The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF PPLABS TECHNOLOGY LIMITED, ICBC INTERNATIONAL CAPITAL LIMITED AND SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED

Introduction

We report on the historical financial information of PPlabs Technology Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-58, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-58 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Document") in connection with the [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	*5*	358,385	558,037	770,345
Cost of sales	*6*	(294,868)	(489,190)	(698,306)
Gross profit		63,517	68,847	72,039
Other income and gains, net	*5*	9,231	7,475	15,919
Selling and marketing expenses		(20,178)	(25,836)	(42,378)
Administrative expenses		(25,333)	(31,273)	(57,293)
Research and development expenses	*6*	(67,783)	(86,346)	(119,939)
Other expenses		(2,901)	(2,973)	(203)
Finance costs	*7*	(882)	(1,656)	(2,822)
Fair value losses on convertible redeemable preferred shares	*6*	(145,048)	(221,750)	(88,272)
LOSS BEFORE TAX	*6*	(189,377)	(293,512)	(222,949)
Income tax expense	*10*	–	–	–
LOSS FOR THE YEAR		(189,377)	(293,512)	(222,949)
Attributable to:				
Owners of the parent		(189,377)	(293,512)	(222,949)
OTHER COMPREHENSIVE (LOSS)/INCOME				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation		3,395	2,934	(7,922)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation		(9,794)	(11,499)	24,691
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX		(6,399)	(8,565)	16,769
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(195,776)	(302,077)	(206,180)
Total comprehensive loss attributable to:				
Owners of the parent		(195,776)	(302,077)	(206,180)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	*11*	(0.23)	(0.36)	(0.28)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	30,381	39,277	33,911
Right-of-use assets	16(a)	2,980	2,460	2,843
Other intangible assets	15	915	808	701
Prepayments, other receivables and other assets	18	1,142	–	6,264
Total non-current assets		35,418	42,545	43,719
CURRENT ASSETS				
Trade receivables	17	90,862	150,130	168,195
Prepayments, other receivables and other assets	18	25,456	28,113	13,613
Financial assets at fair value through profit or loss ("FVTPL")	20	90,471	16,765	137,348
Time deposits	19	68,952	36,019	34,267
Pledged deposits	19	1,529	17,638	13,246
Cash and cash equivalents	19	45,772	113,987	194,596
Total current assets		323,042	362,652	561,265
CURRENT LIABILITIES				
Trade and bills payables	21	35,383	95,352	79,829
Convertible redeemable preferred shares	24	662,414	895,692	1,286,710
Other payables and accruals	22	17,633	33,467	43,154
Lease liabilities	16(b)	2,834	2,535	742
Interest-bearing bank borrowings	23	43,500	74,000	80,494
Total current liabilities		761,764	1,101,046	1,490,929
NET CURRENT LIABILITIES		(438,722)	(738,394)	(929,664)
TOTAL ASSETS LESS CURRENT LIABILITIES		(403,304)	(695,849)	(885,945)
NON-CURRENT LIABILITIES				
Lease liabilities	16(b)	613	–	2,946
Total non-current liabilities		613	–	2,946
Net liabilities		(403,917)	(695,849)	(888,891)
EQUITY				
Equity attributable to owners of the parent				
Share capital	26	52	52	52
Reserves	27	(403,969)	(695,901)	(888,943)
Total deficits		(403,917)	(695,849)	(888,891)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Share capital	Capital reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	52	57,141	1,696	(18,053)	(256,225)	(215,389)
Loss for the year	–	–	–	–	(189,377)	(189,377)
Other comprehensive loss for the year	–	–	–	(6,399)	–	(6,399)
Total comprehensive loss for the year	–	–	–	(6,399)	(189,377)	(195,776)
Equity-settled share option arrangements (note 28)	–	–	7,248	–	–	7,248
As at 31 December 2023 and 1 January 2024	52	57,141	8,944	(24,452)	(445,602)	(403,917)
Loss for the year	–	–	–	–	(293,512)	(293,512)
Other comprehensive loss for the year	–	–	–	(8,565)	–	(8,565)
Total comprehensive loss for the year	–	–	–	(8,565)	(293,512)	(302,077)
Equity-settled share option arrangements (note 28)	–	–	10,145	–	–	10,145
As at 31 December 2024 and 1 January 2025	52	57,141	19,089	(33,017)	(739,114)	(695,849)
Loss for the year	–	–	–	–	(222,949)	(222,949)
Other comprehensive income for the year	–	–	–	16,769	–	16,769
Total comprehensive loss for the year	–	–	–	16,769	(222,949)	(206,180)
Equity-settled share option arrangements (note 28)	–	–	13,138	–	–	13,138
As at 31 December 2025	52	57,141	32,227	(16,248)	(962,063)	(888,891)

* These reserve accounts comprise the negative reserves of RMB403,969,000, RMB695,901,000 and RMB888,943,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(189,377)	(293,512)	(222,949)
Adjustments for:				
Finance costs	*7*	882	1,656	2,822
Share-based payment expenses	*28*	7,248	10,145	13,138
Fair values losses on convertible redeemable preferred shares	*24*	145,048	221,750	88,272
Interest income	*5*	(2,076)	(1,570)	(3,506)
Loss/(gain) on disposal of items of property, plant and equipment	*6*	240	907	(4,386)
Loss/(gain) on termination of lease contracts	*16*	111	(229)	–
Fair value gains on financial assets at FVTPL	*5*	(1,468)	(862)	(1,539)
Investment income	*5*	(4,099)	(2,677)	(599)
Depreciation of items of property, plant and equipment	*14*	10,035	17,222	18,603
Depreciation of right-of-use assets	*16*	4,734	4,454	3,218
Foreign exchange differences, net	*6*	2,425	2,270	(2,952)
Amortisation of other intangible assets	*15*	104	107	107
		(26,193)	(40,339)	(109,771)
Increase in trade receivables		(18,268)	(59,270)	(17,989)
Increase in prepayments, deposits, other receivables and other assets		(1,535)	(794)	(8,366)
Increase/(decrease) in trade and bills payables		8,046	59,973	(15,603)
Increase in other payables and accruals		4,037	15,239	11,791
(Placement)/withdrawal of pledged deposits		(1,529)	(16,109)	4,392
Cash used in operations		(35,442)	(41,300)	(135,546)
Net cash flows used in operating activities		(35,442)	(41,300)	(135,546)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		2,076	834	4,242
Purchases of items of property, plant and equipment		(24,576)	(27,820)	(28,306)
Purchases of financial assets at fair value of profit or loss		(1,026,075)	(475,179)	(393,945)
Redemption of financial assets at fair value of profit or loss		1,044,518	552,424	275,500
Placement of time deposits		(180,517)	(53,450)	(46,896)
Proceeds from maturity of time deposits		140,474	86,383	48,648
Proceeds from disposal of items of property, plant and equipment		672	795	14,490
Loans to a related party	*30(b)*	(23,000)	–	–
Receipt of loans to a related party		–	–	23,000
Net cash flows (used in)/generated from investing activities		(66,428)	83,987	(103,267)

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of convertible redeemable preferred shares	*24*	–	–	328,864
Additions of interest-bearing bank borrowings	*29(b)*	51,500	104,000	110,494
Interest paid	*29(b)*	(582)	(1,491)	(2,700)
Repayment of interest-bearing bank borrowings	*29(b)*	(9,000)	(73,500)	(104,000)
Loans from a related party	*30(b)*	2,103	597	–
Repayment of loans from a related party	*30(b)*	–	–	(2,700)
Payments for lease liabilities	*16(b)*	(6,436)	(4,782)	(2,570)
Payment for [**REDACTED**] expense	*29(b)*	–	–	[REDACTED]
Net cash flows generated from financing activities		37,585	24,824	325,792
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(64,285)	67,511	86,979
Cash and cash equivalents at beginning of year		109,054	45,772	113,987
Effect of foreign exchange rate changes		1,003	704	(6,370)
Cash and cash equivalents at end of year		45,772	113,987	194,596

