天潤雲

TI Cloud Inc.
天润云股份有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2167)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Directors**") of TI Cloud Inc. (the "**Company**" or "**TI Cloud**") is pleased to announce the audited consolidated results of the Company and its subsidiaries and consolidated affiliated entities (collectively, the "**Group**") for the year ended December 31, 2024 (the "**Reporting Period**"), together with the comparative figures for the same period of 2023. These annual results have been audited by the Company's auditor and reviewed by the audit committee of the Company (the "**Audit Committee**").

In this announcement, "**we**", "**us**", and "**our**" refer to the Company (as defined above) and where the context otherwise requires, the Group (as defined above).

FINANCIAL HIGHLIGHTS

	Year ended December 31,		
	2024	2023	
	RMB' in thousands, except percentages	*RMB' in thousands, except percentages*	Year-on-year change
Revenue	**506,355**	446,846	13.3%
Gross profit	**262,396**	214,776	22.2%
Gross profit margin	**51.8%**	48.1%	7.7%
Profit/(Loss) before tax	**35,393**	(9,036)	–
Profit/(Loss) for the year	**34,000**	(8,631)	–

The Board recommend the distribution of a final dividend HK$0.1 per share for the year ended December 31, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Looking back at the Reporting Period, we continued to face uncertainties in customers' IT budgets and prolonged decision-making timelines, due to the macroeconomic challenges. These challenges have increased the difficulty of acquiring new clients and adversely affected the additional purchases from our existing customers. However, we have observed some positive developments: AI has accelerated our customer engagement and product innovation. It has also led to customers' recognition of our high-quality services and the rapid iteration of our products. These reaffirm the effectiveness of our "AI-First, Operations as the Core" strategy. Our revenue increased by 13.3% from RMB446.8 million in 2023 to RMB506.4 million in 2024, and our gross profit increased by 22.2% from RMB214.8 million in 2023 to RMB262.4 million in 2024, primarily due to the increase in revenue generated from SaaS solutions, rapid expansion of our AI-related products portfolio.

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 2024, we further refined our overall AI solutions and launched Weiteng AI Agent Platform (微藤AI智能體平台) ("**Weiteng AI**"). In addition, our Weiteng AI has integrated multiple foundational large models, including Tongyi Qianwen, Doubao, Wenxin Yiyan, Kimi, DeepSeek, and ChatGPT (for overseas markets), enabling us to provide customers with diverse and flexible solutions. Specifically, by integrating the DeepSeek large model into our products and leveraging its reasoning and empathy capabilities, we have significantly enhanced customer service efficiency and satisfaction. Moreover, Weiteng AI is capable of seamlessly switching its underlying engine, which allows it to leverage the latest, most advanced, and highest-performing models. 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 2024, we served a total number of 4,558 SaaS clients, decreasing by 2.5% from 4,675 in 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 2024, our SaaS client retention rate and dollar-based net retention rate for all SaaS clients was 77.9% and 111.2%, respectively, compared to 74.8% and 104.4% in 2023.

Technology is at the heart of our solutions. In 2024, we continued to strengthen our technology leadership through product and technology innovation. In 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 66 months.

BUSINESS OVERVIEW

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

Our cloud-based solutions, developed in-house by our research and development team, primarily deliver with large capacity and high availability in Software as a Service (SaaS) model and Virtual Private Cloud (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-make 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.

Our Offerings

We offer two types of customer contact solutions to empower our clients in a variety of business scenarios, namely Intelligent Customer Contact Solutions and AI ContactBot Solutions.

Intelligent Customer Contact Solutions (智能客戶聯絡解決方案)

Intelligent Customer Contact Solution combines our previous offerings: Intelligent Contact Center Solutions and Agile Agent Solutions. Designed to empower human agents, our Intelligent Customer Contact Solutions enable contact center agents engaged by our clients and other employees such as car salespersons, retail store assistants and after-school program tutors, to efficiently interact their customers anytime and anywhere. We support human agents with intelligent tools and functions to enhance both the efficiency and effectiveness of customer interactions. Our Intelligent Customer Contact 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 Customer Contact Solutions by conducting AI native transformation through Weiteng LLMP across multiple products including omni-channel customer service, call center, and smart work orders. Specifically, empowered by AI capabilities, we have enhanced efficiency through human-machine collaboration ("**copilot**") by:

(i) Intelligently extracting conversation records with customers during interactions and automatically generating business records to improve communication efficiency;

(ii) Optimizing preliminary responses with one click via Weiteng LLMP, ensuring agents communicate more professionally and effectively;

(iii) Monitoring and identifying customer emotions in real time, enabling agents to adjust communication strategies accordingly to enhance service quality;

(iv) Automatically analyzing conversation intent to facilitate the search for and provision of relevant recommended responses, ensuring agents address customer queries promptly; and

(v) Rapidly generating conversation summaries after calls and intelligently integrating them into business records or work orders to streamline follow-ups.

AI ContactBot Solutions

- Our AI 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 AI 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 AI ContactBot ("**TextBot**"), empowered by advanced machine learning techniques including large language models, is capable of accurately recognizing user intent and understanding context, which delivers a personalized customer experience. Our voice-based AI ContactBot ("**VoiceBot**") is designed to engage in multi-round dialogues with human-like voice and can guide the conversation and answer customers' questions fluently. Additionally, by leveraging on large-language models, our intelligent Quality Assurance Bot provides in depth data insights based on conversation analysis.

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

- Intelligent Expansion of Corpus: relying on Weiteng's LLM 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: AI ContactBot automatically adopts targeted communication strategies based on different customer profiles.

- Data Analysis: analyze customer expressions in both real-time and historical conversations, to extract customer insights, assess the speaking skills of agents and automatically identify effective communication techniques from successful conversations, and conduct text clustering and refining analysis to identify customer issues.

- In 2024, we launched a technical solution of "Large Language Model Gateway + Intelligent Agent Platform," with an aim to assist our customers in utilizing the most suitable large language models tailored to various business scenarios, Specifically, we sorted out and generalized the customer contact scenarios within our target customer groups. On the Weiteng AI, we package common customer service scenarios and their required functions into intelligent agents ("**AI Agents**") with specialized capabilities. Our corporate customers can effortlessly configure these AI Agents through simple "drag-and-drop" operations, allowing them to efficiently build a complete workflow. Additionally, our customers can customize the prompts and parameters of the AI Agents to meet their specific business needs, enabling personalized debugging. Meanwhile, our AI ContactBot supports seamless switching among various underlying large language models with just one click, enabling our customers to swiftly select the most suitable model for diverse business scenarios, which significantly enhances the flexibility and convenience of model application.

