

Qiniu Limited
(Incorporated in the British Virgin Islands and re-domiciled and continued
in the Cayman Islands with limited liability)

Audited Financial Statements

For the years ended 31 December 2021, 2022, 2023 and
the three months ended 31 March 2024

Independent auditor's report To the directors of Qiniu Limited

(Incorporated in the British Virgin Islands and re-domiciled and continued in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Qiniu Limited (the "Company") and its subsidiaries (the "Group") set out on pages 4 to 114, which comprise the consolidated statement of financial position as at 31 December 2021, 2022, 2023 and 31 March 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for each of the years ended 31 December 2021, 2022, 2023 and and the three months ended 31 March 2024 (the "Relevant Periods"), and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, 2022, 2023 and 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent auditor's report (continued)

To the directors of Qiniu Limited

(Incorporated in the British Virgin Islands and re-domiciled and continued in the Cayman Islands with limited liability)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent auditor's report (continued)

To the directors of Qiniu Limited

(Incorporated in the British Virgin Islands and re-domiciled and continued in the Cayman Islands with limited liability)

Restriction on distribution and use

These consolidated financial statements are prepared for the purpose of preparation of financial statements for inclusion in the prospectus of the Company in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited and accordingly may not be suitable for another purpose.

Our report is intended solely for the information and use by the directors of the Company and should not be distributed to or used by parties other than the Company.

Certified Public Accountants
Hong Kong
30 September 2024

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Three months ended 31 March	
		2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
REVENUE	5	1,471,010	1,147,290	1,333,991	270,890	342,373
Cost of sales		<u>(1,179,834)</u>	<u>(918,649)</u>	<u>(1,053,746)</u>	<u>(221,372)</u>	<u>(271,833)</u>
Gross profit		291,176	228,641	280,245	49,518	70,540
Other income and gains	5	17,716	19,543	30,854	4,376	370
Selling and marketing expenses		(193,016)	(147,521)	(139,065)	(34,985)	(27,442)
Administrative expenses		(119,528)	(111,175)	(135,824)	(31,587)	(30,815)
Research and development costs		(143,357)	(128,727)	(128,034)	(28,039)	(33,590)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net		37,238	30,912	(54,682)	4,215	(8,864)
Fair value losses on convertible redeemable preferred shares	28	(96,467)	(83,810)	(156,087)	(57,312)	(111,528)
Impairment losses on financial assets		(4,763)	(8,233)	(11,757)	(1,893)	(4,396)
Other expenses		(2,659)	(3,636)	(1,596)	(404)	(144)
Finance costs	7	<u>(6,046)</u>	<u>(8,746)</u>	<u>(8,162)</u>	<u>(2,218)</u>	<u>(2,153)</u>
LOSS BEFORE TAX	6	<u>(219,706)</u>	<u>(212,752)</u>	<u>(324,108)</u>	<u>(98,329)</u>	<u>(148,022)</u>
Income tax expense	10	-	-	-	-	-
LOSS FOR THE YEAR/PERIOD		<u>(219,706)</u>	<u>(212,752)</u>	<u>(324,108)</u>	<u>(98,329)</u>	<u>(148,022)</u>
Attributable to: Owners of the parent		<u>(219,706)</u>	<u>(212,752)</u>	<u>(324,108)</u>	<u>(98,329)</u>	<u>(148,022)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12					
Basic (RMB)		<u>(4.52)</u>	<u>(4.37)</u>	<u>(6.66)</u>	<u>(2.02)</u>	<u>(3.04)</u>
Diluted (RMB)		<u>(4.52)</u>	<u>(4.37)</u>	<u>(6.66)</u>	<u>(2.02)</u>	<u>(3.04)</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Three months ended 31 March	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
LOSS FOR THE YEAR/PERIOD	(219,706)	(212,752)	(324,108)	(98,329)	(148,022)
OTHER COMPREHENSIVE INCOME					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation	33,179	(134,894)	(24,226)	18,866	(2,763)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation	22,827	(98,203)	(24,716)	18,808	(2,809)
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX	56,006	(233,097)	(48,942)	37,674	(5,572)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	<u>(163,700)</u>	<u>(445,849)</u>	<u>(373,050)</u>	<u>(60,655)</u>	<u>(153,594)</u>
Attributable to:					
Owners of the parent	<u>(163,700)</u>	<u>(445,849)</u>	<u>(373,050)</u>	<u>(60,655)</u>	<u>(153,594)</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	31 December 2021 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 March 2024 RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	231,121	171,811	126,951	118,387
Right-of-use assets	14	43,149	26,113	12,669	33,985
Other intangible assets	15	301	-	-	-
Investments in associates	17	-	-	-	-
Financial assets at fair value through profit or loss	18	121,706	152,868	98,186	89,322
Total non-current assets		<u>396,277</u>	<u>350,792</u>	<u>237,806</u>	<u>241,694</u>
CURRENT ASSETS					
Inventories	19	43,963	39,088	25,791	7,523
Trade and notes receivables	20	260,585	191,243	285,056	305,249
Prepayments, deposits and other receivables	21	30,950	19,634	28,448	20,878
Financial assets at fair value through profit or loss	18	-	-	50	50
Amounts due from related parties	35	15,930	12,964	8,429	9,437
Time deposits	22	51,187	101,941	107,822	36,879
Restricted cash	22	638	1,016	-	-
Cash and cash equivalents	22	285,523	187,404	166,378	236,562
Total current assets		<u>688,776</u>	<u>553,290</u>	<u>621,974</u>	<u>616,578</u>
CURRENT LIABILITIES					
Trade payables	23	148,686	144,058	230,956	230,378
Other payables and accruals	24	85,717	72,036	70,237	77,967
Deferred revenue	27	1,663	228	90	90
Contract liabilities	25	125,938	105,360	115,225	107,375
Interest-bearing bank and other borrowings	26	115,111	175,514	201,890	213,793
Convertible redeemable preferred shares	28	2,672,314	3,006,655	3,215,039	3,332,247
Amounts due to related parties	35	125,891	54,179	31,359	26,761
Lease liabilities	14	14,870	11,929	7,537	11,754
Total current liabilities		<u>3,290,190</u>	<u>3,569,959</u>	<u>3,872,333</u>	<u>4,000,365</u>
NET CURRENT LIABILITIES		<u>(2,601,414)</u>	<u>(3,016,669)</u>	<u>(3,250,359)</u>	<u>(3,383,787)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,205,137)</u>	<u>(2,665,877)</u>	<u>(3,012,553)</u>	<u>(3,142,093)</u>

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Notes	31 December 2021 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 March 2024 RMB'000
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	26	19,004	3,290	-	-
Lease liabilities	14	13,984	7,011	2,508	21,849
Deferred revenue	27	228	-	337	315
Total non-current liabilities		<u>33,216</u>	<u>10,301</u>	<u>2,845</u>	<u>22,164</u>
NET LIABILITIES		<u>(2,238,353)</u>	<u>(2,676,178)</u>	<u>(3,015,398)</u>	<u>(3,164,257)</u>
EQUITY					
Equity attributable to owners of the parent					
Share capital	30	31	31	31	31
Reserves	32	(2,238,384)	(2,676,209)	(3,015,429)	(3,164,288)
Deficiency in equity		<u>(2,238,353)</u>	<u>(2,676,178)</u>	<u>(3,015,398)</u>	<u>(3,164,257)</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2021

	Attributable to owners of the parent				
	Share capital RMB'000 (Note 30)	Share option reserve* RMB'000 (Note 31)	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Deficiency in equity RMB'000
At 1 January 2021	31	111,175	20,065	(2,223,410)	(2,092,139)
Loss for the year	-	-	-	(219,706)	(219,706)
Other comprehensive income for the year:					
Exchange differences on translation	-	-	56,006	-	56,006
Total comprehensive loss for the year	-	-	56,006	(219,706)	(163,700)
Equity-settled share option arrangements	-	17,539	-	-	17,539
Repurchase of vested share options	-	(53)	-	-	(53)
At 31 December 2021	31	128,661	76,071	(2,443,116)	(2,238,353)

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2022

	Attributable to owners of the parent				
	Share capital RMB'000 (Note 30)	Share option reserve* RMB'000 (Note 31)	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Deficiency in equity RMB'000
At 1 January 2022	31	128,661	76,071	(2,443,116)	(2,238,353)
Loss for the year	-	-	-	(212,752)	(212,752)
Other comprehensive income for the year:					
Exchange differences on translation	-	-	(233,097)	-	(233,097)
Total comprehensive loss for the year	-	-	(233,097)	(212,752)	(445,849)
Equity-settled share option arrangements	-	10,283	-	-	10,283
Repurchase of vested share options	-	(2,259)	-	-	(2,259)
At 31 December 2022	31	136,685	(157,026)	(2,655,868)	(2,676,178)

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

QINIU LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
Years ended 31 December 2021, 2022, 2023 and the three months ended 31 March 2024

Year ended 31 December 2023

	Attributable to owners of the parent				
	Share capital RMB'000 (Note 30)	Share option reserve* RMB'000 (Note 31)	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Deficiency in equity RMB'000
At 1 January 2023	31	136,685	(157,026)	(2,655,868)	(2,676,178)
Loss for the year	-	-	-	(324,108)	(324,108)
Other comprehensive income for the year:					
Exchange differences on translation	-	-	(48,942)	-	(48,942)
Total comprehensive loss for the year	-	-	(48,942)	(324,108)	(373,050)
Equity-settled share option arrangements	-	33,830	-	-	33,830
At 31 December 2023	31	170,515	(205,968)	(2,979,976)	(3,015,398)

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Three months ended 31 March 2023

	Attributable to owners of the parent				
	Share capital RMB'000 (Note 30)	Share option reserve* RMB'000 (Note 31)	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Deficiency in equity RMB'000
At 1 January 2023	31	136,685	(157,026)	(2,655,868)	(2,676,178)
Loss for the period (unaudited)	-	-	-	(98,329)	(98,329)
Other comprehensive income for the period: (unaudited)					
Exchange differences on translation (unaudited)	-	-	37,674	-	37,674
Total comprehensive loss for the period (unaudited)	-	-	37,674	(98,329)	(60,655)
Equity-settled share option arrangements (unaudited)	-	4,814	-	-	4,814
At 31 March 2023 (unaudited)	31	141,499	(119,352)	(2,754,197)	(2,732,019)

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Three months ended 31 March 2024

	Attributable to owners of the parent				
	Share capital RMB'000 (Note 30)	Share option reserve* RMB'000 (Note 31)	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Deficiency in equity RMB'000
At 1 January 2024	31	170,515	(205,968)	(2,979,976)	(3,015,398)
Loss for the period	-	-	-	(148,022)	(148,022)
Other comprehensive income for the period:					
Exchange differences on translation	-	-	(5,572)	-	(5,572)
Total comprehensive loss for the period	-	-	(5,572)	(148,022)	(153,594)
Equity-settled share option arrangements	-	4,735	-	-	4,735
At 31 March 2024	<u>31</u>	<u>175,250</u>	<u>(211,540)</u>	<u>(3,127,998)</u>	<u>(3,164,257)</u>

* These reserve accounts comprise the reserves of RMB(2,238,384,000), RMB(2,676,209,000), RMB(3,015,429,000) and RMB(3,164,288,000) in the consolidated statements of financial position as at 31 December 2021, 2022, 2023 and 31 March 2024, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Three months ended 31 March	
		2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Loss before tax:		(219,706)	(212,752)	(324,108)	(98,329)	(148,022)
Adjustments for:						
Impairment losses on financial assets	6	4,763	8,233	11,757	1,893	4,396
Share-based payments	6,31	17,539	10,283	33,830	4,814	4,735
Depreciation of property, plant and equipment	6,13	67,113	70,932	52,862	15,452	10,668
Depreciation of right-of-use assets	6,14(a)	22,443	22,246	18,034	4,995	3,410
Amortisation of other intangible assets	6,15	1,231	301	-	-	-
Losses on disposal of items of property, plant and equipment, net	6	273	1,095	21	2	-
Revision of a lease term arising from a change in the non-cancellable period of a lease	5	-	-	(259)	-	-
Finance costs	7	6,046	8,746	8,162	2,218	2,153
Bank interest income	5	(2,745)	(3,607)	(7,622)	(1,782)	(82)
Investment income from wealth management products measured at fair value through profit or loss	5	(110)	(211)	-	-	-
Foreign currency differences, net	6	198	2,541	962	(441)	144
Impairment losses on investments in associates	6,17	1,703	-	-	-	-
Fair value losses/(gains), net:						
Convertible redeemable preferred shares	6,28	96,467	83,810	156,087	57,312	111,528
Financial assets at fair value through profit or loss	6	(37,238)	(30,912)	54,682	(4,215)	8,864
(Increase)/decrease in restricted cash		(638)	(378)	1,016	-	-
(Increase)/decrease in trade and notes receivables		(102,804)	62,094	(103,507)	(22,459)	(24,312)
(Increase)/decrease in inventories		(34,379)	4,875	16,853	752	18,399
Decrease/(increase) in amounts due from related parties		4,814	1,981	472	(345)	(1,285)
(Increase)/decrease in prepayments, deposits and other receivables		(12,364)	11,316	(3,789)	(3,556)	7,964
Increase/(decrease) in trade payables		12,679	(4,628)	86,898	68,611	(578)
Increase/(decrease) in contract liabilities		26,478	(20,578)	9,865	(4,958)	(7,850)
Increase/(decrease) in amounts due to related parties		32,093	(71,712)	(22,820)	2,949	(4,598)
Increase/(decrease) in other payables and accruals		22,941	(16,190)	(427)	8,337	7,326
(Decrease)/increase in deferred revenue		(1,769)	(1,663)	199	(228)	(22)
Cash (used in)/generated from operations		(94,972)	(74,178)	(10,832)	31,022	(7,162)
Interest received		3,479	2,834	6,995	746	893
Net cash flows (used in)/from operating activities		(91,493)	(71,344)	(3,837)	31,768	(6,269)

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CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment	(182,015)	(16,132)	(11,611)	(5,297)	(93)
Proceeds from disposal of property, plant and equipment	280	3,415	32	12	-
Purchases of financial assets at fair value through profit or loss	(60,941)	(25,000)	(50)	-	-
Redemption of financial assets at fair value through profit or loss	40,110	25,211	-	-	-
Repayment of loans to related parties	-	-	2,000	-	-
Purchases of time deposits	(63,757)	(177,597)	(162,614)	(33,011)	(21,945)
Proceeds from maturity of time deposits	410,770	127,616	157,360	3,436	92,077
Net cash flows from/(used in) investing activities	144,447	(62,487)	(14,883)	(34,860)	70,039
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of principal portion of lease liabilities	(17,951)	(15,124)	(13,226)	(2,839)	(3,310)
Proceeds from interest-bearing bank and other borrowings	134,115	159,800	208,400	39,800	45,000
Repayment of interest-bearing bank and other borrowings	(12,013)	(115,111)	(185,314)	(43,723)	(33,097)
Repurchase of vested share options	(53)	-	(2,259)	(2,259)	-
Interest paid	(6,046)	(8,746)	(8,162)	(2,218)	(2,153)
Payment of listing expense	-	-	(4,138)	(1,541)	(230)
Net cash flows from/(used in) financing activities	98,052	20,819	(4,699)	(12,780)	6,210

