

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. 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.



羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BEISEN HOLDING LIMITED AND MORGAN STANLEY ASIA LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Beisen Holding Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-100, which comprises the consolidated statements of financial position as at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, the company statements of financial position as at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, and the consolidated statements of comprehensive loss, the consolidated statements of changes in deficits and the consolidated statements of cash flows for each of the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2022 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-100 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated March 30, 2023 (the "Prospectus") in connection with the initial listing of 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 presentation and preparation set out in Notes 1.3 and 2.1 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.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong SAR, China
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

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 presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022 and the consolidated financial position of the Group as at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of comprehensive loss, the consolidated statement of changes in deficit and the consolidated statement of cash flows for the six months ended September 30, 2021 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the International Auditing and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) 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-4 have been made.

Dividends

We refer to note 33 to the Historical Financial Information which states that no dividends have been paid by Beisen Holding Limited in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
March 30, 2023

I 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 IAASB ("**Underlying Financial Statements**").

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Note	Year ended March 31				Six months ended September 30	
		2019	2020	2021	2022	2021	2022
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenues from contracts with customers	6	382,278	458,537	556,327	679,627	312,790	350,766
Cost of revenues	9	(150,807)	(184,194)	(186,730)	(279,116)	(123,866)	(161,451)
Gross profit		231,471	274,343	369,597	400,511	188,924	189,315
Selling and marketing expenses	9	(206,754)	(295,236)	(284,308)	(331,000)	(155,875)	(177,446)
General and administrative expenses	9	(155,538)	(110,173)	(83,113)	(206,616)	(125,227)	(64,429)
Research and development expenses	9	(146,479)	(215,152)	(212,550)	(258,357)	(125,281)	(144,858)
Net impairment losses on financial assets and contract assets	3.1	118	(384)	(1,026)	(1,024)	(32)	(2,601)
Other income	7	23,864	24,310	26,228	34,929	17,450	17,269
Other gains, net	8	3,269	2,130	44,067	72,994	37,714	19,259
Operating loss		(250,049)	(320,162)	(141,105)	(288,563)	(162,327)	(163,491)
Finance income		2,429	6,821	4,413	7,811	4,010	3,214
Finance costs		(1,992)	(2,094)	(1,378)	(2,628)	(1,102)	(1,856)
Finance income, net	11	437	4,727	3,035	5,183	2,908	1,358
Losses from financial instruments issued to investors	30	(111,461)	—	—	—	—	—
Fair value changes of redeemable convertible preferred shares	31	(317,678)	(883,369)	(752,797)	(1,638,199)	(660,595)	(4,991)
Fair value changes of warrant liability	32	(13,159)	(53,472)	(32,571)	—	—	—
Loss before income tax		(691,910)	(1,252,276)	(923,438)	(1,921,579)	(820,014)	(167,124)
Income tax credit/(expense)	12	1,745	(14,476)	(16,702)	12,807	(184)	4,302
Loss for the year/period		(690,165)	(1,266,752)	(940,140)	(1,908,772)	(820,198)	(162,822)
Other comprehensive (loss)/ income:							
<i>Items that may be reclassified to profit or loss</i>							
Currency translation differences		1,480	(11,631)	21,809	15,661	2,329	(417,999)
<i>Items that may not be reclassified to profit or loss</i>							
Currency translation differences		15,435	(86,006)	180,585	114,890	36,652	(338,317)
Fair value changes of redeemable convertible preferred shares due to own credit risk	31	(19,173)	(8,946)	(1,170)	7,365	36,070	(4,334)
Other comprehensive (loss)/ income for the year/period, net of tax		(2,258)	(106,583)	201,224	137,916	75,051	(760,650)
Total comprehensive loss for the year/period		(692,423)	(1,373,335)	(738,916)	(1,770,856)	(745,147)	(923,472)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS—continued

	Note	Year ended March 31				Six months ended September 30	
		2019 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000 (Unaudited)	2022 RMB'000
Loss attributable to:							
—Owners of the Company		(691,060)	(1,267,206)	(940,142)	(1,908,772)	(820,198)	(162,822)
—Non-controlling interests		895	454	2	—	—	—
		<u>(690,165)</u>	<u>(1,266,752)</u>	<u>(940,140)</u>	<u>(1,908,772)</u>	<u>(820,198)</u>	<u>(162,822)</u>
Total comprehensive loss attributable to:							
—Owners of the Company		(693,318)	(1,373,789)	(738,918)	(1,770,856)	(745,147)	(923,472)
—Non-controlling interests		895	454	2	—	—	—
		<u>(692,423)</u>	<u>(1,373,335)</u>	<u>(738,916)</u>	<u>(1,770,856)</u>	<u>(745,147)</u>	<u>(923,472)</u>
Loss per share attributable to owners of the Company (expressed in RMB per share)							
—Basic and diluted	13	<u>(31.88)</u>	<u>(58.46)</u>	<u>(43.37)</u>	<u>(89.17)</u>	<u>(38.26)</u>	<u>(7.62)</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at March 31				As at
		2019	2020	2021	2022	September 30
		RMB'000	RMB'000	RMB'000	RMB'000	2022
					RMB'000	
ASSETS						
Non-current assets						
Property, plant and equipment	14	19,920	20,730	15,768	34,790	57,145
Right-of-use assets	16	50,862	30,276	26,602	78,440	68,314
Deferred income tax assets	27	31,585	17,074	372	13,188	17,490
Intangible assets	15	464	695	564	411	370
Other receivables and prepayments	21	12,936	10,028	10,397	15,816	11,594
Contract acquisition costs	6	9,033	10,240	15,910	19,095	26,261
Financial assets at fair value through profit or loss	18	3,870	5,083	15,314	23,294	25,451
Restricted cash	23	—	—	—	1,030	1,030
Total non-current assets		128,670	94,126	84,927	186,064	207,655
Current assets						
Assets classified as held for sale	22	—	2,700	—	—	—
Contract acquisition costs	6	8,942	12,610	17,254	22,064	16,757
Contract assets	6	1,319	3,303	1,332	2,713	2,657
Trade receivables	20	11,169	12,327	13,355	22,174	26,588
Other receivables and prepayments	21	17,161	11,520	18,851	24,716	29,260
Derivative financial instruments	19	—	—	527	—	—
Financial assets at fair value through profit or loss	18	10,800	176,868	125,293	1,297,642	1,303,640
Term deposits	23	289,541	92,106	105,141	190,446	201,634
Restricted cash	23	—	728	11,063	180	81
Cash and cash equivalents	23	257,351	191,337	215,074	288,706	78,919
Total current assets		596,283	503,499	507,890	1,848,641	1,659,536
Total assets		724,953	597,625	592,817	2,034,705	1,867,191
Deficits						
Share capital	24	13	15	15	15	15
Share premium	24	486,655	642,911	642,911	623,064	623,064
Reserves	25	(928,997)	(1,113,892)	(878,653)	(687,107)	(1,442,065)
Accumulated losses		(1,100,202)	(2,367,408)	(3,307,550)	(5,216,322)	(5,379,144)
Deficits attributable to owners of the Company		(1,542,531)	(2,838,374)	(3,543,277)	(5,280,350)	(6,198,130)
Non-controlling interests		3,046	(7)	(5)	—	—
Total deficits		(1,539,485)	(2,838,381)	(3,543,282)	(5,280,350)	(6,198,130)
Liabilities						
Non-current liabilities						
Redeemable convertible preferred shares	31	1,797,425	2,800,457	—	6,610,924	7,403,472
Lease liabilities	16	20,256	7,129	962	39,399	32,350
Contract liabilities	6	60,477	71,697	31,548	22,284	18,796
Total non-current liabilities		1,878,158	2,879,283	32,510	6,672,607	7,454,618
Current liabilities						
Redeemable convertible preferred shares	31	—	—	3,558,177	—	—
Warrant liability	32	57,112	114,576	—	—	—
Trade payables	28	1,879	2,663	1,172	4,703	9,709
Other payables and accruals	29	147,832	203,917	171,476	202,210	175,345
Contract liabilities	6	150,220	214,348	349,527	398,407	390,395
Lease liabilities	16	29,237	21,219	23,237	37,128	35,254
Total current liabilities		386,280	556,723	4,103,589	642,448	610,703
Total liabilities		2,264,438	3,436,006	4,136,099	7,315,055	8,065,321
Total deficits and liabilities		724,953	597,625	592,817	2,034,705	1,867,191

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Note	As at March 31				As at
		2019	2020	2021	2022	September 30
		RMB'000	RMB'000	RMB'000	RMB'000	2022
						RMB'000
ASSETS						
Non-current assets						
Investments in subsidiaries	38	1,759,558	2,233,462	2,332,546	3,725,980	4,173,954
Total non-current assets		1,759,558	2,233,462	2,332,546	3,725,980	4,173,954
Current assets						
Other receivables and prepayments	38	241,300	27,980	1,774	4,711	36,809
Cash and cash equivalents	38	5,749	5,042	2,862	33,835	838
Total current assets		247,049	33,022	4,636	38,546	37,647
Total assets		2,006,607	2,266,484	2,337,182	3,764,526	4,211,601
Equity/(Deficits)						
Share capital	24	13	15	15	15	15
Share premium	24	486,655	642,911	642,911	623,064	623,064
Reserves	25	29,501	12,495	225,459	315,515	(21,444)
Accumulated losses		(364,099)	(1,303,970)	(2,089,395)	(3,803,162)	(3,810,269)
Total equity/(deficits)		152,070	(648,549)	(1,221,010)	(2,864,568)	(3,208,634)
Liabilities						
Non-current liabilities						
Redeemable convertible preferred shares	31	1,797,425	2,800,457	—	6,610,924	7,403,472
Total non-current liabilities		1,797,425	2,800,457	—	6,610,924	7,403,472
Current liabilities						
Redeemable convertible preferred shares	31	—	—	3,558,177	—	—
Warrant liability	32	57,112	114,576	—	—	—
Other payables and accruals	38	—	—	15	18,170	16,763
Total current liabilities		57,112	114,576	3,558,192	18,170	16,763
Total liabilities		1,854,537	2,915,033	3,558,192	6,629,094	7,420,235
Total equity/(deficits) and liabilities		2,006,607	2,266,484	2,337,182	3,764,526	4,211,601

CONSOLIDATED STATEMENTS OF CHANGES IN DEFICITS

	Attributable to owners of the Company							
	Note	Share capital	Share premium	Reserves	Accumulated losses	Sub-total	Non-controlling interests	Total deficits
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at April 1, 2018								
(Unaudited)		—	—	101,888	(409,142)	(307,254)	2,739	(304,515)
Comprehensive loss:								
Loss for the year		—	—	—	(691,060)	(691,060)	895	(690,165)
Fair value changes of redeemable convertible preferred shares due to own credit risk	25,31	—	—	(19,173)	—	(19,173)	—	(19,173)
Currency translation differences		—	—	16,915	—	16,915	—	16,915
Total comprehensive loss for the year		—	—	(2,258)	(691,060)	(693,318)	895	(692,423)
Transactions with owners in their capacity as owners:								
Distribution to non-controlling interests		—	—	—	—	—	(588)	(588)
Ordinary shares allotment in connection with Reorganization	24	13	486,655	(486,668)	—	—	—	—
Share-based payments	26	—	—	80,626	—	80,626	—	80,626
Effect of Share Exchange	25,31(A)	—	—	(622,585)	—	(622,585)	—	(622,585)
Total transactions with owners in their capacity as owners		13	486,655	(1,028,627)	—	(541,959)	(588)	(542,547)
Balance at March 31, 2019		13	486,655	(928,997)	(1,100,202)	(1,542,531)	3,046	(1,539,485)
Balance at April 1, 2019		13	486,655	(928,997)	(1,100,202)	(1,542,531)	3,046	(1,539,485)
Comprehensive loss:								
Loss for the year		—	—	—	(1,267,206)	(1,267,206)	454	(1,266,752)
Fair value changes of redeemable convertible preferred shares due to own credit risk	25,31	—	—	(8,946)	—	(8,946)	—	(8,946)
Currency translation differences		—	—	(97,637)	—	(97,637)	—	(97,637)
Total comprehensive loss for the year		—	—	(106,583)	(1,267,206)	(1,373,789)	454	(1,373,335)
Transactions with owners in their capacity as owners:								
Non-controlling interests on disposal of a subsidiary		—	—	—	—	—	(3,507)	(3,507)
Ordinary shares allotment in connection with Reorganization	25	2	156,256	(156,258)	—	—	—	—
Share-based payments	26	—	—	77,946	—	77,946	—	77,946
Total transactions with owners in their capacity as owners		2	156,256	(78,312)	—	77,946	(3,507)	74,439
Balance at March 31, 2020		15	642,911	(1,113,892)	(2,367,408)	(2,838,374)	(7)	(2,838,381)
Balance at April 1, 2020		15	642,911	(1,113,892)	(2,367,408)	(2,838,374)	(7)	(2,838,381)
Comprehensive loss:								
Loss for the year		—	—	—	(940,142)	(940,142)	2	(940,140)
Fair value changes of redeemable convertible preferred shares due to own credit risk	25,31	—	—	(1,170)	—	(1,170)	—	(1,170)
Currency translation differences		—	—	202,394	—	202,394	—	202,394
Total comprehensive loss for the year		—	—	201,224	(940,142)	(738,918)	2	(738,916)
Transactions with owners in their capacity as owners:								
Share-based payments	26	—	—	33,549	—	33,549	—	33,549
Exercise of warrant liability		—	—	466	—	466	—	466
Total transactions with owners in their capacity as owners		—	—	34,015	—	34,015	—	34,015
Balance at March 31, 2021		15	642,911	(878,653)	(3,307,550)	(3,543,277)	(5)	(3,543,282)

CONSOLIDATED STATEMENTS OF CHANGES IN DEFICITS—continued

	Note	Attributable to owners of the Company					Non-controlling interests	Total deficits
		Share capital	Share premium	Reserves	Accumulated losses	Sub-total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance at April 1, 2021		15	642,911	(878,653)	(3,307,550)	(3,543,277)	(5)	(3,543,282)
Comprehensive loss:								
Loss for the year		—	—	—	(1,908,772)	(1,908,772)	—	(1,908,772)
Fair value changes of redeemable convertible preferred shares due to own credit risk	25,31	—	—	7,365	—	7,365	—	7,365
Currency translation differences		—	—	130,551	—	130,551	—	130,551
Total comprehensive loss for the year		—	—	137,916	(1,908,772)	(1,770,856)	—	(1,770,856)
Transactions with owners in their capacity as owners:								
Repurchase of ordinary shares	24	—	(19,847)	—	—	(19,847)	—	(19,847)
Share-based payments	26	—	—	53,635	—	53,635	—	53,635
Share transfer from non-controlling shareholder to existing shareholder ...		—	—	(5)	—	(5)	5	—
Total transactions with owners in their capacity as owners		—	(19,847)	53,630	—	33,783	5	33,788
Balance at March 31, 2022		15	623,064	(687,107)	(5,216,322)	(5,280,350)	—	(5,280,350)

CONSOLIDATED STATEMENTS OF CHANGES IN DEFICITS—continued

	Note	Attributable to owners of the Company					Non-controlling interests	Total deficits
		Share capital	Share premium	Reserves	Accumulated losses	Sub-total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
(Unaudited)								
Balance at April 1, 2021	15	642,911	(878,653)	(3,307,550)	(3,543,277)	(5)	(3,543,282)	
Comprehensive loss:								
Loss for the period	—	—	—	(820,198)	(820,198)	—	(820,198)	
Fair value changes of redeemable convertible preferred shares due to own credit risk	25,31	—	36,070	—	36,070	—	36,070	
Currency translation differences	—	—	38,981	—	38,981	—	38,981	
Total comprehensive loss for the period	—	—	75,051	(820,198)	(745,147)	—	(745,147)	
Transactions with owners in their capacity as owners:								
Repurchase of ordinary shares	24	—	(19,847)	—	(19,847)	—	(19,847)	
Share-based payments	26	—	26,245	—	26,245	—	26,245	
Share transfer from non-controlling shareholder to existing shareholder	—	—	(5)	—	(5)	5	—	
Total transactions with owners in their capacity as owners	—	(19,847)	26,240	—	6,393	5	6,398	
Balance at September 30, 2021	15	623,064	(777,362)	(4,127,748)	(4,282,031)	—	(4,282,031)	
Balance at April 1, 2022	15	623,064	(687,107)	(5,216,322)	(5,280,350)	—	(5,280,350)	
Comprehensive loss:								
Loss for the period	—	—	—	(162,822)	(162,822)	—	(162,822)	
Fair value changes of redeemable convertible preferred shares due to own credit risk	25,31	—	(4,334)	—	(4,334)	—	(4,334)	
Currency translation differences	—	—	(756,316)	—	(756,316)	—	(756,316)	
Total comprehensive loss for the period	—	—	(760,650)	(162,822)	(923,472)	—	(923,472)	
Transactions with owners in their capacity as owners:								
Share-based payments	26	—	5,692	—	5,692	—	5,692	
Total transactions with owners in their capacity as owners	—	—	5,692	—	5,692	—	5,692	
Balance at September 30, 2022	15	623,064	(1,442,065)	(5,379,144)	(6,198,130)	—	(6,198,130)	