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, our AI 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 2025, 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 2023 and 2024, 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 LLMP uses enterprise knowledge management as a breakthrough. It empowers the intelligence of various processes such as marketing, sales, and services by solidifying the knowledge base of enterprises. In particular, Weiteng LLMP provides efficient assistance to the entire process of customer contact, enabling "human-machine integration" to enhance productivity through business scenarios such as customer service reception, conversation analysis and extraction, and automatic form filling. At the same time, Weiteng LLMP can allow businesses to understand customer needs and expectations more accurately through in-depth analysis and insight into a large volume of data. This helps clients optimize their marketing strategies, product design, and customer service and drive rapid business growth with knowledge.

FINANCIAL REVIEW

Revenue

Our revenue increased by 13.3% from RMB446.8 million in 2023 to RMB506.4 million in 2024, primarily due to an increase in revenue generated from SaaS solutions of RMB61.0 million, partially offset by a decrease in revenue generated from other services and product sales of RMB1.3 million.

Revenue by businesses

In 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.

	For the Year Ended December 31,				
	2024		2023		
	RMB'000	***Percentage of total***	*RMB'000*	*Percentage of total*	Year-on-Year change
SaaS solutions	**474,428**	**93.7%**	413,419	92.5%	14.8%
Intelligent Customer Contact Solutions	**448,523**	**88.6%**	398,400	89.1%	12.6%
AI ContactBot Solutions	**25,905**	**5.1%**	15,019	3.4%	72.5%
VPC solutions	**27,568**	**5.4%**	27,755	6.2%	-0.7%
Other services and product sales	**4,359**	**0.9%**	5,672	1.3%	-23.2%
Total	**506,355**	**100.0%**	446,846	100.0%	13.3%

In 2024, we generated a revenue of RMB474.4 million from the SaaS model, representing an increase by 14.8% from RMB413.4 million in 2023. In the same period, we served a total number of 4,558 clients under the SaaS model, decreasing by 2.5% from 4,675 in 2023.

In 2024, we generated a revenue of RMB27.6 million from the VPC model, representing a slight decrease from RMB27.8 million in 2023. In the same period, we served 91 VPC clients, increasing from 89 in 2023.

Cost of sales

Our cost of sales increased by 5.1% from RMB232.1 million in 2023 to RMB244.0 million in 2024. The increase was mainly driven by the increase of our revenue for the same period.

The following table sets forth our cost of sales by nature both in absolute amount and as a percentage of our total cost of sales for the periods indicated.

	For the Year Ended December 31,				
	2024		2023		
	RMB'000	***Percentage of total***	*RMB'000*	*Percentage of total*	Year-on-Year change
Cost of Sales:					
Cost of services provided	**243,758**	**99.9%**	231,252	99.6%	5.4%
Telecommunication infrastructure expenses	**213,615**	**87.5%**	196,864	84.7%	8.5%
Cloud infrastructure expenses	**13,100**	**5.4%**	16,433	7.1%	-20.3%
Internet data center lease expenses	**3,497**	**1.4%**	3,722	1.6%	-6.0%
Depreciation expenses	**128**	**0.1%**	203	0.1%	-36.9%
Employee benefit expenses	**10,110**	**4.1%**	8,301	3.6%	21.8%
Subcontract fee	**2,892**	**1.2%**	5,601	2.4%	-48.4%
Others	**416**	**0.2%**	128	0.1%	224.2%
Cost of products sold	**201**	**0.1%**	818	0.4%	-75.4%
Total	**243,959**	**100.0%**	232,070	100%	5.1%

The following table sets forth our cost of sales by businesses both in absolute amount and as a percentage of our total revenue for the periods indicated.

	For the Year Ended December 31,				
	2024		2023		
	RMB'000	***Percentage of total***	*RMB'000*	*Percentage of total*	Year-on-Year change
Cost of Sales:					
SaaS solutions	**227,977**	**45.0%**	214,783	48.1 %	6.1%
VPC solutions	**13,418**	**2.6%**	14,030	3.1%	-4.4%
Other services and product sales	**2,564**	**0.5%**	3,257	0.7%	-21.3%
Total	**243,959**	**48.2%**	232,070	51.9%	5.1%

Gross profit and gross profit margin

As a result of the foregoing, we recorded (i) a gross profit of RMB214.8 million and RMB262.4 million in 2023 and 2024, respectively, and (ii) a gross profit margin of 48.1% and 51.8% in 2023 and 2024, respectively. The increase in the gross profit margin was primarily due to the implementation of more effective cost control measures in relation to the major cost items of our SaaS solutions, and the increase of revenue generated from AI related products with higher gross profit margin.

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

	For the Year Ended December 31,			
	2024		2023	
	Gross profit ***RMB'000***	**Gross profit margin**	Gross profit *RMB'000*	Gross profit margin
Gross profit and gross profit margin:				
SaaS solutions	**246,451**	**51.9%**	198,636	48.0%
VPC solutions	**14,150**	**51.3%**	13,725	49.5%
Other services and product sales	**1,795**	**41.2%**	2,415	42.6%
Total	**262,396**	**51.8%**	214,776	48.1%

Other income and gains

Our other income and gains decreased by 24.9% from RMB15.7 million in 2023 to RMB11.8 million in 2024, primarily due to a decrease in government grants.

The following table sets forth a breakdown of the components of our other income and gains in absolute amount and as a percentage of our total other income and gains for the periods indicated.

