months	74,923	61,741
4th to 12th months	38,588	24,641
13th to 24th months	2,325	3,480
Total	115,836	89,862

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 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 3 months	22,693	17,359
4th to 12th months	4,591	4,444
13th to 24th months	3,960	4,621
Over 24 months	1,761	533
Total	33,005	26,957

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

13. SHARE CAPITAL

	30 June 2024		31 December 2023	
	USD'000 (Unaudited)	RMB'000 equivalent (Unaudited)	USD'000 (Audited)	RMB'000 equivalent (Audited)
Issued and fully paid:				
174,000,400 (31 December 2023: 174,000,400)				
ordinary shares at USD0.0001 each	17	114	17	114

14. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Short-term employee benefits	1,556	1,392
Post-employment benefits	122	153
Total	1,678	1,545

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

15. 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 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Financial investments at fair value through profit or loss	63,712	50,087	63,712	50,087
Other receivables and other assets, non-current portion	1,256	1,310	1,195	1,236
Total	64,968	51,397	64,907	51,323

Management has assessed that the fair values of cash and cash equivalents, restricted cash, 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.

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

The Group's unlisted investments mainly comprise structured deposits and an unlisted equity investment included in financial investments at fair value through profit or loss. The fair values of structured deposits has been estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. The fair value of the equity investment at fair value through profit or loss has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires that directors to determine comparable public companies (peers) based on industry and to calculate an enterprise equity value-to-sales ("EV/Sales") multiple for each comparable companies identified. The multiple is calculated by dividing the enterprise value of the comparable company by the sales amount. The multiple is then discounted for considerations such as illiquidity. The directors believe that the estimated fair values resulting from EV/Sales multiple, which are recorded in the consolidated statement of financial position, and the related changes in fair value, which is recorded in profit or loss, are reasonable and are the most appropriate values.

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.

Set out below is a summary of significant unobservable inputs to the valuation of the unlisted equity investment together with a quantitative sensitivity analysis as at 30 June 2024 (31 December 2023: Nil (audited)):

	Significant unobservable inputs	Range/value	Increase/ (decrease) in input %	Increase/ (decrease) in fair value RMB'000
Unlisted equity investment	EV/Sales multiple of peers	8.73-37.9	5 (5)	175 (175)
	Discount for lack of marketability	30%	5 (5)	(78) 78

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

15. 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 2024

	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	–	60,149	3,563	63,712

As at 31 December 2023

	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	–	50,087	–	50,087

The Group did not have any financial liabilities measured at fair value as at the end of the Reporting Period (31 December 2023: 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 2023: Nil (unaudited)).

16. EVENTS AFTER THE REPORTING PERIOD

From 16 July 2024 to 26 July 2024, the Company repurchased a total of 115,000 ordinary shares at an aggregate consideration of approximately HK\$294,000, of which the repurchase consideration per share ranges from HK\$2.44 to HK\$2.73.

DEFINITIONS

In this interim report, the following expressions have the meanings set out below unless the context otherwise requires:

“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
“AI”	Artificial Intelligence
“Articles of Association”	the amended and restated articles of association of our Company conditionally adopted on June 16, 2022 which shall become effective on the Listing Date and as amended from time to time, a summary of which is set out in the section headed “Summary of the Constitution of the Company and Company Laws of the Cayman Islands” in Appendix III in the Prospectus
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Auditor”	Ernst & Young, the auditor 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 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 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 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

DEFINITIONS

“China”, or “the PRC”	the People’s Republic of China and, except where the context requires and only for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan. “Chinese” shall be construed accordingly
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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)
“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
“Contractual Arrangement(s)”	the series of contractual arrangements entered into by, among others Tianrun Cloud (Beijing) Technology Co., Ltd., T&I Net Communication and the Registered Shareholders (as applicable), details of which are described in the section headed “Contractual Arrangements” in the Prospectus
“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 C1 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
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 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
“Listing”	the listing of the Shares on the Main Board
“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 C3 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
“Nomination Committee”	the nomination committee of the Company
“Prospectus”	the prospectus of the Company dated June 21, 2022
“Registered Shareholders”	the current registered shareholders of T&I Net Communication, being Mr. Wu, Beijing Tianchuang Chuangrun, Beijing Yunjing, Beijing Yunhao, Mr. Li, Mr. Pan, Mr. An and Beijing Yunyu, details of which are set out in the section headed “Contractual Arrangements” in the Prospectus
“Remuneration Committee”	the remuneration committee of the Company
“Reorganisation”	the corporate restructuring of the Group in preparation for the Listing, as described in the section headed “History, Reorganisation and Corporate Structure” in the Prospectus
“Reporting Period”	the six months ended June 30, 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of PRC

DEFINITIONS

“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 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
“Share(s)”	ordinary share(s) in the share capital our Company with par value of US\$0.0001 each
“Shareholder(s)”	holder(s) of our Share(s)
“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