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended March 31				Six months ended September 30	
		2019 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Cash flows from operating activities							
Cash (used in)/generated from							
operations	34	(81,153)	(71,591)	35,255	(161,251)	(137,625)	(187,088)
Interest received		779	8,157	4,620	7,863	1,623	2,800
Interest paid		(1,992)	(2,094)	(1,378)	(2,628)	(1,102)	(1,856)
Income tax paid		(1,008)	—	—	(22)	—	—
Net cash (outflow)/ inflow from operating activities		(83,374)	(65,528)	38,497	(156,038)	(137,104)	(186,144)
Cash flows from investing activities							
Payments for property, plant and equipment		(20,143)	(17,654)	(10,705)	(42,215)	(15,066)	(34,141)
Proceeds from disposal of property, plant and equipment		204	23	76	87	—	78
Payments for intangible assets		(82)	(602)	—	(7)	—	—
Payments for investments in financial assets at fair value through profit or loss—non-current	3.3(a)	(2,000)	—	—	—	—	—
Payments for financial assets at fair value through profit or loss—current	3.3(a)	(112,900)	(434,000)	(970,000)	(2,253,000)	(597,000)	(1,793,000)
Proceeds from disposal of financial assets at fair value through profit or loss	3.3(a)	197,068	270,752	1,029,768	1,114,069	427,430	1,805,288
Proceeds/(losses) from disposal of subsidiaries, net of cash disposed		6	4,171	—	579	(7,113)	—
Proceeds from disposal of assets classified as held for sale	22	—	—	2,700	—	—	—
Purchase of term deposits		(289,705)	(90,866)	(103,563)	(1,024,781)	(834,625)	(510,515)
Proceeds from maturities of term deposits		—	296,642	83,708	920,702	232,431	522,727
Placement of restricted cash		—	—	(14,120)	(73,268)	(73,063)	—
Withdrawals of restricted cash		—	—	3,120	84,268	35,642	99
Loan payment to employee		(4,000)	—	—	—	—	—
Loan repayment from employee		248	966	928	891	450	431
Net cash (outflow)/inflow from investing activities		(231,304)	29,432	21,912	(1,272,675)	(830,914)	(9,033)
Cash flows from financing activities							
Payment to ordinary and preferred shareholders in connection with the Reorganization of the Group		—	(213,443)	(137,843)	—	—	—
Proceeds from ordinary and preferred shareholders in connection with the Reorganization of the Group		—	213,443	137,843	—	—	—
Proceeds from bank borrowings		2,000	—	—	—	—	—
Proceeds from issuance of redeemable convertible preferred shares	31	503,013	—	—	1,700,951	1,700,951	—
Payment for shares repurchase		—	—	—	(146,350)	(146,350)	—
Payment for listing expenses		—	—	—	(2,055)	—	(510)
Repayment of borrowings		(2,000)	—	—	—	—	—
Principal elements of lease payments	16	(23,415)	(33,555)	(29,165)	(37,820)	(14,824)	(18,750)
Dividends paid to non-controlling interests in subsidiaries		(588)	—	—	—	—	—
Net cash inflow/(outflow) from financing activities		479,010	(33,555)	(29,165)	1,514,726	1,539,777	(19,260)
Net increase/(decrease) in cash and cash equivalents		164,332	(69,651)	31,244	86,013	571,759	(214,437)
Cash and cash equivalents at beginning of year/period		106,604	257,351	191,337	215,074	215,074	288,706
Effects of exchange rate changes on cash and cash equivalents		(13,585)	3,637	(7,507)	(12,381)	(26,818)	4,650
Cash and cash equivalents at end of year/period	23	257,351	191,337	215,074	288,706	760,015	78,919

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION**1 General information, Reorganization and basis of presentation****1.1 General information**

Beisen Holding Limited (the “Company”), was incorporated in the Cayman Islands on April 6, 2018 as an exempted company with limited liability under the Companies Act, (Cap.22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company is an investing holding company. The Company and its subsidiaries, including consolidated structured entities, (collectively, the “Group”) are primarily engaged in providing cloud-based human capital management (“HCM”) solutions in the People’s Republic of China (the “PRC”), which enables customers to recruit, evaluate, manage, develop and retain talents efficiently (the “Listing Business”).

1.2 Reorganization

Prior to the incorporation of the Company and the completion of the Reorganization as described below (the “Reorganization”), the Listing Business was mainly carried out by Beijing Beisen Cloud Computing Co., Ltd (北京北森雲計算股份有限公司, “Beisen Cloud Computing”), previously known as Beijing Beisen Evaluation Technology Co., Ltd. (北京北森測評技術有限公司), a company established in Beijing, the PRC, and its subsidiaries (the “PRC Operating Entities”).

In preparation for the initial public offering and listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Listing”), the Group underwent the Reorganization to incorporate the Company as the holding company of the companies which now comprise the Group to conduct the Listing Business.

The Reorganization mainly involved the following steps:

1.2.1 Incorporation of the Company and offshore subsidiaries

On April 6, 2018, the Company was incorporated in the Cayman Islands as an exempted company with limited liability and with an authorized share capital of US dollars (“USD”) 50,000 divided into 500,000,000 ordinary shares of a nominal or par value of USD0.0001 each.

On April 10, 2018, Beisen Holding HK Limited (“Beisen HK”) was incorporated in Hong Kong as a limited company as a direct wholly-owned subsidiary of the Company.

1.2.2 Establishment of Beijing Beisen Cloud Technology Co., Ltd

On May 30, 2018, Beijing Beisen Cloud Technology Co., Ltd. (北京北森雲科技有限公司, “Beijing WFOE”) was established as a limited liability company in Beijing, the PRC, as a direct wholly-owned subsidiary of Beisen HK and therefore as an indirect wholly-owned subsidiary of the Company.

1.2.3 Entering into contractual arrangements

On September 25, 2018, Beijing WFOE entered into a series of contractual agreements (collectively the “Contractual Arrangements”) with Beisen Cloud Computing and the shareholders of

Beisen Cloud Computing. Pursuant to the Contractual Arrangements, Beijing WFOE is able to effectively control the operating and financing decisions of Beisen Cloud Computing and its subsidiaries (collectively “the PRC Consolidated Affiliated Entities”) and receives 99.9555% (the remaining minority interests were subsequently acquired by co-founders respectively in the year ended March 31, 2019 and 2022) of the economic benefits generated by the PRC Consolidated Affiliated Entities. Accordingly, the PRC Consolidated Affiliated Entities are treated as controlled structured entities of the Company and consolidated by the Company. Further details of the Contractual Arrangements are set out in Note 2.2.1(a).

Upon completion of the Reorganization, the Company became the holding company of the companies now comprising the Group.

Particulars of the subsidiaries and controlled structured entities of the Group as at the date of this report and during the Track Record Period are set out below:

Name of subsidiaries and controlled structured entities	Place and date of incorporation/ establishment and kind of legal entity	Registered/ issued capital	Effective interest held					As at the date of this report	Principal activities and place of operation	Note
			As at March 31,				As at September 30			
			2019	2020	2021	2022	2022			
Directly held by the Company										
Beisen Holding HK Limited	April 10, 2018/ Hong Kong/ limited liability company	HK dollar (“HK\$”)/ HK\$1	100%	100%	100%	100%	100%	100%	Investment Holding/Hong Kong	(ii)
Indirectly held by the Company										
Beijing Beisen Cloud Technology Co., Ltd. (Beijing WFOE) (北京北森雲科技有限公司)	May 30, 2018/ PRC/limited liability company	USD30,000,000/ USD14,300,000	100%	100%	100%	100%	100%	100%	Development and sale of products or services/PRC	(iii)
Beijing Beisen Cloud Computing Co., Ltd. (北京北森雲計算股份有限公司)	May 17, 2005/ PRC/limited liability company	RMB5,580,000/ RMB5,580,000	99.9964%	99.9964%	99.9964%	100%	100%	100%	Development and sale of products or services/PRC	(iv)
Beisen Cloud Computing Co., Ltd. (北森雲計算有限公司)	January 3, 2019/ PRC/limited liability company	USD150,000,000/ USD138,508,000	100%	100%	100%	100%	100%	100%	Development and sale of products or services/PRC	(v)
Beijing Ruizheng Human Resources Management & Consulting Co., Ltd. (北京睿正人才管理諮詢有限公司)	October 12, 2009/ PRC/limited liability company	RMB5,000,000/ RMB2,000,000	51%	18%	N/A	N/A	N/A	N/A	Professional Services/PRC	(vi)

APPENDIX I

ACCOUNTANT'S REPORT

Name of subsidiaries and controlled structured entities	Place and date of incorporation/ establishment and kind of legal entity	Registered/ issued capital	Effective interest held						As at the date of this report	Principal activities and place of operation	Note
			As at March 31,				As at September 30				
			2019	2020	2021	2022	2022				
Beisen Shengya (Beijing) Education Technology Co., Ltd. (北森生涯(北京)教育科技有限公司)	April 23, 2009/ PRC/limited liability company	RMB1,000,000/ RMB1,000,000	100%	100%	100%	16%	N/A	N/A	Professional Services/PRC	(vii)	
Qingdao Beisen Cloud Computing Co., Ltd. (青島北森雲計算有限公司)	March 28, 2016/ PRC/ limited liability company	RMB500,000/ RMB500,000	100%	100%	100%	N/A	N/A	N/A	Cloud-Based HCM Solution/PRC	(viii)	
Hangzhou Beisen Ceping Technology Co., Ltd. (杭州北森測評技術有限公司)	July 16, 2014/ PRC/limited liability company	RMB3,000,000/ RMB3,000,000	100%	100%	100%	N/A	N/A	N/A	Cloud-Based HCM Solution/PRC	(ix)	
Beijing Beisen Zongheng Investment Management Center (Limited Partnership) (北京北森縱橫投資管理中心(有限合伙))	October 10, 2013/ PRC/limited partnership	RMB3,800,000/ RMB3,800,000	100%	100%	100%	100%	100%	100%	Employee stock holding platform/ PRC		
Beijing Beisen Yipin Investment Management Center (Limited Partnership) (北京北森宜品投資管理中心(有限合伙))	August 10, 2015/ PRC/limited partnership	RMB500,000/ RMB500,000	100%	N/A	N/A	N/A	N/A	N/A	Employee stock holding platform/ PRC		
Beijing Beisen Shanpin Investment Management Center (Limited Partnership) (北京北森善品投資管理中心(有限合伙))	August 11, 2015/ PRC/limited partnership	RMB750,000/ RMB750,000	100%	N/A	N/A	N/A	N/A	N/A	Employee stock holding platform/ PRC		
Beijing Beisen Liangpin Investment Management Center(Limited Partnership) (北京北森良品投資管理中心(有限合伙))	August 10, 2015/ PRC/limited partnership	RMB950,000/ RMB950,000	100%	N/A	N/A	N/A	N/A	N/A	Employee stock holding platform/ PRC		
Sendou Shanghai Technology Co., Ltd. (森豆(上海)科技有限公司)	July 10, 2019/ PRC/limited liability company	RMB100,000/ Nil	N/A	100%	100%	100%	100%	100%	Cloud-Based HCM Solution/PRC	(x)	

Name of subsidiaries and controlled structured entities	Place and date of incorporation/ establishment and kind of legal entity	Registered/ issued capital	Effective interest held					As at September 30 2022	As at the date of this report	Principal activities and place of operation	Note
			As at March 31,								
			2019	2020	2021	2022					
Zhenjiang Sendou Traveling Agency Co., Ltd (鎮江森豆旅行社有限公司)	July 1, 2019/ PRC/limited liability company	RMB300,000/ Nil	N/A	100%	N/A	N/A	N/A	N/A	Employee benefits/ PRC	(xi)	
Sichuan Sendou Traveling Agency Co., Ltd. (四川森豆旅行社有限公司)	June 26, 2017/ PRC/limited liability company	RMB500,000/ RMB500,000	100%	100%	N/A	N/A	N/A	N/A	Employee benefits/ PRC	(xii)	

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.

No statutory audited financial statements were issued for some companies as they are either newly incorporated or not required to issue audited financial statements under the statutory requirement of their respective place of incorporation.

- (i) The Group adopted March 31 as its financial year end date upon the establishment of the Company.
- (ii) The statutory financial statements of Beisen HK for the period from April 10, 2018 (date of incorporation) to March 31, 2019, and for the years ended March 31, 2020, 2021 and 2022 were audited by Walton CPA&Co.
- (iii) The statutory financial statements of Beijing WFOE for the years ended December 31, 2018, 2019, 2020 and 2021 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP.
- (iv) The statutory financial statements of Beijing Beisen Cloud Computing Company Limited for the years ended December 31, 2018, 2019, 2020 and 2021 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP.
- (v) The statutory financial statements of Beisen Cloud Computing Company Limited for the years ended December 31, 2019, 2020 and 2021 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP.
- (vi) The statutory financial statements of Beijing Ruizheng Human Resources Management & Consulting Co., Ltd. for the years ended December 31, 2018 and 2019 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP.
- (vii) The statutory financial statements of Beisen Shengya (Beijing) Education Technology Co., Ltd. for the years ended December 31, 2018, 2019, 2020 and 2021 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP.
- (viii) The statutory financial statements of Qingdao Beisen Cloud Computing Co., Ltd for the years ended December 31, 2018, 2019 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP. The financial statements of Qingdao Beisen Cloud Computing Co., Ltd for the year ended December 31, 2020 were not audited. This subsidiary was deregistered in December 2021.

- (ix) The statutory financial statements of Hangzhou Beisen Ceping Technology Co., Ltd. for the years ended December 31, 2018, 2019 and 2020 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP. This subsidiary was deregistered in December 2021.
- (x) The statutory financial statements of Sendou Shanghai Technology Co., Ltd (“Sendou Shanghai”) for the years ended December 31, 2019 and 2020 were not audited, and those for the year ended December 31, 2021 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP.
- (xi) The statutory financial statements of Zhenjiang Sendou Traveling Agency Co., Ltd for the years ended December 31, 2019 and 2020 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP. This subsidiary was deregistered during the year ended March 31, 2021.
- (xii) The statutory financial statements of Sichuan Sendou Traveling Agency Co., Ltd for the years ended December 31, 2018 and 2019 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP. This subsidiary was deregistered during the year ended March 31, 2021.

1.3 Basis of presentation

All Reorganization related contracts were signed by all relevant parties on September 25, 2018, and all administrative procedures of the Reorganization, including but not limited to remitting share capital of Beisen Cloud Computing overseas for reinjecting into the Company were completed by June 2020.

Immediately prior to and after the Reorganization, the Listing Business has been conducted through the PRC Operating Entities. Pursuant to the Reorganization, the Listing Business is effectively controlled by Beisen Cloud Computing and ultimately controlled by the Company.

The Company and those companies newly incorporated during the Reorganization have not been involved in any other business prior to the Reorganization and do not meet the definition of a business. The shareholdings in the Company and Beisen Cloud Computing were with a high degree of common ownership immediately before and after the Reorganization, even though no single investor controlled Beisen Cloud Computing or the Company. The Reorganization is merely a recapitalization of the Listing Business and does not result in any changes in business substance, nor in any management of the Listing Business. Accordingly, the transaction of the Reorganization was determined to be a continuation of the Listing Business conducted through the Company. The Group accounted for such transaction in a manner similar to a common control transaction. Consequently, Historical Financial Information is presented on a carryover basis for all periods presented. The number of outstanding shares in the consolidated statements of financial position, the consolidated statement of comprehensive loss, consolidated statement of changes in deficits, and per share information including net loss per share have been presented retrospectively as at the beginning of the earliest period presented on the Historical Financial Information to be comparable with the final number of shares issued in the Reorganization. Accordingly, the effect of the ordinary shares and redeemable convertible preferred shares issued by the Company pursuant to the Reorganization have been presented retrospectively as at the beginning of the earliest period presented in the consolidated financial statements or the original issue date, whichever is later, as if such shares were issued by the Company when the Group issued such interests.

Inter-company transactions, balances and unrealized gains/losses on transactions between Group companies are eliminated on consolidation.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The Historical Financial Information of the Group has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations issued by the IFRS Interpretations Committee (“IFRS IC”) applicable to companies reporting under IFRS. The Historical Financial Information complies with IFRS as issued by the International Accounting Standards Board (“IASB”).

The Historical Financial Information has been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments)- measured at fair value or revalued amount
- assets held for sale—measured at the lower of carrying amount and fair value less costs to sell

The preparation of the Historical Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise in 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.

IFRS 9, ‘Financial instruments’ and IFRS 15, ‘Revenue from contracts with customers’ were effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. IFRS 16, ‘Leases’ is effective for annual periods beginning on or after January 1, 2019 and earlier application is permitted. The Group has adopted IFRS 9, IFRS 15 and early adopted IFRS 16 since the annual periods beginning on April 1, 2018. The accounting policies have been applied consistently throughout the Track Record Period.

Practical expedients applied

In applying IFRS 15 for the first time, the Group has elected to use a modified retrospective approach for transition. The Group recognized the cumulative effect of initially applying the revenue standard as an adjustment to the opening balance of retained earnings (or other appropriate component of equity) in the period of initial application. Comparative prior year periods would not be adjusted.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at March 31, 2018 as short-term leases

- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- Covid-19-Related Rent Concessions

Going concern

For the six months ended September 30, 2022, the Group incurred net loss of approximately RMB162,822,000 and a net operating cash outflow of approximately RMB186,144,000, while the Group have the net current asset position. As of September 30, 2022, the Group has net liabilities of RMB6,198,130,000, attributable primarily to the redeemable convertible preferred shares. The Group's source of finance and working capital mainly derived from the issuance of Company's redeemable convertible preferred shares, which are classified as financial liabilities. Management of the Group has prepared a cash flow projection covering a period of not less than twelve months from September 30, 2022. Based on the projection prepared by management, the directors of the Company believe that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the twelve months from September 30, 2022. Consequently, the Historical Financial Information has been prepared on a going concern basis.

