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TI Cloud Inc.
天潤云股份有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2167)

PROFIT WARNING

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

The board of directors of the Company (the “**Board**”) would like to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the information currently available to the Board, including the unaudited consolidated management accounts of the Group for the year ended December 31, 2022 (“**FY 2022**”), the Group is expected to record a net loss attributable to ordinary equity holders of the Company in the range of approximately RMB7.0 million to RMB8.0 million for FY 2022 as compared to a net profit attributable to ordinary equity holders of the Company of approximately RMB17.8 million for the year ended December 31, 2021 (“**FY 2021**”).

Based on the information currently available, the Board believes that the net loss attributable to ordinary equity holders of the Company during FY 2022 was primarily due to:

- (i) a substantial amount of listing expenses as a result of the listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited in June 2022;
- (ii) an increase in research and development expenses of more than 40% for FY 2022 as compared to FY 2021, which was primarily attributable to an increase in employee benefit expenses as a result of an increase in our research and development headcount; and
- (iii) an increase in selling and distribution expenses of more than 20% for FY 2022 as compared to FY 2021, which was primarily driven by an increase in employee benefit expenses as a result of an increase in sales and marketing staff headcount, and an increase in promotion and advertising expenses as a result of increased online and offline advertising activities.

The Group is expected to record an adjusted net profit for FY 2022 in the range of approximately RMB3.5 million to approximately RMB4.5 million, as compared to an adjusted net profit of approximately RMB37.3 million for FY 2021. The decrease in the adjusted net profit was mainly attributable to the reasons disclosed in (ii) and (iii) above. The Board believes that the operation and financial positions of the Group remain healthy.

Based on the information currently available, the Board considers that the presentation of adjusted net profit (non-International Financial Reporting Standards (“**non-IFRS**”) measures) would facilitate comparisons of operating performance from period to period and comparisons with other comparable companies with similar business operations by eliminating the potential impact of certain unusual, non-recurring and/or non-operating items. The adjusted net profit is defined as net profit for FY 2021 and FY 2022 adjusted by adding back one-off listing expenses incurred during the corresponding financial year. However, the presentation of these non-IFRS measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. The adjusted results should not be viewed on a stand-alone basis or as a substitute for results under the IFRS.

As of the date of this announcement, the Company is still in the process of finalizing the annual results of the Group for FY 2022. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group for FY 2022 and the information currently available, which have not been confirmed, audited or reviewed by the Company’s auditors or the audit committee of the Company, and may be subject to adjustment or amendments. The finalized annual results for FY 2022 may be different from what is disclosed in this announcement.

Shareholders and potential investors of the Company should refer to the annual results announcement of the Company for FY 2022, which is expected to be published before the end of March 2023, for details of the performance of the Group.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
TI Cloud Inc.
Mr. Wu Qiang
Chairman of the Board

Hong Kong, March 17, 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Wu Qiang, Mr. Pan Wei, Mr. Li Jin and Mr. An Jingbo as the executive Directors; Ms. Weng Yang, Mr. Li Pengtao and Mr. Li Zhiyong as the independent non-executive Directors.