The following is the text of a report set out on pages I-1 to I-[41], received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

[DRAFT]

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BEIJING SILICONFLOW TECHNOLOGY CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED AND HAITONG INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Beijing SiliconFlow Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-[3] to I-[41] which comprises the consolidated and the company statements of financial position as at December 31, 2023, 2024 and 2025, and the consolidated statements of loss, the consolidated statements of comprehensive loss, the consolidated statements of changes in deficit and the consolidated statements of cash flows for the period from August 29, 2023 (date of incorporation) to December 31, 2023 and for each of the years ended December 31, 2024 and 2025 (the "Track Record Period") 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-[41] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the "Document") in connection with the initial [**REDACTED**] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's 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* 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 accountant's 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 accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 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 accountant's report, a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at December 31, 2023, 2024 and 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 28 to the Historical Financial Information which states that no dividends have been paid by Beijing SiliconFlow Technology Co., Ltd. in respect of the Track Record Period.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong, [Date]

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

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

CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS

	Note	Period from August 29 to December 31,	Year ended December 31,	
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*6*	6	7,346	55,330
Cost of revenue	*7*	(1)	(4,452)	(68,632)
Gross profit/(loss)		**5**	**2,894**	**(13,302)**
Selling and marketing expenses	*7*	(110)	(6,392)	(83,743)
General and administrative expenses	*7*	(1,219)	(9,094)	(21,843)
Research and development expenses	*7*	(10,841)	(64,475)	(209,176)
Net impairment losses on financial assets		–	(91)	(306)
Other income and (losses)/gains-net	*9*	–	(100)	5,020
Operating losses		**(12,165)**	**(77,258)**	**(323,350)**
Finance income	*10*	–	422	1,420
Finance costs	*10*	(58)	(5,079)	(23,561)
Finance costs – net		**(58)**	**(4,657)**	**(22,141)**
Loss before income tax		**(12,223)**	**(81,915)**	**(345,491)**
Income tax expense	*11*	–	–	–
Loss for the period/year		**(12,223)**	**(81,915)**	**(345,491)**
Loss attributable to:				
Owners of the Company		(12,223)	(81,915)	(345,491)
Other comprehensive income				
Total other comprehensive income for the period/year, net of tax		–	–	–
Total comprehensive loss for the period/year		**(12,223)**	**(81,915)**	**(345,491)**
Total comprehensive loss attributable to:				
Owners of the Company		(12,223)	(81,915)	(345,491)
Loss per share attributable to the owners of the Company				
Basic and diluted loss per share (in RMB per share)	*12*	(8.77)	(19.33)	(33.33)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Assets				
Non-current assets:				
Property, plant and equipment	*14*	–	527	927
Right-of-use assets	*15*	1,989	6,176	5,358
Other non-current assets	*17*	–	–	1,096
Total non-current assets		**1,989**	**6,703**	**7,381**
Current assets:				
Prepayments and other receivables	*17*	446	4,251	15,541
Trade receivables	*18*	–	3,597	10,582
Time deposits	*19*	–	–	100,000
Cash and cash equivalents	*20*	4,874	49,737	171,533
Total current assets		**5,320**	**57,585**	**297,656**
Total assets		**7,309**	**64,288**	**305,037**
Net current assets		**2,898**	**28,356**	**118,697**
Deficit				
Paid-in capital	*21*	22	12,758	16,527
Share-based payments reserves	*22*	–	8,411	50,947
Capital reserves	*22*	11,423	(4,859)	(16,532)
Accumulated losses		(12,223)	(94,138)	(439,629)
Deficit attributable to owners of the Company		**(778)**	**(77,828)**	**(388,687)**
Total deficit		**(778)**	**(77,828)**	**(388,687)**
Liabilities				
Non-current liabilities				
Lease liabilities	*15*	642	3,629	1,298
Redemption liabilities	*23*	5,023	107,243	498,629
Share-based compensation liabilities	*24*	–	2,015	14,838
Total non-current liabilities		**5,665**	**112,887**	**514,765**
Current liabilities				
Borrowings	*27*	–	–	40,000
Trade and other payables	*25*	1,100	12,825	31,455
Share-based compensation liabilities	*24*	–	12,458	92,437
Contract liabilities	*6*	–	1,122	653
Receipts in advance	*26*	–	331	10,243
Lease liabilities	*15*	1,322	2,493	4,171
Total current liabilities		**2,422**	**29,229**	**178,959**
Total liabilities		**8,087**	**142,116**	**693,724**
Total liabilities and deficit		**7,309**	**64,288**	**305,037**

COMPANY STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment	14	–	527	927
Right-of-use assets	15	1,989	6,176	5,358
Other non-current assets	17	–	–	1,096
Total non-current assets		**1,989**	**6,703**	**7,381**
Current assets				
Prepayments and other receivables	17	446	4,251	12,165
Trade receivable	18	–	3,597	10,582
Time deposits	19	–	–	100,000
Cash and cash equivalents	20	4,874	49,736	171,523
Total current assets		**5,320**	**57,584**	**294,270**
Total assets		**7,309**	**64,287**	**301,651**
Net current assets		**2,898**	**28,355**	**118,699**
Deficit				
Deficit attributable to owners of the Company				
Paid-in capital	21	22	12,758	16,527
Share-based payments reserves	22	–	8,411	50,947
Capital reserves	22	11,423	(4,859)	(16,532)
Accumulated losses		(12,223)	(94,139)	(439,627)
Total deficit		**(778)**	**(77,829)**	**(388,685)**
Liabilities				
Non-current liabilities				
Lease liabilities	15	642	3,629	1,298
Redemption liabilities	23	5,023	107,243	498,629
Share-based compensation liabilities	24	–	2,015	14,838
Total non-current liabilities		**5,665**	**112,887**	**514,765**
Current liabilities				
Borrowing	27	–	–	40,000
Trade and other payables	25	1,100	12,825	28,067
Share-based compensation liabilities	24	–	12,458	92,437
Contract liabilities	6	–	1,122	653
Receipts in advance	26	–	331	10,243
Lease liabilities	15	1,322	2,493	4,171
Total current liabilities		**2,422**	**29,229**	**175,571**
Total liabilities		**8,087**	**142,116**	**690,336**
Total liabilities and deficit		**7,309**	**64,287**	**301,651**

CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT

		Attributable to owners of the Company				
	Note	**Paid-in capital**	**Capital Reserves**	**Share-based payments reserves**	**Accumulated losses**	**Total deficit**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at August 29, 2023		**–**	**–**	**–**	**–**	**–**
Comprehensive loss						
Loss for the period		–	–	–	(12,223)	(12,223)
Total comprehensive loss for the period		**–**	**–**	**–**	**(12,223)**	**(12,223)**
Transactions with owners in their capacity as owners:						
Contribution from shareholders		22	5,378	–	–	5,400
Recognition of redemption liabilities	*23*	–	(5,000)	–	–	(5,000)
Debt waived by the Controlling Shareholder	*22*	–	11,045	–	–	11,045
Total transactions with owners in their capacity as owners		**22**	**11,423**	**–**	**–**	**11,445**
Balance at December 31, 2023		**22**	**11,423**	**–**	**(12,223)**	**(778)**
Balance at January 1, 2024		**22**	**11,423**	**–**	**(12,223)**	**(778)**
Comprehensive loss						
Loss for the year		–	–	–	(81,915)	(81,915)
Total comprehensive loss for the year		**–**	**–**	**–**	**(81,915)**	**(81,915)**
Transactions with owners in their capacity as owners:						
Contribution from shareholders		354	93,300	–	–	93,654
Recognition of redemption liabilities	*23*	–	(97,200)	–	–	(97,200)
Share-based compensation		–	–	8,411	–	8,411
Capital reserve transferred to paid-in capital		12,382	(12,382)	–	–	–
Total transactions with owners in their capacity as owners		**12,736**	**(16,282)**	**8,411**	**–**	**4,865**
Balance at December 31, 2024		**12,758**	**(4,859)**	**8,411**	**(94,138)**	**(77,828)**

