UNISOUND AI TECHNOLOGY CO., LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024 pwc 羅兵咸永道

Independent Auditor's Report

To the Board of Directors of Unisound AI Technology Co., Ltd.

Opinion

What we have audited

The consolidated financial statements of Unisound AI Technology Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which are set out on pages 4 to 87, comprise:

- the consolidated statement of financial position as at 31 December 2022, 2023 and 2024;
- the company statements of financial position as at 31 December 2022, 2023 and 2024;
- the consolidated statement of comprehensive income for the year then ended 31 December 2022, 2023 and 2024 (the "Relevant Periods");
- the consolidated statement of changes in equity for the Relevant Periods;
- the consolidated statement of cash flows for the Relevant Periods; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 2023 and 2024 and the consolidated financial position of the Group as at 31 December 2022, 2023 and 2024, and of its consolidated financial performance and its consolidated cash flows for the Relevant Periods in accordance with International Financial Reporting Standards ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

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Independent Auditor's Report (Continued)

Responsibilities of 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 IFRS Accounting Standards, 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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. We report our opinion solely to you, as a body, 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 ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment 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.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

Restriction on Distribution and Use

The consolidated financial statements are prepared for the purpose of the preparation of historical financial information for inclusion in the prospectus of the Company in connection with the initial public offering of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. As a result, the consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the board of directors of the Company and should not be distributed to or used by any other parties for any purpose.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 June 2025

Consolidated Statements of Comprehensive Loss

	Notes	Year ended December 31, 2022	2023	2024
		RMB'000	RMB'000	RMB'000
Revenue	6	600,619	727,316	939,017
Cost of sales and services	9	(360,732)	(432,808)	(574,537)
Gross profit		**239,887**	**294,508**	**364,480**
Operating expenses:				
Selling and marketing expenses	9	(46,086)	(58,810)	(70,705)
Administrative expenses	9	(48,420)	(65,020)	(64,105)
Research and development expenses	9	(287,099)	(286,301)	(370,073)
Net impairment losses on financial assets and contract assets	3	(71,976)	(91,346)	(48,438)
Other income	7	15,746	36,313	17,077
Other (losses)/gains - net	8	(1,363)	10,579	(13,964)
Total operating expenses		**(439,198)**	**(454,585)**	**(550,208)**
Finance income		314	1,875	2,298
Finance costs		(177,675)	(212,770)	(270,943)
Finance costs - net	11	**(177,361)**	**(210,895)**	**(268,645)**
Share of profit/(loss) from investments accounted for using the equity method	13	1,092	(2,617)	-
Loss before income tax		**(375,580)**	**(373,589)**	**(454,373)**
Income tax credit/(expense)	14	189	(2,655)	162
Loss for the year		**(375,391)**	**(376,244)**	**(454,211)**
Loss is attributable to:				
Owners of the Company		(366,012)	(375,461)	(452,364)
Non-controlling interests		(9,379)	(783)	(1,847)
		(375,391)	**(376,244)**	**(454,211)**
Other comprehensive income				
Currency translation differences		85	294	60
Total other comprehensive income for the year net of tax		85	294	60
Total comprehensive loss for the year		**(375,306)**	**(375,950)**	**(454,151)**
Total comprehensive loss for the year is attributable to:				
Owners of the Company		(365,927)	(375,167)	(452,304)
Non-controlling interests		(9,379)	(783)	(1,847)
		(375,306)	**(375,950)**	**(454,151)**
Loss per share attributable to owners of the Company				
Basic and diluted loss per share (RMB)	15	(5.75)	(5.57)	(6.52)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheets

	Notes	As at December 31, 2022	2023	2024
		RMB'000	RMB'000	RMB'000
Assets				
Non-current assets:				
Property, plant and equipment	16	14,533	19,160	28,081
Right-of-use assets	17	12,422	8,645	10,385
Intangible assets	18	560	498	8,791
Deferred income tax assets	34	399	53	295
Investments accounted for using the equity method	13	2,617	-	-
Financial assets at fair value through profit or loss	25	21,680	30,588	24,347
Financial lease receivables	21	670	-	3,725
Other non-current assets	19	-	47,393	47,393
Total non-current assets		**52,881**	**106,337**	**123,017**
Current assets:				
Inventories	24	33,614	67,853	140,292
Contract assets	6	3,908	4,123	4,969
Trade receivables	23	368,860	411,053	559,242
Prepayments and other receivables	22	32,170	66,256	89,530
Financial assets at fair value through profit or loss	25	-	69,010	-
Financial lease receivables	21	3,293	750	2,909
Cash and cash equivalents	26	74,118	379,224	156,476
Restricted Cash	26	-	-	3,541
Total current assets		**515,963**	**998,269**	**956,959**
Total assets		**568,844**	**1,104,606**	**1,079,976**
Equity/(deficit)				
Equity/(deficit) attributable to owners of the Company				
Share capital	27	63,648	69,392	69,392
Treasury stock	28	(1,841,637)	(2,563,637)	(2,563,637)
Reserves	28	1,544,548	2,245,640	2,245,700
Accumulated deficit	29	(1,657,418)	(2,032,879)	(2,485,243)
		(1,890,859)	**(2,281,484)**	**(2,733,788)**
Non-controlling interests		(20,379)	(17,273)	(19,120)
Total deficit		**(1,911,238)**	**(2,298,757)**	**(2,752,908)**

Consolidated Balance Sheet (continued)

	Notes	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Liabilities				
Non-current liabilities				
Lease liabilities	17	4,372	4,685	7,583
Redemption liabilities	30	2,108,990	3,038,456	3,303,051
Other non-current liabilities	36	45,033	26,434	29,625
Total non-current liabilities		**2,158,395**	**3,069,575**	**3,340,259**
Current liabilities				
Trade and other payables	33	192,782	181,455	232,895
Contract liabilities	6	55,877	64,804	86,265
Salary and welfare payable	35	22,966	15,233	15,052
Borrowings	37	35,000	65,000	145,378
Financial liabilities at fair value through profit or loss	31	667	2,383	2,370
Lease liabilities	17	14,395	4,913	10,665
Total current liabilities		**321,687**	**333,788**	**492,625**
Total liabilities		**2,480,082**	**3,403,363**	**3,832,884**
Net current assets		**194,276**	**664,481**	**464,334**
Total liabilities and deficit		**568,844**	**1,104,606**	**1,079,976**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements were approved by the Board of Directors on 20 June 2025 and were signed on its behalf:

Director

Director

Balance Sheets of the Company

	Notes	As at December 31, 2022	2023	2024
		RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment	16	4,799	9,852	10,130
Right-of-use assets	17	4,423	341	4,868
Intangible assets	18	331	400	237
Deferred income tax assets		111	-	-
Investments in subsidiaries	12(b)	230,383	586,883	592,783
Financial assets at fair value through profit or loss	25	21,680	30,588	22,097
Amounts due from subsidiaries, non-current	22(b)	442,859	526,106	611,549
Total non-current assets		**704,586**	**1,154,170**	**1,241,664**
Current assets				
Inventories		1,955	8,355	7,695
Contract assets	6	2,596	1,918	1,030
Trade receivables	23	78,944	96,657	114,639
Prepayments and other receivables	22(a)	15,032	28,058	27,839
Financial assets at fair value through profit or loss	25	-	10,010	-
Cash and cash equivalents	26	31,973	84,608	12,213
Restricted Cash	26	-	-	590
Total current assets		**130,500**	**229,606**	**164,006**
Total assets		**835,086**	**1,383,776**	**1,405,670**
Equity/(deficit)				
Equity/(deficit) attributable to owners of the Company				
Share capital	27	63,648	69,392	69,392
Treasury stock	28	(1,841,637)	(2,563,637)	(2,563,637)
Reserves	28	1,535,289	2,234,805	2,234,805
Accumulated deficit	29	(1,197,818)	(1,521,427)	(1,938,566)
Total deficit		**(1,440,518)**	**(1,780,867)**	**(2,198,006)**

Balance Sheets of the Company (continued)

	Notes	As at December 31, 2022	2023	2024
		RMB'000	RMB'000	RMB'000
Liabilities				
Non-current liabilities				
Redemption liabilities	30	2,108,990	3,038,456	3,303,051
Other non-current liabilities	36	23,657	10,158	13,975
Total non-current liabilities		**2,132,647**	**3,048,614**	**3,317,026**
Current liabilities				
Trade and other payables	33	81,226	60,533	178,708
Contract liabilities	6	7,058	20,688	23,558
Salary and welfare payable	35	13,843	7,425	7,634
Borrowings	37	35,000	25,000	70,000
Financial liabilities at fair value through profit or loss		667	2,383	2,370
Lease liabilities	17	5,163	-	4,380
Total current liabilities		**142,957**	**116,029**	**286,650**
Total liabilities		**2,275,604**	**3,164,643**	**3,603,676**
Net current (liabilities)/assets		**(12,457)**	**113,577**	**(122,644)**
Total liabilities and deficit		**835,086**	**1,383,776**	**1,405,670**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The balance sheets of the Company were approved by the Board of Directors on 20 June 2025 and were signed on its behalf:

Director

Director

Consolidated Statements of Changes in Equity/(deficit)

	Notes	Attributable to owners of the Company					Non-controlling interests	Total equity/ (deficit)
		Share capital	Treasury stock	Reserves	Accumulated deficit	Sub-total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2022		63,573	(1,831,637)	1,531,482	(1,291,406)	(1,527,988)	(11,000)	(1,538,988)
Comprehensive losses								
Loss for the year		-	-	-	(366,012)	(366,012)	(9,379)	(375,391)
Currency translation differences		-	-	85	-	85	-	85
Total comprehensive income/(losses) for the year		-	-	85	(366,012)	(365,927)	(9,379)	(375,306)
Transactions with owners in their capacity as owners:								
Issuance of equity interests to Series D2 investors	30	75	-	9,634	-	9,709	-	9,709
Modification to granted redemption liabilities	30	-	-	3,709	-	3,709	-	3,709
Recognition of redemption liabilities for the redemption rights newly granted to Series D2 investors	30	-	(10,000)	-	-	(10,000)	-	(10,000)
Recognition of financial liabilities for the anti-dilution rights newly granted to Series D2 investors	31	-	-	(362)	-	(362)	-	(362)
Total transactions with owners in their capacity as owners		75	(10,000)	12,981	-	3,056	-	3,056
Balance at December 31, 2022		63,648	(1,841,637)	1,544,548	(1,657,418)	(1,890,859)	(20,379)	(1,911,238)

Consolidated Statements of Changes in Equity/(deficit) (continued)

	Notes	Attributable to owners of the Company					Non-controlling interests	Total equity/ (deficit)
		Share capital	Treasury stock	Reserves	Accumulated deficit	Sub-total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2023		**63,648**	**(1,841,637)**	**1,544,548**	**(1,657,418)**	**(1,890,859)**	**(20,379)**	**(1,911,238)**
Comprehensive losses								
Loss for the year		-	-	-	(375,461)	(375,461)	(783)	(376,244)
Currency translation differences		-	-	294	-	294	-	294
Total comprehensive losses for the year		**-**	**-**	**294**	**(375,461)**	**(375,167)**	**(783)**	**(375,950)**
Transactions with owners in their capacity as owners:								
Issuance of equity interests to Series D3 investors	30	5,744	-	696,741	-	702,485	-	702,485
Modification to granted redemption liabilities	30	-	-	1,379	-	1,379	-	1,379
Recognition of redemption liabilities for the redemption rights newly granted to Series D3 investors	30	-	(722,000)	-	-	(722,000)	-	(722,000)
Recognition of financial liabilities for the anti-dilution rights newly granted to Series D3 investors	31	-	-	(985)	-	(985)	-	(985)
Share-based compensation expenses	32	-	-	4,532	-	4,532	-	4,532
Acquisition of non-controlling interests		-	-	(869)	-	(869)	389	(480)
Capital injection from non-controlling interests		-	-	-	-	-	3,500	3,500
Total transactions with owners in their capacity as owners		**5,744**	**(722,000)**	**700,798**	**-**	**(15,458)**	**3,889**	**(11,569)**
Balance at December 31, 2023		**69,392**	**(2,563,637)**	**2,245,640**	**(2,032,879)**	**(2,281,484)**	**(17,273)**	**(2,298,757)**

Consolidated Statements of Changes in Equity/(deficit) (continued)

	Notes	Attributable to owners of the Company					Non-controlling interests	Total equity/ (deficit)
		Share capital	Treasury stock	Reserves	Accumulated deficit	Sub-total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2024		**69,392**	**(2,563,637)**	**2,245,640**	**(2,032,879)**	**(2,281,484)**	**(17,273)**	**(2,298,757)**
Comprehensive losses								
Loss for the year		-	-	-	(452,364)	(452,364)	(1,847)	(454,211)
Currency translation differences		-	-	60	-	60	-	60
Total comprehensive losses for the year		-	-	60	(452,364)	(452,304)	(1,847)	(454,151)
Balance at December 31, 2024		69,392	(2,563,637)	2,245,700	(2,485,243)	(2,733,788)	(19,120)	(2,752,908)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statements of Cash Flows

	Notes	Year ended December 31,		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Cash used in operations	40	(165,941)	(284,666)	(316,778)
Interest received		314	1,875	2,298
Income tax paid		-	(1,324)	(957)
Addition of restricted cash		-	-	(3,541)
Net cash used in operating activities		**(165,627)**	**(284,115)**	**(318,978)**
Cash flows from investing activities				
Purchase of investments in financial assets at fair value through profit or loss	3.3(iii)	(88,900)	(803,010)	(82,250)
Proceeds from investments in financial assets at fair value through profit or loss	3.3(iii)	170,754	737,110	150,006
Payments for property, plant and equipment and intangible assets		(1,317)	(14,962)	(32,887)
Prepayments for property, plant and equipment	38	-	(47,393)	-
Payments for acquisition of non-controlling interests		-	(480)	-
Net cash generated from/(used in) investing activities		**80,537**	**(128,735)**	**34,869**
Cash flows from financing activities				
Proceeds from issuance of equity interests to Series D2 investors	30	10,000	-	-
Proceeds from issuance of equity interests to Series D3 investors	30	-	722,000	-
Payments of issuance costs for equity financing of Series D2		(291)	-	-
Payments of issuance costs for equity financing of Series D3		-	(19,515)	-
Capital injection from non-controlling interests		-	3,500	-
Proceeds from borrowing from sales and leaseback		-	12,000	-
Repayment of borrowing from sales and leaseback		-	(11,000)	(1,000)
Proceeds from bank borrowings		35,000	74,394	195,378
Repayment of bank borrowings		(4,000)	(44,394)	(115,000)
Interest paid for bank borrowings		(301)	(2,837)	(5,034)
Interest paid for borrowing from sales and leaseback		-	(386)	(5)
Payments of lease liabilities	17	(10,858)	(15,787)	(12,956)
Net cash generated from financing activities		**29,550**	**717,975**	**61,383**
Net (decrease)/increase in cash and cash equivalents		**(55,540)**	**305,125**	**(222,726)**
Cash and cash equivalents at beginning of the year	26	129,650	74,118	379,224
Exchange effect on cash and cash equivalents		8	(19)	(22)
Cash and cash equivalents at end of the year	26	**74,118**	**379,224**	**156,476**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 General information

Beijing Yunzhisheng Information Technology Co., Ltd. (北京雲知聲信息技術有限公司, the "Predecessor Company") was incorporated in Beijing, the People's Republic of China (the "PRC") on June 11, 2012 as a limited liability company. The Predecessor Company was jointly founded by Liang Jiaen and Kang Heng (referred to as the "Founding Shareholders"). In June 2019, the Predecessor Company was converted into a joint stock company with limited liability under the Company Law of the PRC and was renamed as Unisound AI Technology Co., Ltd. (雲知聲智能科技股份有限公司, the "Company"). The registered office of the Company is No. 101, 1st Floor, Building 1, Xisanqi Building Materials City, Haidian District, Beijing, the PRC.