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CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Note	Year ended 31 December			Three months ended 31 March	
		2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		151,006	(113,012)	(23,419)	(15,872)	69,980
Cash and cash equivalents at beginning of year/period		140,129	285,523	187,404	187,404	166,378
Effect of foreign exchange differences, net		(5,612)	14,893	2,393	(2,375)	204
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		<u>285,523</u>	<u>187,404</u>	<u>166,378</u>	<u>169,157</u>	<u>236,562</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	22	337,348	290,361	274,200	302,725	273,441
Less: Non-pledged time deposits with original maturity of more than three months when acquired	22	51,187	101,941	107,822	132,552	36,879
Restricted cash	22	<u>638</u>	<u>1,016</u>	-	<u>1,016</u>	-
Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows		<u>285,523</u>	<u>187,404</u>	<u>166,378</u>	<u>169,157</u>	<u>236,562</u>

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	31 December 2021 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 March 2024 RMB'000
NON-CURRENT ASSETS					
Interests in subsidiaries	16	<u>1,492,227</u>	<u>1,632,477</u>	<u>1,689,803</u>	<u>1,696,986</u>
Total non-current assets		<u>1,492,227</u>	<u>1,632,477</u>	<u>1,689,803</u>	<u>1,696,986</u>
CURRENT ASSETS					
Prepayments, deposits and other receivables	21	197	181	5,193	2,642
Due from subsidiaries	35	189,641	197,699	177,999	174,167
Cash and cash equivalents	22	<u>5,084</u>	<u>921</u>	<u>1,847</u>	<u>472</u>
Total current assets		<u>194,922</u>	<u>198,801</u>	<u>185,039</u>	<u>177,281</u>
CURRENT LIABILITIES					
Other payables and accruals	24	4,739	4,143	6,859	7,643
Convertible redeemable preferred shares	28	<u>2,672,314</u>	<u>3,006,655</u>	<u>3,215,039</u>	<u>3,332,247</u>
Total current liabilities		<u>2,677,053</u>	<u>3,010,798</u>	<u>3,221,898</u>	<u>3,339,890</u>
NET CURRENT LIABILITIES		<u>(2,482,131)</u>	<u>(2,811,997)</u>	<u>(3,036,859)</u>	<u>(3,162,609)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(989,904)</u>	<u>(1,179,520)</u>	<u>(1,347,056)</u>	<u>(1,465,623)</u>
NET LIABILITIES		<u>(989,904)</u>	<u>(1,179,520)</u>	<u>(1,347,056)</u>	<u>(1,465,623)</u>
EQUITY					
Share capital	30	31	31	31	31
Reserves	32	<u>(989,935)</u>	<u>(1,179,551)</u>	<u>(1,347,087)</u>	<u>(1,465,654)</u>
Deficiency in equity		<u>(989,904)</u>	<u>(1,179,520)</u>	<u>(1,347,056)</u>	<u>(1,465,623)</u>

1. CORPORATE INFORMATION

The Company was a limited liability company incorporated in the British Virgin Islands on 23 May 2011. In June 2023, the Company re-domiciled and continued in the Cayman Islands with limited liability. The registered address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the Relevant Periods, the Company's subsidiaries, including controlled structured entities (together, the "Group") were principally engaged in the provision of Platform-as-a-Service ("PaaS") services focusing on one-stop audiovisual cloud services to enterprise customers.

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, including controlled structured entities, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Qiniu (China) Limited ("Qiniu (China)") (note (a))	Hong Kong 2 June 2011	HK\$1.00	100	-	Investment holding, network technology, hardware and software development
Superstify Technology Holdings Limited ("Superstify")(note (c))	British Virgin Islands 14 June 2022	US\$1.00	100	-	Investment holding
Viculus Technology Holdings Limited ("Viculus")(note (c))	British Virgin Islands 13 July 2022	US\$1.00	100	-	Investment holding
Superstify Technology Company Limited (CÔNG TY TNHH KỸ THUẬT SUPERSTIFY) ("Superstify VN ") (note (e))	Vietnam 1 December 2022	VND\$ 2,436,000,000	-	100	Network technology, hardware and software development
Kongshan Internet Technology (Shanghai) Co., Ltd. ("Shanghai Kongshan")	People's Republic of China ("PRC")/Chinese Mainland 6 January 2012	US\$16,800,000	-	100	Investment holding, Network technology and software development
空山網絡科技(上海)有限公司(note (b))*					
Beijing Kongyu Information Technology Co., Ltd.	PRC/Chinese Mainland 11 November 2020	RMB2,000,000	-	100	Network technology, hardware and software development
北京空雨信息技術有限公司 (note (b))					
Shanghai Qiniu Information Technology Co., Ltd. ("Qiniu Information")	PRC/Chinese Mainland 3 August 2011	RMB50,000,000	-	100	Network technology, hardware and software development
上海七牛信息技術有限公司(note (b))**					
Beijing Kongshan Information Technology Co., Ltd. ("Beijing Kongshan")	PRC/Chinese Mainland 6 September 2011	RMB10,000,000	-	100	Computer system service and consulting services
北京空山信息技術有限公司 (note (b))					
Shanghai Qiniu Internet Technology Co., Ltd. ("Qiniu Internet")	PRC/Chinese Mainland 29 November 2012	RMB50,000	-	100	Network technology, hardware and software development
上海七牛網絡科技有限公司 (note (f))***					
Jiangxi Qiniu Information Technology Co., Ltd. ("Jiangxi Qiniu Information")	PRC/Chinese Mainland 12 May 2022	RMB10,000,000	-	100	Network technology, hardware and software development
江西七牛信息科技有限公 司 (note (g))***					
Qiniu (Shenzhen) Cloud Computing Co., Ltd. ("Qiniu (Shenzhen)")	PRC/Chinese Mainland 6 May 2022	RMB10,000,000	-	100	Network technology, hardware and software development
七牛(深圳)雲計算有限公司 (note (d))					
WarpDrive Technology PTE. LTD ("WarpDrive") (note (c))	Singapore 19 May 2021	SG\$100,000	-	100	Hardware and software development
Superstify Technology PTE. LTD ("Superstify PTE.") (note (c))	Singapore 21 June 2022	SG\$300,000	-	100	Investment holding, network technology, hardware and software development
Viculus Technology PTE. LTD ("Viculus PTE.") (note (c))	Singapore 28 July 2022	SG\$10,000	-	100	Network technology, hardware and software development
Kongshan Internet Technology (Jiaxing) Co., Ltd. ("Jiaxing Kongshan")	People's Republic of China ("PRC")/Chinese Mainland 26 January 2024	US\$35,000,000	-	100	Network technology and software development
空山網絡科技(嘉興)有限公司(note (h))					

1. CORPORATE INFORMATION (CONTINUED)

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, including controlled structured entities, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below: (continued)

- * Shanghai Kongshan is registered as a wholly-foreign-owned enterprise under PRC law.
- ** Qiniu Information was the immediate holding company of Qiniu (Shenzhen) during the Relevant Periods and the immediate holding company of Jiangxi Qiniu Information from May 2022 to November 2023.
- *** Qiniu Internet and Jiangxi Qiniu Information were dissolved by deregistration in September 2023 and November 2023, respectively.

The English names of these entities registered in the PRC represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names. The Group's subsidiaries registered in the PRC are all limited liability companies.

Notes:

- (a) The statutory financial statements of this entity for the years ended 31 December 2021 and 2022 prepared under Hong Kong Financial Reporting Standards ("HKFRSs") were audited by TC-Professional CPA Limited, certified public accountants registered in Hong Kong. Up to the date of this report, the statutory financial statements for the year ended 31 December 2023 have not yet to be issued.
- (b) The statutory financial statements of these entities for the years ended 31 December 2021, 2022 and 2023 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Shanghai Yuanxiang Certified Public Accountings (General Partnership) (上海遠想會計師事務所(普通合夥)), certified public accountants registered in the PRC.
- (c) No audited financial statements have been prepared for these entities for the years ended 31 December 2021, 2022 and 2023 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdictions of incorporation.
- (d) The statutory financial statements of this entity for the year ended 31 December 2022 and 2023 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Shanghai Yuanxiang Certified Public Accountings (General Partnership) (上海遠想會計師事務所(普通合夥)), certified public accountants registered in the PRC.

1. CORPORATE INFORMATION (CONTINUED)

- (e) No audited financial statements have been prepared for this entity for the year ended 31 December 2022 as this entity was newly incorporated in 2022. The statutory financial statements of this entity for the years ended 31 December 2023 under Vietnamese Accounting Standards (“VASS”) were audited by DAITIN AUDITING COMPANY LIMITED, certified public accountants registered in Vietnam.
- (f) The statutory financial statements of this entity for the years ended 31 December 2021 and 2022 prepared under PRC Generally Accepted Accounting Principles (“PRC GAAP”) were audited by Shanghai Yuanxiang Certified Public Accountings (General Partnership) (上海遠想會計師事務所(普通合夥)), certified public accountants registered in the PRC. No audited financial statements have been prepared for this entity for the year ended 31 December 2023 as this entity was dissolved by deregistration in September 2023.
- (g) The statutory financial statements of this entity for the year ended 31 December 2022 prepared under PRC Generally Accepted Accounting Principles (“PRC GAAP”) were audited by Shanghai Yuanxiang Certified Public Accountings (General Partnership) (上海遠想會計師事務所(普通合夥)), certified public accountants registered in the PRC. No audited financial statements have been prepared for this entity for the year ended 31 December 2023 as this entity was dissolved by deregistration in November 2023.
- (h) No audited financial statements have been prepared for this entity for the year ended 31 December 2021, 2022 and 2023 as this entity was newly incorporated in 2024.

Contractual arrangements

Due to regulatory restrictions on foreign ownership in providing online information services (the “Relevant Business”) in the PRC, certain cloud service business was carried out by Qiniu Information and Beijing Kongshan and their subsidiaries (collectively the “PRC Operating Entities”) during the Relevant Periods. Shanghai Kongshan, a wholly-owned subsidiary of the Company (the “WFOE”) has entered into a series of contractual arrangements (“Contractual Arrangements”) with the PRC Operating Entities and their respective registered equity holders. The arrangements of the Contractual Arrangements enable the WFOE to exercise effective control over the PRC Operating Entities, to obtain substantially all economic benefits and to have an exclusive option to acquire all or part of the equity interests in the PRC Operating Entities notwithstanding that the WFOE does not have any direct or indirect equity interest in the PRC Operating Entities. Details of the contractual arrangements are set out in the section headed “Contractual Arrangements” in the Prospectus.

2.1 BASIS OF PRESENTATION

The Historical Financial Information has been prepared on a consolidated basis. All intra-group transactions and balances have been eliminated on consolidation.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). All IFRSs effective for the accounting period commencing from 1 January 2024, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and convertible redeemable preferred shares, which have been measured at fair value.

The Historical Financial Information has been prepared under the going concern basis notwithstanding the fact that, as at 31 March 2024, the Group recorded net current liabilities and net liabilities amounting to RMB3,383,787,000 and RMB3,164,257,000, respectively. The net current liabilities and net liabilities primarily arose from the convertible redeemable preferred shares (the “Preferred Shares”) amounting to RMB3,332,247,000 as at 31 March 2024. The directors of the Company are of the opinion that no payment is expected for the settlement of the liabilities arising from financial instruments issued to investors as the related redemption rights would be terminated and such financial instruments would irrevocably be converted into equity upon the listing of the Company’s shares on the Stock Exchange. In addition, as at 31 March 2024, the Group had unutilised banking facilities of RMB165,400,000. Taken the above into consideration, and together with the cashflow forecast which covers a period of not less than twelve months from 31 March 2024 prepared by the management of the Group, the directors of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months. Therefore, the directors of the Company consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following revised IFRSs, that have been issued but are not yet effective, in the Historical Financial Information.

IFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures³</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
Amendments to IAS 21	<i>Lack of Exchangeability¹</i>

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. There are also consequential amendments to other accounting standards. For example, narrow scope amendments have been made to IAS 7 and some requirements previously included in IAS 1 have been moved to IAS 8 which has also been renamed as IAS 8 *Basis of Preparation of Financial Statements*. IAS 34 *Interim Financial Reporting* was amended to require a new disclosure of management-defined performance measures. Minor consequential amendments to other standards was also made. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements. Based on a preliminary assessment, the adoption of IFRS 18 is unlikely to have a significant impact on the Group's financial position and financial performance.

IFRS 19 allows eligible subsidiaries without public accountability to elect to apply IFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. An eligible entity (including an intermediate parent) can apply IFRS 19 in its consolidated, separate or individual financial statements and it is applicable for both annual and interim reporting. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027, with early application permitted. Based on a preliminary assessment, the IFRS 19 is not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (CONTINUED)

Amendments to IFRS 9 and IFRS 7 clarify that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. The classification of financial assets with environmental, social and governance-linked features has been clarified via additional guidance on the assessment of contingent features. Clarifications have been made on non-resource loans and contractually linked instruments. Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified as fair value through other comprehensive income. The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the Relevant Periods. 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 the 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, directly or indirectly, 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.

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 the foreign currency translation 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.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and the consolidated statement of other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognised its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where recognised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognised any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In addition, for certain investments in associates, the Group elects to measures at fair value through profit or loss according to IFRS 9 as the Group manages these investments based on fair values through venture capital investment organisation.

Fair value measurement

The Group measures its investments in unlisted entities, wealth management products and convertible redeemable preferred shares at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 –based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 –based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 –based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related parties (continued)

A party is considered to be related to the Group if: (continued)

(b) the party is an entity where any of the following conditions applies: (continued)

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

	The shorter of the estimated useful life of the assets and lease terms
Leasehold improvements	
Servers and computer equipment	20%
Office equipment and furniture	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 5 years, which is mainly determined by reference to the licensed period of the purchased software.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Servers and computer equipment	5 years
Office equipment and furniture	5 years
Buildings	1.08 to 6 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and notes receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and notes receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes investments in unlisted entities which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on investments in unlisted entities classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade and notes receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and notes receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, convertible redeemable preferred shares, interest-bearing bank and other borrowings and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Convertible redeemable preferred shares

The Series A, Series B, Series C-1, Series C-2, Series D, Series E-1, Series E-2, Series F and Series F-1 of convertible redeemable preferred shares (collectively, the "Preferred Shares") issued by the Company are redeemable upon occurrence of certain events. These instruments can also be converted into ordinary shares of the Company at the option of the holders, or automatically upon occurrence of an initial public offering ("IPO") of the Company.

The Group designated the Preferred Shares as financial liabilities at fair value through profit or loss. They are initially recognised at fair value. Any directly attributable transaction costs are recognised as "finance costs" in the statement of profit or loss. Subsequent to initial recognition, the Preferred Shares are carried at fair value with changes in fair value recognised in the statement of profit or loss, except for the portion attributable to own credit risk change that should be charged to other comprehensive income.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Provisions (continued)

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain products and the provision of services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except: (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income or deduction in reporting the related expense on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition

Revenue from contracts with customers

The Group is mainly engaged in the business of providing MPaaS products, APaaS solutions, DPaaS solutions and other cloud services.

- (1) Media platform-as-a-service (“MPaaS”) provides interactive live streaming products, intelligent media data analytics solutions, content delivery network service and object storage solutions.
- (2) Application platform-as-a-service (“APaaS”) provides one-stop scenario-based audiovisual solutions that package audiovisual functions/(functionalities) of different scenarios in a low-code manner by leveraging MPaaS technologies. It mainly integrates image processing, live streaming and interaction, scene awareness analysis, audiovisual processing, storage services.
- (3) Data platform-as-a-service (“DPaaS”) provides data analytics solution for enterprise customers which enables them to develop, run and manage data analytics applications without the need to build and maintain the infrastructure themselves.
- (4) Other cloud services primarily include cloud virtual machine, which is a comprehensive suite of solutions including cloud servers, databases, network, security and storage.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

There are no significant variable consideration and financing component for the Group’s revenue from contracts with customers.