		Attributable to owners of the Company				
	Note	**Paid-in capital**	**Capital Reserves**	**Share-based payments reserves**	**Accumulated losses**	**Total deficit**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025		**12,758**	**(4,859)**	**8,411**	**(94,138)**	**(77,828)**
Comprehensive loss						
Loss for the year		–	–	–	(345,491)	(345,491)
Total comprehensive loss for the year		**–**	**–**	**–**	**(345,491)**	**(345,491)**
Transactions with owners in their capacity as owners:						
Contribution from shareholders		3,769	356,637	–	–	360,406
Recognition of redemption liabilities	*23*	–	(368,310)	–	–	(368,310)
Share-based compensation		–	–	42,536	–	42,536
Total transactions with owners in their capacity as owners		**3,769**	**(11,673)**	**42,536**	**–**	**34,632**
Balance at December 31, 2025		**16,527**	**(16,532)**	**50,947**	**(439,629)**	**(388,687)**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Period from August 29 to December 31,	Year ended December 31,	
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cash flows from operating activities				
Cash used in operations	*29*	(298)	(46,932)	(173,822)
Interest received		–	422	1,420
Net cash used in operating activities		**(298)**	**(46,510)**	**(172,402)**
Cash flows from investing activities				
Payments for purchase of property, plant and equipment		(28)	(651)	(758)
Payments of deposits related to lease		–	–	(1,108)
Purchase of time deposits		–	–	(100,000)
Net cash used in investing activities		**(28)**	**(651)**	**(101,866)**
Cash flows from financing activities				
Proceeds from issuance of shares		5,000	97,230	368,310
Payments of issuance costs		–	(3,576)	(7,904)
Proceeds from borrowings – related party	*31*	200	–	–
Proceeds from bank borrowings	*27*	–	–	40,000
Repayments of borrowings – related party	*31*	–	(200)	–
Payments of interests on bank borrowings	*10*	–	–	(105)
Payments of lease liabilities		–	(1,430)	(4,237)
Net cash generated from financing activities		**5,200**	**92,024**	**396,064**
Net increase in cash and cash equivalents		4,874	44,863	121,796
Cash and cash equivalents at beginning of the period/year		–	4,874	49,737
Cash and cash equivalents at end of the period/year	*20*	**4,874**	**49,737**	**171,533**

1 GENERAL INFORMATION

Beijing SiliconFlow Technology Co., Ltd. ("SiliconFlow" or the "Company") was incorporated on August 29, 2023 as a limited liability company in the People's Republic of China ("China"). The Company is ultimately controlled by Dr. Yuan Jinhui (the "Controlling Shareholder").

The Company together with its subsidiaries (collectively referred to as the "Group") are primarily engaged in providing scalable AI infrastructure for tokens delivery and on-premises deployment solutions to developers and enterprise customers.

The Company's principal subsidiaries during the Track Record Period and as at the date of this report are set out in Note 13.

2 BASIS OF PREPARATION

(a) Basis of preparation

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

IFRS Accounting Standards comprise the following authoritative literature:

– International Financial Reporting Standards ("IFRS");

– IAS Standards ("IAS"); and

– Interpretations developed by the IFRS Interpretations Committee ("IFRIC Interpretations") or its predecessor body, the Standing Interpretations Committee ("SIC Interpretations").

The Historical Financial Information has been prepared on a historical cost convention, except for financial assets at fair value through profit or loss, which are carried at fair value.

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

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

(i) Going Concern basis

The Group's total liabilities were approximately RMB8,087,000, RMB142,116,000 and RMB693,724,000 on December 31, 2023, 2024 and 2025, respectively. These liabilities were mainly due to the separate redemption rights granted to investors in financing, for which the Group recorded redemption liabilities ("Redemption Liabilities") with amount of RMB5,023,000, RMB107,243,000 and RMB498,629,000 on December 31, 2023, 2024 and 2025, respectively (Note 23).

The directors of the Company (the "Directors") have assessed the redemption features of the Redemption Liabilities as set out in Note 23 and concluded that the only likely event or situation which may trigger the Group to redeem these financial instruments in cash is that the Company fails to complete a qualified [**REDACTED**] before December 31, 2030. Therefore, the Directors concluded that it is not expected the Group will incur any cash outflows to settle or redeem the Redemption Liabilities within the next twelve months from December 31, 2025.

The Directors have reviewed the Group's cash flow forecast which covers a period of not less than twelve months from December 31, 2025. Based on the review of the cash flow forecast and taking into account the considerations as mentioned in the preceding paragraph, the Directors have concluded that the Group will have adequate financial resources to continue its operations in the foreseeable future and to meet its financial obligations as and when they fall due within the next twelve months from December 31, 2025. Accordingly, the Directors have prepared the Historical Financial Information on a going concern basis.

(ii) New and amended standards adopted by the Group

All effective standards, amendments to standards and interpretations, which are mandatorily effective for the financial year beginning on January 1, 2025, are consistently applied to the Group for the Track Record Period.

Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

	New and amended standards and annual improvements	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity	January 1, 2026
Annual Improvements to IFRS	Volume 11 IFRS accounting standards	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, these standards and amendments are not expected to have a material impact on the Group's financial performance and position, except IFRS 18.

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

The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the statement of cash flows and additional disclosure will be included in the financial statements.

The Group expects to apply the new standard from its mandatory effective date on January 1, 2027. Retrospective application is required, and so the comparative information for the financial year will be restated upon the adoption of IFRS 18 in 2027.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Interest rate risk

Except for cash and cash equivalents, redemption liabilities and borrowings, the Group has no other significant interest-bearing assets or liabilities.

The Group's interest rate risk primarily arises from borrowings. Borrowings carried at variable rates expose the Group to cash flow interest rate risk whereas those at fixed rates expose the Group to fair value interest rate risk.

The interest rates and terms of repayments of borrowings are disclosed in Note 27. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the Track Record Period. As at December 31, 2023 and 2024, the Group had no outstanding borrowings. As at December 31 2025, the Group's borrowings at fixed rates are RMB40,000,000.

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

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

(i) Risk management

The credit risk of cash and cash equivalents is limited because the counterparties are mainly state-owned or reputable commercial institutions located in the PRC.

For trade receivables and other receivables, management makes periodic as well as individual assessments on the recoverability based on historical settlement records and past experience and adjusts for forward looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables.

(ii) Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Other receivables
- Other non-current assets

While cash and cash equivalents and time deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

The directors of the Group believe that there is no material credit risk inherent in the Group's outstanding balance of trade receivables, details of which have been disclosed in Note 18.

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

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the period/year	–	–	87
Impairment losses on trade receivables	–	87	296
Reversal of impairment of trade receivables	–	–	–
At end of the period/year *(Note 18)*	–	87	383

Other receivables and other non-current assets

The Group classifies other receivables and other non-current assets which reflect their credit risks and how the expected credit loss provision is determined for each of those categories. The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers both historical loss rates and forward-looking macroeconomic data. There are no significant increases in credit risk of the receivables comparing with initial recognition. Management believes that the credit risk inherent in these outstanding receivables is not significant.

(c) Liquidity Risk

The Group aims to maintain sufficient cash to meet obligations falling due as well as operating and capital requirements.

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining year at each balance sheet date to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The amounts disclosed in the table are the contractual undiscounted cash flows as at December 31, 2023:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2023						
Trade and other payables	1,100	–	–	–	1,100	1,100
Lease liabilities	1,349	674	–	–	2,023	1,964
Redemption liabilities	–	–	–	7,829	7,829	5,023
	2,449	674	–	7,829	10,952	8,087

The amounts disclosed in the table are the contractual undiscounted cash flows as at December 31, 2024:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2024						
Trade and other payables	12,825	–	–	–	12,825	12,825
Lease liabilities	2,610	1,936	1,936	–	6,482	6,122
Redemption liabilities	–	–	–	157,412	157,412	107,243
	15,435	1,936	1,936	157,412	176,719	126,190

The amounts disclosed in the table are the contractual undiscounted cash flows as at December 31, 2025:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2025						
Trade and other payables	31,455	–	–	–	31,455	31,455
Lease liabilities	4,221	1,407	–	–	5,628	5,469
Redemption liabilities	–	–	692,014	–	692,014	498,629
Borrowings	40,000	–	–	–	40,000	40,000
	75,676	1,407	692,014	–	769,097	575,553

The liquidity risk of redemption liabilities is the principal amount of the redemption liabilities plus the respective predetermined interest (Note 23).