	As at 31 December 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	35,772	85,233	73,434
Non-pledged time deposits with original maturity of less than three months when acquired	10,000	28,754	121,162
Cash and cash equivalents as stated in the statements of financial position	45,772	113,987	194,596
Cash and cash equivalents as stated in the statements of cash flows	45,772	113,987	194,596

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

Information about the statements of financial position of the Company at the end of each of the Relevant Periods is as follows:

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Investments in subsidiaries	*13*	488,561	505,011	744,165
Total non-current assets		488,561	505,011	744,165
CURRENT ASSETS				
Prepayments, other receivables and other assets	*18*	1,923	1,951	1,689
Time deposits	*19*	–	–	891
Cash and cash equivalents	*19*	34	6	106,392
Total current assets		1,957	1,957	108,972
CURRENT LIABILITIES				
Other payables and accruals	*22*	–	–	34,682
Convertible redeemable preferred shares	*24*	662,414	895,692	1,286,710
Total current liabilities		662,414	895,692	1,321,392
NET CURRENT LIABILITIES		(660,457)	(893,735)	(1,212,420)
TOTAL ASSETS LESS CURRENT LIABILITIES		(171,896)	(388,724)	(468,255)
NET LIABILITIES		(171,896)	(388,724)	(468,255)
EQUITY				
Share capital	*26*	52	52	52
Reserves	*27*	(171,948)	(388,776)	(468,307)
Total deficits		(171,896)	(388,724)	(468,255)

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

PPlabs Technology Limited (the "Company") was incorporated on 6 May 2019 as an exempted company incorporated with limited liability under the laws of the Cayman Islands. The registered office of the Company is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the Relevant Periods, the Group is principally engaged in the provision of cloud computing services in the People's Republic of China (the "PRC"). The Company is ultimately controlled by Mr. Yao Xin and Ms. Lyu Shanshan.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are as follows:

Entity name	Notes	Place and date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
				Direct	Indirect	
				%	%	
PPlabs Hong Kong Limited	*(a)*	Hong Kong 24 May 2019	HK$1	100	–	Investment holding and bridge for overseas business
Shanghai DAO Network Technology Co., Ltd 上海道奧網絡科技有限公司 ("Shanghai DAO")*	*(d)*	PRC/Chinese Mainland, 24 June 2019	RMB380,000,000	–	100	Investment holding
PPIO Cloud (Shanghai) Co., Ltd. 派歐雲計算(上海)有限公司 ("PPIO Shanghai")*	*(b)*	PRC/Chinese Mainland, 22 May 2018	RMB10,000,000	–	100	Provision of edge cloud and AI cloud services
SWARMNET SOLUTIONS PTE. LTD.	*(c)*	Singapore 22 January 2024	SGD1,000	100	–	Provision of AI cloud services in overseas market
Hivemind Lab, Inc.	*(d)*	United States of America 18 November 2024	US$100	100	–	Provision of AI cloud services in overseas market
Generative Era Technology (Shanghai) Co., Ltd. 生成時代科技(上海)有限公司*	*(d)*	PRC/Chinese Mainland, 6 September 2024	RMB10,000,000	–	100	Provision of cloud services

* The English names of these companies represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

(a) The statutory auditors of this entity were Wiser CPA Limited (聚賢會計師有限公司) for the year ended 31 December 2023 and Nortex (HK) CPA Limited (諾德(香港)會計師事務所有限公司) for the year ended 31 December 2024. No audited financial statements have been prepared for this entity for the year ended 31 December 2025.

(b) The statutory auditor of this entity was Shanghai Zhongan Certified Public Accountants Co, Ltd. (上海眾安會計師事務所有限公司) for the years ended 31 December 2023 and 2024. The statutory auditor of this entity was Shanghai Ruicheng Certified Public Accountants (上海瑞成會計師事務所(普通合夥)) for the years ended 31 December 2025.

(c) The statutory auditor of this entity was KSC Assurance for the year ended 31 December 2024. No audited financial statements have been prepared for this entity for the year ended 31 December 2025.

(d) No audited financial statements have been prepared for these entities for the years ended 31 December 2024 and 2025.

Contractual arrangements

Due to regulatory restrictions on foreign ownership in providing online information services (the "Relevant Business") in the PRC, certain cloud service business was carried out by PPIO Shanghai and its subsidiaries (collectively the "PRC Operating Entities") during the Relevant Periods. Shanghai DAO, a wholly-owned subsidiary of the Company (the "WFOE") has entered into a series of contractual arrangements ("Contractual Arrangements") with the PPIO Shanghai and its registered shareholders and their spouses. The Contractual Arrangements enable the WFOE to exercise effective control over the PRC Operating Entities, to obtain substantially all economic benefits and to have an exclusive option to acquire all or part of the equity interests in PPIO Shanghai. Accordingly, PPIO Shanghai is controlled by the WFOE based on the Contractual Arrangements though the WFOE does not have any direct or indirect equity interest in PPIO Shanghai. Details of the contractual arrangements are set out in the section headed "Contractual Arrangements" in the Document.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations as issued by the HKICPA.

All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently applied by the Group in the preparation of the Historical Financial Information throughout each of the Relevant Periods. The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the "Stock Exchange".

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

The Historical Financial Information has been prepared under the going concern basis notwithstanding the fact that, as at 31 December 2025, the Group recorded net current liabilities and net liabilities amounting to RMB929,664,000 and RMB888,891,000, respectively. The net current liabilities and net liabilities primarily arose from the convertible redeemable preferred shares (the "Preferred Shares") amounting to RMB1,286,710,000 as at 31 December 2025.

According to the Sixth Amended and Restated Memorandum of Association, if the Company fails to consummate a qualified [**REDACTED**] after five years from the issuance of Series B Preferred Shares, the investments should be redeemed by the Company as cash and cash equivalents. The directors of the Company are of the opinion that no cash payment is expected for the settlement of the liabilities arising from financial instruments issued to investors within twelve months from 31 December 2025.

In addition, the Group has performed a cash flow forecast for the next twelve months from 31 December 2025. The directors of the Company believe that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from 31 December 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the Historical Financial Information on a going concern basis.

2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]

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

2 Effective for annual/Reporting Periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of HKFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of profit or loss and statement of cash flows and additional disclosure will be included in the financial statements.

Except for HKFRS 18, the directors of the Company anticipate that the application of these new and amended HKFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICIES

Basis of consolidation

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

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

Fair value measurement

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

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

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

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

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

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

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

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

Impairment of non-financial assets

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

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

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

Related parties

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

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

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

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

Property, plant and equipment and depreciation

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

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

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

Electronic equipment	19.00% to 95.00%
Office equipment and others	19.00% to 31.67%
Leasehold improvements	The shorter of the estimated useful life of the assets and lease terms

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

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

Other intangible assets (other than goodwill)

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

Patents

Purchased patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful life of 10 years.

Research and development costs

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

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Buildings	3 years
Electronic equipment	1.92 to 3 years

(b) Lease liabilities

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

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

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss

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

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired; or

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

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

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

Impairment of financial assets

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

General approach

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

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the end of each of the Relevant Periods with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are within 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the end of each of the Relevant Periods (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Convertible redeemable preferred shares

The Series Angel, Series A, Series A-1, Series A-2, Series B and Series B-1 of convertible redeemable preferred shares (collectively, the "Preferred Shares") issued by the Company are redeemable upon occurrence of certain events. These instruments can also be converted into ordinary shares of the Company at the option of the holders, or automatically upon occurrence of an [**REDACTED**] of the Company.

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

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities. The Group has designated its Shares with Preferential Rights as financial liabilities at fair value through profit or loss, details of which are included in note 24 to the Historical Financial Information.

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

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

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

Derecognition of financial liabilities

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

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

Cash and cash equivalents

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

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

Income tax

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

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

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

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

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

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

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

Government grants

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

A government grant in the form of a transfer of a non-monetary asset, such as right-of-use assets or other resources, which is intended for use by the entity, is recognised at nominal amount.

Revenue recognition

Revenue from contracts with customers

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

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

The Group is mainly engaged in the business of providing cloud computing services.