2.1.1 Changes in accounting policy and disclosures

New standards, amendments to standards and interpretations not yet adopted

The following certain new accounting standards and interpretations have been published that are not mandatory during Track Record Period and have not been early adopted by the Group.

		<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendments to IFRS 16	Lease liability in a sale and leaseback	January 1, 2024
IFRS 17	Insurance Contracts	January 1, 2023

The Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. Management has performed preliminary assessment and does not anticipate any significant impact on the Group's consolidated statements of financial position and consolidated statements of comprehensive loss upon adopting these standards, amendments to standards and interpretations to the existing IFRSs.

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when 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 over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-Group 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. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(a) *Subsidiaries controlled through Contractual Arrangements*

As described in Note 1.2, Beijing WFOE has entered into a series of contractual arrangements dated September 25, 2018 (collectively, the "Contractual Arrangements") with Beisen Cloud Computing and its shareholders, who collectively hold 99.9555% equity interests of Beisen Cloud Computing, which enable Beijing WFOE and the Group to:

- exercise power to direct the PRC Consolidated Affiliated Entities' relevant activities;
- exercise equity holders' voting rights of the PRC Consolidated Affiliated Entities;
- receive 99.9555% of the economic interest returns generated by the PRC Consolidated Affiliated Entities, in consideration for the business support by the Beijing WFOE, at the Beijing WFOE's discretion;
- obtain an exclusive and irrevocable option to purchase all or part of 99.9555% equity interests in Beisen Cloud Computing from its shareholders for a purchase price of RMB10, to the extent permitted under PRC law or the lowest price permitted under PRC law shall apply. At the Beijing WFOE's request, the registered equity holders of Beisen Cloud Computing will promptly and unconditionally transfer their respective equity interests in Beisen Cloud Computing to Beijing WFOE or its designated representative(s) after the Beijing WFOE exercises its purchase option, either in part or in full; and
- obtain a pledge over 99.9555% equity interests of Beisen Cloud Computing from its shareholders as a collateral security for the obligations to perform the provisions of the Contractual Arrangements.

As a result of the Contractual Arrangements, the Company has right to exercise power over the PRC Consolidated Affiliated Entities, receives variable returns from its involvement with the PRC Consolidated Affiliated Entities, and has the ability to affect those returns through its power over the PRC Consolidated Affiliated Entities. Therefore, the Company is considered to control the PRC Consolidated Affiliated Entities. Consequently, the Company regards the PRC Consolidated Affiliated Entities as controlled structure entities and consolidates the financial position and statements of comprehensive loss of these entities in the consolidated financial statements of the Group.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the PRC Consolidated Affiliated Entities and such uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the PRC Consolidated Affiliated Entities. The directors, based on the advice of its PRC legal advisor, Han Kun Law Offices, consider that the Contractual Arrangements are in compliance with the relevant PRC laws and regulations and are legally binding and enforceable.

(b) *Business combinations*

Except for the Reorganization, the Group applies the acquisition method to account for business combinations not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statements of comprehensive loss.

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRS.

2.2.2 *Separate financial statements*

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

2.3 **Associates**

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

(a) Investments in associates in the form of ordinary shares

Investments in associates in the form of ordinary shares are accounted for using the equity method of accounting in accordance with IAS 28. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in these associates include goodwill identified on acquisition, net of any accumulated impairment loss. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate in the form of ordinary shares is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to consolidated statements of comprehensive loss where appropriate.

The Group's share of the associates' post-acquisition profit or loss is recognized in the consolidated statements of comprehensive loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associate are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to "share of profit of investments accounted for using equity method" in the consolidated statements of comprehensive loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognized in the consolidated statements of comprehensive loss.

(b) Investments in associates in the form of ordinary shares with contingent redemption rights

Investments in associates in the form of ordinary shares with contingent redemption rights are accounted for as hybrid financial instruments and designated as financial assets measured at fair value through profit or loss in accordance with IFRS 9 (Note 2.9).

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Group.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial information 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 functional currencies of the Company and its subsidiaries outside mainland China are United States dollars ("US\$" or "USD"), while the functional currencies of the Company's subsidiaries in the mainland China are RMB. As the major operations of the Group during the Track Record Period are within the mainland China, the Group determined to present its Historical Financial Information 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 comprehensive loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of comprehensive loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive loss on a net basis within other gains, net.

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

(c) *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical costs less depreciation. Historical costs include expenditure that are directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values at 5%, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

- | | |
|----------------------------------|---|
| • Electronic equipment | 3 years |
| • Furniture and office equipment | 5 years |
| • Leasehold improvements | shorter of estimated useful lives and remaining lease terms |

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in "other gains, net" in the consolidated statements of comprehensive loss.

2.7 Intangible assets

(a) Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining software are recognized as expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software controlled by the Group are recognized as intangible assets when the following criteria are met:

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

Directly attributable costs that are capitalized as part of the software or database include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use. There were no development costs meeting these criteria and capitalized as intangible assets for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022.

(b) Research and development expenditures

Research and development expenditures that do not meet the criteria in (a) above are recognized as expenses as incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent period.

(c) Amortization method and period

The Group's intangible assets mainly represent software for internal use. The useful lives of software are 2 to 10 years, which is the best estimation under current business needs. The management estimates the useful lives of the intangible assets based on the expected usage of the software.

2.8 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they

might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may 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 purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets (other than goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 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 other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortized cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI ("FVOCI").

See Note 17 for details of each type of financial assets.

The Group reclassifies debt investments 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 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 ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are 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. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. 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, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of comprehensive 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, net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains, net" and impairment expenses are presented as separate line item in the consolidated statements of comprehensive loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or financial assets at FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within "other gains, net" in the period in which it arises.

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognized in "other gains, net" in the consolidated statements of comprehensive loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group has the following types of assets subject to IFRS 9's new expected credit loss model:

- Trade receivables and contract assets

- Other receivables
- Term deposits
- Restricted cash
- Cash and cash equivalents

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

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

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. To manage risk arising from restricted cash and cash and cash equivalents, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss. Impairment testing of trade receivables and contract assets is described in Note 3.1(b).

2.10 Trade and other receivables

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

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.11 Term deposits

Term deposits represent cash placed with banks with original maturities of three months or more. If collection of term deposits is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Term deposits are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Interest earned is recorded as finance income in the consolidated statements of comprehensive loss during the periods presented.

2.12 Restricted cash

Restricted cash primarily represents: (i) deposits at bank for letters of guarantee, and (ii) deposits that were pledged to banks as required for foreign exchange forward contracts. The Group

can only use segregated bank accounts for those restricted cash and cash in the segregated accounts can only be used for the respective businesses as designated and therefore not available for general use by the other entities within the Group.

2.13 Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

2.14 Share capital

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

2.15 Trade and other payables

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

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

2.16 Financial instruments issued to investors

Prior to the Group's Reorganization (Note 1.2), Beisen Cloud Computing issued ordinary shares with preferential rights. According to the agreement, the ordinary shares will become redeemable by the holder under certain events, which are out of the Group's control. The Group determined that the ordinary shares and preferential rights are two separate units of accounts, and recorded the ordinary shares as equity, and the preferential rights as financial instruments issued to investors.

As the Group does not have any unconditional right to avoid delivering cash or another financial assets to settle contractual obligation, the Group recognized a financial liability which recognized initially at the present value of the redemption amount. The financial liabilities are subsequently measured at amortized cost. Interests from the financial instruments are charged in "Losses from financial instruments issued to investors". Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect the present value of revised estimated future cash outflows at the financial instrument's original effective interest rate, and the adjustments will be recognized as "Losses from financial instruments issued to investors" (Note 30). Financial instruments issued to investors are classified as current liabilities unless the preferential rights can only be exercised after 12 months after the end of each reporting period.

2.17 Redeemable convertible preferred shares

Redeemable convertible preferred shares issued by the Company are redeemable upon occurrence of certain future events and at the option of the holders. This instrument can be converted into ordinary shares of the Company at any time at the option of the holders or automatically converted

into ordinary shares upon occurrence of an initial public offering of the Company or agreed by majority of the holders as detailed in Note 31.

The Group designated the redeemable convertible preferred shares as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Any directly attributable transaction costs are expensed as incurred.

Subsequently, the component of fair value changes relating to the Company's own credit risk is recognized in other comprehensive income/(loss). Amounts recorded in other comprehensive income/(loss) related to credit risk are not subject to recycling in profit or loss, but are transferred to retaining earnings when realized. Other fair value change relating to market risk are recognized in the consolidated statements of comprehensive loss.

Redeemable convertible preferred shares are classified as non-current liabilities until the Preferred Shareholders can demand the Company to redeem the preferred shares within 12 months after the end of the reporting period.

2.18 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 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on 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 realized 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 utilize 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.

(c) *Offsetting*

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 realize 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.

2.19 Employee benefits

(a) *Pension obligations and other social welfare benefits*

Full-time employees of the Group in mainland China are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labor regulation requires that the Group make contributions to the government for these benefits based on certain percentage of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the required contributions. There is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

(b) *Employee leave entitlements*

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

(c) *Bonus plans*

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

2.20 Share-based payments

As disclosed in Note 26, the Group adopted 2019 Stock Incentive Plan and 2020 Stock Incentive Plan (collectively, "Employee Stock Ownership Plan", or "ESOP"), under which it receives

services from employees and directors who have contributed or will contribute to the Group as consideration for equity instruments of the Group. The fair value of the services received in exchange for the grant of the equity instruments is recognized as an expense in the consolidated statements of comprehensive loss with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to save or hold shares for a specific period of time).

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

When the share options are exercised, the Company issues new ordinary shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

2.21 Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as finance costs.

2.22 Revenue recognition

Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, 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.

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

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines relative standalone selling prices based on its standard price list, taking into consideration market conditions and its overall pricing strategy.

When either party to a contract has performed, the Group presents the contract in the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

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

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a 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).

The accounting policy for the Group's revenue sources

The Group mainly derives revenue separately or in combination from cloud-based HCM solutions and professional services.

(a) Cloud-based HCM solutions

The Group charges subscription fees for unlimited access to, or limited number of usages of, its cloud-based HCM solutions over the contract term.

Under unlimited access subscription model, customers are provided with access to one or more of the Group's SaaS solutions over the contract term. Revenue is generally recognized ratably over the contract term.

Under limited number of usage subscription model, customers first purchase certain number of Sendou (森豆) from the Group, and redeem Sendou for related SaaS solutions upon usage. Unused Sendou will be forfeited when the contract term expires. The Group concludes that the breakage of Sendou does not satisfy the constraints of variable considerations, considering that the amount is highly susceptible to external factors, and based on historical data, breakage ratios for different customers are widespread. Related revenue is recognized upon the later of Sendou consumption and expiration.

(b) *Professional services*

The Group provides customers with a selection of professional services, including implementation services and value-added services associated with the cloud-based HCM solutions, as well as HR related trainings services and HCM consulting services.

Implementation services are provided to new SaaS solution subscriptions to assist customers with configuration and testing of the Group's solution. Implementation service is determined to be a separate performance obligation considering, a) customers' accesses are granted upon purchase and customers can start using the SaaS solutions immediately by following the user manual, b) implementation services do not involve the modification or writing of additional software code, but rather involves setting up the software's existing code to function in a particular way for the customers' benefits. Revenues from implementation services are recognized as services ratably over the estimated service periods.

Value-added services can be purchased separately from cloud-based HCM solutions at customers' discretion. They are clearly distinct from cloud-based HCM solutions. The Group recognizes revenue from value-added service on a straight-line basis over the contractual term if the service meets the criterion that control of the goods and services is transferred over time. Otherwise, the Group recognizes revenue from value added services at a point in time.

Training services refer to the career planning training services provided by Beisen Shengya, a subsidiary of the Group. Training period normally lasts for 3-7 days, related revenues are recognized upon completion given the short duration of the trainings. The Group no longer offers such services after the disposal of Beisen Shengya (see Note 8).

HCM consulting services refer to consulting services provided by Ruizheng, a subsidiary of the Group, such as optimization of performance and reward plan, etc. Related revenues are recognized upon delivery of related reports. The Group no longer offers such services after the disposal of Ruizheng (see Note 8).

(c) *Incremental costs of obtaining customer contract*

Sales commissions earned by the Group's sales force are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions for initial contracts are deferred and then amortized on a straight-line basis over a period of benefit that the Group has estimated to be three to four years. In arriving at this estimated period of benefit, the Group evaluated both qualitative and quantitative factors which include the estimated life cycles of its offerings and its customer attrition. The Group amortizes capitalized costs for renewals paid to customers over the renewal contract terms, or elects to expense as incurred if the amortization period is one year or less. Amortization expense of capitalized cost of obtaining customer contracts is included in sales and marketing expenses on the consolidated statement of comprehensive loss. The Group also assesses whether the carrying amount of contract cost has exceeded the remaining amount of consideration that the Group expects to receive, less that costs that relate directly to providing those goods or services that have not been recognized as expenses.

(d) *Practical expedients applied*

The Group expenses incremented cost to obtain a contract if the amortization period is one year or less.

The promised amount of consideration for the effects of a significant financing component is not adjusted if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

2.23 Government grants

Government grants are recognized at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated statement of comprehensive loss over the period necessary to match them with the costs that they are intended to compensate. The Group does not have government grants relating to property, plant and equipment, and other non-current assets.

2.24 Leases

The Group leases certain offices. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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

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

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

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate is used.

Payments associated with short-term leases and 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 less than 12 months. Low-value assets represent leased assets with value below amounts equivalent to US\$5,000.

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

- the amount of the initial measurement of lease liability

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful lives and the lease terms 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.

In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions related to the Covid pandemic in the same way as they would if they were not lease modifications. The Group has applied the practical expedients and the relative impacts on consolidated statements of comprehensive loss were considered not material.

2.25 Dividend distribution

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

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange 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 under policies approved by the board of directors. The management identifies and evaluates financial risks in close co-operation with the Group's operating units.

(a) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. Foreign exchange risk is the risk of loss resulting from changes in fluctuation of foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect its consolidated financial position and consolidated statement of comprehensive loss.

For the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021, the foreign currency assets and liabilities of the Group entities are mainly PRC entities' cash and cash equivalents denominated in USD, and Beisen HK's intra-group loan receivables due from a subsidiary, Sendou Shanghai, located in mainland China which were denominated in RMB. The foreign exchange risk the Group is facing mainly comes from movements in the USD/RMB. During the six months ended September 30, 2022, the Group have determined that it will not settle the intra-group loans provided by Beisen HK to Sendou Shanghai as the Group planned to use all the amounts in the PRC operation. Thus, the intra-group loans have been designated as being part of Beisen HK's net investment in the subsidiary, Sendou Shanghai, and the exchange difference amounting to approximately RMB134,021,000 that arises subsequently to the designation is recognized in other

comprehensive income on consolidation. Therefore, the Group did not record any exchange gains/(losses) in relation to the intra-group loans from Beisen HK to Sendou Shanghai in the six months ended September 30, 2022. During the Track Record Period, the Group did not have any derivative financial instrument for which hedging accounting was applied.

For the Group's subsidiaries in mainland China whose functional currency is RMB, if USD had strengthened/weakened by 5% against RMB with all other variables held constant, loss before income tax for the year/period would have been approximately RMB6,379,000, RMB19,000 and RMB20,000 lower/higher for the year ended March 31, 2019, 2022 and for the six months ended September 30, 2022, RMB5,011,000, RMB4,895,000 and RMB4,668,000 higher/lower for the years ended March 31, 2020 and 2021 and the six months ended September 30, 2021, respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets denominated in USD, regardless of the foreign exchange forward contracts.

For the Group's subsidiary outside mainland China whose functional currency is USD, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, loss before income tax for the year/period would have been approximately nil, RMB10,691,000, RMB14,810,000, RMB59,187,000, RMB37,555,000 and RMB39,000 lower/higher for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022, respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets denominated in RMB, regardless of the foreign exchange forward contracts.

The Group entered into foreign currency forwards in relation to financial assets dominated in foreign currency that do not satisfy the requirements for hedge accounting (economic hedges). During the Track Record Period, the Group did not have any derivative financial instrument for which hedging accounting was applied.

(b) Credit risk

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, restricted cash, term deposits as well as trade receivables and other receivables. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Credit risk of cash and cash equivalents, restricted cash and term deposits

To manage risk arising from cash and cash equivalents, restricted cash and term deposits, the Group only transacts with stated-owned financial institutions in the PRC or reputable banks and financial institutions having high-credit-quality in the PRC, Hong Kong and the United States of America. There has been no recent history of default in relation to these financial institutions. The expected credit loss is immaterial.

(ii) Credit risk of trade receivables, other receivables and contract assets

The Group has policies in place to ensure that trade receivables with credit terms are made to counter-parties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties.

For other receivables, the Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.