The Group’s PaaS solutions, including MPaaS, APaaS and DPaaS are provided to its customers either as cloud services offered on public cloud which are principally charged based on usage, or provided on private cloud which are charged on a project basis. Other cloud services are charged based on usage over the service period.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

Revenue from PaaS solutions offered on public cloud, including interactive live streaming products, content delivery network service, object storage solutions, intelligent media data analytics products, and other cloud services, is measured on a usage basis and is recognised over time, using an output method to measure the value to the customer of the services rendered to date, with no rights of return once consumed, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group uses monthly utilisation records to recognise revenue over time as it most faithfully depicts the simultaneous consumption and delivery of services. At the end of each month, the transaction consideration is fixed based on utilisation records and hence no estimation of the transaction price beyond the reporting period is necessary.

In addition, revenue from software licences included in interactive live streaming providing add-on features is recognised at the point in time when software licences are accepted by the customer. Such software licence is to provide a right to use and the functionality with which it exists at the point in time that it is granted to the customer, and there are no other performance obligations other than the promise to grant the licence. Consequently, the Group accounts for the licence as a performance obligation satisfied at a point in time.

Revenue from PaaS services offered on private cloud include hardware sales, software licence and post-delivery maintenance services. Revenue from hardware sales and software licence is recognised at the point in time when they are accepted by customers, which is when the control over the Group's goods or services is transferred to customers. Revenue from software licence is recognised at the point in time because such software can deliver stand-alone functionality without access to the maintenance services to customers. Once a customer has completed the testing of the functionalities of the software as an acceptance procedure, the customer can derive substantial benefit from the software licence on its own. The Group also provides related maintenance services for a specific period (normally 1 to 3 years after the customer's acceptance) after sale as stipulated in the same contract. These maintenance services are provided to maintain and improve the effectiveness of the software and therefore are accounted for as a separate performance obligation. Revenue from these post-delivery maintenance services is recognised on a straight-line basis over the service period as the customer receives and consumes the benefits provided by the Group.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Principal versus agent

When another party is involved in providing hardware to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the hardware itself (i.e. the Group is a principal) or to arrange for the hardware to be provided by the other party (i.e. the Group is an agent).

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (continued)

Principal versus agent (continued)

The Group is a principal if it controls the hardware before the hardware is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the hardware by another party. In this case, the Group does not control the hardware provided by another party before hardware is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified hardware to be provided by the other party.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the discount cash flow method, option pricing model and binomial model, further details of which are given in note 31 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Share-based payments (continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund Retirement Benefit Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for employees of the Group's subsidiary which operates in Hongkong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB. The functional currency of the Company, incorporated in British Virgin Islands and re-domiciled in the Cayman Islands, is US\$. Each entity in the Group determines its own functional currency and items included in the financial information of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies(continued)

The functional currencies of the Group's entities not operating in Chinese Mainland are currencies other than RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into the RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss. A foreign operation is defined as an entity that is a subsidiary, associate, joint arrangement, or branch of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statements of cash flows, the cash flows of the Group's entities not operating in Chinese Mainland are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of such entities which arise throughout a particular year are translated into RMB at the weighted average exchange rates for that particular year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information 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 Historical Financial Information:

Contractual arrangements

As disclosed in note 1, the Group exercises control over the PRC Operating Entities and enjoys substantially all economic benefits and is exposed to risk of the PRC Operating Entities through the Contractual Arrangements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Contractual arrangements(continued)

The Company does not have any direct equity interests in the PRC Operating Entities. However, as a result of the Contractual Arrangements, the Company has power over the PRC Operating Entities, has rights to variable returns from its involvement with the PRC Operating Entities and has the ability to affect those returns through its power over the PRC Operating Entities. Consequently, the Company regards the PRC Operating Entities as indirect subsidiaries and has consolidated the financial position and results of the PRC Operating Entities in the Historical Financial Information throughout the Relevant Periods.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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.

Share-based payments

The Group operates share option schemes for the purpose of providing incentives to the Company's directors and the Group's employees. The fair value of the option is determined using the discounted cash flow method, option pricing and binomial model at the grant dates. Valuation techniques are certified by an independent valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Some inputs, such as the discount rate for lack of marketability ("DLOM"), discount rate and volatility, require management estimates. Should any of the estimates and assumptions change, it may lead to a change in the fair value to be recognised in the statement of profit or loss. Further details are contained in note 31 to the Historical Financial Information.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Fair value of investments in unlisted entities

When the fair values of financial assets recorded in the statement of financial position cannot be derived from active markets, their fair values are determined using valuation techniques including the use of comparable recent arm's length transactions and other valuation techniques commonly used by other market participants. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as the implied equity value, volatility and discount rate. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Group classifies the fair value of these investments as Level 3. Further details are included in note 37 to the Historical Financial Information.

Fair value of convertible redeemable preferred shares

The instruments issued to investors are not traded in an active market and the respective fair value is determined by using valuation techniques, including the discounted cash flow method and option pricing model. Such valuation is based on key parameters about discount rate, risk-free interest rate, discounts for lack of marketability and volatility, which are subject to uncertainty and might materially differ from the actual results. Further details are included in notes 28 and 37 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on trade and notes receivables

The Group uses a provision matrix to calculate ECLs for trade and notes receivables. The provision rates are based on the ageing of receivables for groups of various customer segments that have similar loss patterns.

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 every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Provision for expected credit losses on trade and notes receivables (continued)

The assessment of the correlation between 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. The information about the ECLs on the Group's trade and notes receivables is disclosed in note 20.

4. OPERATING SEGMENT INFORMATION AND REVENUE

Operating segment information

The Group is principally engaged in providing PaaS services to customers in Chinese Mainland.

The board of directors reviews the consolidated results of the Group when making decisions about resource allocation and assessing the performance of the Group. The board of directors considers that the Group operates in one business segment and the measurement of segment results is based on the profit from operations as presented in the consolidated statements of profit or loss and the consolidated statements of other comprehensive income.

Geographical information

Since almost all of the Group's non-current assets were located in Chinese Mainland and almost all of the revenue of the Group is derived from operations in Chinese Mainland during the Relevant Periods, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about a major customer

The revenue generated from sales to customers which individually contributed more than 10% of the Group's total revenue during each of the Relevant Periods is set out below:

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Customer A	166,107	N/A	N/A	N/A	N/A
Customer I	N/A	N/A	157,457	30,292	55,216
Customer H	N/A	N/A	N/A	30,955	N/A

For the year ended 31 December 2022, there was no customer from which the revenue individually amounted to more than 10% of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

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

(a) Disaggregated revenue information

Types of products/services

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
MPaaS	1,369,641	874,997	974,507	186,350	249,442
APaaS	24,901	194,013	281,359	64,074	83,238
DPaaS	35,914	16,085	4,698	2,321	398
Other cloud services	40,554	62,195	73,427	18,145	9,295
Total	<u>1,471,010</u>	<u>1,147,290</u>	<u>1,333,991</u>	<u>270,890</u>	<u>342,373</u>

Timing of revenue recognition

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Revenue from services transferred to customers over time	983,260	961,089	1,090,230	258,422	277,274
Revenue from goods or services transferred to customers at a point in time	<u>487,750</u>	<u>186,201</u>	<u>243,761</u>	<u>12,468</u>	<u>65,099</u>
Total	<u>1,471,010</u>	<u>1,147,290</u>	<u>1,333,991</u>	<u>270,890</u>	<u>342,373</u>

(b) Performance obligations

The Group's PaaS solutions, including MPaaS, APaaS and DPaaS are provided to its customers either as cloud services offered on public cloud, which are principally charged based on usage, or solutions offered on private cloud which are charged on a project basis. Other cloud services are charged based on usage over the service period.

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(b) Performance obligations (continued)

Information about the Group's performance obligations is summarised below:

PaaS solutions offered on public cloud

PaaS public cloud services provide customers with access to the Group's enterprise cloud computing platform, and revenue is recognised on a usage basis. The usage-based fees are recognised as revenue in the period in which the usage occurs. The Group uses monthly utilisation records to recognise revenue over time as it most faithfully depicts the simultaneous consumption and delivery of services. At the end of each month, the transaction consideration is determined based on utilisation records and hence no estimation of the transaction price beyond the reporting period is necessary. In addition, revenue from software licences is recognised at the point in time when software licences are accepted by the customers because the software licences are to provide rights to use and the functionality with which exists at the point in time that it is granted to the customers. No other performance obligations are provided to customers.

PaaS solutions offered on private cloud

The Group's PaaS solutions offered on private cloud typically comprise the sale of hardware, software licence and post-delivery maintenance services. Revenues from software licence and hardware sales are recognised at the point in time when they are delivered to customers, which is when the control over the Group's goods or services is transferred to customers. Revenue from maintenance services is recognised on a straight-line basis over the service period as the customer receives and consumes the benefits provided by the Group.

Other cloud services

Other cloud services primarily include a cloud virtual machine, which is a comprehensive suite of solutions including cloud servers, databases, network, security and storage. Revenue from other cloud services is recognised on an actual usage basis over the service period.

(c) Revenue recognised in relation to contract liabilities

The amounts of revenue recognised during the Relevant Periods that were included in the contract liabilities at the beginning of the reporting periods were RMB69,091,000, RMB91,503,000, RMB60,352,000 and RMB36,208,000(unaudited) and RMB 44,959,000, respectively.

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(c) Revenue recognised in relation to contract liabilities (continued)

The following table includes the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each of the Relevant Periods and the amounts disclosed below do not include significant variable consideration which is constrained:

	Year ended 31 December			Three months ended 31 March	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Expected to be satisfied within 1 year	124,501	104,334	76,577	69,103	71,135
over 1 year	1,437	1,026	38,648	31,299	36,240
Contract liabilities	<u>125,938</u>	<u>105,360</u>	<u>115,225</u>	<u>100,402</u>	<u>107,375</u>

An analysis of other income and gains is as follows:

	Year ended 31 December			Three months ended 31 March	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Other income					
Government grants	14,782	15,230	22,470	1,652	288
Bank interest income	2,745	3,607	7,622	1,782	82
Investment income from wealth management products measured at fair value through profit or loss	110	211	-	-	-
Subtotal	<u>17,637</u>	<u>19,048</u>	<u>30,092</u>	<u>3,434</u>	<u>370</u>
Gains					
Revision of a lease term arising from a change in the non-cancellable period of a lease	-	-	259	-	-
Foreign exchange differences, net	-	-	-	441	-
Others	79	495	503	501	-
Subtotal	<u>79</u>	<u>495</u>	<u>762</u>	<u>942</u>	<u>-</u>
Total	<u>17,716</u>	<u>19,543</u>	<u>30,854</u>	<u>4,376</u>	<u>370</u>

6. LOSS BEFORE TAX

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

		Year ended 31 December			Three months ended 31 March	
	Notes	2021	2022	2023	2023	2024
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Cost of sales		1,179,834	918,649	1,053,746	221,372	271,833
Depreciation of property, plant and equipment*	13	67,113	70,932	52,862	15,452	10,668
Depreciation of right-of-use assets*	14(a)	22,443	22,246	18,034	4,995	3,410
Amortisation of other intangible assets*	15	1,231	301	-	-	-
Lease payments not included in the measurement of lease liabilities		96	115	611	440	58
Research and development costs		143,357	128,727	128,034	28,039	33,590
Auditor's remuneration		59	62	74	69	69
Listing expenses		-	-	18,592	5,462	7,518
Fair value (gains)/losses, net:						
Financial instruments at fair value through profit or loss		(37,238)	(30,912)	54,682	(4,215)	8,864
Convertible redeemable preferred shares	28	96,467	83,810	156,087	57,312	111,528
Foreign exchange differences, net		198	2,541	962	(441)	144
Bank interest income	5	(2,745)	(3,607)	(7,622)	(1,782)	(82)
Impairment losses on financial assets		4,763	8,233	11,757	1,893	4,396
Impairment losses on investments in associates		1,703	-	-	-	-
Losses on disposal of items of property, plant and equipment, net		273	1,095	21	2	-
Employee benefit expense (including directors' and chief executive's remuneration (note 8)) **:						
Wages, salaries and other allowances		274,946	272,983	221,310	56,658	52,366
Pension scheme contributions and social welfare		57,724	53,457	50,517	11,387	11,264
Share-based payments	31	17,539	10,283	33,830	4,814	4,735

* The depreciation of property, plant and equipment and right-of-use assets and amortisation of other intangible assets aggregated to RMB77,270,000, RMB81,498,000, RMB 60,867,000 and RMB18,038,000 (unaudited) and RMB12,011,000 for the years ended 31 December 2021, 2022, 2023 and the three months ended 31 March 2023 and 2024, respectively, are included in the cost of sales and research and development costs provided disclosed above.

**Employee benefit expenses of RMB144,417,000, RMB131,650,000, RMB116,012,000 and RMB28,702,000 (unaudited) and RMB30,492,000 for the years ended 31 December 2021, 2022, 2023 and the three months ended 31 March 2023 and 2024, respectively, are included in the cost of sales and research and development costs provided disclosed above.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Interest on interest-bearing bank and other borrowings	4,097	7,551	7,421	2,001	2,000
Interest on lease liabilities	1,949	1,195	741	217	153
Total	<u>6,046</u>	<u>8,746</u>	<u>8,162</u>	<u>2,218</u>	<u>2,153</u>

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration paid or payable to the directors and chief executive of the Company during the Relevant Periods is as follows:

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Fees	-	-	-	-	-
Other emoluments:					
Salaries, allowances and benefits in kind	5,971	1,710	2,169	438	747
Performance related bonuses*	977	-	-	-	1,232
Share-based payments	4,993	350	15,487	4,041	1,709
Pension scheme contributions	437	238	286	69	73
Termination benefits	-	13,241	-	-	-
Total	<u>12,378</u>	<u>15,539</u>	<u>17,942</u>	<u>4,548</u>	<u>3,761</u>

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

The remuneration disclosed above included the remuneration received by certain directors prior to their appointments as the directors of the Company.

* Certain directors of the Company are entitled to bonus payments which are associated with the operating result of the Group.