3.2 Capital risk management

The Group's objectives when managing capital are to:

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is not significant.

3.3 Fair value estimation

(a) Financial instruments carried at fair value

(i) Fair value hierarchy

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

The Group's policy is to recognize transfers into and out of fair value hierarchy levels as at the end of the reporting period.

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

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

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

During the Track Record Period, except for the share-based compensation liabilities arising from the cash-settlement alternative of certain RSUs under the 2024 Plan (Note 24), the Group had no financial instruments or other liabilities measured at fair value. The share-based compensation liabilities were measured at fair value at each reporting date, with changes in fair value recognized in profit or loss within employee benefit expenses.

The following table presents the Group's share-based compensation liabilities measured at fair value:

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2023	–	–	–	–
At December 31, 2024	–	–	14,473	14,473
At December 31, 2025	–	–	107,275	107,275

The fair value measurement of the share-based compensation liabilities is categorized within Level 3 of the fair value hierarchy as the Company's paid in capital were not quoted in an active market and the valuation was based on a recent private financing price, which is not based on observable market data.

(ii) Valuation processes

The Group finance team manages the valuation exercise of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the financial instruments on a case-by-case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments if needed. External valuation experts will be involved when necessary.

(b) Financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at other than fair value, including cash and cash equivalents, trade receivables, other receivables, trade payables, other payables and accruals (excluding salary and tax payables), borrowings, lease liabilities and redemption liabilities, approximate to their fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that might have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Share-based payment expenses

As mentioned in Note 24, the Company has adopted 2024 Employee Incentive Plan (the "2024 Plan") and grants restricted share units ("RSUs") to the Group's management and employees. The Company has engaged an independent valuer to determine the fair value of RSUs.

The fair value of liability component of compound instruments was determined by reference to the fair value of the underlying shares and remeasured at fair value at each reporting date, with changes recognized in profit or loss (within employee benefit expenses), in accordance with IFRS 2.

The fair value of equity component of compound instruments was measured as option to acquire equity shares upon lock-up expiry by forfeiting the cash compensation used the Binomial option-pricing model.

The fair value of equity-settled awards was determined by reference to the fair value of the underlying ordinary shares on the dates of grant. Key assumptions are disclosed in Note 24.

5 SEGMENT INFORMATION

The Group's chief operating decision-maker ("CODM") has been identified as the chairman of the Board of Directors of the Company, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group by service types and hence, the Group has two reportable segments.

Public cloud-based services: this segment provides model inference services on a shared-resource basis or offers dedicated instances providing reserved computing capacity on a public cloud basis.

On-premise deployment solutions: this segment offers on-premise deployment solutions, which comprise software licensing and/or customized services according to the customers' specific instructions and needs at the customers' infrastructure.

The CODM uses gross profit/(loss) for the Group's two reportable segments to assess the Group's overall performance, compare actual results to budgets, and guide decisions on capital investments and other resource allocations. The reconciliation of total segment gross profit/(loss) to the Group's loss before tax is the same as that presented in the consolidated statement of loss, and accordingly no separate reconciliation is presented.

The table below summarizes gross profit/(loss) related segment information used by the CODM to evaluate the Group's performance. The Group does not allocate any assets to its business segments as the Group's CODM does not use this information to measure the performance of the operating segments:

	Period from August 29 to December 31, 2023		
	Public cloud-based services	On-premise deployment solutions	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue derived from external customers	–	6	6
Segment costs of revenue	–	(1)	(1)
Segment gross profit	–	5	5

	Year ended December 31, 2024		
	Public cloud-based services	On-premise deployment solutions	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue derived from external customers	1,069	6,277	7,346
Segment costs of revenue	(3,972)	(480)	(4,452)
Segment gross profit	(2,903)	5,797	2,894

	Year ended December 31, 2025		
	Public cloud-based services	On-premise deployment solutions	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue derived from external customers	29,261	26,069	55,330
Segment costs of revenue	(64,082)	(4,550)	(68,632)
Segment gross loss	(34,821)	21,519	(13,302)

Information about major customers

The major customers who contributed more than 10% of total revenue of the Group during the Track Record Period are listed as below:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Percentage of revenue from the major customer to the total revenue of the Group			
Company A	83%	*	–
Company B	17%	–	–
Company C	–	61%	*
Company D	–	14%	*
Company E	–	–	14%
Company F	–	–	13%

* Less than 10% of the total revenue of the Group in the respective year.

As substantially all of the Group's long-lived assets are located in Chinese Mainland and substantially all of the Group's revenue of reportable segments are derived from Chinese Mainland, no geographical information is presented for the period from August 29 to December 31, 2023 and the years ended December 31, 2024 and 2025.

6 REVENUE

(a) Disaggregation of revenue from contracts with customers

Disaggregation of revenue from contracts with customers by major service types and timing of revenue recognition are as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by major service types:			
Public cloud-based services	–	1,069	29,261
On-premise deployment solutions	6	6,277	26,069
	6	7,346	55,330

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Timing of revenue recognition			
At a point in time	6	6,732	43,921
Over time	–	614	11,409
	6	7,346	55,330

(b) Contract liabilities

The Group has recognized the following liabilities related to contracts with customers:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	–	1,122	653

The following table shows how much of the revenue which was included in the contract liabilities at the beginning of the reporting year, recognized during the Track Record Period relates to carried-forward contract liabilities:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognized that was included in the contract liability balance at the beginning of the period/year	–	–	1,122

(c) Accounting policies of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and recognized when, or as, the control of the goods or services is transferred to the customer.

Depending on the terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date (collectively referred as "Over Time Conditions").

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

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contracts in balance sheets as a contract asset, account receivable or a contract liability, depending on the relationship between the Group's performance and customers' payment.

A contract asset is the Group's right to consideration in exchange for goods or services which the Group has transferred to customers. Contract assets are subject to the impairment of expected credit losses model under IFRS 9.

Incremental costs incurred to obtain a contract, if recoverable, are capitalized and presented as contract assets and subsequently amortized when the related revenue is recognized. For those costs with amortization periods of less than 1 year, they are expensed as incurred.

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

A receivable is recorded when the Group has an unconditional right to consideration. Right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

(i) Public cloud-based services

<u>*Serverless token services:*</u>

The Group provides model inference services on a shared-resource basis, allowing customers to access AI capabilities by consuming tokens. Revenue is derived from usage-based charges measured in tokens consumed, primarily under prepaid credit arrangements, with certain customers on postpaid monthly settlement terms.

Revenue from serverless token services is recognized based on the customer's utilization of the tokens, reflecting the transfer of the promised service. The transaction price is determined based on the agreed usage rate per token, adjusted for any discounts offered.

The Group provides coupons to users through user registration, identity verification and referral programmes. These coupons can be used to access serverless token services on the platform for free. Such coupons are not exchangeable for cash and can only be redeemed for services provided on the platform. No revenue is recognized when these coupons are granted or redeemed.

For users who have not made any paid consumptions on the platform and with whom the Group does not have enforceable rights and obligations, the Group does not consider such users to be customers under IFRS 15. Coupons granted to these users are accounted for as marketing incentives for user acquisition. The related computing resource costs incurred upon redemption are recognized as selling and marketing expenses.

For users who have made paid consumption on the platform and are customers of the Group, coupon redemption represents the provision of serverless token services to existing customers. No revenue is recognized for the portion of usage settled by coupons, as the Group does not receive consideration for such usage. The related computing resource costs are recognized as cost of services when the services are rendered, consistent with the classification of costs incurred to provide services to customers.