The main exposure to credit risk at each of the reporting dates is the carrying value of the Group's trade receivables and contract assets. On that basis, the loss allowance as at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022 was determined as follows for both trade receivables and contract assets:

	<u>0 to 6 months</u>	<u>7 to 12 months</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>	<u>Total</u>
As at March 31, 2019					
Expected loss rate	1.09%	9.83%	12.93%	100.00%	2.13%
Gross carrying amount (RMB'000)—trade receivables	10,586	468	317	55	11,426
Gross carrying amount (RMB'000)—contract assets	1,334	—	—	—	1,334
Loss allowance (RMB'000)	130	46	41	55	272
As at March 31, 2020					
Expected loss rate	0.79%	7.05%	8.40%	100.00%	1.69%
Gross carrying amount (RMB'000)—trade receivables	10,459	1,460	655	2	12,576
Gross carrying amount (RMB'000)—contract assets	3,323	—	—	—	3,323
Loss allowance (RMB'000)	109	103	55	2	269
As at March 31, 2021					
Expected loss rate	2.29%	9.96%	31.55%	N/A	3.52%
Gross carrying amount (RMB'000)—trade receivables	12,326	1,235	317	—	13,878
Gross carrying amount (RMB'000)—contract assets	1,345	—	—	—	1,345
Loss allowance (RMB'000)	313	123	100	—	536
As at March 31, 2022					
Expected loss rate	1.61%	5.71%	18.83%	100.00%	3.46%
Gross carrying amount (RMB'000)—trade receivables	18,565	3,064	1,269	134	23,032
Gross carrying amount (RMB'000)—contract assets	2,747	—	—	—	2,747
Loss allowance (RMB'000)	344	175	239	134	892
As at September 30, 2022					
Expected loss rate	3.78%	27.55%	34.55%	100.00%	10.75%
Gross carrying amount (RMB'000)—trade receivables	22,422	4,297	2,897	385	30,001
Gross carrying amount (RMB'000)—contract assets	2,766	—	—	—	2,766
Loss allowance (RMB'000)	952	1,184	1,001	385	3,522

The loss allowances for trade and other receivables and contract assets as at March 31, 2019, 2020, 2021 and 2022 and as at September 30, 2021 and 2022 reconcile to the opening loss allowances as follows:

	Contract assets					
	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	20	15	20	13	13	34
(Reversal)/increase in loss allowance recognised in profit or loss during the year/period	(5)	5	(7)	21	10	75
At the end of the year/period	15	20	13	34	23	109

	Trade receivables					
	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
At the beginning of the year/period	503	257	249	523	523	858
(Reversal)/increase in loss allowance recognised in profit or loss during the year/ period	(246)	354	1,033	345	(98)	2,555
Receivables written off during the year/period as uncollectible	—	(255)	(759)	(10)	(9)	—
Decrease due to disposal of a subsidiary	—	(107)	—	—	—	—
At the end of the year/period	257	249	523	858	416	3,413

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. Impairment on other receivables is measured as 12-month expected credit losses since the directors of the Company believe that there has been no significant increase in credit risk since initial recognition.

	Other receivables					
	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
At the beginning of the year/period	132	265	164	164	164	822
Increase/(reversal) in loss allowance recognised in profit or loss during the year/ period	133	25	—	658	120	(29)
Other receivables written off during the year/ period as uncollectible	—	—	—	—	—	(565)
Decrease due to disposal of a subsidiary	—	(126)	—	—	—	—
At the end of the year/period	265	164	164	822	284	228

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where financial assets and contracts have been written off, the Group continue to engage in activities to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

(c) *Liquidity risk*

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

The following table shows the remaining contractual maturities (or the earliest date a financial liability may become payable in the absence of a fixed maturity date) at the balance sheet date of the Group's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at March 31, 2019					
Trade payables	1,879	—	—	—	1,879
Other payables and accruals (excluding salary and welfare payable, accrual for other taxes)	106,060	—	—	—	106,060
Lease liabilities	30,915	17,794	4,162	—	52,871
	<u>138,854</u>	<u>17,794</u>	<u>4,162</u>	<u>—</u>	<u>160,810</u>
As at March 31, 2020					
Trade payables	2,663	—	—	—	2,663
Other payables and accruals (excluding salary and welfare payable, accrual for other taxes)	108,496	—	—	—	108,496
Lease liabilities	21,987	8,422	—	—	30,409
	<u>133,146</u>	<u>8,422</u>	<u>—</u>	<u>—</u>	<u>141,568</u>
As at March 31, 2021					
Trade payables	1,172	—	—	—	1,172
Other payables and accruals (excluding salary and welfare payable, accrual for other taxes)	4,606	—	—	—	4,606
Lease liabilities	23,930	4,695	2,233	—	30,858
	<u>29,708</u>	<u>4,695</u>	<u>2,233</u>	<u>—</u>	<u>36,636</u>
As at March 31, 2022					
Trade payables	4,703	—	—	—	4,703
Other payables and accruals (excluding salary and welfare payable, accrual for other taxes)	10,491	—	—	—	10,491
Lease liabilities	39,736	30,711	15,568	—	86,015
	<u>54,930</u>	<u>30,711</u>	<u>15,568</u>	<u>—</u>	<u>101,209</u>
As at September 30, 2022					
Trade payables	9,709	—	—	—	9,709
Other payables and accruals (excluding salary and welfare payable, accrual for other taxes)	7,696	—	—	—	7,696
Lease liabilities	37,724	29,054	4,759	—	71,537
	<u>55,129</u>	<u>29,054</u>	<u>4,759</u>	<u>—</u>	<u>88,942</u>

As at March 31, 2019, 2020 and 2022 and September 30, 2022, redeemable convertible preferred shares were classified as a non-current liability, whereas as at March 31, 2021, redeemable convertible preferred shares were classified as current liability, because the Preferred Shareholders can demand the Company to redeem their preferred shares within 12 months as at March 31, 2021, while they cannot demand the Company to redeem their preferred shares within 12 months for the other presented balance sheet dates.

The maximum exposure of the redemption of redeemable convertible preferred shares is the contractual redemption price, which is equal to 100% of the issue price of the respective redeemable convertible preferred shares plus interests calculated using respective interest rate during the period from the issuance of the redeemable convertible preferred shares until the date on which the

redemption price is paid in full, and plus any declared but unpaid dividends if a redemption event occurs as described in Note 31. The Group recognizes the redeemable convertible preferred shares at fair value through profit or loss. Accordingly, redeemable convertible preferred shares are managed on a fair value basis rather than by maturing dates.

3.2 Capital management

The Group's objectives when managing capital are to:

- safeguard the Group's ability to continue as a going concern, so that they 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 directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to owners, return capital to owners, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low.

3.3 Fair value estimation

(a) Financial assets and liabilities carried at fair value

(i) *Fair value hierarchy*

This section explains the judgments 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. An explanation of each level follows underneath the table.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000
As at March 31, 2019				
Financial assets				
Financial assets at fair value through profit or loss (Note 18)				
• Investment in wealth management products	—	—	10,800	10,800
• Unlisted equity investment	—	—	3,870	3,870
Total financial assets	<u>—</u>	<u>—</u>	<u>14,670</u>	<u>14,670</u>
Financial liabilities				
Warrant liability (Note 32)	—	—	(57,112)	(57,112)
Redeemable convertible preferred shares (Note 31)	—	—	(1,797,425)	(1,797,425)
Total financial liabilities	<u>—</u>	<u>—</u>	<u>(1,854,537)</u>	<u>(1,854,537)</u>

APPENDIX I

ACCOUNTANT'S REPORT

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000
As at March 31, 2020				
Financial assets				
Financial assets at fair value through profit or loss (Note 18)				
• Investment in structured deposit	—	—	170,085	170,085
• Investment in wealth management products	—	—	6,783	6,783
• Unlisted equity investment	—	—	5,083	5,083
Total financial assets	<u>—</u>	<u>—</u>	<u>181,951</u>	<u>181,951</u>
Financial liabilities				
Warrant liability (Note 32)	—	—	(114,576)	(114,576)
Redeemable convertible preferred shares (Note 31)	—	—	(2,800,457)	(2,800,457)
Total financial liabilities	<u>—</u>	<u>—</u>	<u>(2,915,033)</u>	<u>(2,915,033)</u>
As at March 31, 2021				
Financial assets				
Financial assets at fair value through profit or loss (Note 18)				
• Investment in structured deposit	—	—	122,280	122,280
• Investment in wealth management products	—	—	3,013	3,013
• Unlisted equity investment	—	—	15,314	15,314
Derivative financial instruments (Note 19)	—	527	—	527
Total financial assets	<u>—</u>	<u>527</u>	<u>140,607</u>	<u>141,134</u>
Financial liabilities				
Redeemable convertible preferred shares (Note 31)	—	—	(3,558,177)	(3,558,177)
Total financial liabilities	<u>—</u>	<u>—</u>	<u>(3,558,177)</u>	<u>(3,558,177)</u>
As at March 31, 2022				
Financial assets				
Financial assets at fair value through profit or loss (Note 18)				
• Investment in structured deposit	—	—	1,297,642	1,297,642
• Unlisted equity investment	—	—	23,294	23,294
Total financial assets	<u>—</u>	<u>—</u>	<u>1,320,936</u>	<u>1,320,936</u>
Financial liabilities				
Redeemable convertible preferred shares (Note 31)	—	—	(6,610,924)	(6,610,924)
Total financial liabilities	<u>—</u>	<u>—</u>	<u>(6,610,924)</u>	<u>(6,610,924)</u>
As at September 30, 2022				
Financial assets				
Financial assets at fair value through profit or loss (Note 18)				
• Investment in structured deposit	—	—	1,303,640	1,303,640
• Unlisted equity investment	—	—	25,451	25,451
Total financial assets	<u>—</u>	<u>—</u>	<u>1,329,091</u>	<u>1,329,091</u>
Financial liabilities				
Redeemable convertible preferred shares (Note 31)	—	—	(7,403,472)	(7,403,472)
Total financial liabilities	<u>—</u>	<u>—</u>	<u>(7,403,472)</u>	<u>(7,403,472)</u>

- **Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at each of the reporting dates. A market is regarded as active if

quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. 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. These valuation techniques maximise the use of observable market data where it is available 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.

(ii) *Fair value measurements using significant unobservable inputs (level 3)*

The following table presents the changes in level 3 instruments for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2022.

	Financial assets at fair value through profit or loss		
	Investment in structured deposits	Investment in wealth management products	Unlisted equity investment
	RMB'000	RMB'000	RMB'000
Opening balance at April 1, 2018 (Unaudited)	—	93,000	90
Additions	100,000	12,900	2,000
Settlements	(100,343)	(96,685)	—
Gains recognized in profit or loss	343	1,585	1,780
Closing balance at March 31, 2019	—	10,800	3,870
Opening balance at April 1, 2019	—	10,800	3,870
Additions	260,000	174,000	—
Settlements	(90,311)	(180,302)	(90)
Gains recognized in profit or loss	396	2,285	1,303
Closing balance at March 31, 2020	170,085	6,783	5,083
Opening balance at April 1, 2020	170,085	6,783	5,083
Additions	967,000	3,000	—
Settlements	(1,017,688)	(6,802)	—
Gains recognized in profit or loss	2,883	32	10,231
Closing balance at March 31, 2021	122,280	3,013	15,314
Opening balance at April 1, 2021	122,280	3,013	15,314
Additions	2,253,000	—	1,513
Settlements	(1,088,533)	(3,130)	—
Gains recognized in profit or loss	10,895	117	6,467
Closing balance at March 31, 2022	1,297,642	—	23,294
Opening balance at April 1, 2022	1,297,642	—	23,294
Additions	1,793,000	—	—
Settlements / Disposal	(1,804,516)	—	(1,520)
Gains recognized in profit or loss	17,514	—	3,677
Closing balance at September 30, 2022	1,303,640	—	25,451

	Financial liabilities at fair value through profit or loss	
	Warrant Liability RMB'000	Redeemable convertible preferred shares RMB'000
Opening balance at April 1, 2018 (Unaudited)	—	—
Issuance of redeemable convertible preferred shares	—	503,013
Allotment of redeemable convertible preferred shares upon Reorganization	—	985,961
Changes in fair value through profit or loss	13,159	317,678
Issuance of warrant liability in relation to the Reorganization of the Group	44,628	—
Changes in fair value through other comprehensive income	—	19,173
Foreign exchange adjustments	(675)	(28,400)
Closing balance at March 31, 2019	57,112	1,797,425
Opening balance at April 1, 2019	57,112	1,797,425
Changes in fair value through profit or loss	53,472	883,369
Changes in fair value through other comprehensive income	—	8,946
Foreign exchange adjustments	3,992	110,717
Closing balance at March 31, 2020	114,576	2,800,457
Opening balance at April 1, 2020	114,576	2,800,457
Exercise of warrant liability	(147,147)	246,682
Changes in fair value through profit or loss	32,571	752,797
Changes in fair value through other comprehensive income	—	1,170
Foreign exchange adjustments	—	(242,929)
Closing balance at March 31, 2021	—	3,558,177
Opening balance at April 1, 2021	—	3,558,177
Issuance of redeemable convertible preferred shares	—	1,700,951
Repurchase of redeemable convertible preferred shares	—	(92,853)
Changes in fair value through profit or loss	—	1,638,199
Changes in fair value through other comprehensive income	—	(7,365)
Foreign exchange adjustments	—	(186,185)
Closing balance at March 31, 2022	—	6,610,924
Opening balance at April 1, 2022	—	6,610,924
Changes in fair value through profit or loss	—	4,991
Changes in fair value through other comprehensive income	—	4,334
Foreign exchange adjustments	—	783,223
Closing balance at September 30, 2022	—	7,403,472

(iii) *Valuation techniques and significant inputs used to determine fair values and valuation process*

The valuation technique used to value foreign currency forwards in level 2 is the present value of future cash flows based on the forward exchange rates at the balance sheet dates.

The Group has a team that 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. External valuation experts will be involved when necessary.

The valuation of the level 3 instruments mainly included redeemable convertible preferred shares (Note 31), warrant liability (Note 32), investment in structured deposits (Note 18), investment in wealth management products (Note 18) and unlisted equity investment (Note 18). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including discounted cash flow model and market approach etc.

If the fair values of the financial assets at fair value through profit or loss held by the Group had been 10% higher/lower, loss before income tax for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022 would have been approximately RMB1,467,000, RMB18,195,000, RMB14,113,000, RMB132,094,000, RMB33,204,000, RMB132,909,000 lower/higher.

The following table presents the (higher)/lower of the loss before income tax for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022 if the Company's equity value had increased/decreased by 10% which leads to the fair value changes of preferred shares and warrant liabilities.

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
% changes of the Company's equity value						
Increased by 10%	(299,050)	(468,088)	(590,049)	(983,584)	(820,719)	(1,041,720)
Decreased by 10%	295,971	465,670	589,858	982,552	817,696	1,042,146

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value			Range of inputs			Relationship of unobservable inputs to fair value					
	As at March 31,		As at September 30,	As at March 31,		As at September 30,						
	2019	2020	2021	2022	2020	2021		2022				
	RMB'000	RMB'000	RMB'000	RMB'000	2019	2020	2021	2022				
Financial assets at fair value through profit or loss												
-Investment in structured deposit	—	170,085	122,280	1,297,642	1,303,640	NA	3.7%	1.3%~3.5%	1.3%~3.7%	1.3%~3.7%	The higher the expected rate of return, the higher the fair value	
						Expected rate of return						
-Investment in wealth management products	10,800	6,783	3,013	—	—	Expected rate of return	3.0%~3.5%	4.4%	2.5%	N/A	NA	The higher the expected rate of return, the higher the fair value
						Expected Volatility	43.1%	45.1%	45.6%	43.7%~76.6%	47.9%	The higher the expected volatility, the higher the fair value
-Unlisted equity investment	3,870	5,083	15,314	23,294	25,451	Business enterprise value/sales multiple	9.2	7.6	12.7	0.2~10.0	8.2	The higher the multiple, the higher the fair value
						Discount for lack of marketability ("DLOM")	24.0%	24.0%	22.0%	20.0%~29.0%	20.0%	The higher the lack of liquidity discount rate, the lower the fair value

Financial liabilities at fair value through profit or loss

Description	Fair value				Significant unobservable inputs	Range of inputs				Relationship of unobservable inputs to fair value	
	As at March 31,		As at September 30,			As at March 31,		As at September 30,			
	2019	2020	2021	2022		2019	2020	2021	2022		
	RMB'000	RMB'000	RMB'000	RMB'000							
-Warrant liability ...	(57,112)	(114,576)	—	—	Discount rate	23.0%	21.0%	NA	N/A	N/A	The higher the discount rate, the lower the fair value
					Risk-free interest rate	2.4%	0.1%	NA	N/A	N/A	The higher the risk-free rate, the lower the fair value
					Volatility	41.3%	69.6%	NA	N/A	N/A	The higher the expected volatility, the higher the fair value
-Redeemable convertible preferred shares ...	(1,797,425)	(2,800,457)	(3,558,177)	(6,610,924)	Discount rate	23.0%	21.0%	18.0%	16.5%	16.5%	The higher the discount rate, the lower the fair value
					Risk-free interest rate	2.2%	0.2%	0.1%	2.3%	4.1%	The higher the risk-free rate, the lower the fair value
					DLOM	7.5%	6.0%	5.0%	4.0%	4.0%	The higher the DLOM, the lower the fair value
					Volatility	37.1%	41.2%	40.7%	42.9%	41.7%	The higher the expected volatility, the higher the fair value

(b) *Financial instruments carried at other than fair value*

The carrying amounts of the Group's financial assets including cash and cash equivalents, restricted cash, term deposits, trade receivables and other receivables and the Group's financial liabilities, including trade payables, other payables and accruals approximate to their fair values due to their short maturities.

4 Critical accounting estimates and judgments

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

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

(a) *Fair value of financial assets*

The fair value of financial assets that are not traded in an active market (for example, investments in private companies) is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments.

(b) *Fair value of redeemable convertible preferred shares*

The redeemable convertible preferred shares issued by the Company are not traded in an active market and the respective fair value is determined by using valuation techniques. The directors have used the discounted cash flow method to determine the underlying equity value of the Company and adopted equity allocation model to determine the fair value of the redeemable convertible preferred shares.

Details of the valuation models, key assumptions and inputs are disclosed in Note 31.