During the Relevant Periods, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 31 to the Historical Financial Information. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Directors and the chief executive

	Fee RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonus RMB'000	Share- based payments RMB'000	Pension scheme contributions RMB'000	Termination benefits RMB'000	Total remuneration RMB'000
Year ended 31 December 2021							
Directors:							
Mr. Lyu Guihua	-	1,235	-	-	89	-	1,324
Mr. Chen Chao	-	1,454	297	3,324	106	-	5,181
Mr. Ji Qiang	-	1,436	288	1,669	121	-	3,514
Mr. Kuang							
Duane Ziping	-	-	-	-	-	-	-
Mr. Liu Wei	-	-	-	-	-	-	-
Mr. Xiong Fei	-	-	-	-	-	-	-
Mr. Qiu Xiaochuan	-	-	-	-	-	-	-
Mr. Zhu Yikai	-	-	-	-	-	-	-
Mr. Li Wu	-	-	-	-	-	-	-
Mr. Jia Qiuran	-	-	-	-	-	-	-
Mr. Li Jin	-	-	-	-	-	-	-
Mr. Jiang Yanxiang	-	-	-	-	-	-	-
	-	4,125	585	4,993	316	-	10,019
Chief executive:							
Mr. Xu Shiwei	-	1,846	392	-	121	-	2,359
Total	-	5,971	977	4,993	437	-	12,378

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(a) Directors and the chief executive (continued)

	Fee RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonus RMB'000	Share- based payments RMB'000	Pension scheme contributions RMB'000	Termination benefits RMB'000	Total remuneration RMB'000
Year ended 31 December 2022							
Directors:							
Mr. Chen Chao	-	473	-	303	63	8,171	9,010
Mr. Ji Qiang	-	230	-	47	42	5,070	5,389
Mr. Lyu Guihua	-	-	-	-	-	-	-
Mr. Jiang Yanxiang	-	-	-	-	-	-	-
	-	703	-	350	105	13,241	14,399
Chief executive:							
Mr. Xu Shiwei	-	1,007	-	-	133	-	1,140
Total	-	1,710	-	350	238	13,241	15,539
	Fee RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonus RMB'000	Share- based payments RMB'000	Pension scheme contributions RMB'000	Termination benefits RMB'000	Total remuneration RMB'000
Year ended 31 December 2023							
Directors:							
Mr. Chen Chao	-	-	-	-	-	-	-
Mr. Ji Qiang	-	-	-	-	-	-	-
Mr. Lyu Guihua	-	-	-	-	-	-	-
Mr. Jiang Yanxiang	-	-	-	-	-	-	-
Ms. Chen Yiling	-	750	-	15,487	143	-	16,380
	-	750	-	15,487	143	-	16,380
Chief executive:							
Mr. Xu Shiwei	-	1,419	-	-	143	-	1,562
Total	-	2,169	-	15,487	286	-	17,942
	Fee RMB'000 (unaudited)	Salaries, allowances and benefits in kind RMB'000 (unaudited)	Performance related bonus RMB'000 (unaudited)	Share- based payments RMB'000 (unaudited)	Pension scheme contributions RMB'000 (unaudited)	Termination benefits RMB'000 (unaudited)	Total remuneration RMB'000 (unaudited)
Three months ended 31 March 2023							
Directors:							
Mr. Chen Chao	-	-	-	-	-	-	-
Mr. Ji Qiang	-	-	-	-	-	-	-
Mr. Lyu Guihua	-	-	-	-	-	-	-
Mr. Jiang Yanxiang	-	-	-	-	-	-	-
Ms. Chen Yiling	-	188	-	4,041	34	-	4,263
	-	188	-	4,041	34	-	4,263
Chief executive:							
Mr. Xu Shiwei	-	250	-	-	35	-	285
Total	-	438	-	4,041	69	-	4,548

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(a) Directors and the chief executive (continued)

	Fee RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonus RMB'000	Share- based payments RMB'000	Pension scheme contributions RMB'000	Termination benefits RMB'000	Total remuneration RMB'000
Three months ended March 2024							
Directors:							
Mr. Lyu Guihua	-	-	-	-	-	-	-
Ms. Chen Yiling	-	188	203	1,709	37	-	2,137
	-	188	203	1,709	37	-	2,137
Chief executive:							
Mr. Xu Shiwei	-	559	1,029	-	36	-	1,624
Total	-	747	1,232	1,709	73	-	3,761

Mr. Jia Qiuran was appointed as a director on 27 May 2020 and resigned from the position of a director with effect from 30 April 2021.

Mr. Li Jin was appointed as a director on 15 July 2020 and resigned from the position with effect from 19 February 2021.

Mr. Kuang Duane Ziping, Mr. Liu Wei, Mr. Xiong Fei, Mr. Qiu Xiaochuan, Mr. Zhu Yikai and Mr. Li Wu resigned as directors with effect from 30 April 2021.

Ms. Chen Yiling was appointed as a director on 13 March 2023. Mr. Ji Qiang resigned as a director with effect from 13 March 2023.

Mr. Chen Chao resigned as a director with effect from 9 May 2023.

Mr. Jiang Yanxiang resigned as a director with effect from 11 May 2023.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2021 and 2022, 2023 and the three months ended 31 March 2023 and 2024 included 2 directors, 2 directors, 1 director, 1 director and 2 directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining 3, 3, 4, 4 and 3 highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods are as follows:

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Salaries, allowances and benefits in kind	3,632	3,353	3,393	1,225	1,008
Performance related bonus	522	464	1,106	289	422
Share-based payments	8,195	5,855	16,112	522	1,866
Pension scheme contributions	340	399	429	140	118
Termination benefits	2,793	-	-	-	-
Total	<u>15,482</u>	<u>10,071</u>	<u>21,040</u>	<u>2,176</u>	<u>3,414</u>

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December			Three months ended 31 March	
	2021	2022	2023	2023 (unaudited)	2024
Nil to HK\$4,500,000	-	2	3	4	3
HK\$4,500,001 to HK\$9,000,000	3	1	-	-	-
HK\$9,000,001 to HK\$18,000,000	-	-	1	-	-
Total	<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>3</u>

During the relevant periods, share options were granted to a non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 31 to the Historical Financial Information. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

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

Cayman Islands

The Company was redomiciled in the Cayman Islands in 2023 as an exempted company with limited liability, and is exempted from Cayman Islands income tax under the current tax laws of the Cayman Islands.

British Virgin Islands

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to any income tax.

Singapore

The income tax rate of Singapore was 17% during the Relevant Periods. In addition, three-quarters of up to the first SG\$10,000, and one half of up to the next SG\$190,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. The remaining chargeable income, after the tax exemption, will be fully taxable at the prevailing corporate tax rate.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the statutory rate of 16.5% on any estimated assessable profits arising in Hong Kong during the Relevant Periods. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Relevant Periods.

Vietnam

Pursuant to the relevant laws and regulations in Vietnam, the subsidiary in Vietnam is subject to tax at the statutory rate of 20%.

Chinese Mainland

The subsidiaries incorporated in Chinese Mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Enterprise Income Tax Law which became effective on 1 January 2008, except for Qiniu Information which was taxed at preferential tax rates.

Qiniu Information obtained its "High and New Technology Enterprises" qualification in 2019 and renewed the qualification in 2022, so it was entitled to the preferential tax rate of 15% during the Relevant Periods.

The major components of income tax expense of the Group are as follows:

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Current income tax	-	-	-	-	-
Deferred income tax (note 29)	-	-	-	-	-
Total tax charger for the year/period	-	-	-	-	-

10. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the countries/jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Loss before tax	(219,706)	(212,752)	(324,108)	(98,329)	(148,022)
Tax calculated at statutory tax rates of each entities' jurisdictions	(26,286)	(35,094)	(42,626)	(10,121)	(8,536)
Tax effects of:					
Effect of preferential tax rates	(3,163)	3,187	7,223	1,550	846
Income not subject to tax	(228)	(388)	(1,164)	(251)	-
Expenses not deductible for tax	1,456	518	881	89	223
Share-based payments not deductible for tax	3,370	2,179	6,700	1,131	899
Additional deductible allowance for qualified research and development costs (a)	(8,173)	(10,563)	(11,730)	(2,843)	(2,330)
Tax losses not recognised	31,204	39,491	39,041	9,994	8,172
Temporary differences not recognised	1,820	670	1,675	451	726
Tax charge at the Group's effective rate	-	-	-	-	-

- (a) Additional deductible allowance for qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits for the years ended 31 December 2021, and the nine months ended 30 September 2022. According to the relevant laws and regulations, for the period from 1 October 2022, the aforementioned deduction rate increases to 200%.

The Group has accumulated tax losses in Chinese Mainland of RMB704,247,000, RMB795,639,000, RMB812,937,000 and RMB848,070,000] in aggregate as at 31 December 2021, 2022, 2023 and 31 March 2024, respectively, which can be carried forward from five to ten years to offset against future taxable profits of the entities in which the losses were incurred. The Group has deductible temporary differences of RMB22,150,000, RMB26,614,000, RMB33,996,000 and RMB38,835,000 in aggregate as at 31 December 2021, 2022, 2023 and 31 March 2024, respectively.

The Group has accumulated tax losses in Singapore of RMB325,000, RMB1,194,000, RMB4,769,000 and RMB8,164,000 in aggregate as at 31 December 2021, 2022, 2023 and 31 March 2024, respectively, which can be carried forward indefinitely to offset against future taxable profits of the entity in which the losses were incurred.

11. DIVIDENDS

No dividends have been declared and paid by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic

The basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares issued during the years ended 31 December 2021, 2022 and 2023 and the three months ended 31, 2023 and 2024.

	Year ended 31 December			Three months ended 31 March	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Loss attributable to owners of the company	(219,706)	(212,752)	(324,108)	(98,329)	(148,022)
Weighted average number of ordinary shares in issue	<u>48,657,140</u>	<u>48,657,140</u>	<u>48,657,140</u>	<u>48,657,140</u>	<u>48,657,140</u>
Basic loss per share (expressed in RMB per share)	<u>(4.52)</u>	<u>(4.37)</u>	<u>(6.66)</u>	<u>(2.02)</u>	<u>(3.04)</u>

Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible redeemable preferred shares and share options.

As the Group incurred losses for the years ended 31 December 2021, 2022, 2023 and the three months ended 31 March 2023 and 2024, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilution.

13. PROPERTY, PLANT AND EQUIPMENT

	Servers and computer equipment RMB'000	Office equipment and furniture RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2021				
At 1 January 2021:				
Cost	328,650	5,860	14,479	348,989
Accumulated depreciation	<u>(220,379)</u>	<u>(4,211)</u>	<u>(7,627)</u>	<u>(232,217)</u>
Net carrying amount	<u>108,271</u>	<u>1,649</u>	<u>6,852</u>	<u>116,772</u>
At 1 January 2021, net of accumulated depreciation	108,271	1,649	6,852	116,772
Additions	179,527	677	1,811	182,015
Disposals	(553)	-	-	(553)
Depreciation provided during the year	<u>(63,197)</u>	<u>(769)</u>	<u>(3,147)</u>	<u>(67,113)</u>
At 31 December 2021, net of accumulated depreciation	<u>224,048</u>	<u>1,557</u>	<u>5,516</u>	<u>231,121</u>
At 31 December 2021 and 1 January 2022:				
Cost	498,062	6,538	16,290	520,890
Accumulated depreciation	<u>(274,014)</u>	<u>(4,981)</u>	<u>(10,774)</u>	<u>(289,769)</u>
Net carrying amount	<u>224,048</u>	<u>1,557</u>	<u>5,516</u>	<u>231,121</u>
	Servers and computer equipment RMB'000	Office equipment and furniture RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2022				
At 1 January 2022:				
Cost	498,062	6,538	16,290	520,890
Accumulated depreciation	<u>(274,014)</u>	<u>(4,981)</u>	<u>(10,774)</u>	<u>(289,769)</u>
Net carrying amount	<u>224,048</u>	<u>1,557</u>	<u>5,516</u>	<u>231,121</u>
At 1 January 2022, net of accumulated depreciation	224,048	1,557	5,516	231,121
Additions	15,019	275	838	16,132
Disposals	(4,499)	(11)	-	(4,510)
Depreciation provided during the year	<u>(67,293)</u>	<u>(547)</u>	<u>(3,092)</u>	<u>(70,932)</u>
At 31 December 2022, net of accumulated depreciation	<u>167,275</u>	<u>1,274</u>	<u>3,262</u>	<u>171,811</u>
At 31 December 2022 and 1 January 2023:				
Cost	507,531	6,799	17,128	531,458
Accumulated depreciation	<u>(340,256)</u>	<u>(5,525)</u>	<u>(13,866)</u>	<u>(359,647)</u>
Net carrying amount	<u>167,275</u>	<u>1,274</u>	<u>3,262</u>	<u>171,811</u>

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Servers and computer equipment RMB'000	Office equipment and furniture RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2023				
At 1 January 2023:				
Cost	507,531	6,799	17,128	531,458
Accumulated depreciation	<u>(340,256)</u>	<u>(5,525)</u>	<u>(13,866)</u>	<u>(359,647)</u>
Net carrying amount	<u>167,275</u>	<u>1,274</u>	<u>3,262</u>	<u>171,811</u>
At 1 January 2023, net of accumulated depreciation	167,275	1,274	3,262	171,811
Additions	9,144	-	2,467	11,611
Disposals	(53)	-	-	(53)
Transfer to inventories	(3,556)	-	-	(3,556)
Depreciation provided during the year	<u>(48,793)</u>	<u>(416)</u>	<u>(3,653)</u>	<u>(52,862)</u>
At 31 December 2023, net of accumulated depreciation	<u>124,017</u>	<u>858</u>	<u>2,076</u>	<u>126,951</u>
At 31 December 2023:				
Cost	511,128	6,799	19,595	537,522
Accumulated depreciation	<u>(387,111)</u>	<u>(5,941)</u>	<u>(17,519)</u>	<u>(410,571)</u>
Net carrying amount	<u>124,017</u>	<u>858</u>	<u>2,076</u>	<u>126,951</u>

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Servers and computer equipment RMB'000	Office equipment and furniture RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 March 2024				
At 1 January 2024:				
Cost	511,128	6,799	19,595	537,522
Accumulated depreciation	<u>(387,111)</u>	<u>(5,941)</u>	<u>(17,519)</u>	<u>(410,571)</u>
Net carrying amount	<u>124,017</u>	<u>858</u>	<u>2,076</u>	<u>126,951</u>
At 1 January 2024, net of accumulated depreciation	124,017	858	2,076	126,951
Additions	93	-	-	93
Transfer to inventories	(131)	-	-	(131)
Transfer from right-of-use assets	1,828	314	-	2,142
Depreciation provided during the period	<u>(10,108)</u>	<u>(39)</u>	<u>(521)</u>	<u>(10,668)</u>
At 31 March 2024, net of accumulated depreciation	<u>115,699</u>	<u>1,133</u>	<u>1,555</u>	<u>118,387</u>
At 31 March 2024:				
Cost	547,491	13,076	19,595	580,162
Accumulated depreciation	<u>(431,792)</u>	<u>(11,943)</u>	<u>(18,040)</u>	<u>(461,775)</u>
Net carrying amount	<u>115,699</u>	<u>1,133</u>	<u>1,555</u>	<u>118,387</u>

As at 31 December 2021, 2022, 2023 and 31 March 2024, certain of the Group's property, plant and equipment with net carrying amounts of approximately RMB50,109,000, RMB39,363,000, RMB28,617,000 and nil were pledged to secure bank and other borrowings of the Group (note 26).

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, servers and computer equipment used in its operations. Leases of buildings generally have lease terms between 23 months and 65 months, while servers and computer equipment and office equipment and furniture generally have lease terms of 5 years. Other rental agreements generally have lease terms of 12 months or less.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Servers and computer equipment RMB'000	Office equipment and furniture RMB'000	Buildings RMB'000	Total RMB'000
At 1 January 2021	19,773	2,858	36,425	59,056
Additions	-	143	6,393	6,536
Depreciation charge	(6,947)	(1,194)	(14,302)	(22,443)
At 31 December 2021	<u>12,826</u>	<u>1,807</u>	<u>28,516</u>	<u>43,149</u>
At 1 January 2022	12,826	1,807	28,516	43,149
Additions	-	-	5,210	5,210
Depreciation charge	(6,947)	(1,073)	(14,226)	(22,246)
At 31 December 2022	<u>5,879</u>	<u>734</u>	<u>19,500</u>	<u>26,113</u>
At 1 January 2023	5,879	734	19,500	26,113
Additions	315	-	4,368	4,683
Revision of a lease term arising from a change in the non-cancellable period of a lease	-	-	(93)	(93)
Depreciation charge	(4,100)	(336)	(13,598)	(18,034)
At 31 December 2023	<u>2,094</u>	<u>398</u>	<u>10,177</u>	<u>12,669</u>
At 1 January 2024	2,094	398	10,177	12,669
Reassessment of a lease term arising from a decision to exercise the extension option	-	-	26,868	26,868
Transfer to property, plant and equipment	(1,828)	(314)	-	(2,142)
Depreciation charge	(15)	(7)	(3,388)	(3,410)
At 31 March 2024	<u>251</u>	<u>77</u>	<u>33,657</u>	<u>33,985</u>

14. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of year/period	40,269	28,854	18,940	10,045
New leases	6,536	5,210	4,683	-
Reassessment of a lease term arising from a decision to exercise the extension option	-	-	-	26,868
Accretion of interest recognised during the year/period	1,949	1,195	741	153
Revision of a lease term arising from a change in the non-cancellable period of a lease	-	-	(352)	-
Payments	(19,900)	(16,319)	(13,967)	(3,463)
Carrying amount at end of year/period	<u>28,854</u>	<u>18,940</u>	<u>10,045</u>	<u>33,603</u>
Analysed into:				
Current portion	14,870	11,929	7,537	11,754
Non-current portion	<u>13,984</u>	<u>7,011</u>	<u>2,508</u>	<u>21,849</u>

The maturity analysis of lease liabilities is disclosed in note 38 to the Historical Financial Information.