<u>*Dedicated instances:*</u>

The Group offers dedicated instances providing reserved computing capacity on a public cloud basis, where computing resources are allocated exclusively to specific customers and are not shared with other users. These services are primarily targeted at customers with higher requirements for performance, stability, or data isolation. Revenue from dedicated instance services may comprise fixed recurring fees for reserved computing capacity and usage-based charges measured by the number of tokens consumed.

For arrangements with fixed recurring fees, revenue is recognized over time on a straight-line basis over the contractual service period, as the customer simultaneously receives and consumes the benefits of the reserved computing capacity provided. This reflects the Group's ongoing fulfillment of its performance obligation to stand ready and provide access to the dedicated computing resources.

For arrangements with usage-based charges, revenue is recognized based on the customer's actual utilization of the dedicated instances, measured by the tokens consumed, reflecting the transfer of the promised service as the service is rendered. Usage-based charges, including volume-based discounts and time-based pricing, are accounted for as variable consideration. The transaction price for each billing period is determined based on the actual tokens consumed during that period and the applicable contractual rates after taking into account the customer's actual usage level, applicable pricing tier and time of usage.

(ii) On-premise deployment solutions

The Group offers on-premise deployment solutions, which comprise software licensing and/or customized services according to the customers' specific instructions and needs at the customers' infrastructure.

For software licenses that are distinct and provide the customer with a right to use the software as it exists at the point of delivery, revenue is recognized at a point in time when control of the license is transferred to the customer, which generally occurs upon delivery and acceptance.

For customized services, in cases including several services in one contract, the Group evaluates whether these promises constitute distinct performance obligations. If the services, or components thereof, are capable of being distinct and the promises are separately identifiable in the context of the contract, the Group accounts for them as separate performance obligations. The transaction price is allocated to each distinct performance obligation based on its relative standalone selling price. Revenue for each distinct performance obligation is recognized at a point in time when control of that specific good or service is transferred to the customer.

7 EXPENSES BY NATURE

Expenses included in cost of revenue, selling and marketing expenses, general and administrative expenses and research and development expenses are analyzed as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Computing resource purchased	2,169	11,820	159,081
Employee benefit expenses	9,199	66,705	206,281
Depreciation and amortization	553	1,472	4,611
Professional service expenses	217	1,882	2,167
Technology service fees	–	1,172	6,472
Other expenses	33	1,362	4,782
	12,171	84,413	383,394

8 EMPLOYEE BENEFIT EXPENSES

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries and bonuses	9,098	38,599	59,098
Share-based payments expenses *(Note 24)*	–	22,885	135,338
Pension expenses - defined contribution plan *(a)*	42	1,986	4,406
Housing funds and other social securities insurance expenses	59	2,886	6,275
Others	–	349	1,164
	9,199	66,705	206,281

(a) Pension expenses-defined contribution plan

The employees of the Group in the PRC are members of a state-managed pension scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by local government authority to the pension obligations to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contribution under the scheme. There were no significant forfeited contributions during the Track Record Period.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the period from August 29 to December 31, 2023 and for the years ended December 31, 2024 and 2025, included 1, 2 and 4 directors respectively, whose emoluments are disclosed in Note 32. The emoluments payable to the remaining 4, 3 and 1 individuals for the period from August 29 to December 31, 2023 and for the years ended December 31, 2024 and 2025 respectively are as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wages and salaries	850	3,000	720
Bonuses	–	570	180
Share-based payments expenses	–	3,761	9,439
Pension expenses-defined contribution plan *(a)*	81	167	68
Housing funds and other social securities insurance expenses	229	477	192
	1,160	**7,975**	**10,599**

The emoluments fell within the following bands:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
HK$1-HK$500,000	4	–	–
HK$2,500,001 to HK$3,000,000	–	1	–
HK$3,000,001 to HK$3,500,000	–	2	–
HK$12,000,001 to HK$12,500,000	–	–	1
	4	**3**	**1**

9 OTHER INCOME AND (LOSSES)/GAINS-NET

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants	–	–	4,970
Donation	–	(100)	–
Others	–	–	50
	–	(100)	5,020

10 FINANCE COSTS – NET

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Finance income			
Interest income	–	422	1,420
Finance costs			
Interest expenses on redemption liabilities	(23)	(5,020)	(23,076)
Interest expenses on lease liabilities	(35)	(53)	(224)
Interest expenses on bank borrowings	–	–	(105)
Others	–	(6)	(156)
	(58)	(5,079)	(23,561)
Finance costs – net	(58)	(4,657)	(22,141)

11 INCOME TAX EXPENSES

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

The income tax provision of the Group in respect of its operations in Chinese Mainland was calculated at tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretation and practices in respect thereof.

The Company is qualified as "High and New Technology Enterprises" ("HNTEs") under the relevant PRC laws and regulations. Accordingly, the Company is entitled to a preferential income tax rate of 15% since 2025. This status is subject to a re-application requirement every three years.

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate applicable to losses of the subsidiaries as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss before income tax	(12,223)	(81,915)	(345,491)
Tax calculated at statutory income tax rate of 25%	(3,056)	(20,479)	(86,373)
Tax effects of:			
– Effect of preferential income tax rates	–	–	34,549
– Expenses not deductible for tax purposes (i)	–	5,711	20,359
– Super deduction for research and development expenses (ii)	(2,710)	(11,228)	(14,387)
– Tax losses and temporary differences for which no deferred income tax assets were recognized (iii)	5,766	25,996	45,852
	–	–	–

(i) Expenses not deductible for tax purposes mainly comprise share-based payment expenses relating to the share-based awards granted by the Company to the employees. These share-based payment expenses were non-deductible for tax purposes during the Track Record Period, according to the applicable tax regulations.

(ii) According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 100% of their research and development expenses during the Track Record Period, so incurred as tax deductible expenses when determining their assessable profits for that year ("Super-deduction"). The Group has made its best estimation for the Super-deduction to be claimed for the Group's entities in ascertaining their assessable profits for the period from August 29 to December 31, 2023 and years ended December 31, 2024 and 2025.

(iii) As at December 31, 2023, 2024, and 2025, the Group had temporary differences which were not recognized as deferred income tax assets (except for unrecognized tax losses) of approximately RMB293,000, RMB6,282,000 and RMB25,043,000 respectively that can be carried forward against future taxable income, which are mainly comprise of interest from redemption liabilities (Note 23). According to the applicable tax regulations, such interest could be deducted when the Group repaid the principles and interest upon the investors exercise their redemption rights

As at December 31, 2023, 2024 and 2025, the Group had unrecognized tax losses to be carried forward against future taxable income amounted to RMB22,772,000, RMB120,473,000 and RMB401,111,000 respectively which would not be utilized based on its estimate of the operating performance of these Group entities. These unrecognized tax losses will mainly expire within 5 to 10 years. As at December 31, 2023, 2024 and 2025, the potential deferred tax assets in respect of the above unrecognized tax losses amounted to RMB5,693,000, RMB30,118,000 and RMB60,167,000, respectively.

12 LOSS PER SHARE

(i) Basic

Basic loss per share is calculated by dividing the net loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss attributable to owners of the Company (RMB'000)	(12,223)	(81,915)	(345,491)
Weighted average number of ordinary shares outstanding (thousands)	1,394	4,237	10,367
Basic losses per share (RMB)	(8.77)	(19.33)	(33.33)

The weighted average number of ordinary shares used in calculating basic and diluted loss per share has been determined based on the registered capital of the Company then outstanding, on the basis that each RMB1 of registered capital was converted into one ordinary share upon the Company's conversion into a joint stock limited liability company on June 22, 2026. The weighted average number of ordinary shares has been retrospectively adjusted for the capitalization of capital reserve into registered capital approved in September 2024, as if the event had occurred at the beginning of the earliest period presented, because they resulted in changes in the number of ordinary shares without a corresponding change in the resources of the Company.