	For the Year Ended December 31,			
	2024		2023	
	RMB'000	***Percentage of total***	*RMB'000*	*Percentage of total*
Other Income:				
Bank interest income	**8,126**	**68.7%**	7,464	47.4%
Investment income from financial investments at amortised cost	**485**	**4.1%**	562	3.6%
Investment income from financial investments at fair value through profit or loss	**1.298**	**11.0%**	1,102	7.0%
Government grant	**1,793**	**15.1%**	5,939	37.7%
Others	**42**	**0.4%**	–	–
Gains:				
Fair value gains on financial investments at fair value through profit or loss	**0**	**0.0%**	87	0.6%
Foreign exchange gains, net	**0**	**0.0%**	588	3.7%
Gain on early termination of leases	**84**	**0.7%**	–	–
Total	**11,828**	**100.0%**	15,742	100.0%

Selling and distribution expenses

Our selling and distribution expenses increased by 1.2% from RMB110.1 million in 2023 to RMB111.4 million in 2024, mainly due to the increase in sales commissions.

Administrative expenses

Our administrative expenses increased by 26.4% from RMB30.7 million in 2023 to RMB38.8 million in 2024, mainly due to an increase in employee compensation.

Research and development expenses

Our research and development expenses decreased by 10.4% from RMB91.8 million in 2023 to RMB82.3 million in 2024, mainly due to the effective optimization of our R&D process which improved our R&D efficiency and productivity.

The following table sets forth a breakdown of the major components of our research and development expenses both in absolute amount and as a percentage of revenue for the periods indicated.

	For the Year Ended December 31,			
	2024		2023	
	RMB'000	***Percentage of total***	*RMB'000*	*Percentage of total*
Research and Development Expenses:				
Employee benefit expenses	**75,662**	**92.0%**	83,971	91.5%
Depreciation of property, plant and equipment	**274**	**0.3%**	492	0.5%
Amortisation of intangible assets	**1,562**	**1.9%**	1,530	1.7%
Others	**4,766**	**5.8%**	5,801	6.3%
Total	**82,264**	**100.0%**	91,794	100.0%

Impairment losses on financial assets

Our impairment losses on financial assets decreased by 18.5% from RMB5.7 million in 2023 to RMB4.6 million in 2024, due to a decrease in the provision for bad debts related to our other receivables and contract assets.

Other expenses and losses

We recorded other expenses and losses of RMB1,203 thousand in 2024 and RMB726 thousand in 2023, mainly due to an increase in foreign exchange losses.

Finance cost

Our finance costs represent interest expenses on our lease liabilities and bank borrowings. Our finance costs amounted to RMB504 thousand and RMB469 thousand in 2023 and 2024, respectively.

Profit/(Loss) for the year

As a result of the foregoing, we generated a loss of RMB8.6 million in 2023 and a profit of RMB34.0 million in 2024, which was primarily attributable to an increase in our SaaS revenue.

Contract assets

Our contract assets decreased by 74.9% from RMB4.5 million as of December 31, 2023 to RMB1.1 million as of December 31, 2024, mainly due to a decrease in our VPC solutions business.

Financial investments at fair value through profit of loss

Our financial investments at fair value through profit or loss increased by 40.2% from RMB50.1 million as of December 31, 2023 to RMB70.2 million as of December 31, 2024, primarily due to an increase in outstanding or redeemable financial assets as of December 31, 2024.

Financial Position, Liquidity and Capital Resources

We have adopted a prudent treasury management policy. To manage the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our senior management to finance our operations and mitigate the effects of fluctuations in cash flows.

In 2024, we funded our cash requirements principally from cash generated from operating activities. Our cash and cash equivalents represent cash and bank balances. We had cash and cash equivalents of RMB274.4 million as statement of financial position as of December 31, 2024. As of December 31, 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:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Net cash generated from operating activities	**37,112**	13,517
Net cash used in investing activities	**(62,413)**	(25,178)
Net cash used in financing activities	**(7,764)**	(7,623)
Net decrease in cash and cash equivalents	**(33,065)**	(19,284)
Cash and cash equivalents at the beginning of the year	**169,472**	188,406
Effects of foreign exchange rate changes, net	**172**	350
Cash and cash equivalents at the end of the year	**136,579**	169,472
Short-term time deposits with original maturity of over three months when acquired	**137,828**	128,603
Cash and bank deposits at the end of the year as stated in the statement of financial position	**274,407**	298,075

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 Generated from Operating Activities

In 2024, net cash generated from operating activities was RMB37.1 million, which was primarily attributable to our profit before tax of RMB35.4 million, as adjusted by (i) non-cash items, which primarily comprised of depreciation of right-of-use assets of RMB7.4 million and interest income of RMB8.1 million, and (ii) changes in working capital, which primarily comprised of an increase in trade receivables of RMB19.5 million, and increase in contract liabilities of RMB6.1 million.

In 2023, net cash generated from operating activities was RMB13.5 million, which was primarily attributable to adjustments to the following items: (i) non-cash items, which primarily comprised of depreciation of right-of-use assets of RMB8.2 million and impairment of financial and contract assets of RMB5.7 million, and (ii) changes in working capital, which mainly included an increase in contract liabilities of RMB8.9 million and an increase in other payables and accruals of RMB17.6 million.

Net Cash Used in Investing Activities

In 2024, net cash used in investing activities was RMB62.4 million, which was primarily attributable to payments of RMB381.0 million for placement of time deposits with original maturity over three month, which was partially offset by proceeds of RMB337.8 million from withdrawal of time deposits with original maturity over three months when acquired.

In 2023, net cash used in investing activities was RMB25.2 million, which was primarily attributable to payments of RMB53.7 million for subsidiary acquisition and business acquisition, payments of RMB241.0 million for purchases of financial investments at fair value through profit or loss, which were partially offset by proceeds of RMB271.9 million from disposal of financial investments at fair value through profit or loss.

Net Cash Used in Financing Activities

In 2024, net cash used in financing activities was RMB7.8 million, which was attributable to payments of lease principal.

In 2023, net cash used in financing activities was RMB7.6 million, which was attributable to payments of lease principal.

Significant Investments Held

During the Reporting Period, the Company subscribed (the "**Subscriptions**") for structured deposit products (the "**Structured Deposit Products**") using our 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 *RMB*	Term of product	Maturity date (Status)	Type of product	Expected annualized rate of return	Actual return of the matured Subscription *RMB*	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 (Matured)	Principal-guaranteed with floating return	1.15%–1.75%–1.95%	70,479.45	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 (Matured)	Principal-guaranteed with floating return	1.05%–1.65%–1.85%	28,191.78	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 (Matured)	Principal-guaranteed with floating return	1.0%–2.75%	135,616.44	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 (Matured)	Principal-guaranteed with floating return	1.05%–2.0%–2.4%	100,821.92	Not available

* *For identification purposes only*

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 December 31, 2024 and therefore does not constitute a significant investment under the Listing Rules. For further details of the Subscriptions, please refer to the Company's announcement dated September 20, 2024.