14. LEASES (CONTINUED)

The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	As at 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Interest on lease liabilities	1,949	1,195	741	217	153
Depreciation charge of right-of-use assets	22,443	22,246	18,034	4,995	3,410
Expense relating to short-term leases (included in cost of sales, selling and marketing expenses, administrative expenses, and research and development costs)	72	65	595	430	58
Expense relating to leases of low-value assets (included in cost of sales, selling and marketing expenses, administrative expenses, and research and development costs)	24	50	16	10	-
Total amount recognised in profit or loss	24,488	23,556	19,386	5,652	3,621

(d) The total cash outflow for leases is disclosed in note 33(c) to the Historical Financial Information.

15. OTHER INTANGIBLE ASSETS

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Software				
At 1 January:				
Cost	6,672	6,672	6,672	6,672
Accumulated amortisation	(5,140)	(6,371)	(6,672)	(6,672)
Net carrying amount	1,532	301	-	-
Cost at 1 January, net of accumulated amortisation	1,532	301	-	-
Amortisation provided during the year/period	(1,231)	(301)	-	-
At 31 December:	301	-	-	-
At 31 December:				
Cost	6,672	6,672	6,672	6,672
Accumulated amortisation	(6,371)	(6,672)	(6,672)	(6,672)
Net carrying amount	301	-	-	-

16. INTERESTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in subsidiaries*	108,214	108,214	108,214	108,214
Deemed investment arising from share-based payments**	128,661	136,685	170,515	175,250
Amounts due from subsidiaries***	1,255,352	1,387,578	1,411,074	1,413,522
Total	1,492,227	1,632,477	1,689,803	1,696,986

16. INTERESTS IN SUBSIDIARIES (CONTINUED)

The Company (continued)

* Details of the subsidiaries of the Company are disclosed in note 1.

** The amount represents share-based compensation expenses arising from the grant of share options of the Company to employees of its subsidiaries in consideration for their services provided to these subsidiaries, which were deemed to be investments made by the Company into these subsidiaries. Please refer to note 31 for details of share-based payments.

***The amount represents loans to subsidiaries and the Company has no plan to recover these amounts in the foreseeable future.

17. INVESTMENTS IN ASSOCIATES

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Share of net assets	47	47	-	-
Goodwill on acquisition	1,656	1,656	-	-
Impairment	(1,703)	(1,703)	-	-
Total	-	-	-	-

The Group's trade receivable and payable balances with associates are disclosed in note 35 to the Historical Financial Information.

The associates of the Group are considered not individually material for the years ended 31 December 2021, 2022, 2023 and the three months ended 31 March 2024.

Name	Place of incorporation/ registration and business	Nominal value of issued /registered share capital				Percentage of ownership interest attributable to the Group				Principal activities
		As at 31 December			As at 31 March	As at 31 December			As at 31 March	
		2021	2022	2023	2024	2021	2022	2023	2024	
		RMB'000	RMB'000	RMB'000	RMB'000	%	%	%	%	
Hangzhou Yima Technology Co., Ltd.*	PRC/Mainland China	1,250	1,250	N/A	N/A	30	30	N/A	N/A	Provision of video data management solution
Hangzhou Oudun Qiniu Technology Co., Ltd.**	PRC/Mainland China	1,000	1,000	N/A	N/A	30	30	N/A	N/A	Network technology, hardware and software

17. INVESTMENTS IN ASSOCIATES (CONTINUED)

*In April 2023, Hangzhou Yima Technology Co., Ltd. was dissolved by deregistration.

**In March 2023, Hangzhou Oudun Qiniu Technology Co., Ltd. was dissolved by deregistration.

The following table illustrates the aggregate financial information of the Group's associates' that are not individually material:

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Share of the associates' profits and total comprehensive income for the year/period	-	-	-	-
Impairment losses recognised	(1,703)	-	-	-
Aggregate carrying amount of the Group's investments in the associates	-	-	-	-

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in unlisted entities	121,706	152,868	98,186	89,322
Investments in wealth management products	-	-	50	50
Total	121,706	152,868	98,236	89,372
Analysed into:				
Current portion	-	-	50	50
Non-current portion	121,706	152,868	98,186	89,322

Certain investments in associates which were managed through venture capital investment organisation were measured at financial assets at fair value through profit or loss according to IFRS 9 and amounted to RMB120,274,000, RMB146,441,000, RMB94,678,000 and RMB 86,394,000 respectively.

19. INVENTORIES

	As at 31 December			As at 31 March
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Hard discs and fittings	24,398	23,795	5,628	4,324
Servers for sale	19,565	15,293	20,163	3,199
Total	43,963	39,088	25,791	7,523

20. TRADE AND NOTES RECEIVABLES

	As at 31 December			As at 31 March
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Trade receivables	273,258	211,164	305,719	333,431
Notes receivables	-	-	3,400	-
Subtotal	273,258	211,164	309,119	333,431
Impairment	(12,673)	(19,921)	(24,063)	(28,182)
Total	260,585	191,243	285,056	305,249

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationship. The credit period is generally around 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. As at the end of each of the Relevant Periods, the Group had certain concentrations of credit risk as 28%, 21%, 18%, 15% and 54%, 49%, 43%, 37% of the Group's trade receivables were due from the Group's largest debtor and five largest debtors, respectively. Except for the aforementioned concentrations of credit risk, the Group's trade receivables relate to a large number of diversified customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. As with other customers, the Group normally demands payment in advance.

The Group's notes receivable was bank acceptance bills aged within three months. Notes receivable is subject to impairment under the simplified approach, and its impact is considered to be minimal.

As at 31 December 2021, 2022, 2023 and 31 March 2024, the Group did not hold any collateral or other credit enhancements over its trade and notes receivable balances.

20. TRADE AND NOTES RECEIVABLES (CONTINUED)

An ageing analysis of the trade and notes receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	187,746	153,835	214,309	232,148
90 days to 6 months	66,626	24,879	54,727	48,817
6 to 12 months	5,313	9,858	14,497	23,227
1 to 2 years	900	2,671	1,523	1,057
Total	<u>260,585</u>	<u>191,243</u>	<u>285,056</u>	<u>305,249</u>

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

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	8,340	12,673	19,921	24,063
Impairment losses, net	4,333	7,248	9,694	4,119
Amount written off as uncollectible	-	-	(5,552)	-
At end of year/period	<u>12,673</u>	<u>19,921</u>	<u>24,063</u>	<u>28,182</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days of the ageing of receivables for groups of various customer segments that have similar loss patterns. The calculation reflects the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy. The Group applies the simplified approach in calculating expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

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

As at 31 December 2021

	Within 90 days	90 days to 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
Expected credit loss rate	0.91%	2.53%	26.09%	84.92%	100.00%	4.64%
Gross carrying amount (RMB'000)	189,467	68,356	7,188	5,970	2,277	273,258
Expected credit losses (RMB'000)	1,721	1,730	1,875	5,070	2,277	12,673

20. TRADE AND NOTES RECEIVABLES (CONTINUED)

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

As at 31 December 2022

	Within 90 days	90 days to 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
Expected credit loss rate	1.18%	3.14%	26.83%	73.17%	100.00%	9.43%
Gross carrying amount (RMB'000)	155,666	25,685	13,473	9,954	6,386	211,164
Expected credit losses (RMB'000)	1,831	806	3,615	7,283	6,386	19,921

As at 31 December 2023

	Within 90 days	90 days to 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
Expected credit loss rate	1.52%	5.19%	27.49%	82.72%	100.00%	7.78%
Gross carrying amount (RMB'000)	217,624	57,722	19,992	8,812	4,969	309,119
Expected credit losses (RMB'000)	3,315	2,995	5,495	7,289	4,969	24,063

As at 31 March 2024

	Within 90 days	90 days to 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
Expected credit loss rate	1.68%	5.76%	24.22%	87.74%	100.00%	8.45%
Gross carrying amount (RMB'000)	236,105	51,800	30,651	8,623	6,252	333,431
Expected credit losses (RMB'000)	3,957	2,983	7,424	7,566	6,252	28,182

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	13,908	5,826	11,105	8,831
Recoverable value-added tax	-	2,390	497	494
Purchase rebates receivable	9,682	1,531	2,248	1,558
Deferred assets	232	1,523	1,530	2,090
Listing fee	-	-	5,025	2,404
Deposits and other receivables	7,128	8,364	8,043	5,501
Total	30,950	19,634	28,448	20,878

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

The Company

	As at 31 December			As at 31 March
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Listing fee	-	-	5,025	2,404
Deferred assets	197	181	168	238
Total	197	181	5,193	2,642

Prepayments mainly represent advanced payments to suppliers.

Purchase rebates receivable mainly represent receivables arising from volume rebates given by suppliers and settled by cash.

Deposits and other receivables mainly represent rental deposits and deposits with suppliers.

As there was no significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). As at 31 December 2021, 2022, 2023 and 31 March 2024, the credit rating of other receivables was performing. The Group assessed that the expected credit losses for these receivables were not material under the 12-month expected loss method. In view of the history of cooperation with debtors and the sound collection history of receivables, management believes that the credit risk inherent in the outstanding other receivable balances of the Group is not significant.

22. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

The Group

	As at 31 December			As at 31 March
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Cash and bank balances	337,348	290,361	274,200	273,441
Less: Non-pledged time deposits with original maturity of more than three months when acquired*	(51,187)	(101,941)	(107,822)	(36,879)
Restricted cash**	(638)	(1,016)	-	-
Cash and cash equivalents	285,523	187,404	166,378	236,562
Denominated in:				
RMB	170,319	94,395	117,521	121,593
US\$	114,742	92,510	47,371	113,609
HK\$	462	499	229	112
SG\$	-	-	1,255	1,244
VND\$	-	-	2	4

22. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS (CONTINUED)

The Group(continued)

*Short-term bank deposits were deposits with original maturities over three months and less than one year.

**As at 31 December 2021, 2022, 2023 and 31 March 2024, the restricted cash of RMB638,000, RMB1,016,000, nil and nil represented guarantee deposits.

The Company

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	<u>5,084</u>	<u>921</u>	<u>1,847</u>	<u>472</u>
Denominated in:				
US\$	<u>5,084</u>	<u>921</u>	<u>1,847</u>	<u>472</u>

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB and for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no history of default.

23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Within 6 months	148,507	142,317	226,506	223,718
6 to 12 months	-	1,419	3,277	5,289
Over 1 year	<u>179</u>	<u>322</u>	<u>1,173</u>	<u>1,371</u>
Total	<u>148,686</u>	<u>144,058</u>	<u>230,956</u>	<u>230,378</u>

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

24. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Payroll payables	66,753	55,975	50,098	57,641
Other tax payables	6,470	2,594	3,342	3,723
Accrued listing expenses	-	-	4,112	5,817
Accrued expenses	11,532	9,263	11,285	9,336
Repurchase of vested share options	-	2,259	-	-
Deposits	221	747	326	326
Other payables	741	1,198	1,074	1,124
Total	85,717	72,036	70,237	77,967

The Company

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Accrued listing expenses	-	-	4,112	5,817
Other payables	4,739	4,143	2,747	1,826
Total	4,739	4,143	6,859	7,643

Other payables and accruals are non-interest-bearing and repayable on demand.

25. CONTRACT LIABILITIES

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liabilities	125,938	105,360	115,225	107,375

Contract liabilities include advances received from customers for delivery of audiovisual PaaS services and solutions. The decrease during the year ended 31 December 2022 was mainly due to the decrease in advances received from customers and more services and products obligations were satisfied at end of 2022. The increase in contract liabilities during the year ended 31 December 2023 was mainly due to the increase in advances received from customers in relation to the provision of services and products at the end of 2023. The decrease during the period ended 31 March 2024 was mainly due to the decrease in advances received from customers and more services and products obligations were satisfied at end of March 2024.

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2021			31 December 2022			31 December 2023			31 March 2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current												
Bank loans – secured	3.70-4.00	2022	50,000	3.30-3.70	2023	130,000	3.00-3.65	2024	198,600	3.00-3.50	2025	213,793
Bank loans – unsecured	4.35-5.50	2022	50,000	3.70-5.50	2023	29,800	-	-	-	-	-	-
Current portion of long-term other loan –secured	9.49	2022	<u>15,111</u>	9.49	2023	<u>15,714</u>	9.49	2024	<u>3,290</u>	-	-	-
Non - current												
Other loan – secured	9.49	2023- 2024	<u>19,004</u>	9.49	2024	<u>3,290</u>	-	-	-	-	-	-
Total			<u>134,115</u>			<u>178,804</u>			<u>201,890</u>			<u>213,793</u>

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Analysed into:				
Bank loans repayable				
Within one year	100,000	159,800	198,600	213,793
Other borrowings repayable				
Within one year	15,111	15,714	3,290	-
In the second year	15,714	3,290	-	-
In the third to fifth years, inclusive	3,290	-	-	-
Total	134,115	178,804	201,890	213,793

Notes:

- (a) Certain of the Group's bank and other borrowings are secured by the pledges of the Group's property, plant and equipment with carrying values at the end of the Relevant Periods of approximately RMB50,109,000, RMB39,363,000, RMB28,617,000 and nil.
- (b) As at 31 December 2021, a bank loan with an amount of RMB10,000,000 was guaranteed by the Shanghai Administration Center of Policy Financing Guarantee Funds for SMEs ("上海市中小微企業政策性融資擔保基金管理中心") from 29 September 2021 to 28 September 2022. This bank loan was fully repaid in September 2022.
- (c) The Group's other loans are finance leases provided by ZHONGGUANCUN SCIENCE-TECH LEASING CO., LTD. ("中關村科技租賃股份有限公司"), which has been fully repaid in March 2024.

27. DEFERRED REVENUE

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants:				
Non-current	228	-	337	315
Current	1,663	228	90	90
Total	1,891	228	427	405

The movements in deferred revenue during the Relevant Periods are as follows:

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	3,660	1,891	228	427
Received during the year/period	250	-	427	-
Credited to profit or loss during the year/period	(2,019)	(1,663)	(228)	(22)
At end of year/period	1,891	228	427	405

Government grants received for compensation for the Group's research and development costs which have not yet been undertaken are included in deferred income and recognised as income on a systematic basis over the periods that the cost, for which it is intended to compensate, is expensed. Government grants received related to assets invested in servers and computer equipment were credited to deferred income and are recognised as income over the expected useful lives of the relevant assets.

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES

The Group and the Company

On 24 February 2012, the Company issued 12,500,000 Series A Convertible Redeemable Preferred Shares ("Series A Preferred Shares") at US\$0.08 per share with a total consideration of US\$1,000,000 (equivalent to RMB6,292,000).

On 4 February 2013, the Company issued 18,750,000 Series B Convertible Redeemable Preferred Shares ("Series B Preferred Shares") at US\$0.27 per share with a total consideration of US\$5,063,000 (equivalent to RMB31,825,000).