Provision of cloud computing services

The cloud computing services include edge cloud services and artificial intelligence cloud services. The nature of the performance obligation is a single performance obligation to be ready to provide integrated services throughout the contract period. Revenue from the provision of cloud computing services is recognised over the scheduled period because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from cloud computing services, is measured on a usage basis and is recognised over time, using an output method to measure the value to the customer of the services rendered to date, with no rights of return once consumed, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group uses monthly utilisation records to recognise revenue over time. At the end of each month, the transaction consideration is fixed based on utilisation records and hence no estimation of the transaction price during the Relevant Periods is necessary.

Other income

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

Employee benefits

Pension scheme

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

Share-based payments

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

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, further details of which are given in note 28 to the Historical Financial Information.

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

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

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

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

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

Borrowing costs

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

Events after the Relevant Periods

If the Group receives information after the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the Relevant Periods, it will assess whether the information affects the amounts that it recognises in its Historical Financial Information. The Group will adjust the amounts recognised in its Historical Financial Information to reflect any adjusting events after the Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the Relevant Periods, the Group will not change the amounts recognised in its Historical Financial Information, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in note 12 to the Historical Financial Information.

Foreign currencies

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

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

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

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into the RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries and the Company are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries and the Company which arise throughout the Reporting Periods are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the Historical Financial Information.

Deferred tax assets

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

The Group has tax losses of RMB240,205,000, RMB339,702,000 and RMB494,511,000 as at 31 December 2023, 2024 and 2025 carried forward, respectively. These losses related to the Company and its subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The Company and its subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB13,438,000, RMB15,863,000 and RMB28,792,000 for the years ended 31 December 2023, 2024 and 2025, respectively. Further details on deferred taxes are disclosed in note 25 to the Historical Financial Information.

Contractual arrangements

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

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

Estimation uncertainty

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

Share-based payments

The Group operates a share option scheme for the purpose of providing incentives to the Company's directors and the Group's employees. The fair value of the option is determined using the binomial model at the grant dates. Valuation techniques are verified by an independent valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Some inputs, such as the discount rate for lack of marketability ("DLOM"), discount rate and volatility, require management estimates. Should any of the estimates and assumptions change, it may lead to a change in the fair value to be recognised in profit or loss. Further details are contained in note 28 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

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

Fair value of convertible redeemable preferred shares

The instruments issued to investors are not traded in an active market and the respective fair value is determined by using valuation techniques, including the discounted cash flow method and option pricing model. Such valuation is based on key parameters about discount rate, risk-free interest rate, discounts for lack of marketability and volatility, which are subject to uncertainty and might materially differ from the actual results. Further details are included in note 24 to the Historical Financial Information.

Leases—Estimating the incremental borrowing rate

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

4. OPERATING SEGMENT INFORMATION

Operating segment information

The Group's operation is solely the provision of cloud computing services. For the purpose of resource allocation and performance assessment, the chief operating decision maker ("CODM") (i.e., the chief executive officer) reviews the overall results and financial position of the Group as a whole prepared based on the same accounting policies set out in note 2.3. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

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

Information about major customers

Revenue from major customers which accounted for 10% or more of the Group's revenue during the Relevant Periods are set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Client A	158,196	196,176	230,861
Client B	99,348	182,170	179,473
Client C	51,224	58,526	106,753

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	358,385	558,037	770,345

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Edge cloud computing services	358,120	547,650	651,128
Artificial Intelligence ("AI") cloud computing services	265	10,387	119,217
Total	358,385	558,037	770,345
Timing of revenue recognition			
Services transferred over time	358,385	558,037	770,345
Total	358,385	558,037	770,345

The following table shows the amounts of revenue recognised in each of the Relevant Periods that were included in the contract liabilities at the beginning of each of these years:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	–	–	780

(b) Performance obligations

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

Edge cloud and AI cloud computing services

Edge cloud computing services provide customers with access to the Group's enterprise cloud computing platform and AI cloud computing services provide customers with access to powerful computing resources by integrating GPU instances provided by different suppliers. Revenue from these services is recognised on a usage basis. The usage-based fees are recognised as revenue in the period in which the usage occurs. The Group uses monthly utilisation records to recognise revenue over time as it most faithfully depicts the simultaneous consumption and delivery of services. At the end of each month, the transaction consideration is determined based on utilisation records and hence no estimation of the transaction price beyond the reporting period is necessary. The payments are generally due within 90 days. No other performance obligations are provided to customers.

All the amounts of transaction prices allocated to the Group's performance obligations related to cloud computing services are expected to be recognised as revenue within one year. The Group also has a right to receive consideration from customers in an amount that corresponds directly with the value to the customers of the Group's performance completed to date. The Group has elected the practical expedient not to disclose the remaining performance obligations for these types of contracts.

Other income and gains, net

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Investment income*	4,099	2,677	599
Government grants**	1,474	2,003	2,692
Interest income	2,076	1,570	3,506
Total other income	7,649	6,250	6,797

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gains			
Fair value gains on financial assets at FVTPL	1,468	862	1,539
Gains on disposal of property, plant and equipment	–	–	4,525
Foreign exchange gain	–	–	2,952
Others	114	363	106
Total gains	1,582	1,225	9,122
Other income and gains	9,231	7,475	15,919

* The investment income is derived from gains on the disposal of financial assets at FVTPL.

** The government grants have been received from the PRC local government authorities to support the operating activities of the Group's subsidiaries incorporated in the PRC. There are no fulfilled eligibility requirements or conditions relating to these government grants. The Group received certain government grants related to income to compensate for the Group's costs already incurred in past.

6. LOSS BEFORE TAX

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

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of services provided		294,868	489,190	698,306
Depreciation of property, plant and equipment*	*14*	10,035	17,222	18,603
Depreciation of right-of-use assets*	*16(a)*	4,734	4,454	3,218
Amortisation of other intangible assets*	*15*	104	107	107
Research and development costs		67,783	86,346	119,939
Lease payments not included in the measurement of lease liabilities	*16(c)*	2,011	1,051	1,502
Auditor's remuneration		150	150	3,660
[**REDACTED**] expenses		–	–	[**REDACTED**]
Employee benefit expenses (excluding directors' remuneration *(note 8)**:				
– Wages, salaries and other allowances		69,383	86,637	89,250
– Share-based payment expense		7,248	10,145	13,138
– Pension scheme contributions and social welfare		13,700	16,150	21,810
Sub-total		90,331	112,932	124,198
Fair value (gains)/losses, net:				
Convertible redeemable preferred shares	*24*	145,048	221,750	88,272
Financial assets at fair value through profit or loss		(1,468)	(862)	(1,539)
Foreign exchange loss/(gains)		2,424	2,270	(2,952)
Loss/(gain) on disposal of items of property, plant and equipment, net		241	907	(4,386)
Loss/(gain) on termination of lease contract		111	(229)	–

* Cost of services provided and research and development costs include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and employee benefit expenses, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	300	165	122
Interest on bank loans	582	1,491	2,700
Total	882	1,656	2,822

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' remuneration for each of the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	–	–	–
Other emoluments:			
Salaries, bonuses, allowances and benefits in kind	2,463	3,625	3,411
Equity-settled share-based payment expense	–	–	590
Pension scheme contributions and social welfare	118	131	153
Total	2,581	3,756	4,154

(a) Independent non-executive directors

There were no fees and other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors and non-executive directors

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023				
Executive directors:				
Mr. Yao Xin	–	373	44	417
Mr. Wang Wenyu	–	923	31	954
Mr. Li Zhe	–	1,167	43	1,210
Total	–	2,463	118	2,581

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024				
Executive directors:				
Mr. Yao Xin	–	780	56	836
Mr. Wang Wenyu	–	1,341	32	1,373
Mr. Li Zhe	–	1,504	43	1,547
Total	–	3,625	131	3,756

	Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025					
Executive directors:					
Mr. Yao Xin	–	833	–	52	885
Mr. Wang Wenyu	–	1,348	–	45	1,393
Mr. Li Zhe	–	1,106	590	43	1,739
Total	–	3,287	590	140	4,017
Non-executive directors:					
Ms. Lyu Shanshan	–	124	–	13	137

Notes: Mr. Yao Xin has served as a director since May 2019.