The loss per share information presented above have not been taken into account the proposed share subdivision pursuant to the resolutions of shareholders of the Company dated June 26, 2026 because the proposed share subdivision has not become effective as at the date of this report.

(ii) Diluted

During the Track Record Period, financial instruments issued were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share for the Track Record Period are the same as basic loss per share for the respective years/period.

13 SUBSIDIARIES

(a) Subsidiaries of the Company

The Company's principal subsidiaries at December 31, 2023, 2024 and 2025 are set out below. Unless otherwise stated, the proportion of ownership interests held equals to the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name	Place of operation and date of incorporation/ establishment	Principal activities	Paid in capital as at December 31, 2025	Ownership interest held By the Company as at						
				December 31,						Date of report
				2023		2024		2025		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
SiliconFlow (Shanghai) Technology Co., Ltd. .	Shanghai, PRC December 5,2024	AI infrastructure	–	–	–	–	–	100%	–	100%
Silicon Cloud Link (Shanghai) Technology Co., Ltd.	Shanghai, PRC May 16, 2025	AI infrastructure	–	–	–	100%	–	100%	–	100%

The English names of certain subsidiaries referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

(b) Investment in subsidiaries – the Company

As at December 31, 2023, December 31, 2024 and December 31, 2025, the registered capital of subsidiaries have not been fully paid up by the Company.

14 PROPERTY, PLANT AND EQUIPMENT

The Group and the Company

	Electronic equipment	Office furniture	Total
	RMB'000	*RMB'000*	*RMB'000*
At August 29 2023, December 31, 2023 and January 1, 2024			
Cost	–	–	–
Accumulated depreciation	–	–	–
Net book amount	–	–	–
Year ended December 31, 2024			
Addition	651	–	651
Depreciation charge	(124)	–	(124)
Closing net book amount	527	–	527
At December 31, 2024			
Cost	651	–	651
Accumulated depreciation	(124)	–	(124)
Net book amount	527	–	527
At January 1, 2025			
Cost	651	–	651
Accumulated depreciation	(124)	–	(124)
Net book amount	527	–	527
Year ended December 31, 2025			
Addition	720	38	758
Depreciation charge	(355)	(3)	(358)
Closing net book amount	892	35	927

	Electronic equipment	Office furniture	Total
	RMB'000	*RMB'000*	*RMB'000*
At December 31, 2025			
Cost	1,371	38	1,409
Accumulated depreciation	(479)	(3)	(482)
Net book amount	892	35	927

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

	Period from August 29 to December 31	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of revenue	–	4	7
Selling and marketing expenses	–	13	48
General and administrative expenses	–	38	106
Research and development expenses	–	69	197
	–	124	358

(a) Depreciation methods and useful lives

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

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

- Electronic equipment 3 years
- Office furniture 5 years

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

15 LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognized in the consolidated statements of financial position

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Right-of-use assets			
Buildings	1,989	663	5,358
Computing resources	–	5,513	–
	1,989	6,176	5,358
Lease liabilities			
Current	1,322	2,493	4,171
Non-current	642	3,629	1,298
	1,964	6,122	5,469

Additions to right-of-use assets during the period from August 29 to December 31, 2023, and for the years ended December 31, 2024 and 2025 were RMB2,542,000, RMB5,535,000 and RMB7,565,000, respectively.

(b) Amounts recognized in the consolidated statements of comprehensive loss

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets			
Buildings	553	1,326	2,870
Computing resources	–	22	1,383
	553	1,348	4,253
Interest expense *(Note 10)*	35	53	224
Expense relating to short-term and low-value leases not included in lease liabilities	2,299	11,799	159,097

The total cash outflows for lease payments during the period from August 29 to December 31, 2023, and for the years ended December 31, 2024 and 2025 were nil, RMB19,653,000 and RMB107,121,000, respectively.

(c) The Group's leasing activities and how these are accounted for

The Group leases offices and computing resources as lessee. Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option, and
- lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

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

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

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

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

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

The Group's lease payments are deductible upon payment for tax purposes. In accounting for the deferred tax relating to the lease, the Group separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition are equal and offset to zero. Deferred tax is recognized on subsequent changes to the taxable and temporary differences.

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

	Buildings	Computing resources	Total
	RMB'000	*RMB'000*	*RMB'000*
At August 29, 2023			
Cost	–	–	–
Accumulated depreciation	–	–	–
Net book amount	–	–	–
Year ended December 31, 2023			
Opening net book amount	–	–	–
Additions	2,542	–	2,542
Depreciation charges	(553)	–	(553)
Closing net book amount	1,989	–	1,989
At December 31, 2023			
Cost	2,542	–	2,542
Accumulated depreciation	(553)	–	(553)
Net book amount	1,989	–	1,989
Year ended December 31, 2024			
Opening net book amount	1,989	–	1,989
Additions	–	5,535	5,535
Depreciation charges	(1,326)	(22)	(1,348)
Closing net book amount	663	5,513	6,176
At December 31, 2024			
Cost	2,542	5,535	8,077
Accumulated depreciation	(1,879)	(22)	(1,901)
Net book amount	663	5,513	6,176
Year ended December 31, 2025			
Opening net book amount	663	5,513	6,176
Additions	7,565	–	7,565
Early termination	–	(4,130)	(4,130)
Depreciation charges	(2,870)	(1,383)	(4,253)
Closing net book amount	5,358	–	5,358
At December 31, 2025			
Cost	7,565	–	7,565
Accumulated depreciation	(2,207)	–	(2,207)
Net book amount	5,358	–	5,358

16 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at amortized cost:			
– Trade receivables	–	3,597	10,582
– Other receivables	406	3,217	5,609
– Time deposits	–	–	100,000
– Cash and cash equivalents	4,874	49,737	171,533
– Other non-current assets	–	–	1,096
	5,280	56,551	288,820
Financial liabilities			
Financial liabilities at amortized cost:			
– Trade and other payables	1,100	12,825	31,455
– Lease liabilities	1,964	6,122	5,469
– Redemption liabilities	5,023	107,243	498,629
– Borrowings	–	–	40,000
	8,087	126,190	575,553

17 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Rental and other deposits	–	–	1,108
Less: loss allowance	–	–	(12)
Total non-current assets	–	–	1,096
Current			
Input VAT to be deducted	–	817	7,912
Other receivables	406	3,221	5,611
Prepayment to suppliers	40	217	2,020
Less: loss allowance	–	(4)	(2)
Total prepayment and other receivables	446	4,251	15,541

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Rental and other deposits	–	–	1,108
Less: loss allowance	–	–	(12)
Total non-current assets	–	–	1,096
Current			
Input VAT to be deducted	–	817	5,695
Other receivables	406	3,220	5,610
Prepayment to suppliers	40	218	862
Less: loss allowance	–	(4)	(2)
Total prepayment and other receivables	446	4,251	12,165

18 TRADE RECEIVABLES

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	3,684	10,965
Less: loss allowance	–	(87)	(383)
Total trade receivables, net	–	3,597	10,582

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

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	–	3,684	10,803
6 months to 1 year	–	–	153
1 year to 2 years	–	–	9
Total	–	3,684	10,965

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

As at December 31, 2023, 2024 and 2025, the Group did not identify any individually impaired trade receivables for the assessment of loss allowance. The movement on the allowance for impairment of trade receivables please refer to Note 3.1.

19 TIME DEPOSITS

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets:			
Time deposits	–	–	100,000
	–	–	100,000

Time deposits represented deposits placed at financial institutions in the PRC with original maturity dates over three months, and they bear interest ranged from 1.50% to 1.60% during the Track Record Period.