The Group did not make or hold any significant investments during the Reporting Period.

Future Plans for Material Investments and Capital Assets

As of December 31, 2024, we did not have 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 year ended December 31, 2024.

Environmental, Social and Governance

We are committed to promoting corporate social responsibility and sustainable development and integrating it into all major aspects of our business operations.

While our business operations do not produce pollutants that directly affect the environment, we have implemented internal policies to reduce our environmental impact and carbon footprint, such as sending daily energy-saving reminders to employees, which urge them to turn off indoor lights, electronic equipment and air conditioning in time after leaving the meeting room and before getting off work; imposing temperature controls for air conditioning; and setting up a wastebasket to recycle paper that can be reused (such as those with only one side used).

We are committed to corporate responsibility projects, both through charitable endeavors and by extending the benefits of our ecosystem to the society at large. We have been continuously dedicating ourselves to the development of social and public welfare undertakings. By building staff volunteer teams, we encourage and organize our employees to participate in various voluntary activities. We also keep close ties with the public and continuously strive to improve people's well-being. Since 2020, the Company has donated around RMB556,600 for charity and other purposes.

We are committed to cultivating a collaborative company culture that inspires teamwork. We value the contribution of each employee in different roles and strive to provide a fair and balanced compensation scheme that provides proper incentives.

During the Reporting Period, our Board has the collective responsibility for formulating, adopting and reviewing our environmental, social and corporate governance ("**ESG**") vision, policy and target, and evaluating, determining and addressing our ESG-related risks at least once a year. During the Reporting Period, our Board engaged an independent third party to evaluate our ESG risks and review our existing strategy, target and internal controls. Furthermore, an environmental, social and governance committee (the "**ESG Committee**") was established with effect from December 27, 2024, which is mainly responsible for overseeing and assessing the our sustainability strategies and ESG compliance, monitoring global sustainability trends and their effects on operations, evaluating the impact of ESG performance on stakeholders, directing ESG public communications and disclosures, and developing strategies to address climate-related risks and opportunities in alignment with regulatory requirements and organizational goals. The ESG Committee comprises two executive Directors, namely Mr. Wu Qiang ("**Mr. Wu**") and Mr. Pan Wei, and one independent non-executive Director, Ms. Weng Yang. Mr. Wu was appointed as the chairman of the ESG Committee. For the terms of reference for the ESG Committee, please refer to the announcement of the Company dated December 27, 2024.

Employee and Remuneration Policy

The following table sets forth the numbers of our employees dedicated to our business and operations categorized by function as of December 31, 2024.

Function	**Number of Employees**	**% of Total**
Research and development	219	43.3%
Sales	158	31.2%
Operations	93	18.4%
Management	36	7.1%
Total	506	100.0%

As required by laws and regulations in the People's Republic of China ("**PRC**"), 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**").

The Company granted a total of 498,500 RSUs to 46 grantees on January 15, 2024 and a total of 428,000 RSUs to 26 grantees (collectively, the "**2024 Grantees**") on December 18, 2024, in accordance with the terms of the Share Incentive Plan (collectively, the "**2024 Grants**"). None of the 2024 Grants 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 Grants, please refer to the announcements of the Company dated January 15, 2024 and December 18, 2024.

The Share Incentive Plan provides for awards of RSUs, Shares issued subject to forfeiture or repurchase by the Company until vested, and other share-based awards or rights. The Share Incentive Plan shall be valid and effective until the close of business of the Company on the date which falls ten years after May 13, 2021 (being the adoption date).

The total remuneration expenses, including share-based payments, for the year ended December 31, 2024 were RMB197.2 million, as compared to RMB189.8 million for the year ended December 31, 2023, representing a year-on-year increase of 3.9%.

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. Throughout to the year ended December 31, 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.

Capital Commitments

As of December 31, 2024, the Group had no capital commitment.

Contingent Liabilities

As of December 31, 2024, we did not have any material contingent liabilities or guarantees.

Important Events after the End of the Reporting Period

On March 28, 2025, Mr. An Jingbo has tendered his resignation as an executive Director with effect from March 28, 2025 due to work adjustment. Mr. An has confirmed that he has no disagreement with the Board and there are no matters in relation to his resignation that needs to be brought to the attention of the Stock Exchange or the shareholders of the Company. The Board would like to take this opportunity to express its sincere gratitude to Mr. An for his valuable contributions to the Company during his tenure of office. For further details, please refer to the Company's announcement in relation to the resignation of executive Director dated March 28, 2025.

The Company repurchased a total of 67,800 ordinary shares at an aggregate consideration of HK$160,972 from January, 2025 to February, 2025, for details, please refer to "PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES".

As of the date of this announcement, there were no other significant events that might affect the Group since December 31, 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
REVENUE	*5*	**506,355**	446,846
Cost of sales		**(243,959)**	(232,070)
Gross profit		**262,396**	214,776
Other income and gains	*5*	**11,828**	15,742
Selling and distribution expenses		**(111,430)**	(110,119)
Administrative expenses		**(38,829)**	(30,726)
Research and development expenses		**(82,264)**	(91,794)
Impairment losses on financial and contract assets, net		**(4,636)**	(5,685)
Other expenses and losses		**(1,203)**	(726)
Finance costs	*7*	**(469)**	(504)
PROFIT/(LOSS) BEFORE TAX	*6*	**35,393**	(9,036)
Income tax credit/(expense)	*8*	**(1,393)**	405
PROFIT/(LOSS) FOR THE YEAR		**34,000**	(8,631)
EARNINGS/(LOSS) PER SHARE			
Basic and diluted (RMB cents)	*10*	**19.55**	(4.96)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
PROFIT/(LOSS) FOR THE YEAR	**34,000**	(8,631)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of a subsidiary not operating in Mainland China	**(3,889)**	189
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	**5,176**	3,371
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**1,287**	3,560
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**35,287**	(5,071)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,876**	2,010
Right-of-use assets		**8,670**	12,000
Goodwill	*11*	**97,852**	99,544
Other intangible assets		**11,725**	12,813
Prepayments, other receivables and other assets		**552**	2,168
Financial investments		**3,379**	–
Restricted cash		**168**	–
Long-term time deposits		**35,452**	–
Deferred tax assets		**3**	1,396
Total non-current assets		**159,677**	129,931
CURRENT ASSETS			
Trade and bills receivables	*12*	**107,364**	89,862
Contract assets	*13*	**1,120**	4,464
Contract costs	*14*	**5,122**	8,545
Prepayments, other receivables and other assets		**24,802**	24,952
Prepaid tax		**–**	20
Financial investments		**70,201**	50,087
Restricted cash		**2,405**	670
Cash and bank deposits		**274,407**	298,075
Total current assets		**485,421**	476,675