Mr. Wang Wenyu has served as a director since April 2021.

Mr. Li Zhe was appointed as a director in June 2025.

Ms. Lyu Shanshan was appointed as a non-executive director in June 2025.

There was no arrangement under which the directors waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2023, 2024 and 2025 included 2 directors, 2 directors and 1 director, respectively. Details of the directors' remuneration are set out in note 8 above. Details of the remuneration for the Relevant Periods of the remaining highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	3,402	4,074	6,349
Share-based payment expenses	880	1,131	3,369
Pension scheme contributions and social welfare	274	298	186
Total	4,556	5,503	9,904

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

	Number of employees		
	Year ended 31 December		
	2023	2024	2025
HK$1,500,001 to HK$2,000,000	3	1	1
HK$2,000,001 to HK$2,500,000	–	2	1
HK$2,500,001 to HK$3,000,000	–	–	1
HK$3,000,001 to HK$3,500,000	–	–	–
HK$3,500,001 to HK$4,000,000	–	–	1
Total	3	3	4

During the Relevant Periods, share options were granted to non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 28 to the Historical Financial Information. The fair values of such share options which have been recognised in profit or loss over the vesting period, were determined as at the dates of grant and the amounts included in the Historical Financial Information are included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

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

Cayman Islands

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Islands Companies Law and is exempted from the payment of Cayman Islands income tax.

Chinese Mainland

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the Enterprise Income Tax ("EIT") rate of the PRC subsidiaries was 25% during the Relevant Periods, except for the subsidiary as specified below.

PPIO Shanghai, a subsidiary of the Group in Chinese Mainland, is qualified as a High and New Technology Enterprise and was subject to income tax at a preferential tax rate of 15% for the years ended 31 December 2023 to 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Singapore

The subsidiary incorporated in Singapore is subject to Singapore tax at the rate of 17%. No provision for Singapore profits tax has been made as the Group had no assessable profits derived from or earned in Singapore during each of the Relevant Periods.

Hong Kong

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

United States of America

The subsidiary incorporated in California, USA, is subject to statutory United States federal corporate income tax at the rate of 21%. It was also subject to the state income tax at a rate of 8.84% during the Relevant Periods. No provision for USA profits tax has been made as the Group had no assessable profits derived from or earned in the USA during each of the Relevant Periods.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current income tax	–	–	–
Deferred income tax	–	–	–
Tax charge for the year	–	–	–

A reconciliation of the tax expense applicable to loss before tax using the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(189,377)	(293,512)	(222,949)
Income tax charge at the statutory income tax rate	(10,729)	(16,939)	(29,831)
Effect of preferential tax rates	3,140	5,569	6,724
Expenses not deductible for tax	1,136	1,529	2,543
Additional deductible allowance for research and development expenses	(6,762)	(5,767)	(9,982)
Tax losses not recognised	13,215	15,608	30,546
Tax charge at the Group's effective rate	–	–	–

Super deduction on research and development costs was applicable to qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities were entitled to claim 200% of their qualified research and development costs as tax deductible expenses when determining their assessable profits for the Relevant Periods.

The Group has accumulated tax losses arising in Chinese Mainland of RMB224,962,000, RMB312,717,000 and RMB458,623,000 as at 31 December 2023, 2024 and 2025, respectively, which can be carried forward from one to ten years to offset against future taxable profits of the entities in which the losses were incurred.

The Group has accumulated tax losses in Singapore of RMB802,000 and RMB5,561,000 as at 31 December 2024 and 2025, respectively, which can be carried forward indefinitely to offset against future taxable profits of the entity in which the losses were incurred.

The Group has accumulated tax losses in Hong Kong of RMB15,243,000, RMB26,183,000 and RMB23,905,000 as at 31 December 2023, 2024 and 2025, respectively, which can be carried forward indefinitely to offset against future taxable profits of the entity in which the losses were incurred.

The Group has accumulated tax losses in the USA of nil and RMB6,422,000 as at 31 December 2024 and 2025, which can be carried forward indefinitely to offset against future taxable profits of the entity in which the losses were incurred.

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

Basic

The basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the years ended 31 December 2023, 2024 and 2025.

	Year ended 31 December		
	2023	2024	2025
Loss attributable to ordinary equity holders of the parent (RMB'000)	(189,377)	(293,512)	(222,949)
Weighted average number of ordinary shares outstanding ('000)	810,000	810,000	810,000
Basic loss per share (expressed in RMB)	(0.23)	(0.36)	(0.28)

Diluted

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

As the Group incurred losses for the years ended 31 December 2023, 2024 and 2025, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

12. DIVIDEND

No dividend was paid or declared by the Company during the Relevant Periods.

13. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted shares, at cost	488,561	505,011	744,165

Particulars of subsidiaries of the Company are set out in note 1 to the Historical Financial Information.

14. PROPERTY, PLANT AND EQUIPMENT

	Electronic equipment	Office equipment and others	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023				
At 1 January 2023:				
Cost	27,236	121	1,685	29,042
Accumulated depreciation	(11,565)	(43)	(727)	(12,335)
Net carrying amount	15,671	78	958	16,707
At 1 January 2023, net of accumulated depreciation	15,671	78	958	16,707
Additions	24,622	–	–	24,622

	Electronic equipment	Office equipment and others	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Disposals	(912)	(1)	–	(913)
Depreciation provided during the year (note 6)	(9,374)	(22)	(639)	(10,035)
At 31 December 2023, net of accumulated depreciation	30,007	55	319	30,381
At 31 December 2023:				
Cost	48,364	111	1,685	50,160
Accumulated depreciation	(18,357)	(56)	(1,366)	(19,779)
Net carrying amount	30,007	55	319	30,381
As at 31 December 2024				
At 1 January 2024:				
Cost	48,364	111	1,685	50,160
Accumulated depreciation	(18,357)	(56)	(1,366)	(19,779)
Net carrying amount	30,007	55	319	30,381
At 1 January 2024, net of accumulated depreciation	30,007	55	319	30,381
Additions	27,820	–	–	27,820
Disposals	(1,702)	–	–	(1,702)
Depreciation provided during the year (note 6)	(16,882)	(21)	(319)	(17,222)
At 31 December 2024, net of accumulated depreciation	39,243	34	–	39,277
At 31 December 2024:				
Cost	73,080	111	1,685	74,876
Accumulated depreciation	(33,837)	(77)	(1,685)	(35,599)
Net carrying amount	39,243	34	–	39,277
As at 31 December 2025				
At 1 January 2025:				
Cost	73,080	111	1,685	74,876
Accumulated depreciation	(33,837)	(77)	(1,685)	(35,599)
Net carrying amount	39,243	34	–	39,277
At 1 January 2025, net of accumulated depreciation	39,243	34	–	39,277
Additions	20,885	75	2,381	23,341
Disposals	(10,104)	–	–	(10,104)
Depreciation provided during the year (note 6)	(18,235)	(31)	(337)	(18,603)
At 31 December 2025, net of accumulated depreciation	31,789	78	2,044	33,911
At 31 December 2025:				
Cost	68,402	186	4,066	72,654
Accumulated depreciation	(36,613)	(108)	(2,022)	(38,743)
Net carrying amount	31,789	78	2,044	33,911

15. OTHER INTANGIBLE ASSETS

	Patents
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	987
Accumulated amortisation	(49)
Net carrying amount	938
At 1 January 2023, net of accumulated amortisation	938
Additions	81
Amortisation provided during the year	(104)
At 31 December 2023	915
At 31 December 2023 and at 1 January 2024:	
Cost	1,068
Accumulated amortisation	(153)
Net carrying amount	915
31 December 2024	
At 1 January 2024:	
Cost	1,068
Accumulated amortisation	(153)
Net carrying amount	915
At 1 January 2024, net of accumulated amortisation	915
Amortisation provided during the year	(107)
At 31 December 2024	808
At 31 December 2024:	
Cost	1,068
Accumulated amortisation	(260)
Net carrying amount	808
31 December 2025	
At 1 January 2025:	
Cost	1,068
Accumulated amortisation	(260)
Net carrying amount	808
At 1 January 2025, net of accumulated amortisation	808
Amortisation provided during the year	(107)
At 31 December 2025	701
At 31 December 2025:	
Cost	1,068
Accumulated amortisation	(367)
Net carrying amount	701

16. LEASES

The Group as a lessee

The Group has lease contracts for buildings and electronic equipment used in its operations. Leases of buildings and electronic equipment generally have lease terms within 3 years.