20 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents

The Group

Cash and cash equivalents of the Group are denominated in RMB:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at banks	4,874	29,737	171,533
Time deposits	–	20,000	100,000
Subtotal	4,874	49,737	271,533
Less:			
Non-pledged time deposits with original maturity of more than three months when acquired	–	–	(100,000)
Cash and cash equivalents	4,874	49,737	171,533

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

The Company

Cash and cash equivalents of the Company are denominated in RMB:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at banks	4,874	29,736	171,523
Time deposits	–	20,000	100,000
Subtotal	4,874	49,736	271,523
Less:			
Non-pledged time deposits with original maturity of more than three months when acquired	–	–	(100,000)
Cash and cash equivalents	4,874	49,736	171,523

21 PAID-IN CAPITAL

The Group and the Company

	Paid-in capital
	RMB'000
At August 29, 2023	–
Contributions from shareholders	22
At December 31, 2023	22
Contributions from shareholders	354
Capital reserve transfer to paid in capital	12,382
At December 31, 2024	12,758
Contributions from shareholders	3,769
At December 31, 2025	16,527

22 RESERVES

The Group and the Company

	Reserves		
	Capital reserves	Share-based payments reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*
At August 29, 2023	–	–	–
Contribution from shareholders	5,378	–	5,378
Debt waived by the Controlling Shareholder (i)	11,045	–	11,045
Recognition of redemption liabilities *(Note 23)*	(5,000)	–	(5,000)
At December 31, 2023	11,423	–	11,423

	Reserves		
	Capital reserves	Share-based payments reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2024	11,423	–	11,423
Contribution from shareholders	93,300	–	93,300
Share-based payment compensation liabilities	–	8,411	8,411
Recognition of redemption liabilities *(Note 23)*	(97,200)	–	(97,200)
Capital reserve transferred to share capital	(12,382)	–	(12,382)
At December 31, 2024	(4,859)	8,411	3,552

	Reserves		
	Capital reserves	Share-based payments reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2025	(4,859)	8,411	3,552
Contribution from shareholders	356,637	–	356,637
Share-based payment compensation liabilities	–	42,536	42,536
Recognition of redemption liabilities *(Note 23)*	(368,310)	–	(368,310)
At December 31, 2025	(16,532)	50,947	34,415

(i) In 2023, Beijing OneFlow Technology Co., Ltd. ("OneFlow", a company controlled by Dr. Yuan Jinhui) provided computing resources, rental, and employee services to the Company. Pursuant to an agreement entered into between OneFlow, Dr. Yuan Jinhui and the Company, OneFlow agreed that the RMB11 million debt owed by the Company as the consideration for these services would be assumed by Dr. Yuan Jinhui. Dr. Yuan Jinhui simultaneously waived the corresponding debt owed by the Company by the end of 2023.

23 REDEMPTION LIABILITIES

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Redemption liabilities	5,023	107,243	498,629

Since the date of incorporation of the Company, it has completed several rounds of financing including Series Angel, Series Angel+, Series Pre A, and Series A in the way of capital increase and capital transfer between investors. In addition to subscribing to the registered capital of the Company, the Company granted these investors preferential rights such as redemption rights, liquidation preferences, and anti-dilution rights.

The key terms of the preferred rights granted to the abovementioned investors are summarized as follows:

Redemption rights

Investors have a right to require the Company to redeem their investments if (a) the Company fails to achieve a Qualified [**REDACTED**] ("Qualified [**REDACTED**]") by December 31, 2030; or (b) the founder or the Group has severely violated the provisions of the transaction documents and fails to take timely remedial action within 30 business days after the investors give written notice to request the remedy, or (c) the control of the Group changes or the founder loses actual control over the Group, or (d) The founder departs from the Group.

The redemption amount is the original investment principal from the investors, plus an annual rate of 8% of the original investment principal for a period of time commencing from the relevant closing date of investments to the fully repayment date for the redeemed shares and any accumulated or declared but undistributed profit.

Liquidation preferences

In the event of a Legal Liquidation Event (refers to the liquidation, dissolution or closure of the Company) or a Deemed Liquidation Event (as defined in shareholder agreement), the distributable liquidation property (after satisfaction of all creditors' claims and claims that may be preferred by law in a Legal Liquidation Event and the total consideration received by the Company or the shareholders in a Deemed Liquidation Event) shall be distributed in the amount equal to the 100% of the original investment principal, plus annual rate of 8% of the original investment principal, and plus the declared but undistributed retained earnings on the equity held.

The distributable liquidation property can be distributed according to the equity proportion at that time, and in the priority order of Series A, Series Pre A, Series Angel+ to Series Angel.

Anti-dilution right

If the Company increases its registered capital at a price lower than the price paid by the Anti-Dilution Right Holder (the Series A, Series Pre A, Series Angel+ and Series Angel investors with preferred rights granted) (the "New Low Financing"), the subscription price per unit invested by the Anti-dilution Right Holder in the Company will be adjusted.

The Anti-Dilution Right Holder has the right to require the Company to issue new capitals for a nominal consideration or a minimum price permitted by applicable laws and permit the Anti-Dilution Right Holder to increase capitals then, so that the equity proportion held by the Anti-Dilution Right Holder can reach that can be subscribed according to the adjusted subscription price per unit.

The redemption rights and liquidation preferences granted to the investors constitute as the Company's obligations to repurchase its own equity instruments. These obligations were recognized as redemption liabilities which are initially measured at fair value (representing the present value of the expected cash flows for settling the related obligations if these rights are exercised by the investors) and subsequently measured at amortized cost. The Company applied a redemption discount rate ranged from 6.55% to 7.01% to determine the initial recognition amount of the redemption liabilities. The anti-dilution right is a derivative financial instrument measured at fair value through profit or loss, of which the fair value was considered close to nil as the directors of Company expected the New Low Financing would never occur before the Company's success in the Qualified [**REDACTED**].

Series	Year of subscription	Registered capital subscribed	Consideration per registered capital	Total consideration	Present value of expected redemption amount as of issue date
		RMB	*RMB*	*RMB'000*	*RMB'000*
Series Angel	2023-2024	2,089,330	22.59	47,200	47,200
Series Angel+	2024-2025	1,632,050	40.34	65,840	65,840
Series Pre A	2025	1,097,523	65.13	71,480	71,480
Series A	2025	2,402,939	119.02	285,990	285,990

The movements of redemption liabilities during the year ended December 31 2023, 2024 and 2025 are set out below:

	RMB'000
At August 29, 2023	–
Recognition of redemption liabilities	5,000
Interest charged to finance costs	23
At December 31, 2023	5,023
At January 1, 2024	5,023
Recognition of redemption liabilities	97,200
Interest charged to finance costs	5,020
At December 31, 2024	107,243
At January 1, 2025	107,243
Recognition of redemption liabilities	368,310
Interest charged to finance costs	23,076
At December 31, 2025	498,629

24 SHARE-BASED COMPENSATION

(i) Employee Incentive Plan

After the establishment of the Company, certain shares were reserved in 4 partnership platforms for future employee incentive grant. These employee incentive platforms, namely Beijing Silicon Innovation Enterprise Management Partnership (Limited Partnership), Beijing Silicon Future Enterprise Management Partnership (Limited Partnership), Beijing Silicon Exploration Enterprise Management Partnership (Limited Partnership), and Beijing Silicon Excellence Enterprise Management Partnership (Limited Partnership), have been consolidated into the Group's financial statements.

The 2024 Employee Incentive Plan (the "2024 Plan") was adopted in October 2024 and have a ten-year term. The restricted interests granted allow employees to gain certain interests of the partnership platforms and indirectly hold the shares of the Company.

For the purpose of the 2024 Plan, the total registered capital of RMB7,680,433 contributed to the Company by partnership platforms has been notionally subdivided into 768,043,300 virtual shares ("VS"), which do not represent any direct legal or registered ownership interest in the Company. These VS are used as the underlying instruments for granting share-based awards.