The Company together with its subsidiaries (collectively referred to as the "Group") are primarily engaged in the sales of artificial intelligence ("AI") products and AI solutions.

2 Summary of accounting policies

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

2.1 Material accounting policies

2.1.1 Basis of preparation

(i) Compliance with IFRS

The Historical Financial Information of the Group has been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards").

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 4.

All relevant standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by the Group consistently throughout the Track Record Period.

(ii) Historical cost convention

The Historical Financial Information has been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

(iii) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1;
Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The amendments listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(iv) New/amended standards and interpretations not yet adopted

The Group has not early applied the following new/amended amendments to IFRS Accounting Standards that have been issued but are not yet effective:

2 Summary of accounting policies (continued)

2.1 Material accounting policies (continued)

2.1.1 Basis of preparation (continued)

(iv) New/amended standards and interpretations not yet adopted (continued)

	Effective for annual periods beginning on or after
Amendments to IAS 21 - Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements.

Management is currently assessing the implication of applying IFRS 18, and preliminarily identified the fair value gains/(losses) on financial assets currently presented in the line item 'Other (losses)/gains - net' within operating profit would be presented below operating profit, and certain additional disclosures would be added, other than that, there would not be significant impact on the group's financial position and performance when adopting IFRS 18.

Except for the impact of IFRS 18 above, other new/amended standards are either not relevant to the Group or not expected to have a material impact on the Group's consolidated financial statements when they become effective.

(v) Going concern

The Group's net liabilities were approximately RMB1,911.2 million, RMB2,298.8 million and RMB2,752.9million on December 31, 2022, 2023 and 2024, respectively. These net liabilities were mainly due to the redemption rights granted to investors in financing of Series Angel, A, B, B+, C, C+, C3, D, D+, D1, D2 and D3 (the "Investors") for which the Group recorded redemption liabilities with carry values of RMB2,109.0 million, RMB3,038.5 million and RMB3,303.1 million on December 31, 2022, 2023 and 2024, respectively (note 30(i)).

According to the investment agreements, the Investors agreed that all the preferred rights including redemption rights granted shall be irretrievably terminated upon the Company achieving QIPO. Please refer to note 30(i) for the relevant agreements for termination and reinstatement of the preferred rights. In any situation, the preferred rights and related liabilities will not have a cash flow impact to the Group in the next twelve months from the end of the reporting period.

Based on the cash flow projections of the Group and taking into account the available financial resources, including cash and cash equivalents, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period and accordingly, the Historical Financial Information has been prepared on a going concern basis.

The Historical Financial Information has been prepared in accordance with the accounting policies as set out in note 2.

2.1.2 Trade receivables

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See note 3.1 for a description of the Group's impairment policies.

2.1.3 Share capital and treasury stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases its equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury stock until the shares are canceled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Treasury stock is recorded to reflect the carrying amount of the redemption liabilities when it is initially reclassified from equity and will be reversed back to equity when the redemption liabilities are derecognized upon the Group's obligations in connection with those redemption liabilities are discharged, canceled or expired.

2.1.4 Redemption liabilities

A contract that contains an obligation to purchase the Company's equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the Company's obligations to purchase is conditional on the counterparty exercising a right to redeem. The Company undertakes such redemption obligations as certain preferred rights are granted to the Investors in the Company's financing process, such redemption obligation is recognized as financial liability initially at the present value of the redemption amount and subsequently measured at amortized cost with interest charged in finance costs.

The Group derecognizes redemption liabilities when, and only when, the redemption obligations are discharged, canceled or expired. The carrying amount of the redemption liabilities derecognized is then credited into equity.

2.1.5 Financial liabilities at fair value through profit or loss

The Investors were granted with preferred rights, such as an "anti-dilution right", pursuant to which the Investors have a right to require: (1) the Founding Shareholders to transfer the equity interests of the Company they directly or indirectly held to the Investors at the lowest price allowed by law; or (2) the Company to issue new shares for nominal consideration to the Investors; or (3) the Company or Founding Shareholders to compensate the Investors in cash. The specific method shall be selected and determined by the Investors, and the Company and its Founding Shareholders shall be liable for this jointly and severally. The anti-dilution right is out of the control of the Company.

Any anti-dilution right granted is bifurcated and accounted for within financial liabilities at fair value through profit or loss. It is initially recognized at fair value and subsequently carried at fair value with fair value changes recognized in "Other (losses)/gains - net" in the consolidated statements of comprehensive loss. The financial liabilities are classified as non-current liabilities unless the Company has an obligation to settle the liabilities within 12 months after the end of the reporting period.

The Company derecognizes such financial liabilities when, and only when, the Company's obligations are discharged, canceled or have expired. The carrying amount of the financial liabilities derecognized is then credited into equity.

2 Summary of accounting policies (continued)

2.1 Material accounting policies (continued)

2.1.6 Share-based payments

(i) Equity-settled share-based payment transactions

The Group operates certain share incentive plans, under which it receives services from employees as consideration for equity instruments ("options") of the Group. The fair value of services received in exchange for the grant of equity instruments is recognized as an expense in the consolidated statement of comprehensive income with a corresponding increase in equity.

In terms of the options awarded to employees, the total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Service and non-marketing performance vesting conditions are included in the calculation of the number of options that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the service conditions and non-marketing vesting performance conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

In some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement date and grant date.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in reserves will continue to be held in reserves.

(ii) Cash-settled share-based payment transactions

The cost of cash-settled transactions is measured initially at fair value on the grant date, with a corresponding recognition of liability. The liability is re-measured at each reporting date up to and at the date of settlement, with any changes in fair value recognized in profit or loss for the period.

(iii) Modifications

Where the terms of the share-based payment plan are modified, the expense that is not yet recognized for the award is recognized over the remaining vesting period as if the terms had not been modified.

If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification.

If the Group modifies the terms or conditions of its equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred.

2 Summary of accounting policies (continued)

2.1 Material accounting policies (continued)

2.1.7 Revenue recognition

Revenue is recognized when, or as, the control of goods or services is transferred to the customers. Depending on the terms of the contracts and the laws applicable, control of the goods and services may be transferred over time or at a point in time.

Control of the goods and services is transferred over time if the Group's performance:

- provides all the benefits received and consumed simultaneously by the customers;
- creates or enhances an asset that the customers control as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin approach or residual approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customers, the Group presents the contract as a contract liability when the payment is made, or the receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customers.

The revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. In those agreements where the transaction period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, revenue is measured at transaction prices adjusted for the time value of money. The variable consideration is estimated by applying the most likely amount method.

Determining whether revenue of the Group should be reported gross, or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group first identifies who controls the specified goods or services before they are transferred to the customer. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified goods or service before it is transferred to the customer, the indicators of which include but are not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative and applies judgement when assessing the indicators depending on each different circumstance.

2.1 Material accounting policies (continued)

2.1.7 Revenue recognition (continued)

The Group categorises its revenue based on different application scenarios, i.e., Daily life and Healthcare.

Daily life

Revenue from goods and services used for residential, commercial spaces or transportation purpose is categorised under Daily life. For AI solutions, c. For AI products, revenue is recognized at a point in time when the AI products are delivered to the customer's designated place, accepted by the customer. For certain AI platform services that are provided during a period, such as speaking evaluation services, revenue is recognized over time.

Healthcare

Revenue from audio medical transcription solutions, AI in medical record quality management solutions and other AI empowered medical solutions to medical institutions is categorised under Healthcare. Revenue is recognized upon customer acceptance after the system is launched and a trial run is completed.

The Group has analysed the nature of goods and services included in each of the contracts to assess whether there are different performance obligations as below:

The Group provides standalone AI products, such as AI software, software-embedded hardware, and AI platform services separately, in which cases revenue is recognized separately. The Group also provides AI solutions which are an integration of AI software, hardware, infrastructure and technology services. These components are assessed by management to be highly interdependent and interrelated, and therefore they are accounted for as a single performance obligation. Cloud services in certain AI solutions and certain AI products are accounted for as a separate performance obligation and revenue are recognized over the period of cloud services committed.

Warranties provided for these AI solutions and AI products are normally for periods within 2 years and are regarded as assurance-type warranties, while any extension of warranties extended for periods normally beyond two years are regarded as service-type warranties. The assurance-type warranties are accounted for in accordance with note "2.2.15 Provisions", and the service-type warranties are accounted for as a separate performance obligation and the transaction price will be allocated to each performance obligation based on the standalone selling prices.

2.1.8 Leases

The Group assesses whether a contract is or contains a lease at inception of a contract. It recognizes right-of-use assets and corresponding lease liabilities with respect to all lease contracts in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, at the date at which the leased asset is available for use by the Group.

(i) As lessee

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

2 Summary of accounting policies (continued)

2.1 Material accounting policies (continued)

2.1.8 Leases (continued)

(i) As lessee (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

(ii) As lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

(iii) Sublease

In a sublease where the Company is both a lessee and a lessor for the same underlying asset, the Company separately accounts for the head lease and sublease unless it is relieved of its primary obligation under the head lease.

The Company firstly determines the classification of the sublease based on the underlying asset.

For a sublease classified as a financial lease, the Company derecognizes the right-of-use asset and recognizes the net investment in the sublease. Finance income on the sublease and interest expense on the head lease are recognized in the other (losses)/gains – net and finance costs respectively.

For a sublease classified as an operating lease, the Company retains the right-of-use asset, recognizes a depreciation charge for the right-of-use asset and interest on the lease liability, and recognizes lease income from the sublease. Lease income from operating leases where the Group is a lessor is recognized in revenue on a straight-line basis over the lease term.

2 Summary of accounting policies (continued)

2.2 Other accounting policies

2.2.1 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive loss, statements of changes in equity/(deficit) and balance sheets respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.2.4.

(iv) Changes in ownership interests

When the Group ceases to consolidate or equity account for an investment because of a loss of control, or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by the applicable IFRS Accounting Standards.

2 Summary of accounting policies (continued)

2.2 Other accounting policies (continued)

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.2.3 Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources, assessing performance of the operating segment, has been identified as the chief executive officer of the Group.

2.2.4 Impairment of non-financial assets

Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.2.5 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 Summary of accounting policies (continued)

2.2 Other accounting policies (continued)

2.2.5 Investments and other financial assets (continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other gains/(losses) – net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "other gains/(losses) – net". Interest income from these financial assets is included in "finance income" using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses) - net" and impairment losses are presented as separate line item in the consolidated income statements.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within "other gains/(losses) - net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in profit or loss and presented within "other gains/(losses) - net" in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2 Summary of accounting policies (continued)

2.2 Other accounting policies (continued)

2.2.5 Investments and other financial assets (continued)

(iv) Impairment

The Group assesses on a forward-looking basis for the expected credit losses on financial assets (including trade receivables, other receivables, lease receivables, and cash and cash equivalent), which is subject to impairment under IFRS 9. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see note 3.1 (b) and note 23 for details.

For other financial assets, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.2.6 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where the Company currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.2.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of direct material is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

For contract fulfillment cost, it mainly comprises direct hardware and software costs, as well as direct labor cost incurred while delivering the AI solutions to the customers. The contract fulfillment cost is recognized as assets and presented in inventory only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

The contract fulfillment cost recognized will be transferred directly to profit or loss at the time that related revenue of AI solutions is recognized.

The Group recognizes an impairment loss in profit or loss to the extent that the carrying amount of contract fulfillment cost recognized exceeds:

- the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates; less
- the costs that relate directly to providing those services and that have not been recognized as expenses.

2 Summary of accounting policies (continued)

2.2 Other accounting policies (continued)

2.2.8 Prepayments and other receivables

Prepayments and other receivables comprise mainly upfront payments made to suppliers, deductible value-added tax ("VAT"), deposits and others.

Prepayments to suppliers for services will be subsequently recorded in the consolidated statements of comprehensive income in accordance with the applicable performance requirements within one year or less and therefore are all classified as current assets.

Prepayments to suppliers due for transfer to property, plant and equipment are classified as other non-current assets.

2.2.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.2.10 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.2.11 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred, and subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheets when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2 Summary of accounting policies (continued)

2.2 Other accounting policies (continued)

2.2.12 Borrowing costs

General and specific borrowing costs that are directly attributable to an acquisition, construction or production of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.2.13 Income tax

The income tax comprises current and deferred income tax. The income tax expense or credit for the period is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the income tax is also recognized in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

(iii) Offsetting

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2 Summary of accounting policies (continued)

2.2 Other accounting policies (continued)

2.2.14 Employee benefits

(i) Pension obligations, housing funds and other social welfare benefits

Full-time employees of the Group in the mainland China are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labor regulation requires that the Group make contributions to the government for these benefits based on certain percentage of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the required contributions. Under these plans, the Group contributes on a monthly basis and expensed as incurred. The Group has no further payment obligation for post-retirement benefits beyond the required contributions.

(ii) Bonus plans

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) Employees leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

2.2.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

2 Summary of accounting policies (continued)

2.2 Other accounting policies (continued)

2.2.16 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to expenses items are deferred and recognized in the consolidated statement of comprehensive income over the period necessary to match them with the expenses that they are intended to compensate.

Government grants relating to property and equipment, and other non-current assets are included in liabilities and are credited to comprehensive income on a straight-line basis over the expected lives of the related assets.

2.2.17 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income from financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income. Interest income from current deposits is included in finance income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.2.18 Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares,
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.2.19 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2 Summary of accounting policies (continued)

2.2 Other accounting policies (continued)

2.2.19 Property, plant and equipment (continued)

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

• Electronic equipment	3 years
• Office furniture	3-5 years
• Leasehold improvement	Shorter of remaining lease term or 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.2.4).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in other (losses)/gains – net in the consolidated statement of comprehensive loss.