	Notes	2024	2023
		RMB'000	*RMB'000*
CURRENT LIABILITIES			
Trade payables	*15*	**28,744**	26,957
Contract liabilities	*16*	**51,894**	45,844
Other payables and accruals		**46,509**	49,563
Lease liabilities		**6,336**	7,103
Tax payable		**1,280**	1,204
Total current liabilities		**134,763**	130,671
NET CURRENT ASSETS		**350,658**	346,004
TOTAL ASSETS LESS CURRENT LIABILITIES		**510,335**	475,935
NON-CURRENT LIABILITIES			
Lease liabilities		**2,045**	4,478
Deferred tax liabilities		**837**	1,092
Total non-current liabilities		**2,882**	5,570
Net assets		**507,453**	470,365
EQUITY			
Share capital		**114**	114
Treasury shares		**(576)**	–
Reserves		**507,915**	470,251
Total equity		**507,453**	470,365

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Share capital	Treasury shares	Share premium*	Capital reserve*	Share-based payment reserve*	Reserve funds*	Exchange fluctuation reserve*	Retained profits*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	114	–	247,984	95,790	3,978	27,719	13,213	81,567	470,365
Profit for the year	–	–	–	–	–	–	–	34,000	34,000
Other comprehensive income for the year:									
Exchange differences on translation of the Company and a subsidiary not operating in Mainland China	–	–	–	–	–	–	1,287	–	1,287
Total comprehensive income for the year	–	–	–	–	–	–	1,287	34,000	35,287
Equity-settled share-based payment arrangements	–	–	–	–	2,377	–	–	–	2,377
Shares repurchased	–	(576)	–	–	–	–	–	–	(576)
Transfer from retained profits	–	–	–	–	–	346	–	(346)	–
At 31 December 2024	114	(576)	247,984	95,790	6,355	28,065	14,500	115,221	507,453

	Share capital RMB'000	Treasury shares RMB'000	Share premium* 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	114	–	247,984	95,790	106	27,499	9,653	90,418	471,564
Loss for the year	–	–	–	–	–	–	–	(8,631)	(8,631)
Other comprehensive income for the year:									
Exchange differences on translation of the Company and a subsidiary not operating in Mainland China	–	–	–	–	–	–	3,560	–	3,560
Total comprehensive loss for the year	–	–	–	–	–	–	3,560	(8,631)	(5,071)
Equity-settled share-based payment arrangements	–	–	–	–	3,872	–	–	–	3,872
Transfer from retained profits	–	–	–	–	–	220	–	(220)	–
At 31 December 2023	114	–	247,984	95,790	3,978	27,719	13,213	81,567	470,365

* These reserve accounts comprise the consolidated reserves of RMB507,915,000 (2023: RMB470,251,000) in the consolidated statement of financial position as at 31 December 2024.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**35,393**	(9,036)
Adjustments for:			
Finance costs	*7*	**469**	504
Interest income	*5*	**(8,126)**	(7,464)
Investment income	*5*	**(1,783)**	(1,664)
Fair value losses/(gains) on financial investments at fair value through profit or loss, net	*5,6*	**169**	(87)
Loss on disposal/write-off of property, plant and equipment	*6*	**61**	28
Loss/(gain) on early termination of leases	*5,6*	**(84)**	24
Depreciation of property, plant and equipment	*6*	**932**	1,319
Depreciation of right-of-use assets	*6*	**7,402**	8,169
Amortisation of other intangible assets	*6*	**3,176**	3,034
Impairment of financial and contract assets, net	*6*	**4,636**	5,685
Write-off of prepayments	*6*	**–**	434
Equity-settled share-based payment expense		**2,377**	3,872
		44,622	4,818
Increase in trade and bills receivables		**(19,484)**	(4,158)
Decrease/(increase) in contract assets		**150**	(658)
Decrease in contract costs		**3,423**	3,428
Decrease/(increase) in prepayments, other receivables and other assets		**2,647**	(7,187)
Increase/(decrease) in trade payables		**1,787**	(2,054)
Increase/(decrease) in contract liabilities		**6,050**	8,864
Increase/(decrease) in other payables and accruals		**(2,054)**	17,562
Increase in restricted cash		**(1,903)**	(670)
Effect of foreign exchange rate changes, net		**1,575**	(6,346)
Cash generated from operations		**36,813**	13,599
Interest received		**927**	–
Interest paid		**(469)**	(504)
Mainland China corporate income tax refunded/(paid), net		**(159)**	422
Net cash flows from operating activities		**37,112**	13,517

	2024	2023
	RMB'000	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**6,586**	6,608
Purchases of property, plant and equipment	**(874)**	(831)
Proceeds from disposal of property, plant and equipment	**15**	24
Purchases of other intangible assets	**(2,088)**	(721)
Acquisition of a subsidiary	**–**	(41,900)
Acquisition of a business	**(1,000)**	(11,800)
Placement of time deposits with original maturity over three months when acquired	**(380,987)**	(241,015)
Withdrawal of time deposits with original maturity over three months when acquired	**337,750**	271,907
Investment in financial investments at fair value through profit or loss	**(3,553)**	–
Purchases of financial investments at fair value through profit or loss	**(250,000)**	(185,000)
Proceeds from disposal/maturity of financial investments at fair value through profit or loss	**246,385**	161,835
Purchase of financial investments at amortised cost	**(40,000)**	(50,000)
Proceeds from disposal/maturity of financial investments at amortised cost	**25,353**	65,715
Net cash flows used in investing activities	**(62,413)**	(25,178)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of shares	**(576)**	–
Principle portion of lease payments	**(7,188)**	(7,623)
Net cash flows used in financing activities	**(7,764)**	(7,623)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(33,065)**	(19,284)
Cash and cash equivalents at beginning of year	**169,472**	188,406
Effect of foreign exchange rate changes, net	**172**	350
CASH AND CASH EQUIVALENTS AT END OF YEAR	**136,579**	169,472