There are certain vesting conditions for the 2024 Plan, including service condition and performance condition. The VS of the Company held by the grantees indirectly through the partnership platforms, which are subject to service condition and performance condition during the period from August 29 to December 31, 2023 and during each year ended December 31, 2024 and 2025 are set out below:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
Outstanding at the beginning of the period/year	–	–	414,718,460
Granted	–	414,718,460	53,785,060
Forfeited	–	–	–
Outstanding at the end of the period/year	–	414,718,460	468,503,520
Weighted average remaining contractual life of the restricted VS outstanding at the end of the period/year	–	9.79	8.79

Total expenses arising from share-based payment transactions recognized during the period from August 29 to December 31, 2023 and during each year ended December 31, 2024 and 2025 as part of employee benefit expense were as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
General and administrative expenses	–	1,941	11,682
Research and development expenses	–	19,564	113,265
Selling and marketing expenses	–	1,215	9,513
Cost of revenue	–	165	878
	–	22,885	135,338

(ii) Accounting policies

The Group grants restricted share units ("RSUs") under the 2024 Plan. The RSUs become exercisable upon satisfaction of the specified vesting conditions, including the completion of the requisite service period, the occurrence of a Qualified [**REDACTED**] ("Qualified [**REDACTED**]") and the expiry of the one-year lock-up period following the Qualified [**REDACTED**].

The Group accounts for the RSUs in accordance with IFRS 2 Share-based Payment. Share-based compensation expense is recognized for services received from employees over the relevant vesting period, with a corresponding increase to equity and/or recognition of a liability, depending on the settlement terms of the awards.

The 2024 Plan contains two settlement scenarios, which gives rise to different accounting treatments under IFRS 2:

(a) RSUs with service vesting dates before the lock-up period expiry (Compound instruments)

For RSUs for which the specified service period is completed before the expiry of the one-year lock-up period following the Qualified [**REDACTED**], if a grantee has satisfied the service condition but the lock-up period has not yet expired and the grantee elects to leave the Group, the Company will repurchase the vested RSUs at 30% of the lower of: (i) the share price of the Company's most recent completed financing round at the time of the employee's resignation; and (ii) the share price of the Company's most recent completed financing round at the time the Company decides to repurchase.

Accordingly, these awards are accounted for as compound share-based payment arrangements under IFRS 2, as the grantee has, in substance, an alternative between cash settlement upon leaving the Group before the expiry of the lock-up period and equity settlement by remaining in service until the relevant equity-settlement condition is satisfied.

As at grant date, the compound award is separated into a liability component and an equity component. The liability component represents the cash-settlement alternative available to the grantee. It is measured first and recognized as employee benefit expenses over the requisite service period, with a corresponding liability recognized. The liability component is remeasured at fair value at each reporting date and at the settlement date, with changes in fair value recognized in profit or loss as employee benefit expenses.

The equity component represents the grantee's right to receive the underlying equity interests by forfeiting the cash-settlement alternative. It is measured at grant date as an option with the cash compensation that the grantee would otherwise receive treated as the deemed exercise price and is recognized as employee benefit expenses over the period from grant date to the date on which the relevant vesting conditions, including the expiry of the one-year lock-up period following the Qualified [**REDACTED**], are expected to be satisfied, with a corresponding increase to equity.

(b) RSUs with service vesting dates after the lock-up period expiry (Equity-settled awards)

For RSUs for which the specified service vesting dates fall after the expiry of the one-year lock-up period following the Qualified [**REDACTED**], the awards are accounted for as equity-settled share-based payments. The fair value of these awards is measured at grant date by reference to the fair value of the underlying equity interests at the grant date. The grant-date fair value is recognized as employee benefit expenses over the vesting period, with a corresponding increase to equity.

(iii) Fair value of the awards

(a) RSUs Vesting Prior to the Lock-up Period Expiry (Compound Instrument)

Liability component: Measured first, based on the present value of the cash settlement amount that the grantee could demand upon departure. This measurement considers the fair value of the underlying shares at each reporting date. This component is remeasured at fair value at each reporting date, with changes recognized in profit or loss (within employee benefit expenses), in accordance with IFRS 2.

Liabilities recognized in the consolidated statements of financial position:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current portion	–	12,458	92,437
Non-current portion	–	2,015	14,838
	–	14,473	107,275

Equity component: Measured as option to acquire equity shares upon lock-up expiry by forfeiting the cash compensation used the Binomial option-pricing model. This component is not remeasured after the grant date.

Key assumptions are set out below:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
Risk-free interest rate	–	2.14%	1.81%
Expected volatility	–	76.8%	73.7%
Expected dividends	–	–	–

(b) RSUs Vesting after the Lock-up Period Expiry (Equity-settled Awards)

In the years ended December 31, 2024 and 2025, the Group used the back-solving method to determine the fair value of the Company. The fair value of the RSUs is determined on the basis of the fair value of the underlying ordinary shares on the date when the equity instruments are granted.

25 TRADE AND OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	415	6,522	14,484
Trade payables	450	3,396	13,898
Tax payables	7	2,628	2,666
Others	228	279	407
	1,100	12,825	31,455

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	415	6,522	14,484
Trade payables	450	3,396	12,728
Tax payables	7	2,628	448
Others	228	279	407
	1,100	12,825	28,067

26 RECEIPTS IN ADVANCE

The Group and the Company

For serverless token service, the amounts received from users in advance of service delivery are initially recognized as receipts in advance, because users have an unconditional right to request a full refund of the unutilized prepaid balance at any time, prior to service consumption.

27 BORROWINGS

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank loan (i)	–	–	40,000
	–	–	40,000

(i) The interest rate of bank borrowings for the year ended December 31, 2025 was 3%.

28 DIVIDENDS

No dividend has been paid or declared by the Company for the period from August 29 to December 31, 2023 and for each of the years ended December 31, 2024 and 2025.

29 CASH FLOW INFORMATION

(a) Cash used in operations

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

	Note	Period from August 29 to December 31,	Year ended December 31,	
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Loss before income tax:		(12,223)	(81,915)	(345,491)
Adjustments for:				
Depreciation and amortization expense	*7*	553	1,472	4,611
Finance costs	*10*	58	5,073	23,300
Share-based compensation expenses	*24*	–	22,885	135,338
Debt waived by the Controlling Shareholder	*22*	11,045	–	–
Provision for impairment of financial assets		–	91	306
Changes in working capital:				
– Trade receivable		–	(3,683)	(7,281)
– Prepayments and other receivables		(17)	(3,809)	(11,287)
– Other non-current assets		–	–	(1,109)
– Trade and other payables		899	11,501	18,348
– Contract liabilities		–	1,122	(469)
– Change in operating lease right-of-use assets		(613)	–	–
– Receipts in advance		–	331	9,912
Cash used in operations		(298)	(46,932)	(173,822)

(b) Non-cash investing and financing activities

	Note	Period from August 29 to December 31,	Year ended December 31,	
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Debt waived by the Controlling Shareholder	*22*	11,045	–	–
Increase in right-of-use assets during the year/period	*15*	2,542	5,535	7,565
Early termination of right-of-use assets	*15*	–	–	(4,130)
		13,587	5,535	3,435

(c) Reconciliation of liabilities generated from financing activities

	Redemption liabilities	Lease liabilities	Other payables	Borrowings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities from financing activities as at August 29 2023	–	–	–	–	–
Additions of financing liabilities:					
Financing cash flows	–	–	200	–	200
Non-cash transaction	–	(613)	–	–	(613)
Additions of redemption liabilities	5,000	–	–	–	5,000
Additions of new leases	–	2,542	–	–	2,542
Interest accrual during the period	23	35	–	–	58
Liabilities from financing activities as at December 31, 2023	5,023	1,964	200	–	7,187
Additions of financing liabilities:					
Financing cash flows	–	(1,430)	(200)	–	(1,630)
Additions of redemption liabilities	97,200	–	–	–	97,200
Additions of new leases	–	5,535	–	–	5,535
Interest accrual during the year	5,020	53	–	–	5,073
Liabilities from financing activities as at December 31, 2024	107,243	6,122	–	–	113,365
Additions of financing liabilities:					
Financing cash flows	–	(4,237)	–	39,895	35,658
Additions of redemption liabilities	368,310	–	–	–	368,310
Additions of new leases	–	7,565	–	–	7,565
Early termination of leasing contract	–	(4,205)	–	–	(4,205)
Interest accrual during the year	23,076	224	–	105	23,405
Liabilities from financing activities as at December 31, 2025	498,629	5,469	–	40,000	544,098

30 COMMITMENTS

(a) Capital commitments

There were no material capital expenditures contracted for as at the end of each reporting period that were not recognized as liabilities.