(a) Right-of-use assets

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

	Buildings	Electronic equipment	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	6,188	3,956	10,144
Depreciation charge	(3,581)	(1,153)	(4,734)
Termination of lease contracts	–	(2,430)	(2,430)
As at 31 December 2023	2,607	373	2,980

	Buildings	Electronic equipment	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2024	2,607	373	2,980
Additions	4,661	–	4,661
Depreciation charge	(4,122)	(332)	(4,454)
Termination of lease contracts	(686)	(41)	(727)
As at 31 December 2024	2,460	–	2,460

	Buildings	Electronic equipment	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2025	2,460	–	2,460
Additions	3,601	–	3,601
Depreciation charge	(3,218)	–	(3,218)
As at 31 December 2025	2,843	–	2,843

(b) Lease liabilities

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	11,902	3,447	2,535
Additions	–	4,661	3,601
Accretion of interest recognised during the year	300	165	122
Payments	(6,436)	(4,782)	(2,570)
Termination of lease contracts	(2,319)	(956)	–
Carrying amount at the end of the year	3,447	2,535	3,688
Analysed into:			
Current portion	2,834	2,535	742
Non-current portion	613	–	2,946

The maturity analysis of lease liabilities is disclosed in note 34 to the Historical Financial Information.

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	300	165	122
Depreciation charge	4,734	4,454	3,218
Expense relating to leases of short-term leases	2,011	1,051	1,502
Loss/(gain) on termination of lease contracts	111	(229)	–
Total amount recognised in profit or loss	7,156	5,441	4,842

(d) The total cash outflows for leases are disclosed in note 29(b) to the Historical Financial Information.

17. TRADE RECEIVABLES

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	90,862	150,130	168,195
Impairment	–	–	–
Total	90,862	150,130	168,195

The Group's trading terms with its certain customers are on credit, and the credit period is generally within 90 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	90,862	150,130	168,195

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on historical payment patterns, adjusted for factors that are specific to the debtors and general economic conditions. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

For the years ended 31 December 2023, 2024 and 2025, considering there were no historical default events of debtors and the impact of the forward-looking adjustment was minimal, management of the Company believes all of the trade receivables can be settled within 6 months and the expected loss rates and expected credit losses are assessed to be minimal.

18. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	Notes	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Current:				
Loan to a related party	*(a)*	23,000	23,736	–
Deposits and other receivables	*(b)*	675	3,448	2,414
Prepayments to suppliers		1,492	686	8,460
[**REDACTED**]		–	–	[**REDACTED**]
Value-added tax recoverable		289	243	1,050
Subtotal		25,456	28,113	13,613
Non-current portion:				
Prepayments for long-term assets		–	–	4,965
Rental deposits	*(b)*	1,142	–	1,299
Subtotal		1,142	–	6,264
Total		26,598	28,113	19,877

The Company

	Note	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Loan to a subsidiary	*30(c)*	1,923	1,951	–
[**REDACTED**]		–	–	[**REDACTED**]
Total		1,923	1,951	[**REDACTED**]

(a) Loan to a related party included in prepayments, other receivables and other assets was non-trade in nature and repayable on demand and carried interest at a rate of 3.2%. The loan to a related party was repaid on 23 January 2025, which was disclosed in note 30(c) to the Historical Financial Information.

(b) Deposits and other receivables mainly represent rental deposits, deposits with suppliers and petty cash to employees and were non-interest-bearing and trade in nature. Except for the petty cash to employees to be repaid on demand, the general expected timing of settlement for deposits and other receivables ranges from 1 month to 2 years.

Except for loan to a related party mentioned above, the rest of prepayments, other receivables and other assets were non-interest-bearing and trade in nature. The general expected timing of settlement is within 2 years.

As there was no significant increase in credit risk since initial recognition, ECLs are provided for credit losses resulting from default events that are possible within the next 12 months (12-month ECL). As at 31 December 2023, 2024 and 2025, the Group assessed that the expected credit losses for these receivables were not material under the 12-month expected loss method. In view of the history of cooperation with debtors and the sound collection history of receivables, management believes that the credit risk inherent in the outstanding other receivable balances of the Group is not significant.

19. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash at banks	116,253	167,644	242,109
Less:			
Non-pledged time deposits with original maturity of more than three months when acquired*	68,952	36,019	34,267
Pledged deposits**	1,529	17,638	13,246
Cash and cash equivalents	45,772	113,987	194,596
Denominated in:			
RMB	42,116	78,823	50,778
US$	3,635	6,197	143,735
SGD	–	13	10
HK$	21	28,954	73
Total	45,772	113,987	194,596

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash at banks	34	6	107,283
Less:			
Non-pledged time deposits with original maturity of more than three months when acquired*	–	–	891
Cash and cash equivalents	34	6	106,392
Denominated in:			
RMB	1	–	–
US$	32	4	106,383
HK$	1	2	9
Total	34	6	106,392

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

** As at 31 December 2023, 2024 and 2025, the pledged deposits were pledged for bills payable and letters of credit.

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

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

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products and structured deposits	90,471	16,765	137,348

The wealth management products were issued by banks and other financial institutions. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not SPPI.

21. TRADE AND BILLS PAYABLES

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	35,383	95,352	79,829

The trade payables are non-interest-bearing and are normally settled within 45 days and bills payables are normally settled within 180 days.

22. OTHER PAYABLES AND ACCRUALS

The Group

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Other payables	*(a)*	390	1,249	6,122
Loan from a related party	*(b)*	2,103	2,700	–
Accrued [**REDACTED**] expenses		–	–	[**REDACTED**]
Tax payables		761	2,627	6,856
Accrued salaries, wages and benefits		14,379	26,891	29,000
Total		17,633	33,467	43,154

(a) Other payables were trade in nature, non-interest bearing and repayable on demand.

(b) Loan from a related party was non-trade in nature, non-interest-bearing and repayable on demand. The loan from a related party was repaid on 6 March 2025, which was disclosed in note 30(c) to the Historical Financial Information.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other payables	–	–	14,385
Accrued [**REDACTED**] expenses	–	–	[REDACTED]
Loan from a subsidiary	–	–	19,121
Total	–	–	34,682

23. INTEREST-BEARING BANK BORROWINGS

	As at 31 December 2023		
	Effective Interest rate (%)	Maturity	RMB'000
Current			
Bank loans-unsecured	2.98-3.60	2024	43,500

	As at 31 December 2024		
	Effective Interest rate (%)	Maturity	RMB'000
Current			
Bank loans-unsecured	2.67-3.45	2025	74,000

	As at 31 December 2025		
	Effective Interest rate (%)	Maturity	RMB'000
Current			
Bank loans-unsecured	2.20-3.00	2026	80,494

24. CONVERTIBLE REDEEMABLE PREFERRED SHARES

The Group and the Company

From March 2021 to August 2025, the Company received several rounds of investments as follows:

In March 2021, the Company issued 100,000,000 Series Angel-1 Preferred Shares ("Series Angel-1 Preferred Shares") at US$0.0154 per share with a total consideration of US$1,543,329 (equivalent to RMB10,033,000).

In March 2021, the Company issued 176,470,589 Series Angel-2 Preferred Shares ("Series Angel-2 Preferred Shares") at US$0.0425 per share with a total consideration of US$7,500,000 (equivalent to RMB51,112,000).

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

In April 2021, the Company issued 188,235,296 Series A Preferred Shares ("Series A Preferred Shares") at US$0.0850 per share with a total consideration of US$16,000,000 (equivalent to RMB104,150,000).

In November 2021, the Company issued 152,114,596 Series A-1 Preferred Shares ("Series A-1 Preferred Shares") at US$0.1466 per share with a total consideration of US$22,300,000 (equivalent to RMB142,210,000), Among them, there are 34,106,412 Series A-1 Preferred Shares ("Series A-1 Preferred Shares") delivered for in April 2022.