2.2.20 Intangible assets

(i) Software

Acquired software is initially capitalized on the basis of the costs incurred to acquire. Costs associated with maintaining computer software programs are recognized as an expense when incurred. Software is stated at historical cost less accumulated amortisation and impairment losses (if any).

The Group amortizes software with a limited useful life using the straight-line method over 1-10 years. The amortisation period and amortisation method are reviewed at each reporting period. The effects of any revision are recognized as profit or loss when the changes arise.

(ii) Research and development

Research expenditure is recognized as expense when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use,
- management intends to complete the software and use or sell it,
- there is an ability to use or sell the software,
- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

During the Track Record Period, there were no internally generated development costs that met the criteria listed above and capitalized as intangible assets.

2 Summary of accounting policies (continued)

2.2 Other accounting policies (continued)

2.2.21 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Functional currency of the Company and its subsidiaries incorporated in mainland China is Renminbi ("RMB"). Functional currency of the Company's subsidiary in Hong Kong is US Dollar ("USD"). As the major operations of the Group are within the mainland China, the Group determined to present the Historical Financial Information in RMB.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss, except when deferred in equity if they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within "other (losses)/gains - net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2.2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the consolidated financial statements in the year in which the dividends are approved by the Company's shareholders or directors, where appropriate.

During the Track Record Period, there was no dividend distribution.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group does not use any derivative financial instruments to hedge certain risk exposures during the Track Record Period.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk primarily arises from recognized assets and liabilities denominated in a currency that is not the respective group entities' functional currency. The Group mainly operates in the PRC with most of the transactions settled in RMB.

The Group's exposure to foreign exchange risk on December 31, 2022, 2023 and 2024 was insignificant as each of the group entities did not hold significant assets and liabilities denominated in a currency other than its functional currency.

(ii) Interest rate risk

The Group's interest rate risk primarily arises from redemption liabilities, borrowings, lease liabilities and cash and cash equivalents. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

If the interest rate of borrowings with a floating rate had been 10% higher/lower, the loss before income tax for the years ended December 31, 2022, 2023 and 2024 would have been approximately RMB34.0 thousand, RMB280.8 thousand and RMB504.7 thousand higher/lower, respectively. This analysis does not include the effect of interest capitalized.

If the interest rate of cash and cash equivalents had been 10% higher/lower, the loss before income tax for the years ended December 31, 2022, 2023 and 2024 would have been approximately RMB31.4 thousand, RMB187.5 thousand and RMB36.5 thousand lower/higher, respectively.

The fair value interest rate risk arises from financial assets and liabilities carried at fixed rates is not significant for the Group.

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

(iii) Price risk

The Group is exposed to price risk in respect of the long-term investments, and wealth management products held by the Group and classified in the balance sheet as financial assets at FVPL. The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, the Group diversifies its portfolio. The investments are managed by management one by one, either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. The sensitivity analysis is performed by management, see note 3.3 for details.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

(i) Risk management

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, trade receivables, contract assets, financial lease receivables and other receivables (included in "prepayments and other receivables"). The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage this risk arising from cash and cash equivalents, the Group only transacts with state-owned or national financial institutions in the PRC. There has been no recent history of default in relation to these financial institutions.

To manage risk arising from trade receivables and contract assets, the Group has policies in place to ensure that sales with credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 180 days and the credit quality of these customers is assessed by taking into account their financial position, past experience and other factors. The Company is in the progress of enhancing the collection of existing receivables, it plans to enforce a more stringent customer admission policy, considering factors such as the historic overdue amount and duration of previous contracts.

For other receivables (included in "prepayments and other receivables") and financial lease receivables, management makes periodic collective assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experiences. In view of the history of cooperation with debtors and the collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding other receivables balances due from them is low.

(ii) Impairment of financial assets and contract assets

The Group performs impairment assessments under the expected credit loss ("ECL") model on financial assets at amortized cost (mainly including trade receivables, other receivables and financial lease receivables) and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the impairment loss is immaterial, as they are mainly placed with state-owned banks in the PRC, and there has been no recent history of default in relation to these banks. These instruments are considered to have low credit risk because they have a low risk of default, and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term.

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses under which the lifetime expected credit losses for all trade receivables and contract assets are estimated. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics, such as the nature of customers and recovery patterns. The expected loss rates are based on the historical payment profiles, historical credit loss rates by industry and data published by external credit rating institution, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Purchasing Manager Index (采購經理指數), Gross Domestic Product (國內生產總值) and Broad Measure of Money Supply (廣義貨幣供應量) of mainland China in which it provides services to be the most relevant factors, and accordingly adjusts the loss rates based on expected changes in certain combination of factors for each group with similar credit risk characteristics.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets and contract assets (continued)

Trade receivables and contract assets (continued)

Details of loss allowance of trade receivables and contract assets as at December 31, 2022, 2023 and 2024 were included in note 6 and note 23, respectively.

The movements on the provision for impairment of trade receivables and contract assets are as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
At beginning of the year	(66,516)	(138,567)	(213,360)
Provision for impairment of trade receivables and contract assets	(72,051)	(91,391)	(48,383)
Write-offs of provision for impairment of trade receivables and contract assets	-	16,598	19,715
At end of the year	(138,567)	(213,360)	(242,028)

Other receivables and financial lease receivables

Other receivables mainly include deposits. Financial lease receivables are generated from subleasing as mentioned in note 2.1.8 (iii). For other receivables and financial lease receivables management makes periodic collective assessments as well as individual assessment on the recoverability based on historical settlement records, past experience and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group measures credit risk of other receivables and financial lease receivables using Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD").

- Financial instruments that are not credit-impaired on initial recognition are classified in 'Stage 1' and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.

- If a significant increase in credit risk (specifically, when the debtor is more than 30 days past due on its contractual payments) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired. The expected credit loss is measured on lifetime basis.

- If the financial instrument is credit-impaired (specifically, when the debtor is more than 90 days past due on its contractual payments), the financial instrument is then moved to 'Stage 3'. The expected credit loss is measured on lifetime basis.

As there has been no significant increase in credit risk since initial recognition, most of the Group's other receivables and financial lease receivables as at December 31, 2022, 2023 and 2024 were classified in Stage 1 and their expected credit losses were measured on a 12-month basis.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets and contract assets (continued)

Other receivables and financial lease receivables (continued)

As at December 31, 2022, 2023 and 2024, the loss allowance of impaired other receivables and financial lease receivables is determined as follows:

	As at December 31,		
	2022	2023	2024
Expected credit loss rate	2.1%	2.0%	1.7%
Gross carrying amount (RMB'000)			
- Other receivables	6,035	7,589	6,242
- Financial lease receivables	4,025	790	6,736
Loss allowance (RMB'000)			
- Other receivables	(152)	(129)	(122)
- Financial lease receivables	(62)	(40)	(102)

The movements on the provision for impairment of other receivables and financial lease receivables are as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
At beginning of the year	(289)	(214)	(169)
Provision for impairment of other receivables and financial lease receivables	(52)	(35)	(142)
Reversal of previous impairment losses	127	80	87
At end of the year	(214)	(169)	(224)

Write-off policy

Financial assets and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

(iii) Net impairment losses on financial assets and contract assets recognized in profit or loss

During the years presented, the following net impairment losses were recognized in profit or loss in relation to impaired financial assets:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Impairment (losses)/gains on			
- trade receivables and contract assets (note 23, 6)	(72,051)	(91,391)	(48,383)
- other receivables and financial lease receivables (note 21, 22)	75	45	(55)
	(71,976)	(91,346)	(48,438)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents or adjust financing arrangements to meet the Group's liquidity requirements.

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	RMB'000	RMB'000	
At December 31, 2022				
Trade and other payables (excluding tax payables)	188,902	-	-	188,902
Borrowings (including interest)	36,147	-	-	36,147
Lease liabilities	15,152	4,445	-	19,597
	240,201	4,445	-	244,646
At December 31, 2023				
Trade and other payables (excluding tax payables)	176,343	-	-	176,343
Borrowings (including interest)	66,580	-	-	66,580
Lease liabilities	5,970	1,483	2,747	10,200
	248,893	1,483	2,747	253,123
At December 31, 2024				
Trade and other payables (excluding tax payables)	219,941	-	-	219,941
Borrowings (including interest)	146,609	-	-	146,609
Lease liabilities	11,048	5,349	2,893	19,290
	377,598	5,349	2,893	385,840

Please note that the Group did not include the liabilities arising from the redemption rights and the anti-dilution rights that were granted to the Investors in the above table as these rights are subject to certain conditions and scenarios (please refer to note 30 and note 31 for more details).

3.2 Capital risk management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern and support the sustainable growth of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance equity holders' value in the long term.

3 Financial risk management (continued)

3.2 Capital risk management (continued)

Consistent with others in the industry, the Group monitors capital on the basis of the net debt equity ratio. This ratio is calculated as "net debt" divided by "total equity/(deficit)". Net debt is calculated as total borrowings, other payable - borrowing from sales and leaseback, lease liabilities, redemption liabilities and financial liabilities at fair value through profit or loss, less cash and cash equivalents and financial assets at fair value through profit or loss. The net debt equity ratios of December 31, 2022, 2023 and 2024 were as follows:

	As at December 31,		
	2022	**2023**	**2024**
Borrowings	35,000	65,000	145,378
Other payable - borrowing from sales and leaseback	-	1,000	-
Lease liabilities	18,767	9,598	18,248
Redemption liabilities	2,108,990	3,038,456	3,303,051
Financial liabilities at fair value through profit or loss	667	2,383	2,370
Less: cash and cash equivalents	(74,118)	(379,224)	(156,476)
Wealth management products at fair value through profit or loss	-	(69,010)	-
Net debt	2,089,306	2,668,203	3,312,571
Total deficit	(1,911,238)	(2,298,757)	(2,752,908)
Net debt deficit ratio	(109%)	(116%)	(120%)

3.3 Fair value estimation

(a) Financial assets and liabilities

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
As at December 31, 2022	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Financial assets				
Financial assets at fair value through profit or loss				
- Unlisted equity investments	-	-	21,680	21,680
Financial liabilities				
Financial liabilities at fair value through profit or loss				
- Anti-dilution rights granted to the Investors (note 2.1.5)	-	-	667	667

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(a) Financial assets and liabilities (continued)

(i) Fair value hierarchy (continued)

Recurring fair value measurements **As at December 31, 2023**	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at fair value through profit or loss				
- Unlisted equity investments	-	-	30,588	30,588
- Wealth management products	-	-	69,010	69,010
	-	-	99,598	99,598
Financial liabilities				
Financial liabilities at fair value through profit or loss				
- Anti-dilution rights granted to the Investors (note 2.1.5)	-	-	2,383	2,383

Recurring fair value measurements **As at December 31, 2024**	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at fair value through profit or loss				
- Unlisted equity investments	-	-	24,347	24,347
	-	-	24,347	24,347
Financial liabilities				
Financial liabilities at fair value through profit or loss				
- Anti-dilution rights granted to the Investors (note 2.1.5)	-	-	2,370	2,370

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and financial liabilities at fair value through profit or loss.

(ii) Valuation techniques used to determine fair values

The valuation of the level 3 instruments mainly included financial assets at fair value through profit or loss in unlisted equity investments (note 25), financial assets at fair value through profit or loss in wealth management products (note 25) and financial liabilities at fair value through profit or loss (note 31). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including discounted cash flows and market approach etc.

The finance department of the Group involves an independent valuer to perform the valuations of unlisted equity investments and financial liabilities at fair value through profit or loss. This independent valuer reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the independent valuer on a periodical basis, in line with the Group's reporting periods.

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(a) Financial assets and liabilities (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3)

There are no transfers of financial assets or liabilities between levels 2 and 3 during the Track Record Period.

The following table presents the changes in level 3 instruments of financial assets and financial liabilities measured at fair value through profit or loss for the years ended December 31, 2022, 2023 and 2024.

	Financial assets at FVPL - wealth management products	**Financial assets at FVPL** - unlisted equity investments	**Financial liabilities at FVPL** - Anti-dilution rights granted to the Investors
	RMB'000	**RMB'000**	**RMB'000**
Opening balance at January 1, 2022	80,859	23,022	(270)
Additions	88,900	-	(362)
Disposals	(170,754)	-	-
Gains recognized in other (losses)/gains - net (note 8)	995	(1,342)	(35)
Closing balance at December 31, 2022	**-**	**21,680**	**(667)**
Additions	803,010	-	(985)
Disposals	(737,110)	-	-
Gains recognized in other (losses)/gains - net (note 8)	3,110	8,908	(731)
Closing balance at December 31, 2023	**69,010**	**30,588**	**(2,383)**
Additions	80,000	2,250	-
Disposals	(150,006)	-	-
Gains recognized in other (losses)/gains - net (note 8)	996	(8,491)	13
Closing balance at December 31, 2024	**-**	24,347	(2,370)

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(a) Financial assets and liabilities (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3) (continued)

Description	Fair value As at December 31, 2022 RMB'000	Fair value As at December 31, 2023 RMB'000	Fair value As at December 31, 2024 RMB'000	Significant unobservable inputs	Range of inputs As at December 31, 2022	Range of inputs As at December 31, 2023	Range of inputs As at December 31, 2024	Relationship of unobservable inputs to fair value
Financial assets at FVPL - wealth management products	-	69,010	-	Expected rate of return	n/a	2.6%	n/a	The higher the expected rate of return, the higher the fair value
				Discount for lack of marketability ("DLOM")	20.0%-27.7%	20.0%	20.0%	The higher the DLOM, the lower the fair value
Financial assets at FVPL - unlisted equity investments	21,680	30,588	24,347	Enterprise value/Sales	0.6-4.6	0.6-4.7	5.5	The higher the Enterprise value/ Sales, the higher the fair value
				Discount rate	15.0%	15.0%	15.0%	The higher the discount rate, the lower the fair value
				Volatility	51. 1%	45.5%	53.1%	The higher the volatility, the higher the fair value
				Risk-free interest rate	2.1%	2.1%	1.0%	The higher the risk-free interest rate, the lower the fair value
Financial liabilities at FVPL - anti-dilution right granted to the Investors	667	2,383	2,370	DLOM	10.0%	10.0%	10.0%	The higher the DLOM, the lower the fair value

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(a) Financial assets and liabilities (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3) (continued)

The Group entered into contracts in respect of wealth management products with expected but not guaranteed rates of return ranging as shown above. The Group managed and evaluated the performance of these investments on a fair value basis, in accordance with the Group's risk management and investment strategy and hence they are designated as financial assets at FVPL. If the expected rate of return of investments held by the Group be 1% higher/lower as at December 31, 2022, 2023 and 2024, loss before income tax for the years ended December 31, 2022, 2023 and 2024 would be approximately nil, RMB144.2 thousand lower/higher, nil, respectively.