31 RELATED PARTY TRANSACTIONS

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

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

(a) Names and relationships with related parties

Name of the related party	Relationship with the Group
Beijing OneFlow Technology Co., Ltd.	Under common control of the Controlling Shareholder
SILICONFLOW TECHNOLOGY PTE.LTD.	Under common control of the Controlling Shareholder
Dr. Yuan Jinhui	The Controlling Shareholder, Chief Executive Officer of the Group
Ms. Zhao Zhen	Co-founder and Chief Operating Officer of the Group
Alibaba and its affiliates ("Alibaba Group")*	A shareholder with significant influence over the Company
Huawei and its affiliates ("Huawei Group")*	A shareholder with significant influence over the Company

* Huawei became a related party of the Group in May 2024, and Alibaba became a related party of the Group in May 2025. Since then, their transactions with the Group have been regarded as related party transactions.

(b) Transactions with related parties

(i) Services purchased from related parties

Employee expenses

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beijing OneFlow Technology Co., Ltd.	8,713	12,083	6,434

Computing resource

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beijing OneFlow Technology Co., Ltd.	2,169	6,774	5,483
Huawei Group	–	–	12,616
Alibaba Group	–	–	19,702
	2,169	6,774	37,801

Rental expenses

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beijing OneFlow Technology Co., Ltd.	613	1,387	693

Commission fee

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
SILICONFLOW TECHNOLOGY PTE.LTD.	1	12	107

(ii) Services provided to related parties

On-premise deployment solutions

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Huawei Group	–	–	7,100

(c) Balances with related parties

Other receivables

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
SILICONFLOW TECHNOLOGY PTE.LTD.	6	587	2,875
Dr. Yuan Jinhui	400	2,189	2,189
Ms. Zhao Zhen	–	11	11
	406	2,787	5,075

Trade and other payables

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beijing OneFlow Technology Co., Ltd.	449	3,372	436
Alibaba Group	–	–	6,633
SILICONFLOW TECHNOLOGY PTE.LTD.	1	13	120
Dr. Yuan Jinhui	200	–	–
	650	3,385	7,189

(d) Key management compensation

	Period from August 29, to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wages and salaries	900	2,940	3,661
Bonuses	–	545	900
Share-based payments expenses	–	8,664	52,572
Pension expenses-defined contribution plan	81	265	341
Housing funds and other social securities insurance expenses	115	382	480
	1,096	12,796	57,954

32 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director of the Company for the period from August 29, 2023 to December 31, 2023 and for each of the years ended December 31, 2024 and 2025 were set out below:

	Period from August 29, 2023 to December 31, 2023					
	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Dr. Yuan Jinhui (appointed on August 29, 2023)	–	300	–	65	–	365
Supervisor						
Ms. Zhao Zhen (appointed on August 29, 2023)	–	300	–	66	–	366
	–	600	–	131	–	731

	Year ended December 31, 2024					
	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Dr. Yuan Jinhui	–	720	180	160	–	1,060
Mr. Liu Juncheng (appointed on October 18, 2024)	–	180	45	40	4,148	4,413
Mr. Zeng Hua (appointed on July 17, 2024)	–	360	88	81	1,743	2,272
Ms. Zhang Shi (appointed on July 17, 2024)	–	360	89	–	972	1,421
Mr. Niu Jibin (appointed on 2 February 2024 and resigned on October 18, 2024)	–	270	–	–	–	270
Mr. Wen Tingcan (appointed on July 17, 2024)	–	–	–	–	–	–
Mr. Liao Cheng (appointed on July 17, 2024 and resigned on October 18, 2024)	–	–	–	–	–	–
Mr. Li Pu (appointed on October 18, 2024)	–	–	–	–	–	–
Mr. Ren Bobing (appointed on February 2, 2024)	–	–	–	–	–	–
Supervisor						
Ms. Zhao Zhen	–	720	–	161	1,778	2,659
	–	2,610	402	442	8,641	12,095

	Year ended December 31, 2025					
	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Dr. Yuan Jinhui	–	720	180	164	–	1,064
Mr. Liu Juncheng	–	781	180	164	22,024	23,149
Mr. Zeng Hua	–	720	180	164	13,277	14,341
Dr. Hu Jian (appointed on March 10, 2025)	–	600	150	137	7,833	8,720
Ms. Zhang Shi (resigned on May 20, 2025)	–	300	75	–	–	375
Mr. Chen Yingjie (appointed on May 20, 2025)	–	–	–	–	–	–
Mr. Ren Bobing	–	–	–	–	–	–
Mr. Wen Tingcan (resigned on May 20, 2025)	–	–	–	–	–	–
Mr. Li Pu	–	–	–	–	–	–
Ms. Wu Haiyan (appointed on March 10, 2025 and resigned on May 20, 2025)	–	–	–	–	–	–
Supervisor						
Ms. Zhao Zhen	–	720	180	164	9,439	10,503
	–	3,841	945	793	52,573	58,152

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors for the period from August 29 to December 31, 2023 and years ended December 31, 2024 and 2025.

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

No consideration was provided to third parties for making available directors' services during the period from August 29 to December 31, 2023 and years ended December 31, 2024 and 2025.

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

No loans, quasi-loans or other dealings were entered into by the Company in favour of directors, controlled bodies corporate by and connected entities with such directors during the period from August 29 to December 31, 2023 and years ended December 31, 2024 and 2025.

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

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the period from August 29 to December 31, 2023 and years ended December 31, 2024 and 2025.

33 EVENTS AFTER THE REPORTING PERIOD

Subsequent to December 31, 2025, the Company completed the Series A+, Series B and Series B+ financings with certain investors. Pursuant to the relevant financing agreements, the Company received aggregate cash consideration of approximately RMB1,480 million.

On June 22, 2026, the Company was converted into a joint stock limited liability company and the registered capital of the Company of RMB25,489,202 was divided into 25,489,202 ordinary shares with nominal value of RMB1 each. Immediately prior to the [**REDACTED**], the ordinary shares of the Company will be split on a [**REDACTED**] basis.

In June 2026, the Company entered into an asset purchase agreement with Beijing OneFlow Technology Co., Ltd., to acquire a portfolio of intellectual property rights from Beijing OneFlow Technology Co., Ltd., for a consideration of RMB44.5 million.

In June 2026, the Company entered into a 60-month computing power service agreement with a third-party for a total service fee of RMB 3,491 million, pursuant to which the Company will lease computing resources with related networking, deployment, operation and maintenance and support service.

34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

34.1 Subsidiaries and principles of consolidation

(a) Subsidiaries

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Group.

34.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill in the financial statements.

34.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company has determined RMB as its functional currency and several of its overseas subsidiaries have determined the local currencies in their respective place of incorporation and operation as their functional currency. As the major operations of the Group are within the Chinese mainland, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in consolidated statements of profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss.

(c) Group companies

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

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

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

34.4 Impairment of assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

34.5 Investments and other financial assets

(a) Classification

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

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

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

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

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

(b) Recognition and derecognition

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

(c) Measurement

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

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

Debt instruments

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

- Amortized cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVTPL are recognized in "other income and other gains/(losses)-net" in the statements of profit or loss as applicable.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

34.6 Trade receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 18 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

34.7 Cash and cash equivalents

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

Bank deposits with initial terms of over three months are presented as time deposits on the consolidated statements of financial positions.

34.8 Share capital

Ordinary shares are classified as equity

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

34.9 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

34.10 Borrowings

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

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

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

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability, a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

34.11 Borrowing costs

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

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

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

34.12 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

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

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

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

34.13 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(b) Pension obligations

The Group participates in various defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Housing funds, medical insurances and other social insurances

The employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Termination benefits

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

34.14 Government grants

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

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

34.15 Interest income

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

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

35 SUBSEQUENT FINANCIAL STATEMENTS

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