In January 2022, the Company issued 80,278,129 Series A-2 Preferred Shares ("Series A-2 Preferred Shares") at US$0.1582 per share with a total consideration of US$12,700,000 (equivalent to RMB80,867,000).

In April 2025, the Company issued 70,608,570 Series B Preferred Shares ("Series B Preferred Shares") at US$0.2974 per share with a total consideration of US$21,000,000 (equivalent to RMB151,261,000).

In August 2025, the Company issued 84,057,822 Series B-1 Preferred Shares ("Series B-1 Preferred Shares") at US$0.2974 per share with a total consideration of US$25,000,000 (equivalent to RMB177,603,000).

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

Redemption rights

According to the Sixth Amended and Restated Memorandum of Association of the Company, the investors of Series A Preferred Shares, Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B Preferred Shares and Series B-1 Preferred Shares have rights to require the Company to redeem their investments, at any time upon occurrence of the earlier of the following: (i) after five years from the issuance of Series B Preferred Shares in April 2025 if the Company fails to consummate a qualified [**REDACTED**]; and (ii) any contracts among the subsidiaries designed to provide the Company with control over, and the ability to consolidate the financial statements of, direct or indirect subsidiaries and/or controlled entities are void, in material breach or terminated and no solution has been agreed between the Company and shareholders. The redemption price is 150% of the original investment amount plus all accrued but unpaid dividends.

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

Conversion rights

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

Liquidation preference

In the event of any liquidation, holders of the Preferred Shares shall be entitled to receive, prior and in preference to any distribution or payment shall be made to the holders of any ordinary shares, the liquidation preference amount per share is equal to one hundred percent (100%) of the original issue price on each Preferred Share, as the case may be, plus all dividends accrued and unpaid with respect thereto per Series A-2 to Angel Preferred Share then held by such holder.

Cease of the preferential rights

The preferential rights will automatically cease upon the submission of application to the Stock Exchange for the qualified [**REDACTED**]. The convertible redeemable preferred shares will become ordinary shares without any preferential rights.

In June 2025, the Company and the investors entered into a supplemental agreement, pursuant to which the redemption right of the shares with preferential rights will cease to be exercisable upon submission of the [**REDACTED**] to the Stock Exchange until the earlier of (i) the application is not accepted or declined by the Stock Exchange or the Company decides not to proceed with the [**REDACTED**]; and (ii) the Company fails to complete the [**REDACTED**] on or before 31 December 2026.

Accounting for convertible redeemable preferred shares

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

As at 31 December 2023, 2024 and 2025, the convertible redeemable preferred shares were classified as current liabilities because the holders of the Preferred Shares can convert the convertible redeemable preferred shares to ordinary shares within 12 months.

The movements of convertible redeemable preferred shares are set out as follows:

The Group and the Company

	Series Angel Preferred Shares	Series A Preferred Shares	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series B-1 Preferred Shares	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	152,496	125,263	140,170	89,611	–	–	507,540
Changes in fair value	54,849	40,644	34,936	14,619	–	–	145,048
Foreign exchange movement	3,048	2,466	2,671	1,641	–	–	9,826
At 31 December 2023 and 1 January 2024	210,393	168,373	177,777	105,871	–	–	662,414
Changes in fair value	95,881	63,350	43,828	18,691	–	–	221,750
Foreign exchange movement	3,850	2,982	2,978	1,718	–	–	11,528
At 31 December 2024 and 1 January 2025	310,124	234,705	224,583	126,280	–	–	895,692
Issuance of convertible redeemable preferred shares	–	–	–	–	151,261	177,603	328,864
Changes in fair value	42,337	23,193	10,168	4,020	3,892	4,662	88,272
Foreign exchange movement	(7,361)	(5,471)	(5,100)	(2,849)	(3,551)	(1,786)	(26,118)
At 31 December 2025	345,100	252,427	229,651	127,451	151,602	180,479	1,286,710

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

	As at 31 December		
	2023	2024	2025
Discount rate	16.00%	15.00%	N/A
Risk-free interest rate	3.92%	4.51%	3.80%
Volatility	55.75%	60.07%	54.13%
Discounts for lack of marketability ("DLOM")	22.68%	21.14%	16.60%

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

Management considers that fair value changes of convertible redeemable preferred shares that are attributable to changes of own credit risk of these instruments are not material.

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

31 December 2023

Valuation technique	Significant unobservable inputs	Inputs	Increase/(decrease) in the inputs	Sensitivity of fair value to the inputs
			(%)	*RMB'000*
Discounted cash flow method and option pricing method . .	Discount rate	16.00%	1/(1)	(10,379)/ 12,382
	Risk-free interest rate	3.92%	1/(1)	(576)/601
	DLOM	22.68%	1/(1)	(1,180)/1,180
	Volatility	55.75%	1/(1)	(57)/54

31 December 2024

Valuation technique	Significant unobservable inputs	Inputs	Increase/(decrease) in the inputs	Sensitivity of fair value to the inputs
			(%)	*RMB'000*
Discounted cash flow method	Discount rate	15.00%	1/(1)	(14,092)/16,885
and option pricing method . .	Risk-free interest rate	4.51%	1/(1)	(427)/444
	DLOM	21.14%	1/(1)	(1,552)/1,552
	Volatility	60.07%	1/(1)	(1)/(2)

31 December 2025

Valuation technique	Significant unobservable inputs	Inputs	Increase/(decrease) in the inputs	Sensitivity of fair value to the inputs
			(%)	*RMB'000*
Option pricing method and	Risk-free interest rate	3.80%	1/(1)	(388)/401
backsolve method	DLOM	16.60%	1/(1)	(2,155)/2,155
	Volatility	54.13%	1/(1)	(55)/53

25. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	Financial assets at fair value through profit or loss	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023.	116	2,536	2,652
Deferred tax charged/(credited) to profit or loss during the year	277	(1,791)	(1,514)

	Financial assets at fair value through profit or loss	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	393	745	1,138
Deferred tax credited to profit or loss during the year	(28)	(130)	(158)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	365	615	980
Deferred tax credited to profit or loss during the year	(111)	(189)	(300)
Gross deferred tax liabilities at 31 December 2025	254	426	680

Deferred tax assets

	Lease liabilities	Losses available for offsetting against future taxable profits	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	2,536	116	2,652
Deferred tax (charged)/credited to profit or loss during the year	(1,811)	297	(1,514)
Gross deferred tax assets at 31 December 2023 and 1 January 2024	725	413	1,138
Deferred tax charged to profit or loss during the year	(110)	(48)	(158)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	615	365	980
Deferred tax charged to profit or loss during the year	(189)	(111)	(300)
Gross deferred tax assets at 31 December 2025	426	254	680

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	–	–	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	–	–
Total	–	–	–

The Group has accumulated tax losses arising in Chinese Mainland of RMB224,962,000, RMB312,717,000 and RMB458,623,000 as at 31 December 2023, 2024 and 2025, respectively, which can be carried forward from one to ten years to offset against future taxable profits of the entities in which the losses were incurred.

The Group has accumulated tax losses in Singapore of RMB802,000 and RMB5,561,000 as at 31 December 2024 and 2025, respectively, which can be carried forward indefinitely to offset against future taxable profits of the entity in which the losses were incurred.

The Group has accumulated tax losses in Hong Kong of RMB15,243,000, RMB26,183,000 and RMB23,905,000 as at 31 December 2023, 2024 and 2025, respectively, which can be carried forward indefinitely to offset against future taxable profits of the entity in which the losses were incurred.

The Group has accumulated tax losses in the USA of nil and RMB6,422,000 as at 31 December 2024 and 2025, which can be carried forward indefinitely to offset against future taxable profits of the entity in which the losses were incurred.