If the DLOM the unlisted equity investments measured at FVPL held by the Group be 10% higher/lower, the loss before income tax for the years ended December 31, 2022, 2023, and 2024 and would be RMB708.4 thousand/ RMB554.0 thousand lower/higher, RMB864.0 thousand/ RMB863.0 thousand lower/higher, RMB634.0 thousand/ RMB633.0 thousand lower/higher, respectively.

Fair value of financial liabilities at FVPL is affected by changes in the fair value of the underlying equity of the Company. If the Company's equity value was higher/lower by 10% with all other variables held constant, the loss before income tax for the years ended December 31, 2022, 2023 and 2024 would be RMB197.1 thousand/ RMB167.2 thousand lower/higher, RMB753.1 thousand/ RMB758.3 thousand lower/higher and RMB838.8 thousand/ RMB901.8 thousand lower/higher, respectively.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) *Revenue recognition – allocating the transaction price*

If a contract has several distinct performance obligations, the transaction price is allocated to each of distinct performance obligation in the contract based on their relative stand-alone selling prices. If the stand-alone selling price is not directly observable, management estimate the stand-alone selling price using cost plus a reasonable margin approach or residual approach when appropriate, depending on the availability of observable information for such performance obligations. Significant assumptions and estimates have been made in identifying the number of performance obligations included in the contracts and estimating the standalone selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates could materially impact the timing of revenue recognition.

(b) *Current and deferred income tax*

The Group is subject to corporate income taxes in mainland China and Hong Kong. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Deferred tax assets relating to certain temporary differences and tax losses are recognized when management considers it to be probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) *Impairment of financial assets*

The loss allowance for financial assets disclosed in note 3.1 is based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(d) *Fair value of unlisted equity investments classified as financial assets at FVPL*

The fair value of unlisted equity investments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select appropriate method and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in note 3.3.

5 Segment information

During the Track Record Period, the Group's business activities are primarily providing sales of AI products, solutions and charging service fees for using its AI platform and solutions. The Group's CODM, who has been identified as the chief executive officer, reviews consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment.

No geographical segment information is presented as the revenue and operating losses of the Group are mainly derived within the PRC and all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

6 Revenue

Disaggregation of revenue from contracts with customers by revenue streams is as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Daily life	486,682	578,729	739,830
Healthcare	113,452	148,245	199,180
Others	485	342	7
	600,619	727,316	939,017

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Revenue			
- recognized at a point in time	583,048	698,529	910,961
- recognized over time	17,571	28,787	28,056
	600,619	727,316	939,017

There is no single customer who contributed more than 10% of the total revenue of the Group for the years ended December 31, 2022, 2023, and 2024.

Contract assets and contract liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Contract assets (i)			
Daily life	1,834	3,593	3,265
Healthcare	3,091	1,764	2,482
Less: allowance for impairment of contract assets	(1,017)	(1,234)	(778)
Total	3,908	4,123	4,969
Contract liabilities (ii)			
Daily life	42,294	53,920	80,884
Healthcare	12,909	10,884	5,381
Others	674	-	-
Total	55,877	64,804	86,265

6 Revenue (continued)

Contract assets and contract liabilities (continued)

The Company has recognized the following revenue-related contract assets and liabilities:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Contract assets (i)			
Daily life	220	971	23
Healthcare	3,091	1,764	1,169
Less: allowance for impairment of contract assets	(715)	(817)	(162)
Total	2,596	1,918	1,030
Contract liabilities (ii)			
Daily life	5,496	17,758	19,911
Healthcare	1,562	2,930	3,647
Total	7,058	20,688	23,558

(i) Contract assets are the Group's right to consideration in exchange for goods or services that the Group transferred to the customer where that right is conditional on something other than the passage of time. As at end of each year of the Track Record Period, the contract assets were mainly the unsettled part of contract fees relating to quality guarantee.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets.

(ii) Contract liabilities mainly arise from the advance payments from customers upon which the performance obligations have been established while the underlying services are yet to be provided.

Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue, which was included in the contract liability balance at the beginning of each period, recognized during each of the Track Record Period related to carried-forward contract liabilities.

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Daily life	12,267	17,991	21,243
Healthcare	2,018	5,504	6,264
Others	25	165	-
Total	14,310	23,660	27,507

6 Revenue (continued)

Unsatisfied performance obligations

The following table shows unsatisfied performance obligations as at December 31, 2022, 2023 and 2024:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Daily life	110,568	198,963	310,701
Healthcare	16,399	30,463	50,992
Total	126,967	229,426	361,693

Management expects that 50.5%, 68.8% and 79.3% of the transaction price allocated to the unsatisfied contracts as at December 31, 2022, 2023 and 2024 will be recognized as revenue within one year. The remaining 49.5%, 31.2% and 20.7% will be recognized over one year.

7 Other income

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Government grants (i)	13,241	32,749	16,084
VAT refund and VT super-deduction	2,328	3,382	809
Others	177	182	184
	15,746	36,313	17,077

(i) The Group received government grants from local governments as support for research and development expenses relating to innovation activities.

8 Other (losses)/gains - net

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Net fair value (losses)/gains on financial assets at FVPL (note 25)	(347)	12,018	(7,495)
Net fair value (losses)/gains on financial liabilities at FVPL(note 3.3)	(35)	(731)	13
Financial subleasing related income	334	171	222
Potential loss on investments accounted for using the equity method	-	-	(4,900)
Other items	(1,315)	(879)	(1,804)
	(1,363)	10,579	(13,964)

9 Expenses by nature

Expenses included in cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses are further analyzed as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Employee benefit expenses (note 10)	173,203	179,527	186,942
Cost of hardware	279,629	302,899	312,938
Software development support fees	61,272	108,891	237,147
Technology service fees	147,266	143,906	210,146
Marketing and promotional expenses	12,950	18,534	25,393
Server operation and cloud-based service fees	10,922	17,139	32,681
Depreciation of property, plant and equipment (note 16)	12,417	9,468	12,766
Depreciation of right-of-use assets (note 17)	9,450	10,131	10,086
Amortization of intangible assets (note 18)	373	277	2,997
Auditors' remuneration			
-Audit services	773	568	423
Listing expenses	15,757	26,276	21,234
Other professional fees	4,067	6,111	4,523
Taxes and surcharges	2,560	2,731	3,682
Other expenses	11,698	16,481	18,462
	742,337	842,939	1,079,420

10 Employee benefit expenses

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	134,071	134,261	148,674
Pension costs	17,858	17,914	17,951
Housing funds	9,749	9,819	9,955
Other social security costs	10,689	10,712	10,155
Other employee welfare	1,587	3,386	2,900
Share based compensation(note 32(i))	-	4,532	-
	173,954	180,624	189,635
Less: capitalized in contract fulfillment cost	(751)	(1,097)	(2,693)
	173,203	179,527	186,942

(i) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the Track Record Period included 2, 1 and 3 directors respectively, whose emoluments are disclosed in note 41. The emoluments payable to the remaining 3, 4 and 2 individuals during the Track Record Period respectively are as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	3,057	3,856	1,513
Pension costs	201	245	141
Housing benefits	97	134	81
Other social security costs	121	143	83
	3,476	4,378	1,818

10 Employee benefit expenses (continued)

(i) Five highest paid individuals (continued)

The emoluments of the 3, 4 and 2 individuals fell within the following bands:

	Year ended December 31,		
	2022	2023	2024
Emoluments bands:			
HK$ 500,000 to HK$1,000,000	-	-	1
HK$1,000,001 to HK$1,500,000	3	4	1
	3	4	2

During the Track Record Period, no director or the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

11 Finance costs - net

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Finance income			
Interest income from bank deposits	314	1,875	2,298
Finance costs			
Interest expenses on redemption liabilities (note 30)	(176,429)	(208,845)	(264,595)
Interest expenses on bank borrowings	(340)	(2,808)	(5,323)
Interest expenses on lease liabilities (note 17)	(906)	(731)	(1,020)
Interest expenses on borrowing from sales and leaseback	-	(386)	(5)
Finance costs – net	(177,361)	(210,895)	(268,645)

12 Subsidiaries

(a) Subsidiaries of the Group

The Group's principal subsidiaries at December 31, 2022, 2023 and 2024 are set out below. Unless otherwise stated, the proportion of ownership interests held equals to the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Place of operation and date of incorporation/ establishment	Principal activities	Paid in capital as at December 31, 2024	Ownership interest held By the Group as at December 31, 2022	2023	2024	Date of report
Directly held by the Company							
Shenzhen Unisound Information Technology Co., Ltd. (深圳云知声信息技术有限公司) ("Shenzhen Unisound")	Shenzhen, China December 28, 2015	Daily life, Healthcare	RMB 10,000,000	100%	100%	100%	[100%]
HK UNISOUND INFORMATION TECHNOLOGY CO., LIMITED (香港云知声信息技术有限公司)	Hong Kong, China January 13, 2016	Daily life	HKD 10,000	100%	100%	100%	[100%]
Yunzhixin Smart City Development (Xiamen) Co., Ltd. (云知芯智慧城市发展(厦门)有限公司)	Xiamen, China January 28, 2021	Daily life	Nil	100%	Nil	Nil	[Nil]
Beijing Zhuyun Shanhai Intelligent Technology Co., Ltd. (北京逐云山海智能科技有限公司)	Beijing, China November 15, 2023	Daily life	Nil	Nil	100%	100%	[100%]
Shanghai Xiongzun Intelligent Engineering Co., Ltd. (上海雄尊智能工程有限公司)	Shanghai, China April 27, 2021	Daily life	RMB 200,000	100%	100%	100%	[100%]
Chengdu Unisound AI Technology Co., Ltd. (成都云知声智能科技有限公司)	Chengdu, China May 20, 2021	Daily life	RMB 10,000,000	100%	100%	100%	[100%]
Unisound (Tianjin) Information Technology Co., Ltd. (云知声(天津)信息技术有限公司)	Tianjin, China August 3, 2022	Daily life	RMB 8,000,000	100%	100%	100%	[100%]
Xiamen Unisound AI Technology Co., Ltd. (厦门云知芯智能科技有限公司)	Xiamen, China October 18, 2017	Daily life	RMB 100,000,000	100%	100%	100%	[100%]
Unisound (Shanghai) Intelligent Technology Co., Ltd. (云知声(上海)智能科技有限公司) ("Shanghai Unisound")	Shanghai, China August 7, 2017	Daily life	RMB 100,000,000	100%	100%	100%	[100%]

12 Subsidiaries (continued)

(a) Subsidiaries of the Group (continued)

Name	Place of operation and date of incorporation/ establishment	Principal activities	Paid in capital as at December 31, 2024	Ownership interest held By the Group as at December 31, 2022	2023	2024	Date of report
Directly held by the Company (continued)							
Jinan Yunzhisheng Technology Co., Ltd. (济南云知声科技有限公司)	Jinan, China April 19, 2023	Daily life	RMB 50,000,000	Nil	100%	100%	[100%]
Yunzhisheng (Xinyang) Digital Technology Co., Ltd (云知声(信阳)数字科技有限公司)	Xinyang, China May 22, 2023	Daily life	RMB 100,000,000	Nil	100%	100%	[100%]
Unisound (Hangzhou) AI Technology Co., Ltd.(云知声(杭州)智能科技有限公司)	Hangzhou, China June 6, 2023	Daily life	RMB 100,000,000	Nil	100%	100%	[100%]
Sichuan Yunzhisheng Intelligent Technology Co., Ltd.(四川云知声智能科技有限公司)	Sichuan, China June 21, 2023	Daily life	RMB 100,000,000	Nil	100%	100%	[100%]
Guangxi Guiyuntong Technology Co., Ltd.(广西桂云通科技有限公司)	Nanning, China March 27, 2023	Daily life	RMB 10,000,000	Nil	65%	65%	[65%]
Henan Yunzhisheng Technology Co., Ltd.(河南云知声科技有限公司)	Nanning, China January 17, 2024	Daily life	RMB 1,000,000	Nil	Nil	100%	[100%]
Jiangsu Yunzhisheng Technology Co., Ltd.(江苏云知声科技有限公司)	Nanjin, China September 29, 2024	Daily life	RMB 10,000,000	Nil	Nil	100%	[100%]
Indirectly held by the Company							
Xiamen Deep Learning AI Engineering Research Institute Co., Ltd. (厦门深度学习智能工程研究院有限公司)	Xiamen, China December 28, 2017	Daily life	RMB 2,000,000	100%	100%	100%	[100%]
Yunmao Internet Intelligent Technology (Xiamen) Co., Ltd. (云茂互联智能科技(厦门)有限公司)	Xiamen, China April 17, 2019	Daily life	RMB 10,000,000	51%	51%	51%	[51%]
Fujian Unisound AI Technology Co., Ltd. (福建云知声智能科技有限公司) (Fujian Unisound)	Fujian, China January 7, 2021	Daily life	RMB 2,000,000	51%	75%	75%	[75%]
Jiangsu Yunzhisheng Shanhai Technology Co., Ltd.(江苏云知声山海科技有限公司)	Nanjin, China November 05, 2024	Daily life	Nil	Nil	Nil	60%	[60%]

12 Subsidiaries (continued)

(a) Subsidiaries of the Group (continued)

The Company records in its balance sheets the "Investments in subsidiaries" including i) the paid-in capital to its directly held subsidiaries as listed above at RMB228 million, RMB585 million and 596 million on December 31, 2022, 2023 and 2024, respectively, and ii) share-based compensation expenses for historical share incentives granted to certain employees of the directly held subsidiaries using the Company's equity instruments, amounted to RMB2.2 million, RMB2.2 million, and RMB2.2 million, on December 31, 2022, 2023 and 2024, respectively.

(b) Investment in subsidiaries — the Company

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
At beginning of the year	122,383	230,383	586,883
Additional investments in subsidiaries	108,000	356,500	11,000
Impairment of investments in a subsidiary	-	-	(5,100)
At end of the year	230,383	586,883	592,783

13 Investments accounted for using the equity method

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
At beginning of the year	1,525	2,617	-
Share of profit/(loss)	1,092	(2,617)	-
At end of the year	2,617	-	-

Set out below is the associate, accounted for using the equity method, of the Group as at December 31, 2022, 2023 and 2024. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of operation	% of ownership interest As at December 31,			Carrying amount As at December 31,		
		2022	2023	2024	2022	2023	2024
		%	%	%	RMB'000	RMB'000	RMB'000
Shanghai Maosheng Intelligence Technology Co., Ltd. ("Maosheng")	Shanghai, China	49.0	49.0	49.0	2,617	-	-

14 Income tax expense

(a) Hong Kong Income Tax

Subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax of which the tax rate is 8.25% on assessable profits up to HKD2 million, and 16.5% on any part of assessable profits over HKD2 million for the Track Record Period.

(b) PRC Corporate Income Tax ("CIT")

The income tax provision of the Group in respect of its operations in the PRC was subject to a statutory tax rate of 25% on the assessable profits for the Track Record Period, based on the existing legislation, interpretations and practices in respect thereof.