(c) *Recognition of share-based payments expenses*

As mentioned in Note 26, the Group has granted share options to its employees. The directors have used the Binomial option-pricing model to determine the total fair value of the options granted to employees, which is to be expensed over the vesting period. Significant estimate on assumptions, such as the underlying equity value, risk-free interest rate, expected volatility and dividend yield, is required to be made by the directors in applying the Binomial option-pricing model.

The directors estimate the expected yearly percentage of grantees that will stay within the Group at the end of the vesting periods of the share options (the "Expected Retention Rate") in order to determine the amount of share-based payments expenses charged to the consolidated income statement. The Expected Retention Rate is estimated based on historical pattern of retentions and management's best estimates.

(d) *Allocation of selling price of each distinct performance obligation*

As disclosed in Note 2.22, contracts with customers may include multiple performance obligations. When the performance obligations are assessed to be distinct, the Group allocates revenue to each performance obligation based on their relative standalone selling prices. The Group generally determines relative standalone selling prices based on its standard price list, taking into consideration of market conditions and the Group's overall pricing strategy.

(e) *Current and deferred income taxes*

The Group is subject to income taxes in the PRC and other jurisdictions. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group considers whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing, by assuming taxation authority will examine those amounts and will have full knowledge of all relevant information. When the Group concludes that it is probable that a particular tax treatment is accepted, the Group determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. If the Group concludes that it is not probable that a particular tax treatment is accepted, the Group uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Group assesses its judgments and estimates if facts and circumstances change.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

5 Segment information

The Group's business activities are mainly in providing cloud-based HCM solutions and related professional services, for which discrete financial information is available, are regularly reviewed and evaluated by the CODM (Note 2.4). As a result of this evaluation, the directors of the Company consider that the Group's operation is operated and managed as a single segment and no segment information is presented, accordingly.

All of the Group's revenues for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022 were generated in the PRC.

As at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, all of the Group's long-lived assets are located in the PRC.

6 Revenues from contracts with customers*(a) Disaggregation of revenue from contracts with customers*

Revenue for the Track Record Period are as follows:

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cloud-based HCM Solutions	209,023	259,449	349,073	463,467	209,534	253,268
Professional Services	173,255	199,088	207,254	216,160	103,256	97,498
	<u>382,278</u>	<u>458,537</u>	<u>556,327</u>	<u>679,627</u>	<u>312,790</u>	<u>350,766</u>

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

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Recognized over time	300,680	368,399	472,931	579,062	278,597	297,548
Recognized at a point in time	81,598	90,138	83,396	100,565	34,193	53,218
	<u>382,278</u>	<u>458,537</u>	<u>556,327</u>	<u>679,627</u>	<u>312,790</u>	<u>350,766</u>

(b) Contract assets

The Group records a contract asset when revenue recognized for professional services performance obligations fulfilled over a period of time exceed the contractual amount of billings for providing related professional services. And contract assets are reclassified to trade receivables when the Group's right to the considerations becomes unconditional.

	As at March 31,				As at September 30,
	2019	2020	2021	2022	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Contract asset	1,334	3,323	1,345	2,747	2,766
Less: Allowance for contract assets	(15)	(20)	(13)	(34)	(109)
Total contract assets	<u>1,319</u>	<u>3,303</u>	<u>1,332</u>	<u>2,713</u>	<u>2,657</u>

(c) Contract acquisition costs

The Group has recognized an asset in relation to costs to acquire contracts. This is presented as contract acquisition costs in consolidated statements of financial position.

Contract acquisition costs for initial contracts are amortized on a straight-line basis over a period of benefits that the Group estimated to be three years, while for the renewal contracts, contract acquisition costs are amortized on a straight-line basis over the renewal contract terms, or expensed as incurred if the amortization period is one year or less. The management expects the capitalized costs to be completely recovered and no impairment loss should be recognized since no losses are expected to be incurred for the related customer contracts when all the costs that relate to the fulfillment of the contract are taken into account.

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Total contract acquisition costs	17,975	22,850	33,164	41,159	43,018
Less: amounts to be amortized within one year	(8,942)	(12,610)	(17,254)	(22,064)	(16,757)
Contract acquisition costs—non-current	<u>9,033</u>	<u>10,240</u>	<u>15,910</u>	<u>19,095</u>	<u>26,261</u>

The following table shows the changes of contract acquisition costs balances:

	Year ended March 31,				Six months ended	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Asset recognized from costs incurred to obtain a contract	17,540	17,236	28,023	31,188	13,192	9,909
Amortization recognized as selling and marketing expenses related to services or products during the year/period	(7,616)	(12,361)	(17,709)	(23,193)	(11,062)	(8,050)

(d) *Contract liabilities*

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfillment of performance obligations.

The following table shows how much of the revenue recognized during the Track Record Period is included in the contract liabilities at the beginning of each period:

	Year ended March 31,				Six months ended	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue recognized that was included in the contract liability balance at the beginning of the year/period	111,207	150,220	214,348	349,527	162,822	217,059

(e) *Transaction price allocated to remaining performance obligations*

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Transaction price allocated to remaining performance obligations of long-term contracts	85,897	116,088	150,384	183,450	193,605
To be recognized as revenue within 1 year	(25,420)	(44,391)	(118,836)	(161,166)	(174,809)
To be recognized as revenue over 1 year	<u>60,477</u>	<u>71,697</u>	<u>31,548</u>	<u>22,284</u>	<u>18,796</u>

The Group elects not to disclose the amount of transaction price allocated to performance obligations to be satisfied within the next 12 months.

7 Other income

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Value added tax ("VAT") refund (a)	22,695	20,989	22,264	29,688	14,325	14,097
Government grants (b)	1,007	2,352	3,289	3,133	2,105	2,346
Additional deductible input tax (c)	—	95	20	1,824	845	680
Others	162	874	655	284	175	146
	<u>23,864</u>	<u>24,310</u>	<u>26,228</u>	<u>34,929</u>	<u>17,450</u>	<u>17,269</u>

- (a) According to the VAT tax regulations in the PRC, from January 1, 2017 to April 30, 2018 entities that provided development and sales of computer software were subject to VAT with an applicable rate of 17%. From May 1, 2018 to March 31, 2019, the applicable VAT tax rate for sales of computer software dropped from 17% to 16%. From April 1, 2019, the applicable VAT tax rate for sales of computer software dropped from 16% to 13%. Enterprises that provide sales of self-developed software in the PRC are entitled to VAT refund, to the extent, that the effective VAT rate of the sales of the software in the PRC exceeds 3%.
- (b) Governments grants received during the period primarily comprised the financial subsidies received from various local government authorities in the mainland China. There are no unfulfilled conditions or contingencies relating to these incomes.
- (c) On March 20, 2019, the Ministry of Finance, the State Taxation Administration and General Customs Administration announced that from April 1, 2019 to December 31, 2021, taxpayers engaging in providing modern services are allowed to deduct an extra 10% of the deductible input tax for the then current period from the payable tax. In March 2022, the effective period of this tax incentive policy was extended to December 31, 2022.

8 Other gains, net

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net foreign exchange (losses)/gains	(1,398)	(5,648)	25,733	23,863	5,214	(564)
Fair value gains on foreign exchange forward contracts (Note 19)	—	—	5,625	20,341	15,014	—
Net fair value gains on financial assets at fair value through profit or loss(Note 18)	3,708	3,984	13,146	17,479	4,793	21,191
Gains on disposal of subsidiaries (a)	1,154	4,132	—	11,875	12,432	—
Net (losses)/gains on disposal of property, plant and equipment	(40)	(228)	(112)	(187)	(256)	30
Others	(155)	(110)	(325)	(377)	517	(1,398)
	<u>3,269</u>	<u>2,130</u>	<u>44,067</u>	<u>72,994</u>	<u>37,714</u>	<u>19,259</u>

(a) Disposal of subsidiaries

During the Track Record Period, the Group disposed three subsidiaries, including Senyun (Tianjin) Technology Co., Ltd ("Sen Yun Technology"), Beijing Beisen Ruizheng Talent Management Consulting Company Limited ("Ruizheng") and Beisen Shengya (Beijing) Education Technology Co., Ltd. ("Beisen Shengya").

Disposal of Sen Yun Technology

In August 2018, the Group entered into a series of agreements with Beijing Black Mirror Co., Ltd. ("Beijing Black Mirror"), pursuant to which the Group transferred 100% equity interest in its then wholly-owned subsidiary Sen Yun Technology to Beijing Black Mirror for a cash consideration of

RMB1,000,000 and concurrently the Group obtained 18% equity interest in Beijing Black Mirror with a cash consideration of RMB2,000,000. Beijing Black Mirror was set up by Mr. Zhang Qinghua, who was an employee of the Group, shortly before these transactions.

After the aforementioned transactions, the Group lost control over Sen Yun Technology and started to hold 18% equity interests of Beijing Black Mirror. The Group was given veto rights to certain matters, including i) the approval of annual budget of Beijing Black Mirror and, ii) compensation and appointment of senior management of Beijing Black Mirror and etc, which indicates that the Group has significant influence over Beijing Black Mirror. However, the Group also has the right to request Beijing Black Mirror to buy back the equity interest held by the Group at the price of RMB2,000,000 plus an amount accruing therefore daily at a simple rate of 8% per annum (excluding any dividend received) upon deemed liquidation events, including any consolidation, amalgamation or merger of Beijing Black Mirror with or into any other person or other corporate Reorganization, in which the members of Beijing Black Mirror immediately prior to such consolidation, amalgamation or merger own less than fifty percent (50%) of the voting right of Beijing Black Mirror after such consolidation, merger or amalgamation, and etc. Therefore, the Group's interest in Beijing Black Mirror is considered a hybrid investment in an associate in the form of ordinary shares with contingent redemption rights.

The Group derecognized the assets and liabilities of Sen Yun Technology from its consolidated statements of financial position upon losing control, and recognized the 18% investment in Beijing Black Mirror as a financial asset at fair value through profit or loss, with any differences among the fair value of the 18% investment in Beijing Black Mirror, and fair value of Sen Yun Technology plus the net cash outflow of RMB1,000,000 recognized as share-based payment expenses as described in Note 26.

Disposal of Ruizheng

The Group owned 51% equity interest of Ruizheng prior to the disposal. On August 15, 2019, the Group and Tianjin Lingrui Zhengxing Enterprise Management Consulting Center (Limited Partnership) ("Tianjin Lingrui") entered into a share transfer agreement, pursuant to which:

i) the Group transferred 33% equity interest of Ruizheng to Tianjin Lingrui for a cash consideration of RMB4,950,000;

ii) the Group and Tianjin Lingrui also agreed that the Group would transfer the remaining 18% equity interest of Ruizheng to Tianjin Lingrui, and Tianjin Lingrui would pay a cash consideration of RMB2,700,000 to the Group no later than June 30, 2020.

On May 20, 2020, the Group and Tianjin Lingrui entered into another share transfer agreement and completed the transfer of the remaining 18% equity interest of Ruizheng in June 2020.

The aforementioned transactions were considered as linked transactions. The Group derecognized the assets, liabilities and non-controlling interests of Ruizheng from its consolidated statements of financial position upon transfer of the 33% equity interest, and designate the remaining 18% equity interests of Ruizheng as assets classified as held for sale in its consolidated statements of financial position, measured at the lower of the consideration to be collected and its fair value, whereby a disposal gain of RMB3,941,000 was recorded in other gains, net in its consolidated statements of comprehensive loss, calculated as the difference among i) derecognizing the carrying amount of the

assets, liabilities and non-controlling interests of Ruizheng, ii) recognizing assets classified as held for sale and iii) cash inflow of RMB4,950,000, which is the initial consideration to transfer the 33% equity interest of Ruizheng.

Disposal of Beisen Shengya

On August 31, 2021, the Group entered into a share transfer agreement with Hainan Shengya Enterprise Information Consulting Center Limited Partnership (“Hainan Shengya”) and Hainan Senya Investment Co.,Ltd.(“Hainan Senya”), pursuant to which, the Group agreed to transfer 42% equity interests of Beisen Shengya to Hainan Shengya and 42% equity interests of Beisen Shengya to Hainan Senya at a consideration of RMB3,973,000 respectively, totaling RMB7,946,000. After the transaction, the Group still holds 16% equity interests of Beisen Shengya.

The Group derecognized the assets and liabilities of Beisen Shengya from its consolidated statements of financial position since the date it lost control over Beisen Shengya. And the Group designated the remaining 16% equity interests of Beisen Shengya as financial assets at fair value through profit or loss as stated in Note 18.

In June 2022, the Group entered into an agreement to further transfer its remaining 16% equity interests in Beisen Shengya to Hainan Senya at a consideration of RMB1,520,000. The transaction was completed on July 6, 2022. The net fair value gains recognized before the disposal was approximately RMB6,000.

For the aforementioned disposals of subsidiaries, the Group determines that they do not meet the definition of discontinued operations since they do not represent a separate major line of businesses both qualitatively and quantitatively.

9 Expenses by nature

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Employee benefit expenses (Note 10)	436,748	630,277	618,672	790,089	368,355	441,716
Share-based payments-non-ESOP (Note 26)	81,126	2,499	—	53,348	53,348	—
Depreciation of right-of-use assets (Note 16)	22,592	31,993	28,762	37,705	16,924	20,279
Professional fees	10,516	10,136	8,697	29,185	25,364	5,338
Technical service fees	8,979	10,438	14,307	26,655	9,272	16,094
Marketing expenses	13,787	18,005	15,928	25,318	10,637	12,533
Traveling expenses	28,365	26,608	18,004	21,730	11,412	9,139
Listing expenses	—	—	—	19,707	—	6,447
Depreciation & amortization expenses (Notes 14&15)	7,962	14,342	11,711	13,374	5,686	11,063
Office expenses	5,617	9,646	6,259	13,746	5,162	6,710
Entertainment expenses	5,306	12,119	11,029	10,465	3,636	3,874
Tax surcharges	5,000	5,305	6,669	8,411	3,644	3,413
Short-term rental and utilities expenses	9,984	7,636	5,327	6,797	3,778	5,501
Conference fees	2,241	3,949	3,834	3,492	3,631	260
Training service costs	7,774	9,025	6,808	2,973	2,972	—
Recruitment expenses	3,259	2,481	715	1,627	1,040	557
Others	10,322	10,296	9,979	10,467	5,388	5,260
	659,578	804,755	766,701	1,075,089	530,249	548,184

10 Employee benefit expenses

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Wages, salaries and bonuses	362,938	469,949	514,473	608,952	286,899	351,106
Share-based payments-ESOP (Note 26)	—	75,447	33,549	53,635	26,245	5,692
Housing benefits	22,570	32,467	31,254	39,065	18,086	24,479
Pension cost-defined contribution plans	19,911	19,271	5,911	37,163	15,678	29,016
Other employee welfare	18,662	17,480	19,245	27,024	10,575	13,802
Other social security costs	12,667	15,663	14,240	24,250	10,872	17,621
	436,748	630,277	618,672	790,089	368,355	441,716

(i) *Five highest paid individuals*

The five individuals whose emoluments were the highest in the Group for each of the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022, include 1, 1, 1, 2, 1 and 2 directors whose emoluments are reflected in the analysis shown in Note 37. The emoluments paid to the remaining 4, 4, 4, 3, 4 and 3 individuals for each of the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022 are as follows:

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bonuses	2,190	1,200	3,080	4,476	338	773
Share-based payment expenses	4,077	5,511	5,431	4,219	3,503	(246)
Wages and salaries	3,940	4,680	3,595	3,383	2,186	1,840
Pension cost-defined contribution plans	206	157	41	119	82	89
Housing benefits	143	157	152	114	76	57
Other social security costs	128	124	100	81	56	60
Total	10,684	11,829	12,399	12,392	6,241	2,573

(ii) *The emoluments fell within the following bands:*

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
HK\$500,001 to HK\$1,000,000 (equivalent to approximately RMB452,220 to RMB904,440)	—	—	—	—	—	2
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately RMB904,441 to RMB1,356,660)	—	—	—	—	—	1
HK\$2,000,001 to HK\$2,500,000 (equivalent to approximately RMB1,808,881 to RMB2,261,100)	1	—	—	—	1	—
HK\$2,500,001 to HK\$3,000,000 (equivalent to approximately RMB2,261,101 to RMB2,713,320)	2	—	—	—	—	—
HK\$3,000,001 to HK\$3,500,000 (equivalent to approximately RMB2,713,321 to RMB3,165,540)	—	1	—	—	2	—
Over HK\$3,500,000 (equivalent to approximately over RMB3,165,540)	1	3	4	3	1	—
	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>4</u>	<u>3</u>

11 Finance income, net

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Finance income	2,429	6,821	4,413	7,811	4,010	3,214
Finance costs						
Interest expenses on borrowings	(42)	—	—	—	—	—
Interest expenses on lease liabilities	(1,950)	(2,094)	(1,378)	(2,628)	(1,102)	(1,856)
	<u>(1,992)</u>	<u>(2,094)</u>	<u>(1,378)</u>	<u>(2,628)</u>	<u>(1,102)</u>	<u>(1,856)</u>
Finance income, net	437	4,727	3,035	5,183	2,908	1,358

12 Income tax (credit)/expense

The income tax expense/(credit) of the Group for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022 are analyzed as follows:

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current income tax	485	—	—	22	22	—
Deferred income tax (Note 27)	(2,230)	14,476	16,702	(12,829)	162	(4,302)
Income tax (credit)/expense	(1,745)	14,476	16,702	(12,807)	184	(4,302)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate of 25%, being the tax rate applicable to the major consolidated entities as follows:

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loss before income tax	691,910	1,252,276	923,438	1,921,579	820,014	167,124
Taxation calculated at the statutory tax rate of 25% in mainland China	(172,978)	(313,069)	(230,860)	(480,395)	(205,004)	(41,781)
Tax effects of:						
Effect of preferential tax rates	26,786	(10,787)	20,271	24,395	11,096	16,446
Effects of different tax rates in overseas jurisdictions	95,985	234,698	194,369	422,549	178,819	2,301
Expenses not deductible for tax purpose	9,161	20,839	5,438	10,068	3,627	2,525
Research and development expenses super-deduction	(3,356)	(21,502)	(20,398)	(24,572)	(12,096)	(15,082)
Utilization of previously unrecognized deductible temporary differences	—	—	—	(10,436)	(367)	(1,732)
Deductible temporary differences for which no deferred tax asset was recognized	203	194	1,168	7,684	48	2,303
Tax losses for which no deferred tax asset was recognized	42,454	104,236	50,572	40,218	24,061	31,043
Income not subject to tax	—	(133)	(3,858)	(2,318)	—	(325)
	(1,745)	14,476	16,702	(12,807)	184	(4,302)

(a) Cayman Islands

The Company is incorporated under the law of the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to Cayman Islands income tax. As such, the operating results reported by the Company, including the fair value change of redeemable convertible preferred shares (Note 31), is not subject to any income tax.