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

26. SHARE CAPITAL

Authorised

	Number of ordinary shares	Nominal value of ordinary shares
		US$'000
As at 31 December 2023 and 2024	4,302,901,390	43
Transfer to redeemable preferred shares	(154,666,392)	(2)
As at 31 December 2025	4,148,234,998	41

The number of ordinary shares was amended to 4,148,234,998 after the designation of 70,608,570 ordinary shares as Series B Preferred Shares in April 2025 and 84,057,822 ordinary shares as Series B-1 Preferred Shares in August 2025.

Issued and fully paid

	Number of ordinary shares	Nominal value of ordinary shares	Share capital
		US$'000	*RMB'000*
As at 31 December 2023, 2024 and 2025	810,000,000	8	52

As at 31 December 2023, 2024 and 2025, 810,000,000 ordinary shares were issued at par value of US$0.00001 per share while these ordinary shares were paid in 24 August 2021 at a price of US$0.00001 with a total consideration of US$8,100.

27. RESERVES

The Group

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

(a) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 28 to the Historical Financial Information.

(b) Exchange fluctuation reserve

The exchange fluctuation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

(c) Capital reserve

The capital reserve represents capital contributions and distributions to the shareholders.

The amounts of the Company's reserves and the movements therein for each of the Relevant Periods are presented as follows:

The Company

	Capital reserve	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	57,141	1,696	(3,999)	(86,230)	(31,392)
Loss for the year	–	–	–	(145,054)	(145,054)
Other comprehensive loss for the year	–	–	(2,750)	–	(2,750)
Total comprehensive loss for the year	–	–	(2,750)	(145,054)	(147,804)
Equity-settled share option arrangements	–	7,248	–	–	7,248
As at 31 December 2023 and 1 January 2024	57,141	8,944	(6,749)	(231,284)	(171,948)
Loss for the year	–	–	–	(221,778)	(221,778)
Other comprehensive loss for the year	–	–	(5,195)	–	(5,195)
Total comprehensive loss for the year	–	–	(5,195)	(221,778)	(226,973)
Equity-settled share option arrangements	–	10,145	–	–	10,145
As at 31 December 2024 and 1 January 2025	57,141	19,089	(11,944)	(453,062)	(388,776)
Loss for the year	–	–	–	(103,712)	(103,712)
Other comprehensive income for the year	–	–	11,043	–	11,043
Total comprehensive loss for the year	–	–	11,043	(103,712)	(92,669)
Equity-settled share option arrangements	–	13,138	–	–	13,138
As at 31 December 2025	57,141	32,227	(901)	(556,774)	(468,307)

28. SHARE-BASED PAYMENTS

In February 2021, the board of directors of the Company approved the establishment of the [**REDACTED**] Global Share Plan, with the purpose of attracting, motivating, retaining and rewarding certain employees. The maximum number of shares that may be issued under this option scheme shall be 90,000,000 ordinary shares. The share option scheme was effective since 2021, authorising the board of directors of the Company at their discretion to grant employees of the Group options at agreed considerations to subscribe for shares of the Company.

The share options shall vest in four years with graded vesting terms, on conditions that employees remain in service with satisfactory performance. If eligible employees resign before the [**REDACTED**] except for by cause as defined in the option rules, the controlling shareholder or parties designated by the controlling shareholder have the right to repurchase and those resigned employees have to sell the options granted at the price far below the fair value. Therefore, the period from the grant date to the [**REDACTED**] date constitutes an implied service period.

The share options granted shall be exercisable when the following conditions are met: (i) after the completion of [**REDACTED**] by the Company, (ii) the expiration of the corresponding vesting period, (iii) for Type A vesting schedule, the first tranche of certain percentage (25%, 50%, 75% or 100%) on the first anniversary based on the performance and the remaining equal tranche of 25% over periods of remaining anniversaries based on the performance; for Type B vesting schedule, the first tranche of 50% on the second anniversary based on the performance and the two equal tranches of 25% over periods of two anniversaries based on the performance.

The following shares were outstanding under the share option scheme during the Relevant Periods:

	Number of options
As at 1 January 2023	41,018,599
Granted during the year	5,377,500
As at 31 December 2023 and 1 January 2024	46,396,099
Granted during the year	13,025,599
Forfeited during the year	(1,147,500)
As at 31 December 2024 and 1 January 2025	58,274,198
Granted during the year	16,083,715
Forfeited during the year	(6,286,056)
As at 31 December 2025	68,071,857

During the years ended 31 December 2023, 2024 and 2025, the Group recognised share-based compensation expenses of RMB7,248,000, RMB10,145,000 and RMB13,138,000, respectively.

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

	As at 31 December		
	2023	2024	2025
Number of options	46,396,099	58,274,198	68,071,857
Exercise price	US$0.0001	US$0.0001	US$0.0001
Weighted average remaining contractual life	3.13-3.44 years	1.75-2.88 years	1.25-2.75 years

The fair value of options granted during the Relevant Periods is estimated on the dates of grant using the binomial model with the following assumptions used:

	As at 31 December		
	2023	2024	2025
Expected volatility	58.16%-58.98%	58.36%-58.90%	59.23%-60.51%
Risk-free interest rate	3.48%-4.59%	3.80%-4.20%	4.37%-4.41%
Exercise multiple	2.2-2.8	2.2-2.8	2.2-2.8
Expected forfeiture rate	0%-1.97%	0%-1.97%	2.46%-4.71%
Weighted average share price	US$0.08-US$0.10	US$0.10-US$0.15	US$0.15-US$0.17
Expected life of options	10 years	10 years	10 years

29. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets and lease liabilities of nil, RMB4,661,000 and RMB3,601,000, respectively, in respect of lease agreements.

(b) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest-bearing bank borrowings	Amounts due to a related party	Lease liabilities	Convertible redeemable preferred shares	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,000	–	11,902	507,540	520,442
Changes from financing cash flows					
Additions	51,500	2,103	–	–	53,603
Payments	(9,582)	–	(6,436)	–	(16,018)
Changes in fair value	–	–	–	145,048	145,048
Foreign exchange movement	–	–	–	9,826	9,826
Interest expense	582	–	300	–	882
Revision of lease terms	–	–	(2,319)	–	(2,319)
At 31 December 2023	43,500	2,103	3,447	662,414	711,464

	Interest-bearing bank borrowings	Amounts due to a related party	Lease liabilities	Convertible redeemable preferred shares	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	43,500	2,103	3,447	662,414	711,464
Changes from financing cash flows					
Additions	104,000	597	–	–	104,597
Payments	(74,991)	–	(4,782)	–	(79,773)
Changes in fair value	–	–	–	221,750	221,750
Foreign exchange movement	–	–	–	11,528	11,528
New leases	–	–	4,661	–	4,661
Interest expense	1,491	–	165	–	1,656
Revision of lease terms	–	–	(956)	–	(956)
At 31 December 2024	74,000	2,700	2,535	895,692	974,927

	Interest-bearing bank borrowings	Amounts due to a related party	Lease liabilities	Convertible redeemable preferred shares	Accrued [REDACTED] included in trade and other payable	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	74,000	2,700	2,535	895,692	–	974,927
Changes from financing cash flows						
Additions	110,494	–	–	328,864	18,623	457,981
Payments	(106,700)	(2,700)	(2,570)	–	(17,447)	(129,417)
Charge to operating cash flows	–	–	–	–	(1,083)	(1,083)
Changes in fair value	–	–	–	88,272	–	88,272
Foreign exchange movement	–	–	–	(26,118)	–	(26,118)
New leases	–	–	3,601	–	–	3,601
Interest expense	2,700	–	122	–	–	2,822
At 31 December 2025	80,494	–	3,688	1,286,710	93	1,370,985

(c) Total cash outflows for leases

The total cash outflows for leases included in the consolidated statements of cash flows are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	(2,011)	(1,051)	(1,502)
Within financing activities	(6,436)	(4,782)	(2,570)
Total	(8,447)	(5,833)	(4,072)

30. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name of related party	Relationship with the Group
Mr. Yao Xin	Executive director, chairman of the board, chief executive officer, controlling shareholder and the spouse of Ms. Lyu
Ms. Lyu Shanshan	Non-executive director, controlling shareholder and the spouse of Mr. Yao

(b) Related party transactions

In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following transactions with related parties during the Relevant Periods:

	Notes	As at 31 December		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Loan to:				
Mr. Yao Xin	*18*	23,000	–	–
Interest on loan to:				
Mr. Yao Xin		–	736	–
Repayment of loan by:				
Mr. Yao Xin		–	–	23,736
Loan from:				
Ms. Lyu Shanshan	*22*	2,103	597	–
Repayment of loan to:				
Ms. Lyu Shanshan		–	–	2,700

(c) Outstanding balances with related parties

The Group

	Notes	As at 31 December		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Due from a related party:				
Non-trade related				
Mr. Yao Xin	*18*	23,000	23,736	–
Due to a related party:				
Non-trade related				
Ms. Lyu Shanshan	*22*	2,103	2,700	–

Details of the terms of these balances with related parties are disclosed in notes 18 and 22.