14 Income tax expense (continued)

(b) PRC Corporate Income Tax ("CIT") (continued)

The Company, Shenzhen Unisound and Shanghai Unisound qualified as "High and New Technology Enterprises" ("HNTEs") under the relevant PRC laws and regulations. Accordingly, these entities were entitled to a preferential income tax rate of 15% during the Track Record Period. This status is subject to a requirement that they reapply for HNTEs status every three years.

The income tax (credit)/expense of the Group for the years ended December 31, 2022, 2023 and 2024 is as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Current tax	33	2,309	80
Deferred income tax (credit)/expense (note 34)	(222)	346	(242)
Income tax (credit)/expense	(189)	2,655	(162)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the consolidated entities as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Loss before income tax credit	(375,580)	(373,589)	(454,373)
Tax calculated at statutory tax rate of 25%	(93,895)	(93,397)	(113,593)
Tax effects of:			
Expenses not deductible for tax purposes *(i)*	36,504	31,996	40,310
Super-deduction for research and development expenses *(ii)*	(18,994)	(22,603)	(31,663)
Tax losses and temporary differences for which no deferred income tax asset was recognized *(iii)*	39,486	48,115	57,360
Effect of preferential tax rates	36,735	38,544	47,454
Effect of different tax rates	(25)	-	(30)
	(189)	2,655	(162)

(i) Expenses not deductible for tax purposes mainly consist of interest expense on redemption liabilities (note 11) and certain non-deductible expenses.

(ii) 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 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Super-deduction"). The Group has made its best estimation for the Super-deduction to be claimed for the Group's entities in ascertaining their assessable profits for the years ended December 31, 2022, 2023 and 2024.

(iii) As at December 31, 2022, 2023, and 2024, the Group had unused tax losses of approximately RMB1,508 million, RMB1,718 million and RMB1,946 million respectively that can be carried forward against future taxable income. The unused tax losses of the Group were from the subsidiaries incorporated in the PRC, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expiries of unused tax losses of HNTEs issued in August 2018, the accumulated tax losses which have not expired by 2018 have been extended from 5 years to 10 years from then on.

14 Income tax expense (continued)

(b) PRC Corporate Income Tax ("CIT") (continued)

As at December 31, 2022, 2023 and 2024, the expiry dates of the unused tax losses are listed as below.

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Year ended December 31, 2023	318	-	-
Year ended December 31, 2024	42,833	42,785	-
Year ending December 31, 2025	91,952	76,939	75,825
Year ending December 31, 2026	118,708	118,708	117,951
Year ending December 31, 2027	153,406	149,851	149,851
Year ending December 31, 2028	171,611	167,531	166,561
Year ending December 31, 2029	252,370	252,370	293,972
Year ending December 31, 2030	202,499	202,499	202,499
Year ending December 31, 2031	226,944	226,944	226,944
Year ending December 31, 2032	247,287	247,279	247,279
Year ending December 31, 2033	-	233,374	233,374
Year ending December 31, 2034	-	-	232,240
	1,507,928	1,718,280	1,946,496

15 Loss per share

Basic loss per share for the years ended December 31, 2022, 2023 and 2024 are calculated by dividing the loss attributable to the Company's owners by the weighted average number of ordinary shares in issue during the Track Record Period.

The calculation of loss per share is based on the following:

	Year ended December 31,		
	2022	**2023**	**2024**
Loss for the year attributable to owners of the Company (RMB'000)	(366,012)	(375,461)	(452,364)
Weighted average number of ordinary shares in issue (thousand shares)	63,613	67,357	69,392
Basic and diluted loss per share (RMB yuan) (a)	(5.75)	(5.57)	(6.52)

(a) 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. As the Group incurred losses for the years ended December 31, 2022, 2023 and 2024, the potential ordinary shares were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2022, 2023 and 2024 are the same as basic loss per share for the respective years.

16 Property, plant and equipment

The Group	Electronic equipment	Office furniture	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost:				
At January 1, 2022	55,100	5,140	15,997	76,237
Additions	1,103	287	99	1,489
Disposals	(519)	(48)	-	(567)
At December 31, 2022	55,684	5,379	16,096	77,159
Additions	14,078	111	41	14,230
Disposals	(1,880)	(65)	-	(1,945)
At December 31, 2023	67,882	5,425	16,137	89,444
Additions	8,478	2,707	10,529	21,714
Disposals	(736)	(154)	(16,035)	(16,925)
At December 31, 2024	75,624	7,978	10,631	94,233
Accumulated depreciation:				
At January 1, 2022	(35,967)	(3,936)	(10,840)	(50,743)
Depreciation	(8,725)	(631)	(3,061)	(12,417)
Disposals	492	42	-	534
At December 31, 2022	(44,200)	(4,525)	(13,901)	(62,626)
Depreciation	(6,980)	(471)	(2,017)	(9,468)
Disposals	1,751	59	-	1,810
At December 31, 2023	(49,429)	(4,937)	(15,918)	(70,284)
Depreciation	(9,255)	(753)	(2,758)	(12,766)
Disposals	717	146	16,035	16,898
At December 31, 2024	(57,967)	(5,544)	(2,641)	(66,152)
Net carrying amount:				
At December 31, 2022	11,484	854	2,195	14,533
At December 31, 2023	18,453	488	219	19,160
At December 31, 2024	17,657	2,434	7,990	28,081

Depreciation expenses have been charged to profit or loss and presented in the consolidated statements of comprehensive loss as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cost of sales	3,930	3,565	2,536
Selling and marketing expenses	988	1,591	4,142
Administrative expenses	1,177	956	862
Research and development expenses	6,322	3,356	5,226
	12,417	9,468	12,766

16 Property, plant and equipment (continued)

The Company	Electronic equipment	Office furniture	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost:				
At January 1, 2022	13,136	3,952	10,968	28,056
Additions	809	194	-	1,003
Disposals	(396)	(26)	-	(422)
At December 31, 2022	13,549	4,120	10,968	28,637
Additions	9,328	-	-	9,328
Disposals	(792)	(10)	-	(802)
At December 31, 2023	22,085	4,110	10,968	37,163
Additions	4,337	783	-	5,120
Disposals	(21)	(25)	(10,968)	(11,014)
At December 31, 2024	26,401	4,868	-	31,269
Accumulated depreciation:				
At January 1, 2022	(11,124)	(2,817)	(7,511)	(21,452)
Depreciation	(679)	(447)	(1,661)	(2,787)
Disposals	376	25	-	401
At December 31, 2022	(11,427)	(3,239)	(9,172)	(23,838)
Depreciation	(2,224)	(351)	(1,660)	(4,235)
Disposals	752	10	-	762
At December 31, 2023	(12,899)	(3,580)	(10,832)	(27,311)
Depreciation	(4,240)	(457)	(136)	(4,833)
Disposals	19	18	10,968	11,005
At December 31, 2024	(17,120)	(4,019)	-	(21,139)
Net carrying amount:				
At December 31, 2022	2,122	881	1,796	4,799
At December 31, 2023	9,186	530	136	9,852
At December 31, 2024	9,281	849	-	10,130

Depreciation expenses have been charged to profit or loss and presented in the Company statements of comprehensive loss as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cost of sales	2	35	73
Selling and marketing expenses	25	341	66
Administrative expenses	444	820	238
Research and development expenses	2,316	3,039	4,456
	2,787	4,235	4,833

17 Leases

The Group

(a) *Amounts recognized in the consolidated balance sheets*

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Right-of-use assets			
Buildings	12,422	8,645	10,385
Lease liabilities			
Current	14,395	4,913	10,665
Non-current	4,372	4,685	7,583
	18,767	9,598	18,248

(b) *The movement in right-of-use assets in the consolidated balance sheets are as follows:*

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cost			
At beginning of the year	39,662	48,501	33,416
Additions	8,839	7,586	20,586
Modification of leasing contracts	-	(3,407)	-
Termination of lease contracts	-	(19,264)	(34,701)
At end of the year	48,501	33,416	19,301
Accumulated depreciation			
At beginning of the year	(26,629)	(36,079)	(24,771)
Depreciation charge for the year	(9,450)	(10,131)	(10,086)
Modification of leasing contracts	-	2,175	-
Termination of lease contracts	-	19,264	25,941
At end of the year	(36,079)	(24,771)	(8,916)
Net book amount			
At end of the year	12,422	8,645	10,385

(c) *Amounts recognized in the consolidated statements of comprehensive income*

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets			
- Building	9,450	10,131	10,086
Interest expense (note 11)	906	731	1,020
Expense relating to short-term leases	1,132	685	2,145

The total cash outflows for long-term and short-term leases during the years ended December 31, 2022, 2023 and 2024 were approximately RMB12.0 million, RMB16.5 million and RMB15.1 million, respectively.

17 Leases (continued)

The Company

(a) Amounts recognized in the balance sheets of the Company

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Right-of-use assets			
Buildings	4,423	341	4,868
Lease liabilities			
Current	5,163	-	4,380

(b) The movement in right-of-use assets in the balance sheets of the Company are as follows:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cost			
At beginning of the year	20,412	20,412	20,412
Additions	-	-	8,986
Termination of lease contracts	-	-	(20,412)
At end of the year	20,412	20,412	8,986
Accumulated depreciation			
At beginning of the year	(11,907)	(15,989)	(20,071)
Depreciation charge for the year	(4,082)	(4,082)	(4,459)
Termination of leasing contracts	-	-	20,412
At end of the year	(15,989)	(20,071)	(4,118)
Net book amount			
At end of the year	4,423	341	4,868

(c) Amounts recognized in the statements of comprehensive income

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets			
- Building	4,082	4,082	4,459
Interest expense (note 11)	383	101	282
Expense relating to short-term leases	209	219	233

The total cash outflows for long-term and short-term leases during the years ended December 31, 2022, 2023 and 2024 were approximately RMB5.1 million, RMB6.0 million and RMB5.1 million, respectively.

18 Intangible Assets

The Group	Software	Patent	Total
	RMB'000	RMB'000	RMB'000
Cost:			
At January 1, 2022	2,291	300	2,591
Additions	321	-	321
Disposals	-	-	-
At December 31, 2022	2,612	300	2,912
Additions	215	-	215
Disposals	-	-	-
At December 31, 2023	2,827	300	3,127
Additions	10,690	600	11,290
Disposals	-	(300)	(300)
At December 31, 2024	13,517	600	14,117
Accumulated amortisation:			
At January 1, 2022	(1,929)	(50)	(1,979)
Amortization	(223)	(150)	(373)
Disposals	-	-	-
At December 31, 2022	(2,152)	(200)	(2,352)
Amortization	(177)	(100)	(277)
Disposals	-	-	-
At December 31, 2023	(2,329)	(300)	(2,629)
Amortization	(2,697)	(300)	(2,997)
Disposals	-	300	300
At December 31, 2024	(5,026)	(300)	(5,326)
Net carrying amount:			
At December 31, 2022	460	100	560
At December 31, 2023	498	-	498
At December 31, 2024	8,491	300	8,791

Amortisation expenses have been charged to profit or loss and presented in the consolidated statements of comprehensive loss as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Selling and marketing expenses	21	21	2,522
Administrative expenses	87	63	101
Research and development expenses	265	193	374
	373	277	2,997

18 Intangible Assets (continued)

The Company

	Software
	RMB'000
Cost:	
At January 1, 2022	2,085
Additions	321
Disposals	-
At December 31, 2022	2,406
Additions	214
Disposals	-
At December 31, 2023	2,620
Additions	-
Disposals	-
At December 31, 2024	2,620
Accumulated amortisation:	
At January 1, 2022	(1,883)
Amortization	(192)
Disposals	-
At December 31, 2022	(2,075)
Amortization	(145)
Disposals	-
At December 31, 2023	(2,220)
Amortization	(163)
At December 31, 2024	(2,383)
Net carrying amount:	
At December 31, 2022	331
At December 31, 2023	400
At December 31, 2024	237

Amortisation expenses have been charged to profit or loss and presented in the consolidated statements of comprehensive loss as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Administrative expenses	87	63	83
Research and development expenses	105	82	80
	192	145	163

19 Other non-current assets

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Prepayments for acquiring office space (note 38(a))	-	47,393	47,393

On April 25, 2023, the Group entered into an agreement with Jinan Supercomputing Industry Development Co., LTD (濟南超算產業發展有限公司) to acquire office space in the National Supercomputing Center Jinan Science Park (國家超算濟南中心科技園). Pursuant to this agreement, on December 31, 2023, the Company paid a down payment of RMB47.4 million, representing approximately 50% of the total expected purchase consideration. The Company recorded the above prepayment as other non-current assets in the consolidated balance sheet. See note 38 for more information.

20 Financial instruments by category

		As at December 31,		
	Note	2022	2023	2024
Financial assets		RMB'000	RMB'000	RMB'000
Financial assets at amortized cost:				
- Trade receivables	23	368,860	411,053	559,242
- Other receivables (included in the "prepayments and other receivables")	22	5,883	7,460	6,120
- Cash and cash equivalents	26	74,118	379,224	156,476
- Financial lease receivables	21	3,963	750	6,634
Financial assets at fair value through profit or loss				
- Wealth management products	25	-	69,010	-
- Unlisted equity investments	25	21,680	30,588	24,347
		474,504	898,085	752,819

		As at December 31,		
	Note	2022	2023	2024
Financial liabilities		RMB'000	RMB'000	RMB'000
Financial liabilities at amortized cost:				
- Trade and other payables (excluding tax payables)	33	188,902	176,343	219,941
- Borrowings	37	35,000	65,000	145,378
- Redemption liabilities	30	2,108,990	3,038,456	3,303,051
- Lease liabilities	17	18,767	9,598	18,248
Financial liabilities at fair value through profit or loss:				
- Anti-dilution rights granted to the Investors	31	667	2,383	2,370
		2,352,326	3,291,780	3,688,988

The Group's exposure to various risks associated with the financial instruments is discussed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

21 Financial lease receivables

Details of finance lease receivables as at December 31, 2022, 2023 and 2024 are as below:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Finance lease receivables, gross			
- Finance lease receivables, undiscounted	4,367	911	7,179
- Unearned finance lease income	(342)	(121)	(443)
	4,025	790	6,736
Less: provision for expected credit losses	(62)	(40)	(102)
Finance lease receivables, net			
- Current	3,293	750	2,909
- Non-current	670	-	3,725
	3,963	750	6,634
Finance lease receivables, undiscounted			
- Within one year	3,456	911	2,972
- After one year but not more than two years	911	-	3,100
- After two years but not more than three years	-	-	1,107
	4,367	911	7,179

As at December 31, 2022,2023 and 2024, carrying amounts of the finance lease receivables are all denominated in RMB and approximate their fair values at the end of each reporting period, none of which was past due.