(b) Hong Kong Income Tax

Hong Kong income tax rate is two-tiered profits tax regime, under which the tax rate is 8.25% or assessable profits on the first HK dollar 2 million and 16.5% or any assessable profits in excess of HK dollar 2 million. Hong Kong profits tax was provided for the assessable profit that was subject to Hong Kong profits tax during the Track Record Period.

(c) PRC Enterprise Income Tax ("EIT")

The income tax provision of the Group in respect of its operations in PRC was calculated at the tax rate of 25% or 15% for enterprises qualified as "High and New Technology Enterprises" ("HNTE") on the assessable profits for the Track Record Period, based on the existing legislation, interpretations and practices in respect thereof.

According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction"). The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the Track Record Period.

(d) PRC Withholding Tax ("WHT")

According to the PRC Enterprise Income Tax Law ("EIT Law"), distribution of profits earned by PRC companies since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

During the Track Record Period, the Group did not have any plan to require its PRC subsidiaries to distribute their retained earnings and intended to retain them to operate and expand the business in the PRC. Accordingly, no deferred income tax liability on WHT was accrued as at the end of each reporting period.

13 Loss per share*(a) Basic*

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
					(Unaudited)	
<i>Numerator:</i>						
Loss for the year/period and attributable to owners of the Company (in RMB'000) . . .	(691,060)	(1,267,206)	(940,142)	(1,908,772)	(820,198)	(162,822)
<i>Denominator:</i>						
Weighted average number of ordinary shares outstanding, basic (i)	<u>21,675,648</u>	<u>21,675,648</u>	<u>21,675,648</u>	<u>21,407,034</u>	<u>21,439,199</u>	<u>21,374,042</u>
Basic net loss per share attributable to owners of the Company (in RMB)	<u>(31.88)</u>	<u>(58.46)</u>	<u>(43.37)</u>	<u>(89.17)</u>	<u>(38.26)</u>	<u>(7.62)</u>

Note:

(i) The weighted average number of ordinary shares has been retrospectively adjusted for the effect of the issuance of shares in connection with the Group's Reorganization (Note 24).

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

As the Group incurred net losses for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022, the dilutive potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022 are the same as basic loss per share of the respective periods.

The basic and diluted loss per share as presented above has not taken into account the proposed subdivision of each share in the Company's issued and unissued share capital with par value of US\$0.0001 each into 10 shares of the corresponding class with nominal value of US\$0.00001 each (the "Share Subdivision") pursuant to the shareholders' resolution passed on March 23, 2023 because the proposed Share Subdivision has not become effective as of the date of this Historical Financial Information.

14 Property, plant and equipment

	Electronic equipment	Furniture and office equipment	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at April 1, 2018 (Unaudited)				
Cost	11,326	2,723	9,921	23,970
Accumulated depreciation	(6,969)	(1,177)	(5,099)	(13,245)
Net book amount	<u>4,357</u>	<u>1,546</u>	<u>4,822</u>	<u>10,725</u>
Year ended March 31, 2019				
Opening net book amount	4,357	1,546	4,822	10,725
Additions	10,034	1,934	5,166	17,134
Disposals	(203)	(20)	(21)	(244)
Disposal of a subsidiary (Note 8)	(7)	—	—	(7)
Depreciation charge	(3,462)	(630)	(3,596)	(7,688)
Closing net book amount	<u>10,719</u>	<u>2,830</u>	<u>6,371</u>	<u>19,920</u>
As at March 31, 2019				
Cost	20,912	4,594	14,975	40,481
Accumulated depreciation	(10,193)	(1,764)	(8,604)	(20,561)
Net book amount	<u>10,719</u>	<u>2,830</u>	<u>6,371</u>	<u>19,920</u>
Year ended March 31, 2020				
Opening net book amount	10,719	2,830	6,371	19,920
Additions	9,198	1,521	5,511	16,230
Disposals	(6)	(245)	—	(251)
Disposal of a subsidiary (Note 8)	(316)	(73)	(711)	(1,100)
Depreciation charge	(6,065)	(931)	(7,073)	(14,069)
Closing net book amount	<u>13,530</u>	<u>3,102</u>	<u>4,098</u>	<u>20,730</u>
As at March 31, 2020				
Cost	29,316	5,453	19,775	54,544
Accumulated depreciation	(15,786)	(2,351)	(15,677)	(33,814)
Net book amount	<u>13,530</u>	<u>3,102</u>	<u>4,098</u>	<u>20,730</u>
Year ended March 31, 2021				
Opening net book amount	13,530	3,102	4,098	20,730
Additions	6,550	23	233	6,806
Disposals	(78)	(110)	—	(188)
Depreciation charge	(7,202)	(833)	(3,545)	(11,580)
Closing net book amount	<u>12,800</u>	<u>2,182</u>	<u>786</u>	<u>15,768</u>
As at March 31, 2021				
Cost	35,199	5,096	20,008	60,303
Accumulated depreciation	(22,399)	(2,914)	(19,222)	(44,535)
Net book amount	<u>12,800</u>	<u>2,182</u>	<u>786</u>	<u>15,768</u>

	Electronic equipment RMB'000	Furniture and office equipment RMB'000	Leasehold improvement RMB'000	Total RMB'000
Year ended March 31, 2022				
Opening net book amount	12,800	2,182	786	15,768
Additions	20,807	695	11,328	32,830
Disposals	(214)	(60)	—	(274)
Disposal of subsidiaries (Note 8)	(35)	(227)	—	(262)
Depreciation charge	(9,467)	(777)	(3,028)	(13,272)
Closing net book amount	<u>23,891</u>	<u>1,813</u>	<u>9,086</u>	<u>34,790</u>
As at March 31, 2022				
Cost	54,936	4,804	30,050	89,790
Accumulated depreciation	(31,045)	(2,991)	(20,964)	(55,000)
Net book amount	<u>23,891</u>	<u>1,813</u>	<u>9,086</u>	<u>34,790</u>
(Unaudited)				
Period ended September 30, 2021				
Opening net book amount	12,800	2,182	786	15,768
Additions	10,209	368	3,761	14,338
Disposals	(234)	(22)	—	(256)
Disposal of subsidiaries (Note 8)	(35)	(111)	—	(146)
Depreciation charge	(4,362)	(379)	(896)	(5,637)
Closing net book amount	<u>18,378</u>	<u>2,038</u>	<u>3,651</u>	<u>24,067</u>
(Unaudited)				
As at September 30, 2021				
Cost	44,653	5,331	23,769	73,753
Accumulated depreciation	(26,275)	(3,293)	(20,118)	(49,686)
Net book amount	<u>18,378</u>	<u>2,038</u>	<u>3,651</u>	<u>24,067</u>
Period ended September 30, 2022				
Opening net book amount	23,891	1,813	9,086	34,790
Additions	19,761	214	13,450	33,425
Disposals	(42)	(6)	—	(48)
Depreciation charge	(6,591)	(391)	(4,040)	(11,022)
Closing net book amount	<u>37,019</u>	<u>1,630</u>	<u>18,496</u>	<u>57,145</u>
As at September 30, 2022				
Cost	74,394	4,999	43,289	122,682
Accumulated depreciation	(37,375)	(3,369)	(24,793)	(65,537)
Net book amount	<u>37,019</u>	<u>1,630</u>	<u>18,496</u>	<u>57,145</u>

Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Year ended March 31,				Six months ended September 30,	
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000 (Unaudited)	2022 RMB'000
Cost of revenues	4,097	7,050	6,868	9,381	4,173	7,631
General and administrative expenses	511	805	514	1,275	155	415
Research and development expenses	1,283	2,523	1,903	1,623	632	1,647
Selling and marketing expenses	1,797	3,691	2,295	993	677	1,329
	<u>7,688</u>	<u>14,069</u>	<u>11,580</u>	<u>13,272</u>	<u>5,637</u>	<u>11,022</u>

15 Intangible assets

	Software RMB'000	Others RMB'000	Total RMB'000
As at April 1, 2018 (Unaudited)			
Cost	1,601	80	1,681
Accumulated amortization	<u>(1,006)</u>	<u>(9)</u>	<u>(1,015)</u>
Net book amount	<u>595</u>	<u>71</u>	<u>666</u>
Year ended March 31, 2019			
Opening net book amount	595	71	666
Additions	64	18	82
Disposals	(10)	—	(10)
Amortization charge	<u>(266)</u>	<u>(8)</u>	<u>(274)</u>
Closing net book amount	<u>383</u>	<u>81</u>	<u>464</u>
As at March 31, 2019			
Cost	1,655	98	1,753
Accumulated amortization	<u>(1,272)</u>	<u>(17)</u>	<u>(1,289)</u>
Net book amount	<u>383</u>	<u>81</u>	<u>464</u>
Year ended March 31, 2020			
Opening net book amount	383	81	464
Additions	602	—	602
Disposals	(80)	(18)	(98)
Amortization charge	<u>(265)</u>	<u>(8)</u>	<u>(273)</u>
Closing net book amount	<u>640</u>	<u>55</u>	<u>695</u>
As at March 31, 2020			
Cost	2,177	80	2,257
Accumulated amortization	<u>(1,537)</u>	<u>(25)</u>	<u>(1,562)</u>
Net book amount	<u>640</u>	<u>55</u>	<u>695</u>
Year ended March 31, 2021			
Opening net book amount	640	55	695
Amortization charge	<u>(123)</u>	<u>(8)</u>	<u>(131)</u>
Closing net book amount	<u>517</u>	<u>47</u>	<u>564</u>
As at March 31, 2021			
Cost	2,177	80	2,257
Accumulated amortization	<u>(1,660)</u>	<u>(33)</u>	<u>(1,693)</u>
Net book amount	<u>517</u>	<u>47</u>	<u>564</u>
Year ended March 31, 2022			
Opening net book amount	517	47	564
Additions	7	—	7
Disposals	(5)	—	(5)
Amortization charge	(99)	(3)	(102)
Disposal of subsidiaries (Note 8)	<u>(9)</u>	<u>(44)</u>	<u>(53)</u>
Closing net book amount	<u>411</u>	<u>—</u>	<u>411</u>
As at March 31, 2022			
Cost	1,978	—	1,978
Accumulated amortization	<u>(1,567)</u>	<u>—</u>	<u>(1,567)</u>
Net book amount	<u>411</u>	<u>—</u>	<u>411</u>

	Software RMB'000	Others RMB'000	Total RMB'000
(Unaudited)			
Period ended September 30, 2021			
Opening net book amount	517	47	564
Disposals	(5)	(44)	(49)
Amortization charge	(46)	(3)	(49)
Closing net book amount	<u>466</u>	<u>—</u>	<u>466</u>
(Unaudited)			
As at September 30, 2021			
Cost	1,998	—	1,998
Accumulated amortization	(1,532)	—	(1,532)
Net book amount	<u>466</u>	<u>—</u>	<u>466</u>
Period ended September 30, 2022			
Opening net book amount	411	—	411
Amortization charge	(41)	—	(41)
Closing net book amount	<u>370</u>	<u>—</u>	<u>370</u>
As at September 30, 2022			
Cost	1,978	—	1,978
Accumulated amortization	(1,608)	—	(1,608)
Net book amount	<u>370</u>	<u>—</u>	<u>370</u>

Amortization of the Group's intangible assets was recognized as follows:

	Year ended March 31,				Six months ended September 30,	
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000 (Unaudited)	2022 RMB'000
Cost of revenues	8	15	11	10	5	2
General and administrative expenses	239	217	72	64	30	25
Selling and marketing expenses	27	41	48	28	14	14
	<u>274</u>	<u>273</u>	<u>131</u>	<u>102</u>	<u>49</u>	<u>41</u>

16 Leases

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

The consolidated statements of financial position show the following amounts relating to leases:

	As at March 31,				As at September 30,
	2019 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	2022 RMB'000
Right-of-use assets					
—Office	50,862	30,276	26,602	78,440	68,314
Lease liabilities					
—Current	29,237	21,219	23,237	37,128	35,254
—Non-current	20,256	7,129	962	39,399	32,350
	<u>49,493</u>	<u>28,348</u>	<u>24,199</u>	<u>76,527</u>	<u>67,604</u>

(i) *The movement in right-of-use assets in the consolidated statements of financial position are as follows:*

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost						
At beginning of the year/period	26,965	73,454	76,038	81,335	81,335	144,010
Additions	46,489	16,585	27,157	92,303	35,197	14,649
Maturity of lease term	—	(4,664)	(18,593)	(25,380)	(13,816)	(15,702)
Early termination of lease	—	(9,337)	(3,267)	(4,248)	(2,082)	(8,143)
At the end of the year/period	73,454	76,038	81,335	144,010	100,634	134,814
Accumulated depreciation						
At beginning of the year/period	—	(22,592)	(45,762)	(54,733)	(54,733)	(65,570)
Depreciation charge for the year/period	(22,592)	(31,993)	(28,762)	(37,705)	(16,924)	(20,279)
Maturity of lease term	—	4,664	18,593	25,380	13,816	15,702
Early termination of lease	—	4,159	1,198	1,488	1,128	3,647
At the end of the year/period	(22,592)	(45,762)	(54,733)	(65,570)	(56,713)	(66,500)
Net book amount						
At the end of the year/period	50,862	30,276	26,602	78,440	43,921	68,314

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

The consolidated statements of comprehensive loss show the following amounts relating to leases:

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Depreciation charge of right-of-use assets						
—Office	22,592	31,993	28,762	37,705	16,924	20,279
Interest expense (included in finance costs) (Note 11)	1,950	2,094	1,378	2,628	1,102	1,856
Expense relating to short-term leases (included in short-term rental and utilities expenses)	9,984	7,636	5,327	6,797	3,778	5,501

The total cash outflow for leases for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022 were approximately RMB31,244,000, RMB37,381,000, RMB30,781,000, RMB41,566,000, RMB16,252,000 and RMB22,120,000, respectively.

17 Financial instruments by category

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Financial assets					RMB'000
Financial assets at amortized cost :					
—Trade receivables (Note 20)	11,169	12,327	13,355	22,174	26,588
—Other receivables	23,776	15,904	15,404	21,315	19,298
—Cash and cash equivalents (Note 23)	257,351	191,337	215,074	288,706	78,919
—Term deposits (Note 23)	289,541	92,106	105,141	190,446	201,634
—Restricted cash (Note 23)	—	728	11,063	1,210	1,111
Financial assets at fair value through profit or loss	14,670	181,951	140,607	1,320,936	1,329,091
Derivative financial instrument	—	—	527	—	—
	596,507	494,353	501,171	1,844,787	1,656,641

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Financial liabilities					RMB'000
Financial liabilities at amortized cost :					
—Trade payables (Note 28)	1,879	2,663	1,172	4,703	9,709
—Other payables and accruals (excluding salary and welfare payable, accrual for other taxes)	106,060	108,496	4,606	10,491	7,696
—Lease liabilities	49,493	28,348	24,199	76,527	67,604
Financial liabilities at fair value through profit or loss :					
—Redeemable convertible preferred shares (Note 31)	1,797,425	2,800,457	3,558,177	6,610,924	7,403,472
—Warrant liability (Note 32)	57,112	114,576	—	—	—
	2,011,969	3,054,540	3,588,154	6,702,645	7,488,481

18 Financial assets at fair value through profit or loss

(a) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Current assets					RMB'000
—Structured deposit	—	170,085	122,280	1,297,642	1,303,640
—Wealth management product	10,800	6,783	3,013	—	—
Non-current assets					
—Unlisted equity investment	3,870	5,083	15,314	23,294	25,451
	14,670	181,951	140,607	1,320,936	1,329,091

(b) Amounts recognized in consolidated statements of comprehensive loss

During the years ended March 31, 2019, 2020, 2021 and 2022 and six months ended September 30, 2021 and 2022, the following gains were recognized in consolidated statements of comprehensive loss:

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Fair value gains of financial assets at fair value through profit or loss recognized in other gains	3,708	3,984	13,146	17,479	4,793	21,191

19 Derivative financial instruments

	As at March 31,				As at September 30,
	2019	2020	2021	2022	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Not qualified for hedge accounting:					
Foreign exchange forward contract-current (i)	—	—	527	—	—

During the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022, the following gains were recognized in consolidated statements of comprehensive loss:

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total change in fair value for the year/period included in "Other gains, net"	—	—	5,625	20,341	15,014	—

(i) The notional amount of these foreign exchange forward contracts as at March 31, 2021 was approximately USD25,000,000, These contracts offer the Group a right to exchange US dollars to RMB with settlement dates up to October 22, 2021 and strike rates (USD: RMB) range from 6.56 to 7.13.