On 11 July 2014, the Company issued 4,035,714 Series C-1 Convertible Redeemable Preferred Shares ("Series C-1 Preferred Shares") and 20,178,639 Series C-2 Convertible Redeemable Preferred Shares ("Series C-2 Preferred Shares") at US\$0.74 and US\$0.83 per share, respectively, with a total consideration of US\$3,000,000 (equivalent to RMB18,396,000) and US\$16,667,000 (equivalent to RMB102,449,000), respectively.

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

The Group and the Company (continued)

On 20 November 2014, four third party investors purchased 4,842,860 ordinary shares from the founders with a total consideration of US\$3,600,000 (equivalent to RMB22,112,000) and these shares were then redesignated to Series C-1 Preferred Shares.

Series C-1 Preferred Shares and Series C-2 Preferred shares are collectively referred to as Series C Preferred Shares.

On 13 October 2015 and 8 January 2016, the Company issued in aggregate 28,651,471 Series D Convertible Redeemable Preferred Shares ("Series D Preferred Shares") at US\$1.92 per share with a total consideration of US\$55,036,000 (equivalent to RMB351,487,000).

On 12 July 2017, two third party investors purchased 26,361,946 preferred shares including 7,272,268 Series A Preferred Shares, 9,544,839 Series B Preferred Shares, 1,409,158 Series C-1 Preferred Shares and 8,135,681 Series C-2 Preferred Shares from Series A, B, C Preferred Shares Holders with a total consideration of US\$46,483,000 (equivalent to RMB314,048,000) and these shares were then redesignated to Series E-1 Convertible Redeemable Preferred Shares ("Series E-1 Preferred Shares").

On 28 December 2017, the Company issued 944,863 Series E-1 Preferred Shares at US\$1.76 per share with a total consideration of US\$1,666,000 (equivalent to RMB10,842,000).

On 12 July 2017 and 28 December 2017, the Company issued in aggregate 37,672,523 Series E-2 Convertible Redeemable Preferred Shares ("Series E-2 Preferred Shares") at US\$2.20 per share with a total consideration of US\$83,033,000 (equivalent to RMB558,992,000).

Series E-1 Preferred Shares and Series E-2 Preferred Shares are collectively referred to as Series E Preferred Shares.

On 26 October 2018, 25 July 2019 and 9 August, 2019, the Company issued in aggregate 12,916,920 Series F Convertible Redeemable Preferred Shares ("Series F Preferred Shares") at US\$3.34 per share with a total consideration of US\$43,203,000 (equivalent to RMB300,364,000), among which US\$28,000,000 (equivalent to RMB194,961,000), US\$14,603,000 (equivalent to RMB101,186,000) and US\$600,000 (equivalent to RMB4,217,000) were received in 2018, 2019 and 2020, respectively.

On 27 May 2020, the Company issued 14,949,256 Series F-1 Convertible Redeemable Preferred Shares ("Series F-1 Preferred Shares") at US\$3.34 per share with a total consideration of US\$50,000,000 (equivalent to RMB354,410,000) to EverestLu Holding Limited ("EverestLu"). The terms of Series F-1 Preferred Shares are identical to those of Series F Preferred Shares. Series F-1 Preferred Shares and Series F Preferred Shares are collectively referred to as Series F Preferred Shares in the table below.

The above-mentioned Series A to F Convertible Redeemable Preferred Shares are collectively referred to as "Preferred Shares".

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

The key terms of all series of the Preferred Shares are summarised as follows:

Redemption rights and prices

The investors of Preferred Shares have a right to require the Company to redeem their investments, at any time upon the earlier occurrence of: (i) Holders of Series A Preferred Shares decide to exercise their redemption right (Holders of Series A Preferred Shares have the right to require the Company to redeem all of the then issued and outstanding shares at any time commencing on 30 June 2016), or (ii) certain contractual arrangements have been terminated without the approval of the Board (including affirmative votes of all the directors of Preferred Shares).

The redemption price is 200% of the original investment amount for Series A investors, 150% of the original investment amount for Series B to E investors and 140% of the original investment amount for Series F investors. In the event that any other class share issued in any future financing of the Company is granted a redemption price calculated in a manner which is more favourable, the price is subject to change, recalculated in a manner no less favourable than that of such other class share.

The redemption preference from high priority to low priority is as follows in sequence: Series F-1 Preferred Shares, Series F Preferred Shares, Series E-2 Preferred Shares, Series D Preferred Shares, Series E-1 Preferred Shares, Series C Preferred Shares, Series B Preferred Shares, and Series A Preferred Shares.

On 26 June 2023, the Group entered into an agreement with the holders of Preferred Shares of Series A to Series F to terminate the redemption rights attached to the convertible redeemable preferred shares. Notwithstanding the above, the Company agreed that if (i) the initial public offering on Stock Exchange of Hong Kong Limited (the “HKIPO”) is not completed on or before 1 January 2025; (ii) the A1 Filing of the HKIPO is formally withdrawn by the Company; (iii) the A1 Filing of the HKIPO is rejected by the Stock Exchange of Hong Kong Limited; or (iv) the A1 Filing of the HKIPO has lapsed and has not been re-filed within four months thereafter (each, a “Triggering Event”), the redemption rights terminated pursuant to the agreement shall be automatically restored and reinstated, and their respective obligations and liabilities under the Shareholders’ Agreement shall be in full force and effect upon the occurrence of the Triggering Event.

Upon the occurrence of any of the Triggering Event, the holders of Preferred Shares have a right to request the Company to redeem their investments. Following receipt of the request for redemption from such holders of Preferred Shares, the Company shall within fifteen business days give written notice (the “Redemption Notice”) to each holder. The closing (the “Redemption Closing”) of the redemption of any Preferred Shares will take place no later than six months from the date of the Redemption Notice at the offices of the Company, or such other date or other place as such holders of the then issued and outstanding Preferred Shares and the Company may mutually agree in writing.

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

The key terms of all series of the Preferred Shares are summarised as follows:(continued)

Conversion rights

Each Preferred Share may, at the option of the holders, be converted at any time after the original issue date into fully-paid and non-assessable ordinary shares at an initial conversion ratio of 1:1 subject to (i) adjustment for Share Splits and Combinations; (ii) adjustment for Ordinary Share Dividends and Distributions; (iii) adjustments of other dividends; (iv) adjustments for reorganisations, mergers, consolidations, reclassifications, exchanges, substitutions; (v) sales of shares below the conversion price; and (vi) other dilutive events. Each Preferred Share shall automatically be converted into ordinary shares, at the applicable then-effective conversion price upon the earlier of (a) the closing of a qualified IPO, or (b) the date specified by written consent or agreement of the holders of a majority of each round of preferred shares with respect to each round of Preferred Shares.

Dividend rights

Non-cumulative dividends per Preferred Share of 8% per annum when and if declared by the board of the Company, prior and in preference to holders of all other current or future class or series of shares of the Company, including the ordinary shares. After the preferential dividends have been paid in full or declared and set apart in any fiscal year of the Company, any additional dividends out of funds legally available therefor may be declared in that fiscal year for the ordinary shares and, if such additional dividends are declared, then such additional dividends shall be declared pro rata on the ordinary shares and all Preferred Shares on an as-converted basis.

Liquidation preferences

In the event of any liquidation, holders of the Preferred Shares shall be entitled to receive, prior and in preference to any distribution or payment shall be made to the holders of any ordinary shares, the liquidation preference amount per share is equal to one hundred percent (100%) of the original issue price on each Preferred Share (adjusted for any share splits, share dividends, combinations, recapitalisations and similar transactions), as the case may be, plus all dividends accrued and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalisations and similar transactions) per Series A to F Preferred Share then held by such holder.

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

The key terms of all series of the Preferred Shares are summarised as follows:(continued)

Accounting for convertible redeemable preferred shares

The Company does not bifurcate any embedded derivatives from the host instruments and has designated the entire instruments as financial liabilities at fair value through profit or loss. Any directly attributable transaction costs are recognised as finance costs in the statement of profit or loss. Subsequent to initial recognition, the fair value change of the Preferred Shares is recognised in the statement of profit or loss except for the portion attributable to credit risk change which shall be recognised in other comprehensive income, if any. The directors of the Company considered that there was no material credit risk change during the Relevant Periods.

As at 31 December 2021 and 2022, the convertible redeemable preferred shares were classified as current liabilities, because the holders of the Preferred Shares can demand the Company to redeem their preferred shares or convert the convertible redeemable preferred shares to ordinary shares within 12 months. As at 31 December 2023 and 31 March 2024, the convertible redeemable preferred shares were classified as current liabilities because the holders of the Preferred Shares can convert the convertible redeemable preferred shares to ordinary shares within 12 months, even though the Company can defer the settlement of the liability arising from the redemption of convertible redeemable preferred shares, if certain redemption rights have been exercised, for at least twelve months from 31 December 2023 and 31 March 2024.

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

The movements of the convertible redeemable preferred shares are set out below:

	Series A Preferred Shares RMB'000	Series B Preferred Shares RMB'000	Series C-1 Preferred Shares RMB'000	Series C-2 Preferred Shares RMB'000	Series D Preferred Shares RMB'000	Series E-1 Preferred Shares RMB'000	Series E-2 Preferred Shares RMB'000	Series F Preferred Shares RMB'000	Total RMB'000
At 1 January 2021	60,760	108,317	92,819	151,098	454,980	397,675	691,309	680,309	2,637,267
Currency translation differences	(1,380)	(2,465)	(2,135)	(3,482)	(10,822)	(9,416)	(16,215)	(15,505)	(61,420)
Changes in fair value	(842)	(982)	1,085	2,333	36,209	27,908	35,253	(4,497)	96,467
At 31 December 2021 and at 1 January 2022	58,538	104,870	91,769	149,949	480,367	416,167	710,347	660,307	2,672,314
Currency translation differences	5,749	10,291	8,984	14,681	45,469	40,538	65,274	59,545	250,531
Changes in fair value	7,740	13,694	11,506	18,809	24,894	47,528	(7,683)	(32,678)	83,810
At 31 December 2022 and at 1 January 2023	72,027	128,855	112,259	183,439	550,730	504,233	767,938	687,174	3,006,655
Currency translation differences	1,315	2,346	2,015	3,283	9,547	8,692	13,361	11,738	52,297
Changes in fair value	11,190	19,151	13,267	20,560	24,769	16,819	40,355	9,976	156,087
At 31 December 2023 and at 1 January 2024	84,532	150,352	127,541	207,282	585,046	529,744	821,654	708,888	3,215,039
Currency translation differences	152	271	229	372	1,037	945	1,443	1,231	5,680
Changes in fair value	6,458	11,300	8,895	14,267	23,792	28,375	18,322	119	111,528
At 31 March 2024	91,142	161,923	136,665	221,921	609,875	559,064	841,419	710,238	3,332,247

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

The Group applied the discount cash flow method and option pricing method to determine the fair value of the convertible redeemable preferred shares. Key assumptions are set out below:

	As at 31 December			As at 31 March
	2021	2022	2023	2024
Discount rate	14.00%	14.00%	14.00%	14.00%
Risk-free interest rate	0.51%	4.68%	4.70%	5.24%
Discount for lack of marketability ("DLOM")	15.00%	9.00%	7.00%	7.00%
Volatility	41.53%	29.52%	51.64%	51.25%

The discount rate was determined based on a consideration of the factors including risk-free rate, comparative industry risk, equity risk premium, company size and non-systemic risk factors. The Group estimated the risk-free interest rate based on the yield of the United States Government Bond with maturity close to the expected exit timing as at the valuation date. The DLOM was quantified by the Finnerty options model. Under this option pricing method, which assumed that the put option is struck at the average price of the stock before the privately held shares can be sold, the cost of the put option was considered as a basis to determine the DLOM. This option pricing method is one of the methods commonly used in estimating DLOM as it can take into consideration factors like timing of a liquidity event, such as an initial public offering, and estimated volatility of our shares. The farther the valuation date is from an expected liquidity event, the higher the put option value and thus the higher the implied DLOM. The volatility was estimated based on annualised standard deviation of daily share price return of comparable companies for a period from the valuation date and with a similar span as time to expiration. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of the Preferred Shares on the valuation date.

Management considered that fair value changes of the Preferred Shares that are attributable to changes of own credit risk of these instruments are not material.

Set out below is a summary of significant unobservable inputs to the valuation of financial liabilities within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods.

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

31 December 2021

Valuation technique	Significant unobservable inputs	Inputs	Increase/ (decrease) in the inputs (%)	Sensitivity of fair value to the inputs RMB'000
Discount cash flow method and option pricing method	Discount rate	14.00%	1/(1)	(40,554)/ 41,550
	Risk-free interest rate	0.51%	1/(1)	(23)/ 23
	DLOM	15.00%	1/(1)	(3,823)/ 3,822
	Volatility	41.53%	1/(1)	(628)/ 627

31 December 2022

Valuation technique	Significant unobservable inputs	Inputs	Increase/ (decrease) in the inputs (%)	Sensitivity of fair value to the inputs RMB'000
Discount cash flow method and option pricing method	Discount rate	14.00%	1/(1)	(40,193)/ 41,218
	Risk-free interest rate	4.68%	1/(1)	(97)/ 97
	DLOM	9.00%	1/(1)	(2,316)/ 2,316
	Volatility	29.52%	1/(1)	(25)/ 24

31 December 2023

Valuation technique	Significant unobservable inputs	Inputs	Increase/ (decrease) in the inputs (%)	Sensitivity of fair value to the inputs RMB'000
Discount cash flow method and option pricing method	Discount rate	14.00%	1/(1)	(41,494)/ 41,885
	Risk-free interest rate	4.70%	1/(1)	(132)/ 133
	DLOM	7.00%	1/(1)	(2,094)/ 2,094
	Volatility	51.64%	1/(1)	(320)/ 316

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

31 March 2024

Valuation technique	Significant unobservable inputs	Inputs	Increase/ (decrease) in the inputs (%)	Sensitivity of fair value to the inputs RMB'000
Discount cash flow method and option pricing method	Discount rate	14.00%	1/(1)	(41,673)/ 42,688
	Risk-free interest rate	5.24%	1/(1)	(111)/ 111
	DLOM	7.00%	1/(1)	(2,167)/ 2,167
	Volatility	51.25%	1/(1)	(127)/ 121

29. DEFERRED TAX

Deferred tax liabilities

	Financial assets at fair value through profit or loss RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 1 January 2021	3,186	8,858	12,044
Deferred tax credited/(charged) to profit or loss during the year	<u>5,586</u>	<u>(2,386)</u>	<u>3,200</u>
At 31 December 2021 and 1 January 2022	8,772	6,472	15,244
Deferred tax credited/(charged) to profit or loss during the year	<u>4,637</u>	<u>(2,555)</u>	<u>2,082</u>
At 31 December 2022 and 1 January 2023	13,409	3,917	17,326
Deferred tax charged to profit or loss during the year	<u>(8,202)</u>	<u>(1,821)</u>	<u>(10,023)</u>
At 31 December 2023 and 1 January 2024	5,207	2,096	7,303
Deferred tax (charged) /credited to profit or loss during the period	<u>(1,329)</u>	<u>3,174</u>	<u>1,845</u>
At 31 March 2024	<u>3,878</u>	<u>5,270</u>	<u>9,148</u>

29. DEFERRED TAX (CONTINUED)

Deferred tax assets

	Lease liabilities RMB'000	Losses available for offsetting against future taxable profits RMB'000	Total RMB'000
At 1 January 2021	6,040	6,004	12,044
Deferred tax (charged)/credited to profit or loss during the year	<u>(1,712)</u>	<u>4,912</u>	<u>3,200</u>
At 31 December 2021 and 1 January 2022	4,328	10,916	15,244
Deferred tax (charged)/credited to profit or loss during the year	<u>(1,487)</u>	<u>3,569</u>	<u>2,082</u>
At 31 December 2022 and 1 January 2023	2,841	14,485	17,326
Deferred tax charged to profit or loss during the year	<u>(1,142)</u>	<u>(8,881)</u>	<u>(10,023)</u>
At 31 December 2023 and 1 January 2024	1,699	5,604	7,303
Deferred tax credited/(charged) to profit or loss during the period	<u>3,510</u>	<u>(1,665)</u>	<u>1,845</u>
At 31 March 2024	<u>5,209</u>	<u>3,939</u>	<u>9,148</u>

29. DEFERRED TAX (CONTINUED)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	-	-	-	-
Net deferred tax liabilities recognised in the consolidated statement of financial position	-	-	-	-
Total	-	-	-	-

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised. Deferred tax assets have not been recognised with respect to tax losses and deductible temporary differences for certain subsidiaries, refer to note 10.