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Due from a subsidiary:			
Non-trade related			
PPlabs Hong Kong Limited	1,923	1,951	–
Due to a subsidiary:			
Non-trade related			
PPlabs Hong Kong Limited	–	–	33,506

In 2023, 2024 and 2025, the Company provided an advance receivable amounting to RMB1,923,000, RMB28,000 and nil to PPlabs Hong Kong Limited, respectively. The Company's loans from PPlabs Hong Kong Limited amounted to RMB19,121,000 as of 31 December 2025. The non-trade amounts due from the subsidiary are unsecured, interest-free and repayable on demand.

(d) Compensation of key management personnel of the Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	4,368	5,727	6,685
Pension scheme contributions and social welfare	224	253	320
Share-based payment expenses	408	409	2,363
Total	5,000	6,389	9,368

Further details of directors' remuneration are included in note 8 to the Historical Financial Information.

31. COMMITMENTS

At the end of each of the Relevant Periods, the Group did not have any significant contractual commitments.

32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of each of the Relevant Periods were as follows:

As at 31 December 2023

Financial assets

The Group	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	90,862	90,862
Financial assets included in prepayments, other receivables and other assets	–	24,817	24,817
Cash and cash equivalents	–	45,772	45,772
Pledged deposits	–	1,529	1,529
Time deposits	–	68,952	68,952
Financial assets at fair value through profit or loss	90,471	–	90,471
Total	90,471	231,932	322,403

Financial liabilities

The Group	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	–	35,383	35,383
Interest-bearing bank borrowings	–	43,500	43,500
Convertible redeemable preferred shares	662,414	–	662,414
Financial liabilities included in other payables and accruals	–	2,493	2,493
Total	662,414	81,376	743,790

As at 31 December 2024

Financial assets

The Group	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	150,130	150,130
Financial assets included in prepayments, other receivables and other assets	–	27,184	27,184
Cash and cash equivalents	–	113,987	113,987
Pledged deposits	–	17,638	17,638
Time deposits	–	36,019	36,019
Financial assets at fair value through profit or loss	16,765	–	16,765
Total	16,765	344,958	361,723

Financial liabilities

The Group	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	–	95,352	95,352
Interest-bearing bank borrowings	–	74,000	74,000
Convertible redeemable preferred shares	895,692	–	895,692
Financial liabilities included in other payables and accruals	–	3,949	3,949
Total	895,692	173,301	1,068,993

As at 31 December 2025

Financial assets

The Group	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	168,195	168,195
Financial assets included in prepayments, other receivables and other assets	–	3,713	3,713
Cash and cash equivalents	–	194,596	194,596
Pledged deposits	–	13,246	13,246
Time deposits	–	34,267	34,267
Financial assets at fair value through profit or loss	137,348	–	137,348
Total	137,348	414,017	551,365

Financial liabilities

The Group	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	–	79,829	79,829
Interest-bearing bank borrowings	–	80,494	80,494
Convertible redeemable preferred shares	1,286,710	–	1,286,710
Financial liabilities included in other payables and accruals	–	7,298	7,298
Total	1,286,710	167,621	1,454,331

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The finance manager of the Group is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The Group's finance manager reports directly to the chief financial officer. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

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

For the methods and assumptions used to estimate the fair values of convertible redeemable preferred shares, details are disclosed in note 24 to the Historical Financial Information.

The Group invests in wealth management product investments, which represent wealth management products issued by banks and other financial institutions. The Group has estimated the fair value of these investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	90,471	–	90,471

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss.	–	16,765	–	16,765

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss.	–	137,348	–	137,348

Liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	–	–	662,414	662,414

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	–	–	895,692	895,692

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	–	–	1,286,710	1,286,710

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

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Foreign currency risk

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

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Increase/(decrease) in US$/RMB rate	Increase/(decrease) in loss before tax/equity
	%	*RMB'000*
Year ended 31 December 2023		
If the RMB weakens against the US$	5	2,838
If the RMB strengthens against the US$	(5)	(2,838)
Year ended 31 December 2024		
If the RMB weakens against the US$	5	2,675
If the RMB strengthens against the US$	(5)	(2,675)
Year ended 31 December 2025		
If the RMB weakens against the US$	5	7,187
If the RMB strengthens against the US$	(5)	(7,187)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

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

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	90,862	90,862
Financial assets included in prepayments, other receivables and other assets					
– Normal**	24,817	–	–	–	24,817
Time deposits	68,952	–	–	–	68,952
Pledged deposits	1,529	–	–	–	1,529
Cash and cash equivalents	45,772	–	–	–	45,772
Total	141,070	–	–	90,862	231,932

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	150,130	150,130
Financial assets included in prepayments, other receivables and other assets					
– Normal**	27,184	–	–	–	27,184
Time deposits	36,019	–	–	–	36,019
Pledged deposits	17,638	–	–	–	17,638
Cash and cash equivalents	113,987	–	–	–	113,987
Total	194,828	–	–	150,130	344,958

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	168,195	168,195
Financial assets included in prepayments, other receivables and other assets					
- Normal**	3,713	–	–	–	3,713
Time deposits	34,267	–	–	–	34,267
Pledged deposits	13,246	–	–	–	13,246
Cash and cash equivalents	194,596	–	–	–	194,596
Total	245,822	–	–	168,195	414,017

* For trade receivables to which the Group applies the simplified approach for impairment, information is disclosed in note 17 to the Historical Financial Information.

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

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector.

As at 31 December 2023, 2024 and 2025, the Group had certain concentrations of credit risk as 42.73%, 30.94% and 27.97% of the Group's trade receivables were due from the Group's largest customer, respectively, and 93.56%, 88.13% and 74.88% of the Group's trade receivables were due from the Group's five largest customers, respectively.

Liquidity risk

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

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

31 December 2023

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	35,383	–	–	35,383
Lease liabilities	2,894	624	–	3,518
Interest-bearing bank borrowings	44,806	–	–	44,806
Convertible redeemable preferred shares	662,414	–	–	662,414
Financial liabilities included in other payables and accruals	2,493	–	–	2,493
Total	747,990	624	–	748,614

31 December 2024

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	95,352	–	–	95,352
Lease liabilities	2,569	–	–	2,569
Interest-bearing bank borrowings	75,799	–	–	75,799
Convertible redeemable preferred shares	895,692	–	–	895,692
Financial liabilities included in other payables and accruals	3,949	–	–	3,949
Total	1,073,361	–	–	1,073,361

31 December 2025

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	79,829	–	–	79,829
Lease liabilities	780	3,120	–	3,900
Interest-bearing bank borrowings	82,557	–	–	82,557
Convertible redeemable preferred shares	1,286,710	–	–	1,286,710
Financial liabilities included in other payables and accruals	7,298	–	–	7,298
Total	1,457,174	3,120	–	1,460,294

Capital management

The Group's primary objective for managing capital is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

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

35. EVENTS AFTER THE RELEVANT PERIODS

On 31 March 2026, the Company granted outstanding options under the [**REDACTED**] Global Share Plan to certain participants to subscribe for an aggregate of 13,347,965 options. The exercise price of the options under the [**REDACTED**] Global Share Plan is US$0.0001 per share.

In May 2026, the Company issued 108,179,173 Series B-2 Preferred Shares at US$0.3254 per share to the relevant [**REDACTED**] investors with total considerations of US$35,200,000.

36. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.