20 Trade receivables

	As at March 31,				As at September 30,
	2019	2020	2021	2022	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables from contracts with customers	11,426	12,576	13,878	23,032	30,001
Less: allowance for impairment of trade receivables ...	(257)	(249)	(523)	(858)	(3,413)
	<u>11,169</u>	<u>12,327</u>	<u>13,355</u>	<u>22,174</u>	<u>26,588</u>

(a) The credit terms given to trade customers are determined on an individual basis.

The aging analysis of the trade receivables based on invoice date is as follows:

	As at March 31,				As at September 30,
	2019	2020	2021	2022	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
—Up to 6 months	10,586	10,459	12,326	18,565	22,422
—6 months to 1 year	468	1,460	1,235	3,064	4,297
—1-2 years	317	655	317	1,269	2,897
—Over 2 years	55	2	—	134	385
	<u>11,426</u>	<u>12,576</u>	<u>13,878</u>	<u>23,032</u>	<u>30,001</u>

The Group applies the simplified approach permitted by IFRS 9, which requires the expected lifetime losses to be recognized from initial recognition of the assets. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

21 Other receivables and prepayments

	As at March 31,				As at September 30,
	2019	2020	2021	2022	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current:					
Rental and other deposits	9,285	7,791	8,001	10,319	11,037
Prepayment for property, plant and equipment	651	—	996	4,897	357
Loan to employee	3,000	2,237	1,400	600	200
Subtotal	<u>12,936</u>	<u>10,028</u>	<u>10,397</u>	<u>15,816</u>	<u>11,594</u>
Current:					
Rental and other deposits	1,944	3,948	3,201	7,343	4,144
Prepaid services and goods	2,373	2,613	9,914	5,162	8,228
Deferred listing expenses (i)	—	—	—	4,711	6,186
Tax refunds receivable	6,075	486	1,694	2,968	2,809
Input tax to be certified and VAT allowance	848	1,279	630	2,419	2,617
Prepaid rent and property management fee	1,065	913	1,493	1,067	1,950
Receivable from disposal of equity investment in Beisen Shengya	—	—	—	—	1,216
Loan to employee and petty cash	2,086	1,292	1,165	852	867
Interest receivable	1,650	314	107	55	469
Others	1,385	839	811	961	1,002
Subtotal	<u>17,426</u>	<u>11,684</u>	<u>19,015</u>	<u>25,538</u>	<u>29,488</u>
Total	<u>30,362</u>	<u>21,712</u>	<u>29,412</u>	<u>41,354</u>	<u>41,082</u>
Less: allowance for impairment of other receivables	(265)	(164)	(164)	(822)	(228)
Net book amount	<u>30,097</u>	<u>21,548</u>	<u>29,248</u>	<u>40,532</u>	<u>40,854</u>

(i) Deferred listing expenses will be deducted from equity upon listing of the Group.

22 Assets classified as held for sale

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Equity investment assets classified as held for sale	—	2,700	—	—	—

After transferring 33% equity interest of Ruizheng (Note 8), the Group still held 18% equity interest as at March 31, 2020. Considering the transfer of the remaining 18% equity interest would be completed within one year after the initial transaction, the Group accounted for the remaining investment as assets classified as held for sale.

23 Cash and cash equivalents

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Cash at bank and in hand (a)	546,892	284,171	331,278	480,362	281,664
Less: Term deposits	(289,541)	(92,106)	(105,141)	(190,446)	(201,634)
Restricted cash (b)	—	(728)	(11,063)	(1,210)	(1,111)
Cash and cash equivalents	257,351	191,337	215,074	288,706	78,919

(a) As at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, cash at bank and in hand of the Group were denominated in the following currencies:

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
USD	254,958	102,572	136,205	253,240	207,289
RMB	291,934	181,599	195,073	227,122	74,375
	546,892	284,171	331,278	480,362	281,664

(b) Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the consolidated statements of financial position and is not included in the total cash and cash equivalents in the consolidated statements of cash flows.

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Guarantee deposits	—	728	63	1,210	1,111
Cash deposit for foreign currency forward contracts	—	—	11,000	—	—
	—	728	11,063	1,210	1,111

As at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, all restricted cash were denominated in RMB.

24 Share capital and share premium

	<u>Number of ordinary shares</u>	<u>Nominal value of ordinary shares</u>
		USD'000
Authorized:		
Ordinary shares upon incorporation	500,000,000	50
Reclassification from ordinary shares to redeemable convertible preferred shares	(37,204,791)	(4)
As at March 31, 2019, 2020 and 2021	<u>462,795,209</u>	<u>46</u>
Reclassification from ordinary shares to redeemable convertible preferred shares	(10,670,694)	(1)
As at March 31, 2022 and September 30, 2022	<u>452,124,515</u>	<u>45</u>

	<u>Number of ordinary shares</u>	<u>Nominal value of ordinary shares</u>	<u>Equivalent Nominal value of ordinary shares</u>	<u>Share premium</u>
		USD'000	RMB'000	RMB'000
Issued:				
As at April 6, 2018 (date of incorporation) (Unaudited)	—	—	—	—
Ordinary shares allotment in connection with Reorganization of the Group (i)	18,547,649	2	13	486,655
As at March 31, 2019	<u>18,547,649</u>	<u>2</u>	<u>13</u>	<u>486,655</u>
Ordinary shares allotment in connection with Reorganization of the Group (i)	3,127,999	—	2	156,256
As at March 31, 2020	<u>21,675,648</u>	<u>2</u>	<u>15</u>	<u>642,911</u>
As at March 31, 2021	21,675,648	2	15	642,911
Shares repurchase by the Company (ii)	(301,606)	—	—	(19,847)
As at March 31, 2022 and September 30, 2022	<u>21,374,042</u>	<u>2</u>	<u>15</u>	<u>623,064</u>

- (i) On April 6, 2018 and November 23, 2018, as part of the Reorganization, the Company allotted and issued an aggregate of 16,039,874 and 2,507,775 Ordinary Shares, respectively, at par value of US\$0.0001 each share to offshore holding vehicles, which were beneficially owned by the Ordinary Shareholders of Beisen Cloud Computing as at those dates. Upon share allotment, the fair value of Ordinary Shares of the Company was transferred from Reserve to share capital and share premium accordingly.

On November 11, 2019, as part of the Reorganization, the Company allotted and issued an aggregate of 3,127,999 Ordinary Shares at par value of US\$0.0001 each share to an offshore shareholder. The transaction is to reflect Beisen Cloud Computing's issuance of ordinary shares to the employees in 2015.

- (ii) During the year ended March 31, 2022, the Company repurchased 301,606 Ordinary Shares from three Ordinary Shareholders at a consideration of US\$5,315,000, whereby the difference between the transaction price and par value of Ordinary Shares was recorded as: i) the difference between the transaction price and the fair value of Ordinary Shares as at the date of the transaction, amounting to RMB15,459,000, was recorded as share-based payments (Note 26), and ii) the difference between the fair value of Ordinary Shares and their par value, amounting to RMB19,847,000 was recorded as reduction of share premium.

25 Reserves

The movements of the Group's reserves are as follows:

	Capital Reserve	Share-based payment expenses	Currency translation differences	Changes in the fair value attributable to credit risk change	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at April 1, 2018 (Unaudited)	84,828	17,060	—	—	101,888
Ordinary shares allotment in connection with					
Reorganization of the Group	(486,668)	—	—	—	(486,668)
Effect of Share Exchange (Note 31(A))	(622,585)	—	—	—	(622,585)
Share-based payments (Note 26)	—	80,626	—	—	80,626
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	—	(19,173)	(19,173)
Currency translation differences	—	—	16,915	—	16,915
As at March 31, 2019	(1,024,425)	97,686	16,915	(19,173)	(928,997)
As at April 1, 2019	(1,024,425)	97,686	16,915	(19,173)	(928,997)
Ordinary shares allotment in connection with					
Reorganization of the Group	(156,258)	—	—	—	(156,258)
Share-based payments (Note 26)	—	77,946	—	—	77,946
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	—	(8,946)	(8,946)
Currency translation differences	—	—	(97,637)	—	(97,637)
As at March 31, 2020	(1,180,683)	175,632	(80,722)	(28,119)	(1,113,892)
As at April 1, 2020	(1,180,683)	175,632	(80,722)	(28,119)	(1,113,892)
Exercise of warrant liability	466	—	—	—	466
Share-based payments (Note 26)	—	33,549	—	—	33,549
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	—	(1,170)	(1,170)
Currency translation differences	—	—	202,394	—	202,394
As at March 31, 2021	(1,180,217)	209,181	121,672	(29,289)	(878,653)
As at April 1, 2021	(1,180,217)	209,181	121,672	(29,289)	(878,653)
Share transfer from non-controlling shareholder to existing shareholder	(5)	—	—	—	(5)
Share-based payments (Note 26)	—	53,635	—	—	53,635
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	—	7,365	7,365
Currency translation differences	—	—	130,551	—	130,551
As at March 31, 2022	(1,180,222)	262,816	252,223	(21,924)	(687,107)
(Unaudited)					
As at April 1, 2021	(1,180,217)	209,181	121,672	(29,289)	(878,653)
Share transfer from non-controlling shareholder to existing shareholder	(5)	—	—	—	(5)
Share-based payments (Note 26)	—	26,245	—	—	26,245
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	—	36,070	36,070
Currency translation differences	—	—	38,981	—	38,981
As at September 30, 2021	(1,180,222)	235,426	160,653	6,781	(777,362)
As at April 1, 2022	(1,180,222)	262,816	252,223	(21,924)	(687,107)
Share-based payments (Note 26)	—	5,692	—	—	5,692
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	—	(4,334)	(4,334)
Currency translation differences	—	—	(756,316)	—	(756,316)
As at September 30, 2022	(1,180,222)	268,508	(504,093)	(26,258)	(1,442,065)

The movements of the reserve of the Company are as follows:

	Share-based payment	Currency translation differences	Changes in the fair value attributable to credit risk change	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at April 1, 2018 (Unaudited)	—	—	—	—
Share-based payments	33,239	—	—	33,239
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	(19,173)	(19,173)
Currency translation differences	—	15,435	—	15,435
As at March 31, 2019	33,239	15,435	(19,173)	29,501
As at April 1, 2019	33,239	15,435	(19,173)	29,501
Share-based payments	77,946	—	—	77,946
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	(8,946)	(8,946)
Currency translation differences	—	(86,006)	—	(86,006)
As at March 31, 2020	111,185	(70,571)	(28,119)	12,495
As at April 1, 2020	111,185	(70,571)	(28,119)	12,495
Share-based payments	33,549	—	—	33,549
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	(1,170)	(1,170)
Currency translation differences	—	180,585	—	180,585
As at March 31, 2021	144,734	110,014	(29,289)	225,459
As at April 1, 2021	144,734	110,014	(29,289)	225,459
Repurchase of shares	—	—	31,448	31,448
Share-based payments	53,635	—	—	53,635
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	7,365	7,365
Currency translation differences	—	(2,392)	—	(2,392)
As at March 31, 2022	198,369	107,622	9,524	315,515
(Unaudited)				
As at April 1, 2021	144,734	110,014	(29,289)	225,459
Share-based payments	26,245	—	—	26,245
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	36,070	36,070
Currency translation differences	—	36,652	—	36,652
As at September 30, 2021	170,979	146,666	6,781	324,426
As at April 1, 2022	198,369	107,622	9,524	315,515
Share-based payments	5,692	—	—	5,692
Fair value changes on redeemable convertible preferred shares due to own credit risk	—	—	(4,334)	(4,334)
Currency translation differences	—	(338,317)	—	(338,317)
As at September 30, 2022	204,061	(230,695)	5,190	(21,444)

26 Share-based payments

Total expenses arising from share-based payment transactions recognized during the Track Record Period were as follows:

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Share-based payments—ESOP (a)	—	75,447	33,549	53,635	26,245	5,692
Share-based payments—non-ESOP						
Expenses recognized from restricted shares granted to an independent director (b)	693	2,499	—	—	—	—
Expenses arising from the redesignation during Share Exchange (c)	47,387	—	—	—	—	—
Expenses arising from share transfer between shareholders (d)	32,546	—	—	—	—	—
Expenses arising from disposal of Sen Yun (e)	500	—	—	—	—	—
Expenses arising from shares repurchases (f)	—	—	—	53,348	53,348	—
	<u>81,126</u>	<u>77,946</u>	<u>33,549</u>	<u>106,983</u>	<u>79,593</u>	<u>5,692</u>

(a) Share-based payments—ESOP

On July 15, 2019, the Company adopted the 2019 Share Incentive Plan (the “2019 Plan”), which permits the grant of options to the employees and directors of the Company and its affiliates. The Maximum number of shares that may be issued under the 2019 Plan shall be 6,693,252.

On April 23, 2020, the Company adopted the 2020 Share Incentive Plan (the “2020 Plan”, collectively with the 2019 Plan, “Employee Stock Ownership Plan”, or “ESOP”), whereby the incentive share options granted to employees in 2019 Plan were replaced and superseded by the exact number of share options for each grantee. There is no change of vesting schedule and other key terms of such award agreements entered into with each grantee and the classification of share-based awards immediately before and after the adoption of 2020 Plan. As at March 31, 2021, the maximum number of shares that may be issued under the 2020 Plan was 6,770,877 ordinary shares. This number was increased to 7,911,919 on April 9, 2021, and further increased to 7,972,883 on September 26, 2021 and December 31, 2021. (Collectively, the “Pre-IPO Share Option Plan”).

The options shall vest under service condition and the Company’s successful IPO. The granted options have a contractual option term of five years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

In the six months ended September 30, 2022, the Company has extended its estimated date of a successful IPO and adjusted the cumulative expenses accordingly in the current period, resulting in a reversal of expenses that have previously been charged.

In September 2021, the Company modified 2,658,086 share options granted upon ESOP with the grantees to reduce the number of options to 2,376,179 and exercise prices at the same time, and the modified share options were exercised early upon initial listing of the Company’s shares. The resulting ordinary shares will be transferred to trusts with the original option grantees as beneficiaries. The trusts will distribute the ordinary shares to those beneficiaries in installments based on the vesting requirements under the original option agreements. Although these trust arrangements caused a modification of the terms of these share options (the “Modification”), there’s no incremental fair value related to these ordinary shares resulted from the modification, and the remaining share-based payments expense for these ordinary shares continued to be recognized over the original remaining vesting period. Given that these options are still subject to the original service and IPO vesting condition, they are not considered exercised from accounting perspective.

On December 31, 2021, the Company adopted a restricted share unit plan (the “RSU Plan”), under which, the maximum number of shares that may be issued under the RSU Plan is 6% of the issued share capital of the Company as of the date of approval of the RSU Plan.

Movements in the number of share options granted to employees under ESOP and their related weighted average exercise prices are as below:

	Year ended March 31,								Six months ended September 30,					
	2019		2020		2021		2022		2021		2022			
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options	(Unaudited)					
USD	'000	USD	'000	USD	'000	USD	'000	USD	'000	USD	'000	USD	'000	
At beginning of the year/period	—	—	—	—	1.23	3,560	1.27	3,780	1.27	3,780	1.96	4,322		
Granted during the year/period	—	—	1.24	3,764	1.92	351	4.80	940	4.87	851	4.87	373		
Exercised during the year/period	—	—	—	—	—	—	—	—	—	—	—	—		
Effect of the Modification . . .	—	—	—	—	—	—	1.65	(282)	1.65	(282)	—	—		
Forfeited during the year/period	—	—	1.43	(204)	1.92	(131)	3.44	(116)	3.28	(53)	3.77	(125)		
At end of the year/period	—	—	1.23	3,560	1.27	3,780	1.96	4,322	1.93	4,296	2.15	4,570		

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (USD)	Number of share options				
			March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	September 30, 2022
October 1, 2019	5 years	0.11-1.92	—	3,499	3,439	3,396	3,366
January 1, 2020	5 years	1.92	—	61	15	15	15
April 1, 2020	5 years	1.92	—	—	232	232	208
July 1, 2020	5 years	1.92	—	—	6	6	6
October 1, 2020	5 years	1.92	—	—	48	42	37
January 1, 2021	5 years	1.92	—	—	40	40	40
April 1, 2021	5 years	4.87	—	—	—	506	455
July 12, 2021	5 years	4.87	—	—	—	11	11
August 19, 2021	5 years	4.87	—	—	—	2	2
September 2, 2021	5 years	4.87	—	—	—	17	11
October 13, 2021	5 years	4.87	—	—	—	9	9
October 21, 2021	5 years	4.87	—	—	—	4	4
November 11, 2021	5 years	4.87	—	—	—	2	2
December 16, 2021	5 years	4.87	—	—	—	3	3
December 30, 2021	5 years	0.0001	—	—	—	14	14
January 29, 2022	5 years	4.87	—	—	—	8	8
February 14, 2022	5 years	4.87	—	—	—	13	13
March 14, 2022	5 years	4.87	—	—	—	2	2
April 1, 2022	5 years	4.87	—	—	—	—	344
April 18, 2022	5 years	4.87	—	—	—	—	10
June 13, 2022	5 years	4.87	—	—	—	—	4
August 11, 2022	5 years	4.87	—	—	—	—	6
Total			—	3,560	3,780	4,322	4,570

Fair value of share options

The directors have used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted equity allocation model to determine the fair value of the underlying ordinary share. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the directors with best estimate.