Movements on the Group's provision for expected credit losses of finance lease receivables are as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
At January 1,	(127)	(62)	(40)
Charge for the year			
- Impairment allowance charged	-	-	(62)
- Impairment allowance reversed	65	22	-
At December 31,	(62)	(40)	(102)

22 Prepayments, other receivables and amounts due from subsidiaries

(a) Prepayments and other receivables

The Group

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Other receivables			
- Rental, bidding and other deposits	6,032	7,585	6,239
- Others	3	4	3
Gross other receivables	6,035	7,589	6,242
Less: allowance for impairment of other receivables	(152)	(129)	(122)
	5,883	7,460	6,120
Deductible VAT input	2,939	9,018	15,561
Prepayment to suppliers	23,348	49,778	67,849
Total	32,170	66,256	89,530

The Company

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Other receivables			
- Rental, bidding and other deposits	2,128	2,340	2,499
- Others	3	4	-
Gross other receivables	2,131	2,344	2,499
Less: allowance for impairment of other receivables	(90)	(59)	(35)
	2,041	2,285	2,464
Deductible VAT input	904	1,965	51
Prepayment to suppliers	12,087	23,808	25,324
Total	15,032	28,058	27,839

(b) Amounts due from subsidiaries

The Company

The amounts due from subsidiaries are unsecured, interest-free and expected to be collected over one year.

23 Trade receivables

The Group

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Trade receivables from contracts with customers			
- Third parties	506,410	623,179	800,492
Less: allowance for impairment of trade receivables	(137,550)	(212,126)	(241,250)
Total trade receivables	368,860	411,053	559,242

The carrying amounts of the Group's trade receivables are mainly denominated in RMB.

The Group decides trading terms with customers on a case-by-case basis. The credit terms given to trade customers are determined on an individual basis with the normal contractual credit period mainly within 180 days. The aging analysis of the trade receivables based on date of revenue recognition is as follows:

23 Trade receivables (continued)

The Group (continued)

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Up to 1 year	323,966	414,111	563,196
1-2 years	133,944	108,459	121,264
More than 2 years	48,500	100,609	116,032
	506,410	623,179	800,492
Less: allowance for impairment of trade receivables	(137,550)	(212,126)	(241,250)
Total	368,860	411,053	559,242

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

The Group does not hold any collateral as security over these debtors as at December 31, 2022, 2023 and 2024.

(i) As at December 31, 2022, the loss allowance of individually impaired trade receivables of the Group is determined as follows:

For trade receivables that do not share the same characteristics with others:

Individual	Gross amount	Expected credit loss rate	Loss allowance	Reason
	RMB'000	%	RMB'000	
Trade receivables	19,765	100.0%	19,765	Fully impaired due to remote possibility of recovery

For trade receivables that share the same characteristics with others:

At December 31, 2022	Gross amount	Expected credit loss rate	Loss allowance
	RMB'000	%	RMB'000
Up to 1 year	323,964	6.0%	19,579
1 to 2 years	128,760	49.9%	64,285
More than 2 years	33,921	100.0%	33,921
Total	486,645	24.2%	117,785

(ii) As at December 31, 2023, the loss allowance of individually impaired trade receivables of the Group is determined as follows:

For trade receivables that do not share the same characteristics with others:

Individual	Gross amount	Expected credit loss rate	Loss allowance	Reason
	RMB'000	%	RMB'000	
Trade receivables	6,172	100.0%	6,172	Fully impaired due to remote possibility of recovery

23 Trade receivables (continued)

The Group (continued)

(ii) As at December 31, 2023, the loss allowance of individually impaired trade receivables of the Group is determined as follows (continued):

For trade receivables that share the same characteristics with others:

At December 31, 2023	Gross amount	Expected credit loss rate	Loss allowance
	RMB'000	%	RMB'000
Up to 1 year	414,111	11.8%	48,791
1 to 2 years	106,956	57.2%	61,223
More than 2 years	95,940	100.0%	95,940
Total	617,007	33.4%	205,954

(iii) As at December 31, 2024, the Group did not identify any individually impaired trade receivables for the assessment of loss allowance.

For trade receivables that share the same characteristics with others:

At December 31, 2024	Gross amount	Expected credit loss rate	Loss allowance
	RMB'000	%	RMB'000
Up to 1 year	563,196	12.4%	69,851
1 to 2 years	121,264	45.7%	55,367
More than 2 years	116,032	100.0%	116,032
Total	800,492	30.1%	241,250

The movement on the provision for impairment of trade receivables please refer to note 3.1.

The Company	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade receivables from contracts with customers			
- Third parties	110,616	155,735	182,133
Less: allowance for impairment of trade receivables	(31,672)	(59,078)	(67,494)
Total trade receivables	78,944	96,657	114,639

The carrying amounts of the Company's trade receivables are mainly denominated in RMB.

23 Trade receivables (continued)

The Company (continued)

The Company decides trading terms with customers on a case-by-case basis. The credit terms given to trade customers are determined on an individual basis with the normal contractual credit period mainly within 180 days. The aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Up to 1 year	64,926	93,664	115,567
1-2 years	27,593	29,163	26,558
More than 2 years	18,097	32,908	40,008
	110,616	155,735	182,133
Less: allowance for impairment of trade receivables	(31,672)	(59,078)	(67,494)
Total	78,944	96,657	114,639

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

The Company does not hold any collateral as security over these debtors as at December 31, 2022, 2023 and 2024.

(i) As at December 31, 2022, the loss allowance of individually impaired trade receivables of the Company is determined as follows:

For trade receivables that do not share the same characteristics with others:

Individual	Gross amount	Expected credit loss rate	Loss allowance	Reason
	RMB'000	%	RMB'000	
Trade receivables	2,802	100.0%	2,802	Fully impaired due to remote possibility of recovery

For trade receivables that share the same characteristics with others:

At December 31, 2022	Gross amount	Expected credit loss rate	Loss allowance
	RMB'000	%	RMB'000
Up to 1 year	64,926	5.4%	3,538
1 to 2 years	27,593	36.4%	10,037
More than 2 years	15,295	100.0%	15,295
Total	107,814	26.8%	28,870

23 Trade receivables (continued)

The Company (continued)

(ii) As at December 31, 2023, the loss allowance of individually impaired trade receivables of the Company is determined as follows:

For trade receivables that do not share the same characteristics with others:

Individual	Gross amount	Expected credit loss rate	Loss allowance	Reason
	RMB'000	%	RMB'000	
Trade receivables	2,802	100.0%	2,802	Fully impaired due to remote possibility of recovery

For trade receivables that share the same characteristics with others:

At December 31, 2023	Gross amount	Expected credit loss rate	Loss allowance
	RMB'000	%	RMB'000
Up to 1 year	93,664	11.7%	10,996
1 to 2 years	29,163	52.0%	15,174
More than 2 years	30,106	100.0%	30,106
Total	152,933	36.8%	56,276

(iii) As at December 31, 2024, the Company did not identify any individually impaired trade receivables for the assessment of loss allowance.

For trade receivables that share the same characteristics with others:

At December 31, 2024	Gross amount	Expected credit loss rate	Loss allowance
	RMB'000	%	RMB'000
Up to 1 year	115,567	13.4%	15,433
1 to 2 years	26,558	45.4%	12,053
More than 2 years	40,008	100.0%	40,008
Total	182,133	37.1%	67,494

24 Inventories

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Purchased hardware and software	23,333	23,301	28,435
Contract fulfillment cost	17,056	53,021	119,339
	40,389	76,322	147,774
Less: allowance for impairment of inventories	(6,775)	(8,469)	(7,482)
	33,614	67,853	140,292

24 Inventories (continued)

(a) *Amounts recognized in profit or loss*

Inventories recognized as cost of sales and services during the years ended December 31, 2022, 2023 and 2024 was RMB340.9 million, RMB411.8 million and RMB550.1 million, respectively.

25 Financial assets at fair value through profit or loss

The Group

(a) *Classification of financial assets at FVPL*

Financial assets measured at FVPL include the following:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-current assets			
Unlisted equity investments	21,680	30,588	24,347
Current assets			
Investments in wealth management products	-	69,010	-

(b) *Amounts recognized in profit or loss*

During the Track Record Period, the following gains were recognized in profit or loss:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Fair value (losses)/gains on investments in unlisted equity investments	(1,342)	8,908	(8,491)
Fair value gains on investments in wealth management products	995	3,110	996
	(347)	12,018	(7,495)

Risk exposure and fair value measurements

Information about the Group's exposure to financial risk is provided in note 3.1 and information about the methods and assumptions used in determining fair value are set out in note 3.3.

The Company

(a) *Classification of financial assets at FVPL*

Financial assets measured at FVPL include the following:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-current assets			
Unlisted equity investments	21,680	30,588	22,097
Current assets			
Investments in wealth management products	-	10,010	-

25 Financial assets at fair value through profit or loss (continued)

The Company (continued)

(b) Amounts recognized in profit or loss

During the Track Record Period, the following gains were recognized in profit or loss:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Fair value (losses)/gains on investments in unlisted equity investments	(1,342)	8,908	(8,491)
Fair value gains on investments in wealth management products	874	1,729	61
	(468)	10,637	(8,430)

26 Cash and cash equivalents

The Group	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cash at banks	74,118	379,224	160,017
Less: restricted cash(a)	-	-	(3,541)
Cash and cash equivalents	74,118	379,224	156,476

Cash and cash equivalents of the Group are denominated in the following currencies:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
USD	4,006	3,101	3,376
HKD	1	1	1
RMB	70,111	376,122	153,099
Total	74,118	379,224	156,476

The Company	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cash at banks	31,973	84,608	12,803
Less: restricted cash	-	-	(590)
Cash and cash equivalents	31,973	84,608	12,213

26 Cash and cash equivalents (continued)

The Company (continued)

Cash and cash equivalents of the Company are denominated in the following currencies:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
USD	962	7	6
RMB	31,011	84,601	12,207
Total	31,973	84,608	12,213

(a) Restricted cash

As at December 31, 2024, the restricted cash was in relation to deposits for issuance of letter of guarantee and a dispute in which a subsidiary of the Company was associated defendant without primary obligation.

27 Share capital

	Number of shares	Share capital
		RMB'000
Authorized and issued		
At January 1, 2022	63,573,428	63,573
Capital injection from Series D2 investors (a)	74,792	75
At December 31, 2022	63,648,220	63,648
Capital injection from Series D3 investors (a)	5,744,253	5,744
At December 31, 2023	69,392,473	69,392
At December 31, 2024	69,392,473	69,392

(a) The Company completed its Series D2 and Series D3 financing for the years ended December 31, 2022 and 2023, respectively, please see note 28 and note 30 for details.

28 Treasury stock and reserves

The Group

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	(1,831,637)	1,204,685	326,326	471	1,531,482
Issuance of equity interests to Series D2 investor (note 30)	-	9,634	-	-	9,634
Recognition of redemption liabilities for the preferred rights granted to Series D2 investors (note 30)	(10,000)	-	-	-	-
Modification to granted redemption liabilities (note 30(ii)(b))	-	3,709	-	-	3,709
Recognition of financial liabilities at fair value through profit or loss for the anti-dilution rights newly granted to Series D2 investors (note 31)	-	(362)	-	-	(362)
Currency translation differences	-	-	-	85	85
At December 31, 2022	(1,841,637)	1,217,666	326,326	556	1,544,548
At January 1, 2023	(1,841,637)	1,217,666	326,326	556	1,544,548
Issuance of equity interests to Series D3 investor (note 30)	-	696,741	-	-	696,741
Share-based payment compensation (note 32)	-	-	4,532	-	4,532
Recognition of redemption liabilities for the preferred rights granted to Series D3 investors (note 30)	(722,000)	-	-	-	-
Modification to granted redemption liabilities (note 30 (ii)(b))	-	1,379	-	-	1,379
Recognition of financial liabilities at fair value through profit or loss for the anti-dilution rights newly granted to Series D3 investors (note 31)	-	(985)	-	-	(985)
Acquisition of non-controlling interests	-	(869)	-	-	(869)
Currency translation differences	-	-	-	294	294
At December 31, 2023	(2,563,637)	1,913,932	330,858	850	2,245,640

28 Treasury stock and reserves (continued)

The Group (continued)

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	(2,563,637)	1,913,932	330,858	850	2,245,640
Currency translation differences	-	-	-	60	60
At December 31, 2024	(2,563,637)	1,913,932	330,858	910	2,245,700

The Company

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	(1,831,637)	1,204,685	316,937	686	1,522,308
Issuance of equity interests to Series D2 investor (note 30)	-	9,634	-	-	9,634
Recognition of redemption liabilities for the preferred rights newly granted to Series D2 investor (note 30)	(10,000)	-	-	-	-
Modification to granted redemption liabilities (note 30(ii)(b))	-	3,709	-	-	3,709
Recognition of financial liabilities at fair value through profit or loss for the anti-dilution rights newly granted to Series D2 investor (note 31)	-	(362)	-	-	(362)
At December 31, 2022	(1,841,637)	1,217,666	316,937	686	1,535,289
At January 1, 2023	(1,841,637)	1,217,666	316,937	686	1,535,289
Issuance of equity interests to Series D3 investors (note 30)	-	696,741	-	-	696,741
Recognition of redemption liabilities for the preferred rights newly granted to Series D3 investors (note 30)	(722,000)	-	-	-	-
Share-based payment compensation (note 32)	-	-	2,381	-	2,381
Modification to granted redemption liabilities (note 30(ii)(b))	-	1,379	-	-	1,379
Recognition of financial liabilities at fair value through profit or loss for the anti-dilution rights newly granted to Series D3 investors (note 31)	-	(985)	-	-	(985)
At December 31, 2023	(2,563,637)	1,914,801	319,318	686	2,234,805
At December 31, 2024	(2,563,637)	1,914,801	319,318	686	2,234,805

29 Accumulated deficit

The Group

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
At beginning of the year	(1,291,406)	(1,657,418)	(2,032,879)
Net loss for the year	(366,012)	(375,461)	(452,364)
At end of the year	(1,657,418)	(2,032,879)	(2,485,243)

The Company

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
At beginning of the year	(880,125)	(1,197,818)	(1,521,427)
Net loss for the year	(317,693)	(323,609)	(417,139)
At end of the year	(1,197,818)	(1,521,427)	(1,938,566)

30 Redemption liabilities

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Redemption liabilities	2,108,990	3,038,456	3,303,051

Since its incorporation in 2012, the Company has completed several rounds of financing including Series Angel, Series A, Series B, Series C, Series C+, Series D, Series D+, Series D1, Series D2 and Series D3, each leading to an increase in the capital of the Company.

The details of financing undertaken in the Track Record Period are as follows.