	2024	2023
	RMB'000	*RMB'000*
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**100,760**	123,410
Short-term deposits	**35,000**	37,000
Short-term time deposits	**138,647**	137,665
Cash and bank deposits as stated in the consolidated statement of financial position	**274,407**	298,075
Less: short-term time deposits with original maturity of over three months when acquired	**(137,828)**	(128,603)
Cash and cash equivalents as stated in the consolidated statement of cash flows	**136,579**	169,472

NOTES TO THE FINANCIAL INFORMATION

31 December 2024

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 year, 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.

Information about subsidiaries

Particulars of the Company's principal subsidiaries as at the end of the reporting period are as follows:

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
TI Cloud (HK) Limited ("**TI HK**")	Hong Kong 16 April 2021	HK$1	100	–	Investment holding
TI Cloud (Beijing) Technology Co., Ltd.@^* ("**WFOE**") (天潤雲(北京)科技有限公司)	People's Republic of China ("**PRC**")/ Mainland China 28 April 2021	USD50,000,000	–	100	Investment holding
Beijing T&I Net Communication Technology Co., Ltd.#^* ("**T&I Net Communication**") (北京天潤融通科技股份有限公司)	PRC/Mainland China 23 February 2006	RMB51,660,000	–	100	Sales of customer contact solution software and related services and products, provision of technology support services, and research and development of communication software
Beijing Xunchuan Rongtong Technology Co., Ltd.^* ("**Xunchuan Rongtong Technology**") (北京迅傳融通科技有限公司)	PRC/Mainland China 22 October 2007	RMB10,000,000	–	100	Sales of customer contact solution software and related services and products, and provision of technology support services

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Shanghai Tianrun Rongtong Information Technology Co., Ltd.^* ("**Shanghai Tianrun Rongtong**") (上海天潤融通信息科技有限公司)	PRC/Mainland China 21 November 2012	RMB10,000,000	–	100	Provision of technology support services
Shanghai Xinfeng Information Technology Co., Ltd.^* ("**Xinfeng Information Technology**") (上海欣峰信息科技有限公司)	PRC/Mainland China 24 April 2012	RMB10,000,000	–	100	Provision of technology support services
Nanjing Guanxun Information Technology Co., Ltd.^* ("**Guanxun Information Technology**") (南京冠迅信息科技有限公司)	PRC/Mainland China 26 April 2018	RMB10,000,000	–	100	Research and development of customer contact solution
Chengdu Tianrun Golden Armor Technology Co., Ltd.^* ("**Tianrun Golden Armor**") (成都天潤金鎧甲科技有限公司)	PRC/Mainland China 7 December 2022	RMB20,000,000	–	100	Sales of customer contact solution software and related services and products, provision of technology support services, and research and development of communication software
Beijing Yizhang Yunfeng Technology Co., Ltd.^* ("**Yizhang Yunfeng**") (北京易掌雲峰科技有限公司)	PRC/Mainland China 27 April 2013	RMB63,550,211	–	100	Sales of customer contact solution software and related services and products, provision of technology support services, and research and development of communication software

T&I Net Communication was the immediate holding company of Xunchuan Rongtong Technology, Shanghai Tianrun Rongtong, Xinfeng Information Technology, Guanxun Information Technology and Tianrun Golden Armor.

@ This company is registered as a wholly-foreign-owned enterprise under PRC law.

^ These companies are registered as limited liability enterprises under PRC law, except for T&I Net Communication which is registered as a joint stock limited enterprise under PRC law.

* The English names of these subsidiaries represent the best efforts made by the management of the Company to translate the Chinese names as they do not have an official English names registered in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) promulgated by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial investments at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Contractual arrangements

Due to regulatory restrictions on foreign ownership in providing telecommunication services in Mainland China, the Group's business was carried out by T&I Net Communication, the investment holding and operating company whose shares were indirectly held by the then registered shareholders of the Company prior to the completion of the reorganisation in preparation for the initial listing of the shares of the Company (the "**IPO**") on the Main Board of the Stock Exchange in 2021 (the "**Reorganisation**"), as well as its subsidiaries operating in Mainland China during the year. As part of the Reorganisation, on 12 May 2021, WOFE, T&I Net Communication and/or the then registered shareholders of T&I Net Communication entered into a set of contractual arrangements, including an exclusive consulting services agreement, an exclusive purchase option agreement, equity 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2. ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

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

The nature and the impact of the revised IFRSs 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(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.

(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. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Accounting for companies governed under the contractual arrangements as subsidiaries

The Company does not directly or indirectly hold any equity interests in T&I Net Communication and its subsidiaries. Nevertheless, under the contractual arrangements as detailed in note 2.1, the directors of the Company determine that the Group has the power to govern the financial and operating policies of T&I Net Communication so as to obtain benefits from its activities. As such, T&I Net Communication is accounted for as a subsidiary of the Group for accounting purposes.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB297,837,000 (2023: RMB283,837,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units (the "**CGUs**") to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2024 was RMB97,852,000 (2023: RMB99,544,000).

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the ageing for groupings of various customer segments that have similar loss patterns, where applicable.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At the end of each reporting period, the historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future.

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

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**504,977**	446,179
Hong Kong	**1,378**	667
Total	**506,355**	446,846

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

(b) Non-current assets

All of the Group's non-current assets were located in Mainland China as at the end of the reporting period (2023: Mainland China).

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 year, there was no customer individually accounted for more than 10% of the Group's revenue (2023: Nil).