30. SHARE CAPITAL

Authorised:

	Number of ordinary shares	Nominal value of ordinary shares
	'000	US\$'000
As at 31 December 2021, 2022, 2023 and 31 March 2024	344,558	34

Issued and fully paid

	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares
	'000	US\$'000	RMB'000
As at 31 December 2021, 2022, 2023 and 31 March 2024	48,657	5	31

The number of ordinary shares issued and outstanding was 48,657,140 as at 31 December 2021, 2022, 2023 and 31 March 2024.

31. SHARE-BASED PAYMENTS

Share incentive plan

On 14 January 2013, the board of directors of the Company approved the establishment of a share option scheme which was then supplemented on 13 June 2014, 12 July 2017, 25 October 2018, and 11 May 2023, with the purpose of attracting, motivating, retaining and rewarding certain employees and directors. The maximum number of shares that may be issued under this option scheme shall be 18,107,143 ordinary shares. The share option scheme was effective since 2013 and continued in effect for a term of 10 years, authorising the directors of the Company at their discretion to grant employees of the Group options at agreed considerations to subscribe for shares of the Company. On 11 May 2023, the shareholders of the Company approved the extension of the term of share option scheme to 20 years. The maximum number of shares that may be issued under the option scheme has reduced to 14,654,577 shares, as a result of the repurchase of vested options from the former employees in years 2020 and 2021 and 2022.

The share options shall vest in four years with graded vesting terms, on condition that employees remain in service. For Type A vesting schedule, a certain percentage (10%-25%) of the aggregate number of granted share options are vested immediately upon the grant date and the remaining granted share options are vested in equal tranches every month over the next 48 months. For Type B vesting schedule, a certain percentage (0%-20%) of the aggregate number of granted share options are vested immediately upon the grant date and the remaining granted share options are vested in equal tranches at the first, second, third and fourth anniversaries of the grant date. For Type C vesting schedule, 25% of the granted share options are vested on the first anniversary of the grant date and the remaining granted share options are vested in equal tranches every month over the next 36 months. Generally, share options will expire on a date which is no later than 10 years from the date of grant.

The Group repurchased 3,242,722, 9,844 and 200,000 vested options from the former employees in exchange for a total consideration of US\$3,607,000 (equivalent to RMB24,867,000), US\$8,000 (equivalent to RMB53,000) and US\$318,200 (equivalent to RMB2,259,000) in cash for the years ended 31 December 2020, 2021 and 2022, respectively.

The repurchased share options were cancelled from the option scheme. The number of shares issuable under the Company's option scheme is reduced by the number of vested options repurchased from the former employees.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

31. SHARE-BASED PAYMENTS (CONTINUED)

The following shares were outstanding under the share incentive plan during the Relevant Periods:

	Number of options	Average exercise price per share US\$
At 1 January 2021	12,048,002	1.42
Granted during the year	1,740,917	2.20
Forfeited during the year	(340,673)	2.29
Expired during the year	(728,901)	1.33
Repurchased during the year	(9,844)	2.02
At 31 December 2021	<u>12,709,501</u>	<u>1.51</u>
At 1 January 2022	12,709,501	1.51
Granted during the year	4,249,500	1.71
Forfeited during the year	(1,570,957)	1.93
Expired during the year	(3,214,543)	1.41
Repurchased during the year	(200,000)	0.41
At 31 December 2022	<u>11,973,501</u>	<u>1.57</u>
At 1 January 2023	11,973,501	1.57
Granted during the year	2,996,076	1.51
Forfeited during the year	(331,949)	2.70
Expired during the year	(328,051)	2.55
At 31 December 2023	<u>14,309,577</u>	<u>1.51</u>
At 1 January 2024	14,309,577	1.51
Granted during the period	-	-
Forfeited during the period	(34,752)	2.70
Expired during the period	(55,248)	2.70
At 31 March 2024	<u>14,219,577</u>	<u>1.50</u>

During the years ended 31 December 2021, 2022, 2023 and the three months ended 31 March 2023 and 2024, the Group recognised share-based compensation expenses of RMB17,539,000, RMB10,283,000, RMB33,830,000, RMB4,814,000 (unaudited) and RMB4,735,000, respectively.

As at 31 December 2021, 2022, 2023 and 31 March 2024, 8,142,880, 6,400,492, 9,199,482 and 9,648,735 options were vested but not exercised.

31. SHARE-BASED PAYMENTS (CONTINUED)

The exercise prices and exercise periods of the share options outstanding as at the end of each the Relevant Periods are as follows:

	Year ended 31 December			Three months ended 31 March	
	2021	2022	2023	2023 (unaudited)	2024
Number of options	12,709,501	11,973,501	14,309,577	11,741,501	14,219,577
Exercise price	US\$0.14 - US\$2.70	US\$0.14 - US\$2.70	US\$0.14 - US\$2.70	US\$0.14 - US\$2.70	US\$0.14 - US\$2.70
Weighted average remaining contractual life	<u>6.32</u>	<u>7.02</u>	<u>7.27</u>	<u>6.62</u>	<u>7.02</u>

The fair value of options granted during the Relevant Periods is estimated on the dates of grant using the discount cash flow method, option pricing model and binomial model with the following assumptions used:

	Year ended 31 December			Three months ended 31 March	
	2021	2022	2023	2023 (unaudited)	2024
Expected volatility	53.2% - 53.7%	53.1% - 53.4%	52.89% - 53.4%	52.89% - 53.4%	N/A
Risk-free interest rate	1.2% - 1.9%	2.7% - 3.9%	4.0%	4.0%	N/A
Exercise multiple	2.2	2.2	2.2 - 2.8	2.2 - 2.8	N/A
Expected forfeiture rate	2.0% - 10.0%	10.0%	10.0%	10.0%	N/A
Weighted average share price	US\$1.7 - US\$1.8	US\$1.8 - US\$1.9	US\$2.2	US\$2.2	N/A
Expected life of options	10 years	10 years	10 years	10 years	N/A

For the three months ended 31 March 2024, no options were newly granted.

32. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 31 to the Historical Financial Information.

32. RESERVES (CONTINUED)

The Company

	Share option reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2021	111,175	(9,687)	(1,024,205)	(922,717)
Loss for the year	-	-	(109,689)	(109,689)
Other comprehensive income:				
Exchange differences on translation	-	24,985	-	24,985
Total comprehensive loss for the year	-	24,985	(109,689)	(84,704)
Equity-settled share option arrangements	17,539	-	-	17,539
Repurchase of vested share options	(53)	-	-	(53)
At 31 December 2021	<u>128,661</u>	<u>15,298</u>	<u>(1,133,894)</u>	<u>(989,935)</u>
	Share option reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2022	128,661	15,298	(1,133,894)	(989,935)
Loss for the year	-	-	(84,239)	(84,239)
Other comprehensive income:				
Exchange differences on translation	-	(113,401)	-	(113,401)
Total comprehensive loss for the year	-	(113,401)	(84,239)	(197,640)
Equity-settled share option arrangements	10,283	-	-	10,283
Repurchase of vested share options	(2,259)	-	-	(2,259)
At 31 December 2022	<u>136,685</u>	<u>(98,103)</u>	<u>(1,218,133)</u>	<u>(1,179,551)</u>

32. RESERVES (CONTINUED)

The Company (continued)

	Share option reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	136,685	(98,103)	(1,218,133)	(1,179,551)
Loss for the year	-	-	(176,650)	(176,650)
Other comprehensive income:				
Exchange differences on translation	-	(24,716)	-	(24,716)
Total comprehensive loss for the year	-	(24,716)	(176,650)	(201,366)
Equity-settled share option arrangements	33,830	-	-	33,830
At 31 December 2023	170,515	(122,819)	(1,394,783)	(1,347,087)
	Share option reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	170,515	(122,819)	(1,394,783)	(1,347,087)
Loss for the period	-	-	(120,493)	(120,493)
Other comprehensive income:				
Exchange differences on translation	-	(2,809)	-	(2,809)
Total comprehensive loss for the period	-	(2,809)	(120,493)	(123,302)
Equity-settled share option arrangements	4,735	-	-	4,735
At 31 March 2024	175,250	(125,628)	(1,515,276)	(1,465,654)

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

For the years ended 31 December 2021, 2022, 2023 and the three months ended 31 March 2024, the Group had non-cash additions to right-of-use assets of RMB6,536,000, RMB5,210,000, RMB4,683,000 and RMB 26,868,000, and non-cash additions to lease liabilities of RMB6,536,000, RMB5,210,000, RMB4,683,000 and RMB26,868,000, respectively, in respect of lease arrangements for properties.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Convertible redeemable preferred shares RMB'000	Total RMB'000
At 1 January 2021	12,013	40,269	2,637,267	2,689,549
Changes from financing cash flows	118,005	(19,900)	-	98,105
Changes in fair value	-	-	96,467	96,467
Currency translation differences	-	-	(61,420)	(61,420)
New leases	-	6,536	-	6,536
Interest expense	4,097	1,949	-	6,046
At 31 December 2021	<u>134,115</u>	<u>28,854</u>	<u>2,672,314</u>	<u>2,835,283</u>
At 1 January 2022	134,115	28,854	2,672,314	2,835,283
Changes from financing cash flows	37,138	(16,319)	-	20,819
Changes in fair value	-	-	83,810	83,810
Currency translation differences	-	-	250,531	250,531
New leases	-	5,210	-	5,210
Interest expense	7,551	1,195	-	8,746
At 31 December 2022	<u>178,804</u>	<u>18,940</u>	<u>3,006,655</u>	<u>3,204,399</u>

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities (continued)

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Convertible redeemable preferred shares RMB'000	Total RMB'000
At 1 January 2023	178,804	18,940	3,006,655	3,204,399
Changes from financing cash flows	15,665	(13,967)	-	1,698
Changes in fair value	-	-	156,087	156,087
Currency translation differences	-	-	52,297	52,297
New leases	-	4,683	-	4,683
Revision of a lease term arising from a change in the non-cancellable period of a lease	-	(352)	-	(352)
Interest expense	7,421	741	-	8,162
At 31 December 2023	201,890	10,045	3,215,039	3,426,974
	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Convertible redeemable preferred shares RMB'000	Total RMB'000
At 1 January 2024	201,890	10,045	3,215,039	3,426,974
Changes from financing cash flows	9,903	(3,463)	-	6,440
Changes in fair value	-	-	111,528	111,528
Currency translation differences	-	-	5,680	5,680
Reassessment of a lease term arising from a decision to exercise the extension option	-	26,868	-	26,868
Interest expense	2,000	153	-	2,153
At 31 March 2024	213,793	33,603	3,332,247	3,579,643

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Within operating activities	96	115	611	58
Within financing activities	19,900	16,319	13,967	3,463
Total	19,996	16,434	14,578	3,521

34. COMMITMENTS

At the end of each of the Relevant Periods, the Group had the following contractual commitments:

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted, but not provided for:				
Property, plant and equipment	-	1,069	-	336

35. RELATED PARTY TRANSACTIONS

The directors are of the opinion that the following parties are related parties that had material transactions or balances with the Group during the Relevant Periods.

(a) Name and relationship of related parties

Name	Relationship with the Group
Shiwei Xu	Shareholder and executive management
Guihua Lyu	Shareholder and executive management
Chao Chen	Executive management
Qiang Ji	Executive management
Yiling Chen	Executive management
Bin Han	Executive management
Yuanhao Zhang	Executive management
Wenlong Jiang	Executive management
Lina Li	Executive management
Subsidiaries of Alibaba Group Holding Limited	Entities controlled by the ultimate holding company of the investor who has significant influence over the Company
Hangzhou Yima Technology Co., Ltd.	Entity which is significantly influenced by the Group
Shenzhen Zhichi Network Technology Development Co., Ltd.	Entity which is significantly influenced by the Group
Shanghai Shanma Intelligent Technology Co., Ltd.	Entity which is significantly influenced by the Group
Shanghai Jingduo Information Technology Co., Ltd.	Entity which is significantly influenced by the Group
Beijing Taiwu Network Technology Co., Ltd.	Entity which is significantly influenced by the Group
Shanghai Taiji Software Co., Ltd.	Entity which is significantly influenced by the Group
Shenzhen Taiji Internet of Things Technology Co., Ltd.	Entity which is significantly influenced by the Group
Beijing Kongji Technology Co., Ltd.	Entity which is significantly influenced by the shareholder and executive management

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Entities controlled by the ultimate holding company of the investor who has significant influence over the Company:					
Sales of products or provision of services	30,927	10,687	495	105	1,246
Purchases of products or services	478,398	136,499	37,398	7,164	7,885
Entities which are significantly influenced by the Group:					
Sales of products or provision of services	312	215	3,538	39	38
Purchases of products or services	7,918	3,326	4,596	922	1,072
Entity which is significantly influenced by the shareholder and executive management:					
Sales of products or provision of services	1,432	1,356	484	309	15

These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balances with related parties

The Group

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Due from related parties:				
Trade				
Entities controlled by the ultimate holding company of the investor who has significant influence over the Company	8,669	5,242	4,293	5,567
Entities which are significantly influenced by the Group	5,570	5,639	5,600	5,600
Entity which is significantly influenced by the shareholder and executive management	295	1,672	2,188	2,199
Impairment	(604)	(1,589)	(3,652)	(3,929)
Total	<u>13,930</u>	<u>10,964</u>	<u>8,429</u>	<u>9,437</u>
Non-trade				
Entity which is significantly influenced by the Group	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>

The Group performs impairment assessment under the ECL model on amounts due from related parties, which are subject to impairment assessment under IFRS 9. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition. As at 31 December 2021, 2022, 2023 and 31 March 2024, the impairment of amounts due from related parties amounted to RMB604,000, RMB1,589,000, RMB3,652,000 and RMB3,929,000, respectively.

The non-trade amounts due from Entity which is significantly influenced by the Group were unsecured, interest-free and repayable on demand, and were settled in October 2023.

	As at 31 December			As at 31 March
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Due to related parties:				
Trade				
Entities controlled by the ultimate holding company of the investor who has significant influence over the Company	115,768	42,726	19,755	15,515
Entities which are significantly influenced by the Group	<u>10,123</u>	<u>11,453</u>	<u>11,604</u>	<u>11,246</u>
Total	<u>125,891</u>	<u>54,179</u>	<u>31,359</u>	<u>26,761</u>

Amounts due to related parties are unsecured, interest-free and normally settled on terms of 30 to 90 days.