Series D2 financing

In June 2022, the Group and then existing shareholders entered into an investment agreement (the "Series D2 Investment Agreement"), with Guangdong Jinhongsheng Venture Capital Partnership (L.P.) (the "Series D2 investor"), pursuant to which the Series D2 Investor injected total capital of RMB10.0 million into the Company, the Company then issued share capital of approximately RMB75 thousand to the Series D2 Investor (referred to as the "Series D2 Capital Injection"), and granted the Series D2 Investor with certain preferred rights, see below (i) for key term summary.

Series D3 financing

In April to June 2023, the Group and then existing shareholders entered into investment agreement (the "Series D3 Agreements") with Henan Yudongnan Zhanxin Industry Venture Capital Fund Partnership, Jinan Tongxin Future Industry Investment Partnership (Limited Partnership), Tianjin Pushu Enterprise Management Consulting Partnership, Deyang Digital New Town Construction and Development Co., Ltd., Deyang Jinghua Industrial Investment Development Co., Ltd., Xinxin Xiangrong Education Technology (Beijing) Co., Ltd. and Hangzhou Fuyang Yaofu Equity Investment Partnership (Limited Partnership)(the "Series D3 investors"), pursuant to which the Company issued share capital of approximately RMB5.7 million to the Series D3 investors (refer to as the "Series D3 Capital Injection"), and granted the Series D3 investors with certain preferred rights, see below (i) for key term summary.

30 Redemption liabilities (continued)

(i) Key terms of preferred rights granted

Redemption right

Series Angel, Series A, Series B, Series C, Series C+, Series D, Series D1, Series D+, Series D2, Series D3 investors have rights to require the Company to redeem their investments if (i) the Company fails to achieve a qualified Initial Public Offering ("QIPO"), which means that the Company's shares be listed on a well-known stock exchange (including but not limited to Shanghai Stock Exchange and Shenzhen Stock Exchange, or other overseas exchanges) before June 30, 2026; or (ii) the application of Initial Public Offering ("IPO") is rejected by the relevant listing regulatory authorities (including but not limited to the China Securities Regulatory Commission and the stock exchange), but exceptions are made where the Company cannot be listed due to reasons that cannot be attributed to the Company or its Founding Shareholders; or (iii) the certified public accountant appointed by the Company cannot issue an unqualified audit report, making it impossible for the Company to go public; or (iv) the chairman or general manager of the Company are legally identified as having constituted an economic crime, and the chairman or key individual of the Company who is served as or appointed by the Founding Shareholders has caused a significant adverse impact on the Company.

Pursuant to the Series D3 Agreements, these preferred rights will be automatically terminated upon the Company's submission of the IPO prospectus to the China Securities Regulatory Commission, or any exchanges approved by the Company's general meeting of shareholders or the Board of Directors, and shall be immediately and automatically reinstated and shall be deemed to have never been terminated if any of the following occurs after the date of automatic termination:

i) The Company voluntarily withdraws its initial public offering and listing application;

ii) The Company fails to pass the review of China Securities Regulatory Commission or other stock exchange within 30 months from the date of filing the formal listing application for reasons other than the Government, or the Company's listing sponsor withdraws its listing sponsor;

iii) The Company has not completed the listing transaction on the stock exchange for any reason within 6 months from the date of the IPO of its shares and the issuance approval of the China Securities Regulatory Commission or stock exchange for its listing application.

The redemption amount is the total amount paid by the Investors to obtain the equity interest of the Company, plus an annual simple interest rate of 10% for a period of time commencing from certain equity delivery date stated in the contracts to the date triggering redemption, reduce the dividends (if any) declared and paid to these the Investors.

Anti-dilution rights

If the Company increases its share at a price lower than the price paid by the Investors on a per share basis, the Investors have a right to require: (1) the Founding Shareholders to transfer the equity interests of the Company they directly or indirectly held to the Investors at the lowest price allowed by the law; or (2) the Company to issue new share for nominal consideration to the Investors; or (3) the Company or Founding Shareholders to compensate the Investors in cash.

(ii) Presentation and classification

The redemption rights granted to the Investors constitute as the Company's obligations to repurchase its own equity instruments. These obligations were recognized as redemption liabilities which are initially measured at fair value (representing the present value of the expected cash flows for settling the related obligations if these rights are exercised by the Investors) and subsequently measured at amortized cost. Interests from the redemption liabilities are charged in finance cost.

30 Redemption liabilities (continued)

(ii) Presentation and classification (continued)

The movements of redemption liabilities during the Track Record Period are:

	RMB'000
At January 1, 2022	1,926,270
Recognition of redemption liabilities (a)	10,000
Modification of redemption liabilities (b)	(3,709)
Charged to finance costs	176,429
At December 31, 2022	2,108,990
At January 1, 2023	2,108,990
Recognition of redemption liabilities (a)	722,000
Modification of redemption liabilities (b)	(1,379)
Charged to finance costs	208,845
At December 31, 2023	3,038,456
At January 1, 2024	3,038,456
Charged to finance costs	264,595
At December 31, 2024	3,303,051

(a) Upon the Series D2 and D3 Capital Injection, the Investors were granted with preferred rights, including redemption rights and other rights, and the Company recognized the redemption rights as redemption liabilities measured at amortized cost, with a corresponding increase of treasury stock. The difference between fair value of these equities with and without preferred rights was recognized as share-based compensation, see note 32 for detail.

(b) As mentioned above in note (a), along with the grant of preferred rights in Series D2 Capital Injection and Series D3 Capital Injection, the exercise date of the redemption rights of existing investors was deferred pursuit to the renewed shareholders' preferred right agreements and not considered as a substantial modification. The deferral of above redemption right terms resulted in a reduction of redemption liability and a modification gain according to IFRS 9. All investors are ordinary shareholders and the Company considered that the investor's agreement to extend the exercise date of the redemption option was a non reciprocal transaction which could be regarded as a transaction where the investor is acting in their capacity as a shareholder and in substance an equity transaction. The above modification resulted in a decrease of redemption liabilities and a modification gain which is recognized as a credit in equity. See note 28 for reference.

31 Financial liabilities at fair value through profit or loss

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Derivative	667	2,383	2,370

The financial liabilities at FVPL represent derivative financial liabilities arising from anti-dilution rights (note 30(i)) granted to the Investors. The financial liabilities are measured at fair value.

The Company has adopted the interpolation method, discounted cash flow method and equity allocation model to determine 100% of its equity value. Based on the fair value of 100% equity value, the Company has used the "with and without" model based on a bi-nominal model to determine the fair value of anti-dilution rights.

Key assumptions used to determine the fair value of anti-dilution rights are listed in note 3.3 (a) (iii).

32 Share-based compensation

(i) 2023 Employee Incentive Scheme

On 12 April 2023, the Company adopted the 2023 Employee Incentive Scheme through Yunsi Shangzhi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) ("Yunsi Shangzhi") and Tianjin Yunsi Shangxin Enterprise Management Consulting Partnership (Limited Partnership) ("Yunsi Shangxin") (collectively referred to as the "Employee Incentive Platforms"). Huang Wei, the CEO and one of the shareholders of the Company, used his own shares as the award under 2023 Employee Incentive Scheme for granting the scheme participants. An award under the 2023 Employee Incentive Scheme gives a scheme participant in the 2023 Employee Incentive Scheme an option (the "Options") when granted the award to subscribe for interests in the Employee Incentive Platforms at the consideration separately agreed in the stock incentive agreement entered into among the Company, the General Partner and the relevant Scheme Participant. Upon becoming the limited partner of the Employee Incentive Platforms, the selected Scheme Participants indirectly receive economic interest in the corresponding number of underlying Shares held by the Employee Incentive Platforms. Through the 2023 Employee Incentive Scheme, a total of 22,327 share options have been granted to the scheme participants through the Employee Incentive Platforms, representing 60,555 shares of the Company, with an exercise price of RMB 1 Yuan. The Options have been immediately vested upon grant date of 12 April 2023.

The share-based compensation in relation to the grant of certain preferred rights and 2024 Employee Incentive Scheme during the Track Record Period was recorded as follows:

	Years ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Research and development expenses (i)	-	4,000	-
Selling and marketing expenses (i)	-	532	-
	-	4,532	-

(ii) Fair value of the underlying equity of the Company and share options

The Company has adopted the equity allocation model to determine the fair value of the underlying equity of the Company, and recognized share-based compensation in relation to the grant of certain preferred rights based on the fair value of the underlying equity. The Company has used the Binomial option-pricing model to determine the fair value of the share options based on the fair value of the underlying equity of the Company as at the grant date. Key assumptions are set out below:

	As at April 12, 2023
Fair value of per share options (RMB Yuan)	74.8
Exercise price (RMB Yuan)	1.0
Risk-free interest rate	1.8%-2.5%
Dividend yield	-
Expected volatility	40.4%-54.5%

33 Trade and other payables

The Group

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Trade payables			
- Amounts due to third parties	156,482	135,857	164,796
Tax payables	3,880	5,112	12,954
Other payables:			
- Listing expenses	6,910	14,303	26,806
- Technology service fees	20,187	20,906	23,764
- Deposits	807	800	779
- Borrowing from sales and leaseback	-	1,000	-
- Others	4,516	3,477	3,796
	192,782	181,455	232,895

(a) The carrying amounts of trade and other payables are considered to be approximate to their fair values, due to their short-term nature. As at December 31, 2022, 2023 and 2024, the carrying amounts of trade and other payables were all denominated in RMB.

(b) Aging analysis of the trade payables based on invoice date at the end of each reporting period are as follows:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Up to 1 year	94,067	81,486	109,792
1 to 2 years	56,452	16,226	21,610
Over 2 years	5,963	38,145	33,394
	156,482	135,857	164,796

The Company

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Trade payables			
- Amounts due to third parties	25,985	25,020	64,349
Tax payables	793	1,053	8,582
Other payables			
- Amounts due to subsidiaries	28,004	2,151	58,619
- Listing expenses	6,910	14,303	26,806
- Technology service fees	17,894	16,638	18,774
- Deposits	-	-	120
- Borrowing from sales and leaseback	-	167	-
- Others	1,640	1,201	1,458
	81,226	60,533	178,708

(a) The carrying amounts of trade and other payables are considered to be approximated to their fair values, due to their short-term nature. As at December 31 2022, 2023 and 2024, the carrying amounts of trade and other payables were all denominated in RMB.

33 Trade and other payables (continued)

The Company (continued)

(b) Aging analysis of the trade payables based on invoice date at the end of each reporting period are as follows:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Up to 1 year	15,244	17,252	56,338
1 to 2 years	9,747	3,281	1,733
Over 2 years	994	4,487	6,278
	25,985	25,020	64,349

34 Deferred income tax assets and liabilities

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences.

As at December 31, 2022, 2023 and 2024, the deferred tax assets and deferred tax liabilities is as follows:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Deferred tax assets:			
- to be recovered after 12 months	4,389	4,820	5,516
- to be recovered within 12 months	480	630	1,514
Offset by deferred tax liabilities	(4,470)	(5,397)	(6,735)
Net deferred income tax assets	399	53	295
Deferred tax liabilities:			
- to be recovered after 12 months	(3,075)	(4,555)	(5,527)
- to be recovered within 12 months	(1,395)	(842)	(1,208)
Offset by deferred income tax assets	4,470	5,397	6,735
Net deferred income tax liabilities	-	-	-

34 Deferred income tax assets and liabilities (continued)

(a) The movements in deferred income tax assets and deferred income tax liabilities during the Track Record Period are as follows:

	Deferred tax assets - Lease liabilities	Deferred tax assets - tax loss	Deferred tax liabilities - Right-of-use assets	Deferred tax liabilities - Investments measured at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2022	2,287	2,862	(2,110)	(2,862)	177
Credit/(charged) to profit or loss	50	(330)	172	330	222
As at December 31, 2022	2,337	2,532	(1,938)	(2,532)	399
(Charged)/credit to profit or loss	(575)	1,156	229	(1,156)	(346)
As at December 31, 2023	1,762	3,688	(1,709)	(3,688)	53
Credit/(charged) to profit or loss	614	966	(372)	(966)	242
As at December 31, 2024	2,376	4,654	(2,081)	(4,654)	295

35 Salary and welfare payables

The Group

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	8,928	9,182	9,475
Pension costs (i)	6,060	1,960	2,074
Other social security costs (i)	4,436	956	978
Housing funds	274	556	544
Others	3,268	2,579	1,981
	22,966	15,233	15,052

The Company

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	4,249	4,631	4,782
Pension costs (i)	5,912	1,069	1,138
Other social security costs (i)	1,809	522	556
Housing funds	42	69	70
Others	1,831	1,134	1,088
	13,843	7,425	7,634

35 Salary and welfare payables (continued)

(i) In 2022, the government announced the 《Circular on Issues Related to Temporary Suspension of Social Insurance Premiums》(关于阶段性缓缴社会保险费有关问题的通告), pursuant to which the Company applied for holdover on payment of such social securities. The accrued but not paid amount is RMB 6.9 million as at December 31, 2022, which has been fully paid as of December 31, 2023.

36 Other non-current liabilities

The Group

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Provisions	640	1,434	7,060
Deferred government grants (a)	44,393	25,000	22,565
	45,033	26,434	29,625

The Company

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Provisions	160	341	5,433
Deferred government grants (a)	23,497	9,817	8,542
	23,657	10,158	13,975

(a) The Group received government grants from local governments as support for research and development expenses relating to innovation activities.

37 Borrowings

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Bank loans, secured (a)	-	40,000	50,000
Unsecured bank loans	35,000	25,000	60,000
Borrowings from discounted notes receivable (b)	-	-	35,378
	35,000	65,000	145,378

As at December 31, 2022, 2023 and 2024, the Group's borrowings were repayable as follows:

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Within 1 year	35,000	65,000	145,378

The weighted average effective interest rate of bank loans for the years ended December 31, 2022, 2023 and 2024 was 4.0%, 4.9% and 3.4% per annum, respectively.

(a) The secured bank loans were amounted to RMB50 million as at December 31, 2024, of which RMB45 million was secured by the credit of the Group, RMB5 million was secured by the assets by a subsidiary of the Group.

(b) As at 31 December 2024, the borrowings generated from discounted notes receivable to a bank were amounted to RMB35.4 million.

38 Commitments

(a) *Capital commitments*

(i) On April 25, 2023, the Group entered into an agreement with Jinan Supercomputing Industry Development Co., LTD (濟南超算產業發展有限公司) to acquire office space in National Supercomputing Center Jinan Science Park (國家超算濟南中心科技園) for an estimated cash consideration between RMB90 million and RMB100 million. Pursuant to this agreement, as of December 31, 2023 and 2024, the Company had accumulatively paid RMB47.4 million, representing approximately 50% of total expected purchase consideration. On May 27, 2024, the two parties entered into a supplemental agreement to pay the residual amounts before September 30, 2025.