5. REVENUE, OTHER INCOME AND GAINS

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

	2024	2023
	RMB'000	*RMB'000*
SaaS solutions	**474,428**	413,419
VPC solutions	**27,568**	27,755
Other services and product sales	**4,359**	5,672
Total	**506,355**	446,846

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

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

	2024	2023
	RMB'000	*RMB'000*
Transfer over time:		
SaaS solutions	**474,428**	413,419
VPC solutions	**4,889**	6,637
Other services and product sales	**4,230**	4,446
Subtotal	**483,547**	424,502
Transfer at a point in time:		
VPC solutions	**22,679**	21,118
Other services and product sales	**129**	1,226
Subtotal	**22,808**	22,344
Total	**506,355**	446,846

An analysis of the Group's other income and gains is as follows:

	2024	2023
	RMB'000	*RMB'000*
Other income		
Bank interest income	**8,126**	7,464
Investment income from financial investments at amortised cost	**485**	562
Investment income from financial investments at fair value through profit or loss	**1,298**	1,102
Government grants*	**1,793**	5,939
Others	**42**	–
Total other income	**11,744**	15,067
Gains		
Fair value gains on financial investments at fair value through profit or loss	**–**	87
Gain on early termination of leases	**84**	–
Foreign exchange gains, net	**–**	588
Total gains	**84**	675
Total other income and gains	**11,828**	15,742

* Various government grants during the year were mainly attributable to the Group's development in software industry and investment in research and development, as well as tax-related benefits. There are no unfulfilled conditions or contingencies relating to these government grants.

6. PROFIT/(LOSS) BEFORE TAX

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

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Cost of services provided		**243,758**	231,252
Cost of products sold		**201**	818
Depreciation of property, plant and equipment*		**932**	1,319
Depreciation of right-of-use assets*		**7,402**	8,169
Amortisation of other intangible assets		**3,176**	3,034
Lease payments not included in the measurement of lease liabilities*		**1,776**	1,940
Auditor's remuneration		**1,720**	2,100
Employee benefit expense (excluding directors' and chief executive's remuneration)*:			
Wages, salaries and social welfare benefits		**174,747**	165,395
Equity-settled share-based payment expense		**2,377**	3,872
Pension scheme contributions (defined contribution scheme)**		**14,416**	13,855
Total		**191,540**	183,122
Impairment of financial and contract assets, net:			
Impairment of trade receivables	*12*	**5,725**	4,590
Impairment of contract assets	*13*	**(549)**	668
Impairment of financial assets included in prepayments, other receivables and other assets		**(540)**	427
Total		**4,636**	5,685
Penalties and late fees***		**257**	240
Fair value losses on financial investments at fair value through profit or loss, net***		**169**	–
Loss on disposal/write-off of property, plant and equipment***		**61**	28
Loss on early termination of leases***		**–**	24
Write-off of prepayments***		**–**	434
Foreign exchange losses, net***		**666**	–

* The amounts of the following expenses are included in the cost of services provided:

	2024	2023
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**109**	184
Depreciation of right-of-use assets	**2,709**	2,456
Lease payments not included in the measurement of lease liabilities	**1,496**	1,673
Employee benefit expense	**10,110**	8,301

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

*** These items are included in "Other expenses and losses" in the consolidated statement of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities	**469**	504

8. 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.

	2024	2023
	RMB'000	*RMB'000*
Current – Hong Kong		
Charge for the year	**69**	34
Overprovision in prior years	**(9)**	–
Current – Mainland China		
Charge for the year	**191**	124
Underprovision in prior years	**4**	–
Deferred tax charged/(credited) for the year	**1,138**	(563)
Total tax charge/(credit) for the year	**1,393**	(405)

9. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Proposed final dividend – HK10 cents (2023: Nil) per ordinary share	**16,089**	–

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/loss per share amount for the year is based on the profit/loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 173,937,792 (2023: 174,000,400) outstanding during the year.

No adjustment has been made to the basic earnings/loss per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

11. GOODWILL

	2024	2023
	RMB'000	*RMB'000*
Cost and net carrying amount at 1 January	**99,544**	–
Acquisition of a subsidiary	**–**	85,952
Acquisition of a business	**–**	10,268
Exchange realignment	**(1,692)**	3,324
Cost and net carrying amount at 31 December	**97,852**	99,544

There was no accumulated impairment of goodwill as at 31 December 2024 (2023: Nil).

12. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**125,731**	103,198
Impairment	**(18,942)**	(13,336)
Net carrying amount	**106,789**	89,862
Bills receivable	**575**	–
Total trade and bills receivables	**107,364**	89,862

The Group's trading terms with its customers are mainly on credit, except for small-sized customers, where payment in advance is normally required. The credit period is generally 30 days to 90 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. Trade receivables are settled in accordance with the terms of the respective contracts. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2024	2023
	RMB'000	*RMB'000*
Within 12 months	**104,903**	86,382
13th to 24th months	**1,886**	3,480
Total	**106,789**	89,862

12. TRADE AND BILLS RECEIVABLES (CONTINUED)

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**13,336**	8,707
Impairment losses *(note 6)*	**5,725**	4,590
Acquisition of a subsidiary	**–**	179
Amount written off as uncollectible	**(119)**	(140)
At end of year	**18,942**	13,336

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the specifically identifiable circumstances attributable to individual customers and ageing for groupings of various customer segments with similar loss patterns, where applicable. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Ageing			
	Within 12 months	**13th to 24th months**	**Over 24 months**	**Total**
Expected credit loss rate	5.38%	73.35%	100.00%	15.07%
Gross carrying amount *(RMB'000)*	110,869	7,080	7,782	125,731
Expected credit losses *(RMB'000)*	5,967	5,193	7,782	18,942

As at 31 December 2023

	Ageing			
	Within 12 months	13th to 24th months	Over 24 months	Total
Expected credit loss rate	3.58%	60.11%	100.00%	12.92%
Gross carrying amount *(RMB'000)*	89,588	8,724	4,886	103,198
Expected credit losses *(RMB'000)*	3,206	5,244	4,886	13,336

Bills receivable are subject to impairment using the low credit risk simplification under the general approach. At each reporting date, the Group evaluates whether the bills receivable are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the credit ratings of the debt investments. The Group did not recognise any impairment loss on bills receivable as at 31 December 2024.