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balances with related parties (continued)

The Company

	As at 31 December			As at 31 March
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Due from subsidiaries: Non-trade				
Qiniu (China)	136,651	118,278	85,749	82,208
Qiniu Information	52,453	76,741	85,380	83,090
Shanghai Kongshan	537	591	602	603
Superstify PTE	-	2,089	2,125	2,129
Superstify	-	-	4,143	6,137
Total	<u>189,641</u>	<u>197,699</u>	<u>177,999</u>	<u>174,167</u>

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

(d) Compensation of key management personnel of the Group:

	Year ended 31 December			Three months ended 31 March	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Short term employee benefits	11,901	6,100	6,849	1,507	3,226
Pension scheme contributions and social welfare	921	794	857	207	221
Share-based payments	9,770	5,284	28,373	4,413	3,648
Termination benefits	-	13,241	-	-	-
Total	<u>22,592</u>	<u>25,419</u>	<u>36,079</u>	<u>6,127</u>	<u>7,095</u>

Mr. Lyu Guihua resigned as an executive management member with effect from 24 September 2021. Mr Ji Qiang resigned as an executive management member with effect from 15 April 2022. Mr Chen Chao resigned as an executive management member with effect from 29 July 2022. Mr. Han Bin was appointed as an executive management member with effect from 7 November 2022.

Further details of directors' and the chief executive's emoluments are included in note 8 to the Historical Financial Information.

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2021, 2022, 2023 and 31 March 2024 were as follows:

31 December 2021

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	121,706	-	121,706
Trade and notes receivables	-	260,585	260,585
Amounts due from related parties	-	15,930	15,930
Financial assets included in prepayments, deposits and other receivables	-	16,810	16,810
Time deposits	-	51,187	51,187
Restricted cash	-	638	638
Cash and cash equivalents	-	285,523	285,523
Total	<u>121,706</u>	<u>630,673</u>	<u>752,379</u>

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	-	148,686	148,686
Financial liabilities included in other payables and accruals	-	12,494	12,494
Amounts due to related parties	-	125,891	125,891
Lease liabilities	-	28,854	28,854
Interest-bearing bank and other borrowings	-	134,115	134,115
Convertible redeemable preferred shares	<u>2,672,314</u>	<u>-</u>	<u>2,672,314</u>
Total	<u>2,672,314</u>	<u>450,040</u>	<u>3,122,354</u>

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at 31 December 2021, 2022, 2023 and 31 March 2024 were as follows: (continued)

31 December 2022

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	152,868	-	152,868
Trade and notes receivables	-	191,243	191,243
Amounts due from related parties	-	12,964	12,964
Financial assets included in prepayments, deposits and other receivables	-	9,895	9,895
Time deposits	-	101,941	101,941
Restricted cash	-	1,016	1,016
Cash and cash equivalents	-	187,404	187,404
Total	<u>152,868</u>	<u>504,463</u>	<u>657,331</u>

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	-	144,058	144,058
Financial liabilities included in other payables and accruals	-	13,467	13,467
Amounts due to related parties	-	54,179	54,179
Lease liabilities	-	18,940	18,940
Interest-bearing bank and other borrowings	-	178,804	178,804
Convertible redeemable preferred shares	<u>3,006,655</u>	<u>-</u>	<u>3,006,655</u>
Total	<u>3,006,655</u>	<u>409,448</u>	<u>3,416,103</u>

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at 31 December 2021, 2022, 2023 and 31 March 2024 were as follows: (continued)

31 December 2023

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	98,236	-	98,236
Trade and notes receivables	-	285,056	285,056
Amounts due from related parties	-	8,429	8,429
Financial assets included in prepayments, deposits and other receivables	-	10,291	10,291
Time deposits	-	107,822	107,822
Cash and cash equivalents	-	166,378	166,378
Total	<u>98,236</u>	<u>577,976</u>	<u>676,212</u>

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	-	230,956	230,956
Financial liabilities included in other payables and accruals	-	16,797	16,797
Amounts due to related parties	-	31,359	31,359
Lease liabilities	-	10,045	10,045
Interest-bearing bank and other borrowings	-	201,890	201,890
Convertible redeemable preferred shares	<u>3,215,039</u>	<u>-</u>	<u>3,215,039</u>
Total	<u>3,215,039</u>	<u>491,047</u>	<u>3,706,086</u>

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at 31 December 2021, 2022, 2023 and 31 March 2024 were as follows: (continued)

31 March 2024

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	89,372	-	89,372
Trade and notes receivables	-	305,249	305,249
Amounts due from related parties	-	9,437	9,437
Financial assets included in prepayments, deposits and other receivables	-	7,059	7,059
Time deposits	-	36,879	36,879
Cash and cash equivalents	-	236,562	236,562
Total	<u>89,372</u>	<u>595,186</u>	<u>684,558</u>

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	-	230,378	230,378
Financial liabilities included in other payables and accruals	-	16,603	16,603
Amounts due to related parties	-	26,761	26,761
Lease liabilities	-	33,603	33,603
Interest-bearing bank and other borrowings	-	213,793	213,793
Convertible redeemable preferred shares	<u>3,332,247</u>	<u>-</u>	<u>3,332,247</u>
Total	<u>3,332,247</u>	<u>521,138</u>	<u>3,853,385</u>

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

As at 31 December 2021

	Carrying amounts RMB'000	Fair values RMB'000
Financial liabilities		
Interest-bearing bank and other borrowings	<u>19,004</u>	<u>18,744</u>

As at 31 December 2022

	Carrying amounts RMB'000	Fair values RMB'000
Financial liabilities		
Interest-bearing bank and other borrowings	<u>3,290</u>	<u>3,145</u>

Management has assessed that the fair values of cash and cash equivalents, restricted cash, time deposits, trade and notes receivables, amounts due from related parties, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, amounts due to related parties, lease liabilities and short-term interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the directors. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the directors twice a year for interim and annual financial reporting.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

The following methods and assumptions were used to estimate the fair values:

The fair values of financial assets at fair value through profit or loss have been estimated by reference to the market approach and using the equity valuation allocation model. These valuation techniques are based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values resulting from these valuation techniques, which are recorded in the consolidated statement of financial position, the related changes in fair values, and the consolidated statement of profit or loss, are reasonable, and that they were the most appropriate values at the end of each of the Relevant Periods.

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at the end of each of the Relevant Periods were assessed to be insignificant.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods:

31 December 2021

Financial assets at fair value through profit or loss	Valuation technique	Significant unobservable inputs	Inputs	Sensitivity of fair value to the input
Investments in unlisted entities	Valuation multiples	Price to sales multiple ("P/S")	1.8 to 21.4	10% increase/decrease would result in increase/decrease in fair value by 9%
		Discounts for lack of marketability ("DLOM")	28.0% to 37.0%	10% increase/decrease would result in decrease/increase in fair value by 5%
		Volatility	40.1% to 50.1%	10% increase/decrease would result in decrease/increase in fair value by 3%
	The latest price method of financing	The latest price of financing	143.5 to 340.7	10% increase/decrease would result in increase/decrease in fair value by 10%

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods:(continued)

31 December 2022

Financial assets at fair value through profit or loss	Valuation technique	Significant unobservable inputs	Inputs	Sensitivity of fair value to the input
Investments in unlisted entities	Valuation multiples	Price to sales multiple ("P/S")	3.2 to 10.8	10% increase/decrease would result in increase/decrease in fair value by 8%
		Discounts for lack of marketability ("DLOM")	24.0% to 36.0%	10% increase/decrease would result in decrease/increase in fair value by 4%
		Volatility	43.9% to 56.5%	10% increase/decrease would result in decrease/increase in fair value by 3%
	The latest price method of financing	The latest price of financing	42.1 to 143.5	10% increase/decrease would result in increase/decrease in fair value by 10%

31 December 2023

Financial assets at fair value through profit or loss	Valuation technique	Significant unobservable inputs	Inputs	Sensitivity of fair value to the input
Investments in unlisted entities	Valuation multiples	Price to sales multiple ("P/S")	3.6 to 10.6	10% increase/decrease would result in increase/decrease in fair value by 9%
		Discounts for lack of marketability ("DLOM")	32.0% to 36.0%	10% increase/decrease would result in decrease/increase in fair value by 4%
		Volatility	45.8% to 58.2%	10% increase/decrease would result in decrease/increase in fair value by 0.1%

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods: (continued)

31 March 2024

Financial assets at fair value through profit or loss	Valuation technique	Significant unobservable inputs	Inputs	Sensitivity of fair value to the input
Investments in unlisted entities	Valuation multiples	Price to sales multiple ("P/S")	3.1 to 11.4	10% increase/decrease would result in increase/decrease in fair value by 11%
		Discounts for lack of marketability ("DLOM")	28.0% to 36.0%	10% increase/decrease would result in decrease/increase in fair value by 5%
		Volatility	48.9% to 55.4%	10% increase/decrease would result in decrease/increase in fair value by 0.1%

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2021

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	-	-	121,706	121,706

As at 31 December 2022

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	-	-	152,868	152,868

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Assets measured at fair value:(continued)

As at 31 December 2023

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	-	50	98,186	98,236

As at 31 March 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	-	50	89,322	89,372

The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

	As at 31 December 2021 RMB'000	As at 31 December 2022 RMB'000	As at 31 December 2023 RMB'000	As at 31 March 2024 RMB'000
Financial assets at fair value through profit or loss				
At beginning of year/period	63,527	121,706	152,868	98,186
Purchases	20,941	250	-	-
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	37,238	30,912	(54,682)	(8,864)
At end of year/period	121,706	152,868	98,186	89,322

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Liabilities measured at fair value:

As at 31 December 2021

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Convertible redeemable preferred shares	-	-	2,672,314	2,672,314

As at 31 December 2022

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Convertible redeemable preferred shares	-	-	3,006,655	3,006,655

As at 31 December 2023

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Convertible redeemable preferred shares	-	-	3,215,039	3,215,039

As at 31 March 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Convertible redeemable preferred shares	-	-	3,332,247	3,332,247

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Liabilities measured at fair value: (continued)

The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

	As at 31 December 2021 RMB'000	As at 31 December 2022 RMB'000	As at 31 December 2023 RMB'000	As at 31 March 2024 RMB'000
Convertible redeemable preferred shares				
At beginning of year/period	2,637,267	2,672,314	3,006,655	3,215,039
Foreign exchange differences	(61,420)	250,531	52,297	5,680
Fair value changes of convertible redeemable preferred shares	<u>96,467</u>	<u>83,810</u>	<u>156,087</u>	<u>111,528</u>
At end of year/period	<u><u>2,672,314</u></u>	<u><u>3,006,655</u></u>	<u><u>3,215,039</u></u>	<u><u>3,332,247</u></u>

The movements of convertible redeemable preferred shares are disclosed in note 28 to the Historical Financial Information.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise financial assets at fair value through profit or loss, interest-bearing bank and other borrowings, convertible redeemable preferred shares and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and notes receivables, and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are recognised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As at 31 December 2021, 2022, 2023 and 31 March 2024, none of the Group's interest-bearing borrowings bore interest at floating rates. Accordingly, as at the end of each of the Relevant Periods, the Group did not have any significant exposure to the interest rate risk in the cash flows.

Foreign currency risk

The functional currency of the Company and its subsidiaries incorporated in Cayman Islands, British Virgin Islands, Hong Kong, Singapore and Vietnam is US\$, the Group is exposed to foreign currency risk with respect to transactions denominated in currencies other than US\$. In addition, in Chinese Mainland, the Group principally conducted business in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

As at the end of each of the Relevant Periods, the Group did not have any significant exposure to foreign currency risk.

Credit risk

The Group only offers credit terms to recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2021

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and notes receivables*	-	-	-	260,585	260,585
Amounts due from related parties	2,000	-	-	13,930	15,930
Financial assets included in prepayments, deposits and other receivables					
- Normal**	16,810	-	-	-	16,810
Time deposits					
- Not yet past due	51,187	-	-	-	51,187
Restricted cash					
- Not yet past due	638	-	-	-	638
Cash and cash equivalents					
- Not yet past due	285,523	-	-	-	285,523
Total	356,158	-	-	274,515	630,673

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

The amounts presented are gross carrying amounts for financial assets. (continued)

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and notes receivables*	-	-	-	191,243	191,243
Amounts due from related parties	2,000	-	-	10,964	12,964
Financial assets included in prepayments, deposits and other receivables					
- Normal**	9,895	-	-	-	9,895
Time deposits					
- Not yet past due	101,941	-	-	-	101,941
Restricted cash					
- Not yet past due	1,016	-	-	-	1,016
Cash and cash equivalents					
- Not yet past due	187,404	-	-	-	187,404
Total	302,256	-	-	202,207	504,463

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and notes receivables*	-	-	-	285,056	285,056
Amounts due from related parties	-	-	-	8,429	8,429
Financial assets included in prepayments, deposits and other receivables					
- Normal**	10,291	-	-	-	10,291
Time deposits					
- Not yet past due	107,822	-	-	-	107,822
Cash and cash equivalents					
- Not yet past due	166,378	-	-	-	166,378
Total	284,491	-	-	293,485	577,976

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

The amounts presented are gross carrying amounts for financial assets. (continued)

As at 31 March 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and notes receivables*	-	-	-	305,249	305,249
Amounts due from related parties	-	-	-	9,437	9,437
Financial assets included in prepayments, deposits and other receivables					
- Normal**	7,059	-	-	-	7,059
Time deposits					
- Not yet past due	36,879	-	-	-	36,879
Cash and cash equivalents					
- Not yet past due	236,562	-	-	-	236,562
Total	280,500	-	-	314,686	595,186

* For trade and notes receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2021			
	Within 1 year or on demand RMB'000	1 year to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Financial liabilities included in other payables and accruals	12,494	-	-	12,494
Interest-bearing bank and other borrowings	120,229	21,677	-	141,906
Trade payables	148,686	-	-	148,686
Convertible redeemable preferred shares	2,790,162	-	-	2,790,162
Lease liabilities	15,939	15,016	-	30,955
Due to related parties	125,891	-	-	125,891
Total	3,213,401	36,693	-	3,250,094

	As at 31 December 2022			
	Within 1 year or on demand RMB'000	1 year to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Financial liabilities included in other payables and accruals	13,467	-	-	13,467
Interest-bearing bank and other borrowings	179,886	3,441	-	183,327
Trade payables	144,058	-	-	144,058
Convertible redeemable preferred shares	3,047,879	-	-	3,047,879
Lease liabilities	12,493	7,359	-	19,852
Due to related parties	54,179	-	-	54,179
Total	3,451,962	10,800	-	3,462,762

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows: (continued)

	As at 31 December 2023			
	Within 1 year or on demand RMB'000	1 year to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Financial liabilities included in other payables and accruals	16,797	-	-	16,797
Interest-bearing bank and other borrowings	205,379	-	-	205,379
Trade payables	230,956	-	-	230,956
Convertible redeemable preferred shares*	-	3,099,563	-	3,099,563
Lease liabilities	7,765	2,555	-	10,320
Due to related parties	31,359	-	-	31,359
Total	492,256	3,102,118	-	3,594,374

	As at 31 March 2024			
	Within 1 year or on demand RMB'000	1 year to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Financial liabilities included in other payables and accruals	16,603	-	-	16,603
Interest-bearing bank and other borrowings	216,921	-	-	216,921
Trade payables	230,378	-	-	230,378
Convertible redeemable preferred shares*	-	3,104,946	-	3,104,946
Lease liabilities	12,654	23,929	-	36,583
Due to related parties	26,761	-	-	26,761
Total	503,317	3,128,875	-	3,632,192

* The amounts represent the prices to redeem the convertible redeemable preferred shares. As at 31 December 2023 and 31 March 2024, the maturity profile of convertible redeemable preferred shares is between 1 year to 5 years, since the Company can defer the settlement of the liability arising from the redemption of convertible redeemable preferred shares, if certain redemption rights have been exercised, for at least twelve months.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

39. EVENTS AFTER 31 MARCH 2024

There are no significant subsequent events undertaken by the Company or by the Group after 31 March 2024.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 March 2024.