(ii) On January 9, 2024, a subsidiary of the Group, Yunzhisheng (Xinyang) Digital Technology Co., Ltd.(雲知聲(信陽)數字科技有限公司) and Xinyang Huaxin Construction Investment Henan Southeast Development and Construction Co., Ltd.(信陽華信建投豫東南開發建設有限公司) jointly invested to establish Xinyang Huayun Industrial Park Construction Co., Ltd.(信陽華雲產業園區建設有限公司) and promised to contribute RMB 10 million in cash according to Articles of association, representing 5% of the shareholding. The Group has invested RMB 2.3 million, which was accounted for as financial assets at fair value through profit or loss as of December 31, 2024.

(b) *Lease commitments*

Certain lease arrangements were contracted before year-end while the related lease commencement date is in the following year. As the underlying assets were not available for use by the Company and the Company cannot control the related assets before the lease commencement date, hence no right-of-use and lease liabilities are recorded at year-end before the lease commencement.

Such lease commitments at the end of each reporting period but not recognized as liabilities is as follows:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Within 1 year	1,987	-	533
After 1 year but within 2 years	1,998	-	336
After 2 years but within 3 years	1,169	-	421
After 3 years but within 4 years	940	-	481
After4 years but within 5 years	1,011	-	200
Total	7,105	-	1,971

For other lease arrangements which have been in use or control before the year-end, the Company records them as right-of-use assets and lease liabilities accordingly.

39 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following transactions were carried out between the Group and its related parties during the years presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

Key management personnel compensation

Key management includes director and senior officers. The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	**RMB'000**	**RMB'000**
Wages, salaries and bonuses	7,740	8,438	9,478
Pension costs	664	721	756
Housing benefits	412	503	528
Other social security costs	457	445	464
	9,273	10,107	11,226

40 Cash flow information

(a) Cash used in operations

Reconciliation of loss for the year to cash used in operations:

	Note	Year ended December 31,		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
Loss before income tax:		(375,580)	(373,589)	(454,373)
Adjustments for:				
Depreciation and amortization	9	22,240	19,876	25,849
Share-based compensation	32	-	4,532	-
Share of profit of associates	13	(1,092)	2,617	-
Net fair value losses on financial liabilities at fair value through profit or loss	31	35	731	(13)
Net fair value losses/(gains) on financial assets at fair value through profit or loss	25	347	(12,018)	7,495
Net impairment losses on financial assets and contract assets recognized in profit or loss	3	71,976	91,346	48,438
Finance costs – net	11	177,361	210,895	268,645
Net impairment losses on inventories	24	3,179	3,606	(987)
Disposal loss of property and equipment		33	135	27
Disposal gains of right-of-use assets		-	(438)	745
Exchange gains		(244)	252	35
Change in working capital:				
- Inventories		10,058	(37,845)	(71,452)
- Trade receivables		(176,042)	(133,367)	(197,014)
- Contract assets		1,524	(432)	(403)
- Prepayment and other receivables		2,888	(34,063)	(23,267)
- Trade and other payables		63,929	(12,734)	52,957
- Salary and welfare payable		9,944	(7,733)	(181)
- Contract liabilities		17,896	8,927	21,461
- Lease receivables		2,977	3,235	2,069
- Other non-current liabilities		2,630	(18,599)	3,191
Cash used in operations		(165,941)	(284,666)	(316,778)

40 Cash flow information (continued)

(b) Non-cash investing and financing activities

The major non-cash investing and financing activities during the Track Record Period mainly include (i) the right-of-use assets obtained in exchange for the lease liabilities as described in note 17, and (ii) interest expense on redemption liabilities charged to finance costs as described in note 30.

(c) Net debt reconciliation

	As at December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	74,118	379,224	156,476
Wealth management products at fair value through profit or loss	-	69,010	-
Redemption liabilities	(2,108,990)	(3,038,456)	(3,303,051)
Financial liabilities at fair value through profit or loss	(667)	(2,383)	(2,370)
Borrowings	(35,000)	(65,000)	(145,378)
Other payable-borrowing from sales and leaseback	-	(1,000)	-
Lease liabilities	(18,767)	(9,598)	(18,248)
Net debt	(2,089,306)	(2,668,203)	(3,312,571)

*The Company defines its net debt as cash and cash equivalents plus wealth management products at FVPL, minus financial liabilities at FVPL, redemption liabilities, borrowing and lease liabilities at each year.

40 Cash flow information (continued)

(c) *Net debt reconciliation (continued)*

	Liabilities from financing activities				Other assets		Total
	Leases	Financial liabilities at fair value through profit or loss	Redemption liabilities	Borrowings	Cash and cash equivalents	Wealth management products at fair value through profit or loss	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net debt as at January 1, 2022	(20,711)	(270)	(1,926,270)	(4,000)	129,650	80,859	(1,740,742)
Cash flows	10,858	-	-	(31,000)	(55,532)	(81,854)	(157,528)
Changes in fair value	-	(35)	-	-	-	995	960
Additions of lease liabilities	(8,704)	-	-	-	-	-	(8,704)
Additions of redemption liabilities	-	-	(10,000)	-	-	-	(10,000)
Additions of financial liabilities through profit or loss	-	(362)	-	-	-	-	(362)
Government concession	696	-	-	-	-	-	696
Modification of redemption liabilities	-	-	3,709	-	-	-	3,709
Finance costs recognized	(906)	-	(176,429)	-	-	-	(177,335)
Net debt as at December 31, 2022	(18,767)	(667)	(2,108,990)	(35,000)	74,118	-	(2,089,306)

40 Cash flow information (continued)

(c) Net debt reconciliation (continued)

	Liabilities from financing activities					Other assets		Total
	Leases RMB'000	Financial liabilities at fair value through profit or loss RMB'000	Redemption liabilities RMB'000	Borrowings RMB'000	Other payable-borrowing from sales and leaseback RMB'000	Cash and cash equivalents RMB'000	Wealth management products at fair value through profit or loss RMB'000	RMB'000
Net debt as at January 1, 2023	(18,767)	(667)	(2,108,990)	(35,000)	-	74,118	-	(2,089,306)
Cash flows	15,787	-	-	(30,000)	(1,000)	305,106	65,900	355,793
Changes in fair value	-	(731)	-	-	-	-	3,110	2,379
Additions of lease liabilities	(4,217)	-	-	-	-	-	-	(4,217)
Additions of redemption liabilities	-	-	(722,000)	-	-	-	-	(722,000)
Additions of financial liabilities through profit or loss	-	(985)	-	-	-	-	-	(985)
Modification of leasing contracts	(1,670)	-	-	-	-	-	-	(1,670)
Modification of redemption liabilities	-	-	1,379	-	-	-	-	1,379
Finance costs recognized	(731)	-	(208,845)	-	-	-	-	(209,576)
Net debt as at December 31, 2023	(9,598)	(2,383)	(3,038,456)	(65,000)	(1,000)	379,224	69,010	(2,668,203)
Net debt as at January 1, 2024	(9,598)	(2,383)	(3,038,456)	(65,000)	(1,000)	379,224	69,010	(2,668,203)
Cash flows	12,956	-	-	(80,378)	1,000	(222,748)	(70,006)	(359,176)
Changes in fair value	-	13	-	-	-	-	996	1,009
Additions of lease liabilities	(20,586)	-	-	-	-	-	-	(20,586)
Finance costs recognized	(1,020)	-	(264,595)	-	-	-	-	(265,615)
Net debt as at December 31, 2024	(18,248)	(2,370)	(3,303,051)	(145,378)	-	156,476	-	(3,312,571)

41 Benefits and interests of directors

(a) Directors' emoluments

The remuneration of every director for the years ended December 31, 2022, 2023 and 2024 were set out below:

For the Year ended December 31, 2022

	Note	Wages, salaries and bonuses RMB'000	Pension costs defined contribution plans RMB'000	Other social security costs RMB'000	Housing benefits RMB'000	Total RMB'000
Executive directors						
Liang Jiaen	(i)	651	60	37	43	791
Huang Wei	(ii)	622	60	37	43	762
Kang Heng	(iii)	403	59	37	43	542
Li Xiaohan	(iv)	527	60	37	43	667
Liu Shengping	(v)	1,080	60	37	43	1,220
Li Peng	(vi)	1,052	60	37	43	1,192
Non-executive directors						
Kuang Ziping	(vii)	-	-	-	-	-
Zhou Jiong	(viii)	-	-	-	-	-
Li Zhichao	(ix)	-	-	-	-	-
Liang Xiaodong	(xi)	-	-	-	-	-
Ma Jingxian	(xii)	-	-	-	-	-
Hu Jianjun	(xv)	76	-	-	-	76
Fan Jian	(xvi)	76	-	-	-	76
Zhao Hongfei	(xxi)	6	-	-	-	6
Supervisor						
Shan Bo	(xxiii)	743	60	37	43	883
Ren He	(xxiv)	625	60	37	43	765
Hong Zhao	(xxv)	-	-	-	-	-
		5,861	479	296	344	6,980

41 Benefits and interests of directors (continued)

(a) Directors' emoluments (continued)

For the Year ended December 31, 2023

	Note	Wages, salaries and bonuses RMB'000	Pension costs - defined contribution plans RMB'000	Other social security costs RMB'000	Housing benefits RMB'000	Total RMB'000
Executive directors						
Liang Jiaen	(i)	675	65	40	47	827
Huang Wei	(ii)	670	65	40	47	822
Kang Heng	(iii)	413	65	40	47	565
Li Xiaohan	(iv)	533	65	40	47	685
Liu Shengping	(v)	1,080	65	40	47	1,232
Li Peng	(vi)	1,047	65	40	47	1,199
Non-executive directors						
Kuang Ziping	(vii)	-	-	-	-	-
Zhou Jiong	(viii)	-	-	-	-	-
Li Zhichao	(ix)	-	-	-	-	-
Wang Cunfu	(x)	-	-	-	-	-
Liang Xiaodong	(xi)	-	-	-	-	-
Ma Jingxian	(xii)	-	-	-	-	-
Wang Yazhuo	(xiv)	-	-	-	-	-
Hu Jianjun	(xv)	147	-	-	-	147
Fan Jian	(xvi)	147	-	-	-	147
Jin Huihua	(xvii)	104	-	-	-	104
Zhang Kun	(xviii)	104	-	-	-	104
Chen Hua	(xix)	104	-	-	-	104
Supervisor						
Shan Bo	(xxiii)	748	65	40	47	900
Ren He	(xxiv)	645	65	40	47	797
Hong Zhao	(xxv)	-	-	-	-	-
		6,417	520	320	376	7,633

41 Benefits and interests of directors (continued)

(a) Directors' emoluments (continued)

For the Year ended December 31, 2024

	Note	Wages, salaries and bonuses RMB'000	Pension costs - defined contribution plans RMB'000	Other social security costs RMB'000	Housing benefits RMB'000	Total RMB'000
Executive directors						
Liang Jiaen	(i)	674	68	42	50	834
Huang Wei	(ii)	1,200	68	42	50	1,360
Kang Heng	(iii)	413	67	42	49	571
Li Xiaohan	(iv)	538	68	42	50	698
Liu Shengping	(v)	1,082	68	42	50	1,242
Li Peng	(vi)	1,044	68	42	50	1,204
Non-executive directors						
Kuang Ziping	(vii)	-	-	-	-	-
Li Zhichao	(ix)	-	-	-	-	-
Wang Cunfu	(x)	-	-	-	-	-
Wang Yazhuo	(xiv)	-	-	-	-	-
Hu Jianjun	(xv)	200	-	-	-	200
Fan Jian	(xvi)	200	-	-	-	200
Jin Huihua	(xvii)	200	-	-	-	200
Zhang Kun	(xviii)	200	-	-	-	200
Chen Hua	(xix)	200	-	-	-	200
Supervisor						
Shan Bo	(xxiii)	763	68	42	50	923
Ren He	(xxiv)	665	68	42	50	825
Hong Zhao	(xxv)	-	-	-	-	-
		7,379	543	336	399	8,657

41 Benefits and interests of directors (continued)

(a) Directors' emoluments (continued)

(i) Mr. Liang Jiaen was appointed as a director with effect from June 10, 2019.

(ii) Mr. Huang Wei was appointed as a director with effect from June 10, 2019.

(iii) Mr. Kang Heng was appointed as a director with effect from June 10, 2019.

(iv) Mr. Li Xiaohan was appointed as a director with effect from June 10, 2019.

(v) Mr. Liu Shengping was appointed as a director with effect from June 10, 2019.

(vi) Mr. Li Peng was appointed as a director with effect from June 10, 2019.

(vii) Mr Kuang Ziping was appointed as a director with effect from June 10, 2019.

(viii) Zhou Jiong was appointed as a director with effect from June 10, 2019 and resigned on December 20, 2023.

(ix) Li Zhichao was appointed as a director with effect from June 10, 2019.

(x) Wang Cunfu was appointed as a director with effect from April 12, 2023.

(xi) Liang Xiaodong was appointed as a director with effect from May 15, 2021 and resigned on June 8, 2023.

(xii) Ma Jingxian was appointed as a director with effect from March 2021 and resigned on April 12, 2023.

(xiii) Li Xiaoqiang was appointed as a director with effect from June 10, 2019 and resigned on March 29, 2021.

(xiv) Wang Yazhuo was appointed as a director with effect from December 20, 2023 and resigned on December 31, 2024 and Li Ang was appointed as a director with effect from March 12, 2025.

(xv) Hu Jianjun was appointed as a director with effect from June 10, 2019.

(xvi) Fan Jian was appointed as a director with effect from June 10, 2019.

(xvii) Jin Huihua was appointed as a director with effect from June 23, 2023.

(xviii) Zhang Kun was appointed as a director with effect from June 23, 2023.

(xix) Chen Hua was appointed as a director with effect from June 23, 2023.

(xx) Liu Ming was appointed as a director with effect from June 10, 2019 and resigned on March 29, 2021.

(xxi) Zhao Hongfei was appointed as a director with effect from June 10, 2019 and resigned on January 25, 2022.

(xxii) Tu Lingce was appointed as a director with effect from June 10, 2019 and resigned on December 31, 2021.

(xxiii) Shan Bo was appointed as a director with effect from June 10, 2019.

(xxiv) Ren He was appointed as a director with effect from June 10, 2019.

(xxv) Hong Zhao was appointed as a director with effect from June 10, 2019.

41 Benefits and interests of directors (continued)

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors for the years ended December 31, 2022, 2023 and 2024.

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available directors' services during the years ended December 31, 2022, 2023 and 2024.

(d) Information about loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings were entered into by the Company in favour of directors, controlled bodies corporate by and connected entities with such directors during the years ended December 31, 2022, 2023 and 2024.

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended December 31, 2022, 2023 and 2024.

42 Contingencies

The Group did not have any material contingent liabilities as at December 31, 2024.

43 Dividend

No dividend has been paid or declared by the Company or the companies now comprising the Group during each of the years ended December 31, 2022, 2023 and 2024.