13. CONTRACT ASSETS

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*	1 January 2023 *RMB'000*
Contract assets	**1,183**	5,241	4,583
Impairment	**(63)**	(777)	(109)
Net carrying amount	**1,120**	4,464	4,474

Contract assets are initially recognised for revenue earned from services relating to VPC solutions as the receipt of consideration is conditional on successful completion of the projects. Upon completion of services rendered and/or acceptance by the customers, the amounts recognised as contract assets are reclassified to trade receivables.

The movements in the loss allowance for impairment of contract assets are as follows:

	2024 *RMB'000*	2023 *RMB'000*
At beginning of year	**777**	109
Impairment loss/(reversal of impairment loss), net *(note 6)*	**(549)**	668
Amount written off as uncollectible	**(165)**	–
At end of year	**63**	777

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the specifically identifiable circumstances attributable to individual customers and ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2024 *RMB'000*	2023 *RMB'000*
Expected credit loss rate	**5.33%**	14.83%
Gross carrying amount *(RMB'000)*	**1,183**	5,241
Expected credit losses *(RMB'000)*	**63**	777

14. CONTRACT COSTS

Contract costs represent direct and incremental costs incurred relating to contracts of VPC solutions.

15. TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 12 months	**24,792**	21,803
13th to 24th months	**3,581**	4,621
Over 24 months	**371**	533
Total	**28,744**	26,957

The trade payables are non-interest-bearing and are normally settled on ninety-day terms.

16. CONTRACT LIABILITIES

An analysis of contract liabilities arising from short-term advances received from customers is as follows:

	31 December 2024	31 December 2023	1 January 2023
	RMB'000	*RMB'000*	*RMB'000*
SaaS solutions	**50,453**	44,902	27,572
VPC solutions	**1,426**	823	1,631
Other services and product sales	**15**	119	395
Total	**51,894**	45,844	29,598

17. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the Reporting Period, in January and February 2025, the Company purchased 67,800 of its ordinary shares at a total consideration of RMB148,000.

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 all shareholders of the Company (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 (the "**Corporate Governance Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (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 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.

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 an audit committee (the "**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 Audit Committee has reviewed the audited consolidated results of the Group for the year ended December 31, 2024 with no disagreement 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.

The figures in respect of the Group's audited consolidated financial statements and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed to the corresponding amounts set out in the Group's consolidated financial statements for the year ended December 31, 2024, which have been audited by Ernst & Young.

OTHER BOARD COMMITTEES

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

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

During the Reporting Period and as of the date of this announcement, the Company repurchased a total of 326,200 Shares on the Stock Exchange for an aggregate consideration of approximately HK$785,282 before expenses. As at the date of this announcement, all such repurchased Shares are held by our Company as treasury Shares. The repurchase was effected for the enhancement of shareholder value in the long term. Details of the Shares repurchased are as follows:

Month of Repurchase in the Reporting Period and as of the date of this announcement	No. of Shares repurchased	Repurchase consideration per Share Highest price paid	 Lowest price paid	 Aggregate consideration Paid
		HK$	*HK$*	*HK$*
July	115,000	2.73	2.44	294,434
September	4,600	2.41	2.39	11,030
October	26,200	2.35	2.30	60,780
November	15,800	2.35	2.19	36,454
December	96,800	2.35	2.11	221,612
January	27,400	2.30	2.30	63,020
February	40,400	2.7	2.09	97,952
Total	**326,200**	**2.73**	**2.09**	**785,282**

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.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's (including sale of treasury shares) listed securities during the Reporting Period.

FINAL DIVIDEND

The Board recommend the distribution of a final dividend HK$0.1 per Share for the year ended December 31, 2024 (2023: nil) to be paid on July 3, 2025 to the shareholders of the Company whose names appear on the register of members of the Company on June 11, 2025, subject to approval of shareholders at the forthcoming annual general meeting ("**AGM**") of the Company to be held on May 28, 2025. The actual total amount of final dividends to be paid will be subject to the total number of issued share capital of the Company as at the record date for determining the entitlement of shareholders to the final dividend.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

For determining the qualification as shareholders of the Company to attend and vote at the AGM to be held on May 28, 2025, the register of members of the Company will be closed from Friday, May 23, 2025 to Wednesday, May 28, 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, May 22, 2025. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Wednesday, 28 May 2025.

For determining the entitlement of shareholders of the Company to receive the proposed final dividend, the register of members of the Company will be closed from Monday, June 9, 2025 to Wednesday, June 11, 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to receive the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, June 6, 2025. The record date for determining the entitlement of the shareholders of the Company to receive the proposed final dividend will be Wednesday, June 11, 2025.

USE OF PROCEEDS

With the shares of the Company listed on the Main Board of the Stock Exchange on June 30, 2022, the net proceeds from the Global Offering were approximately HK$255.7 million, after deducting underwriting commissions and offering expenses paid or payable. We received an additional net proceeds of approximately HK$5.0 thousand pursuant to the partial exercise of the over-allotment option as disclosed in the announcement of the Company dated July 24, 2022. As of December 31, 2024, the amount of the net proceeds which has remained unutilized amounted to approximately HK$80.4 million. There has been no material change or delay in the intended use of net proceeds as previously disclosed in the Prospectus.

The following table sets forth a summary of the utilization of the net proceeds as of December 31, 2024:

Intended use of net proceeds	Allocation of net proceeds *HK$ million*	Percentage of total net proceeds	Amount of net proceeds unutilized as of January 1, 2024 *HK$ million*	Amount of net proceeds utilized for the year ended December 31, 2024 *HK$ million*	Balance of net proceeds unutilized as of December 31, 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%	131.2	50.8	80.4	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%	19.4	19.4	–	
Used for working capital and general corporate purposes	12.8	5%	–	–	–	
Total	**255.7**	**100%**	**150.6**	**70.2**	**80.4**	

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.ti-net.com.cn. The annual report of the Group for the year ended December 31, 2024 will be published on the aforesaid websites of the Stock Exchange and the Company.

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

Hong Kong, March 28, 2025

As of the date of this announcement, the Board comprises Mr. WU Qiang, Mr. PAN Wei, and Mr. LI Jin as executive Directors, and Ms. WENG Yang, Mr. LI Pengtao and Mr. LI Zhiyong as independent non-executive Directors.