Based on fair value of the underlying ordinary share, the directors have used Binomial option-pricing model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

	Year ended March 31,				Six Months ended September 30,	
	2019	2020	2021	2022	2021	2022
					(Unaudited)	
Contractual terms (in years)	N/A	5	5	5	5	5
Risk-free interest rate	N/A	1.5%-1.7%	0.3%-0.4%	0.8%-2.1%	0.92%	2.5%-3.6%
Expected volatility . . .	N/A	41.6%-42.9%	38.9%-42.3%	40.6%-43.5%	39.7%-42.1%	39.7%-44.1%
Exercise multiple	N/A	2.2	2.2	2.2	2.2	2.2
Expected dividend yield	N/A	—	—	—	—	—
Post-vesting forfeiture rate	N/A	3.0%	3.0%	3.0%	3.0%	3.0%

(b) Restricted shares granted to a former independent director

On March 13, 2019, the Company grant 92,000 restricted shares to a former independent non-executive director of the Company by mutually signing a Restricted Share Award Agreement, under which, the vesting commencement date is November 1, 2018. The grant date fair value of these restricted shares was USD5.17 per share.

On March 6, 2020, the Company terminated the Restricted Share Award Agreement with the former independent director, and repurchased 50% of the vested shares and all unvested restricted shares at par value. At the same time, the Company granted vested options with nominal exercise price to replace the remaining 50% of vested restricted shares. Management accounted for the repurchase of the 50% vested shares and unvested shares as an acceleration of vesting, while the grant of options is treated as a modification of the original vested restricted shares.

(c) Share-based payment expenses arising from the redesignation during Share Exchange

In connection with the Group's Reorganization, the Group and the shareholders agreed to exchange the onshore Ordinary Shares into the Company's Preferred Shares, whereby the difference between the fair value of respective Preferred Shares and Ordinary Shares, RMB47,387,000 is recorded as share-based payment (Note 31).

(d) Share-based payment expenses arising from share transfer between shareholders

In November 2018, certain Ordinary Shareholders and Preferred Shareholders transferred their Ordinary Shares and Preferred Shares to the other shareholders, with the difference between the transaction price and the fair value of respective Ordinary Shares and Preferred Shares, RMB32,546,000 as share-based payment (Note 31).

(e) Share-based payment expenses arising from disposal of Sen Yun

In June 2018 the Group entered into a series of agreements with Beijing Black Mirror, pursuant to which, the Group transferred 100% equity interests in its then wholly-owned subsidiary Sen Yun to Beijing Black Mirror for a cash consideration of RMB1,000,000 and concurrently the Group obtained 18% equity interest in Beijing Black Mirror with a cash consideration of RMB2,000,000. Beijing Black Mirror was set up by Mr. Zhang Qinghua, who was an employee of the Group, shortly before these transactions. The Group recognised RMB500,000 share-based payment expenses considering the difference among the net cash outflow of RMB1,000,000, the fair value of 18% equity investments in Beijing Black Mirror and the fair value of Sen Yun Technology (Note 8).

(f) Share-based payment expenses arising from share repurchases

Concurrently with issuance of Series F Preferred Shares, the Company repurchased an aggregate of 900,400 Series D Preferred Shares and 240,642 Ordinary Shares from certain shareholders, with the difference between the transaction price and the fair value of respective Ordinary Shares and Preferred Shares, RMB53,348,000 as share-based payment (Note 31).

27 Deferred income tax assets and liabilities

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
					RMB'000
Deferred income tax assets:					
— to be recovered after more than 12 months	14,976	940	3,478	15,588	20,993
— to be recovered within 12 months	18,633	20,392	4,788	8,228	10,052
	<u>33,609</u>	<u>21,332</u>	<u>8,266</u>	<u>23,816</u>	<u>31,045</u>
Deferred income tax liabilities:					
— to be recovered after more than 12 months	(575)	(1,720)	(4,317)	(5,406)	(8,728)
— to be recovered within 12 months	(1,449)	(2,538)	(3,577)	(5,222)	(4,827)
	<u>(2,024)</u>	<u>(4,258)</u>	<u>(7,894)</u>	<u>(10,628)</u>	<u>(13,555)</u>
	<u>31,585</u>	<u>17,074</u>	<u>372</u>	<u>13,188</u>	<u>17,490</u>

The net balances of deferred tax assets after offsetting are as follows:

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
					RMB'000
Deferred tax assets, net	31,585	17,074	372	13,188	17,490

The net movement on the deferred income tax account is as follows:

	Year ended March 31,				Six months ended	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
At beginning of the year/period	29,355	31,585	17,074	372	372	13,188
Disposal of subsidiary	—	(35)	—	(13)	—	—
Credit to/(charged) profit or loss (Note 12) . . .	2,230	(14,476)	(16,702)	12,829	(162)	4,302
At end of the year/period	<u>31,585</u>	<u>17,074</u>	<u>372</u>	<u>13,188</u>	<u>210</u>	<u>17,490</u>

The movements in deferred income tax assets are as follows:

	Long-term deferred expenses	Advertising costs	Allowance for doubtful accounts	Tax losses	Lease liability	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at April 1, 2018 (Unaudited)	—	—	—	29,355	—	29,355
Credited to profit or loss	344	191	51	3,668	—	4,254
As at March 31, 2019	344	191	51	33,023	—	33,609
As at April 1, 2019	344	191	51	33,023	—	33,609
Disposal of subsidiary	—	—	(35)	—	—	(35)
Charged to profit or loss	(293)	(191)	(11)	(11,747)	—	(12,242)
As at March 31, 2020	51	—	5	21,276	—	21,332
As at April 1, 2020	51	—	5	21,276	—	21,332
Credited/(charged) to profit or loss	52	—	30	(13,164)	16	(13,066)
As at March 31, 2021	103	—	35	8,112	16	8,266
As at April 1, 2021	103	—	35	8,112	16	8,266
Disposal of subsidiaries	(46)	—	(10)	(386)	—	(442)
(Charged)/credited to profit or loss	(57)	—	(25)	16,090	(16)	15,992
As at March 31, 2022	—	—	—	23,816	—	23,816
(Unaudited)						
As at April 1, 2021	103	—	35	8,112	16	8,266
(Charged)/credited to profit or loss	(103)	—	(35)	1,370	(16)	1,216
As at September 30, 2021	—	—	—	9,482	—	9,482
As at April 1, 2022	—	—	—	23,816	—	23,816
Credited to profit or loss	—	—	231	6,998	—	7,229
As at September 30, 2022	—	—	231	30,814	—	31,045

The movements in deferred income tax liabilities are as follows:

	Change in fair value gain or loss	Contract acquisition costs	Allowance for doubtful accounts	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at April 1, 2018 (Unaudited)	—	—	—	—
Charged to profit or loss	(267)	(1,757)	—	(2,024)
As at March 31, 2019	<u>(267)</u>	<u>(1,757)</u>	—	<u>(2,024)</u>
As at April 1, 2019	(267)	(1,757)	—	(2,024)
Charged to profit or loss	(20)	(2,193)	(21)	(2,234)
As at March 31, 2020	<u>(287)</u>	<u>(3,950)</u>	<u>(21)</u>	<u>(4,258)</u>
As at April 1, 2020	(287)	(3,950)	(21)	(4,258)
Charged to profit or loss	(1,377)	(2,259)	—	(3,636)
As at March 31, 2021	<u>(1,664)</u>	<u>(6,209)</u>	<u>(21)</u>	<u>(7,894)</u>
As at April 1, 2021	(1,664)	(6,209)	(21)	(7,894)
Disposal of subsidiaries	88	320	21	429
Charged to profit or loss	(1,737)	(1,426)	—	(3,163)
As at March 31, 2022	<u>(3,313)</u>	<u>(7,315)</u>	—	<u>(10,628)</u>
(Unaudited)				
As at April 1, 2021	(1,664)	(6,209)	(21)	(7,894)
Credited/(charged) to profit or loss	506	(1,905)	21	(1,378)
As at September 30, 2021	<u>(1,158)</u>	<u>(8,114)</u>	—	<u>(9,272)</u>
As at April 1, 2022	(3,313)	(7,315)	—	(10,628)
Charged to profit or loss	(2,087)	(840)	—	(2,927)
As at September 30, 2022	<u>(5,400)</u>	<u>(8,155)</u>	—	<u>(13,555)</u>

The Group and its subsidiaries have applied the tax consolidation legislation, which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

	Deferred tax assets	Deferred tax liabilities	Total
	RMB'000	RMB'000	RMB'000
As at April 1, 2018 (Unaudited)	29,355	—	29,355
Credited/(charged) to profit or loss	4,254	(2,024)	2,230
As at March 31, 2019	33,609	(2,024)	31,585
As at April 1, 2019	33,609	(2,024)	31,585
Disposal of subsidiary	(35)	—	(35)
Charged to profit or loss	(12,242)	(2,234)	(14,476)
As at March 31, 2020	21,332	(4,258)	17,074
As at April 1, 2020	21,332	(4,258)	17,074
Charged to profit or loss	(13,066)	(3,636)	(16,702)
As at March 31, 2021	8,266	(7,894)	372
As at April 1, 2021	8,266	(7,894)	372
Disposal of subsidiaries	(442)	429	(13)
Credited/(charged) to profit or loss	15,992	(3,163)	12,829
As at March 31, 2022	23,816	(10,628)	13,188
(Unaudited)			
As at April 1, 2021	8,266	(7,894)	372
Credited/(charged) to profit or loss	1,216	(1,378)	(162)
As at September 30, 2021	9,482	(9,272)	210
As at April 1, 2022	23,816	(10,628)	13,188
Credited/(charged) to profit or loss	7,229	(2,927)	4,302
As at September 30, 2022	31,045	(13,555)	17,490

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefits through the future taxable profits is probable. Management will continue to assess the recognition of deferred income tax assets in future reporting periods.

As at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, the Group did not recognize deferred income tax assets of RMB42,698,000, RMB149,982,000, RMB180,335,000, RMB235,373,000 and RMB208,982,000 respectively in respect of losses amounting to RMB282,022,000, RMB640,692,000, RMB993,737,000, RMB1,363,864,000 and RMB1,306,716,000 that can be carried forward against future taxable income, respectively. The expiry calendar years of the related tax losses are as follow:

	As at March 31,				As at
	2019	2020	2021	2022	September 30, 2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2020	56	—	—	—	—
2021	—	510	491	—	—
2022	—	142,459	130,537	129,291	—
2023	—	3,191	3,098	—	—
2024	3,780	392,622	178,622	178,622	129,711
2025	—	—	—	—	—
2026	—	—	—	17	17
2027	—	—	—	—	53,480
2028	—	101,910	101,910	94,138	278,186
2029	278,186	—	214,000	214,000	74,349
2030	—	—	365,079	365,079	304,297
2031	—	—	—	382,717	214,431
2032	—	—	—	—	252,245
	<u>282,022</u>	<u>640,692</u>	<u>993,737</u>	<u>1,363,864</u>	<u>1,306,716</u>

28 Trade Payables

	As at March 31				As at
	2019	2020	2021	2022	September 30, 2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	<u>1,879</u>	<u>2,663</u>	<u>1,172</u>	<u>4,703</u>	<u>9,709</u>

The aging analysis of trade payables based on invoice date is as follows:

	As at March 31				As at
	2019	2020	2021	2022	September 30, 2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Up to 6 months	1,837	2,648	1,172	4,703	9,709
6 months to 1 year	12	5	—	—	—
1 to 2 years	30	10	—	—	—
	<u>1,879</u>	<u>2,663</u>	<u>1,172</u>	<u>4,703</u>	<u>9,709</u>

29 Other payables and accruals

	As at March 31				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Payable for repurchase of onshore common share in connection with the Reorganization (a)	100,000	100,000	—	—	—
Salary and welfare payable	32,348	76,613	134,267	149,226	129,956
Accrual for other taxes	9,233	18,078	31,268	42,493	35,771
Accrued service and goods	4,633	5,848	1,363	4,888	3,623
Accrued listing expenses	—	—	—	2,656	4,714
Accrued staff reimbursement	1,032	1,827	2,606	2,450	628
Others	586	1,551	1,972	497	653
	<u>147,832</u>	<u>203,917</u>	<u>171,476</u>	<u>202,210</u>	<u>175,345</u>

(a) In connection with the Group's Reorganization, the Company granted a Warrant to an investor, which allows the investor to acquire the Company's Redeemable Convertible Preferred Shares with exercise price equal to its original investment in Beisen Cloud Computing (Note 32), and onshore subsidiary also had an obligation to pay that investor such amount. These transactions completed in June 2020.

30 Financial instruments issued to investors

Prior to the Group's Reorganization, Beisen Cloud Computing completed several rounds of financing:

Series of financing	Issuance date	Aggregate issuance price	Registered capital (transfers between shareholders excluded)	Shares issued (transfers between shareholders excluded)*	Issue price per share*
Pre-A	January 2010	5,000	625,000	2,806,418	1.78
A	May and December 2010	12,000	1,500,000	6,735,403	1.78
B	December 2012 and March 2013	27,000	1,200,094	5,388,745	5.01
B+	December 2014	15,674	348,317	1,564,037	10.02
C	July 2015	97,386	1,355,505	6,086,582	16.00
Market maker	February and June 2016	51,500	N/A	1,287,500	40.00
D	March and June 2017	200,000	N/A	4,884,003	40.95

* Share issued and issue price per share prior to Market maker round reflect the effect of the Corporate Conversion disclosed below.

Onshore Series Pre-A Investment

Pursuant to a capital increase agreement dated January 20, 2010, entered into by Tang Zejiang, Beisen Cloud Computing and its then shareholders, Tang Zejiang agreed to subscribe the increased registered capital of RMB625,000 of Beisen Cloud Computing at a total consideration of RMB5,000,000 ("Onshore Series Pre-A Investment"). According to the agreement, these registered capitals will become redeemable by Tang Zejiang under certain events, which are not within control of the Group.

Onshore Series A Investment

Pursuant to a capital increase agreement dated in May 2010 entered into by Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) ("Shenzhen Capital"), Tianjin Tianbao Growth Venture Capital Co., Ltd. (天津天保成長創業投資有限公司) ("Tianjin Tianbao"), Beisen Cloud Computing and its then shareholders, Shenzhen Capital and Tianjin Tianbao agreed to subscribe to the

increased registered capital of RMB1,250,000 of Beisen Cloud Computing at a total consideration of RMB10,000,000. The registered capital held by Shenzhen Capital and Tianjin Tianbao did not contain any redemption right.

Pursuant to a capital increase agreement dated December 26, 2010 entered into by Li Lan, Beisen Cloud Computing and its then shareholders, Li Lan agreed to subscribe to the increased registered capital of RMB250,000 of Beisen Cloud Computing at a total consideration of RMB2,000,000. According to the agreement, these registered capitals will become redeemable by Li Lan under certain events, which are not within control of the Group. (the increase of registered capital from Shenzhen Capital, Tianjin Tianbao and Li Lan are collectively referred to as “Onshore Series A Investment”).

Onshore 2011 Share Transfer

On October 20, 2011, Wang Zhaohui and Ji Weiguo (collectively, the “Co-founders”), transferred registered capital of RMB156,250 to third-party individual shareholders, Luo Sansheng and Yangjie, at a total consideration of RMB3,000,000.

Onshore Series B Investment

On December 12, 2012, Jingwei Chuangda (Hangzhou) Venture Capital Partnership (Limited Partnership) (經緯創達(杭州)創業投資合夥企業(有限合夥)) (“Jingwei Chuangda”), Beisen Cloud Computing and its then shareholders, entered into a capital increase agreement, under which, Jingwei Chuangda agreed to subscribe the increased registered capital of RMB1,066,750 at a total consideration of RMB24,000,000. On March 31, 2013, Tianjin Sequoia Juye Equity Investment Partnership (Limited Partnership) (天津紅杉聚業股權投資合夥企業(有限合夥)) (“Sequoia Juye”), Beisen Cloud Computing and its then shareholders, entered into a capital increase agreement, under which, Sequoia Juye agreed to subscribe the increased registered capital of RMB133,344 at a total consideration of RMB3,000,000. Meanwhile, each of the Co-founders agreed to transfer RMB87,531 registered capital, RMB175,062 registered capital in total, to Sequoia Juye at a total consideration of RMB3,939,000 and Tang Zejiang agreed to transfer RMB625,000 registered capital to Sequoia Juye at a total consideration of RMB14,061,000. After the aforementioned transactions, Tang Zejiang no longer held any registered capital of Beisen Cloud Computing, while Sequoia Juye held a total of RMB933,406 registered capital. According to the capital increase agreements with Jingwei Chuangda and Sequoia Juye, these registered capitals will become redeemable by the shareholders, which are not within control of the Group (collectively, “Onshore Series B Investment”). Concurrently with Onshore Series B Investment, Beisen Cloud Computing and its then shareholders agreed to grant Shenzhen Capital, Tianjin Tianbao, Jingwei Chuangda and Sequoia Juye a warrant to acquire the increased registered capital of Beisen Cloud Computing within two years of closing of Onshore Series B Investment (“Series B-1 Warrant”). The exercise price would be twice of the Onshore Series B Investment per registered capital, and total injection would be no more than RMB16,000,000.

In accordance with the amended shareholders’ agreement amended concurrently with issuance of Onshore Series B Investment, Beisen Cloud Computing and its then shareholders agreed to remove Li Lan’s special rights, including redemption right, whereas Shenzhen Capital and Tianjin Tianbao were granted with the special rights, including redemption right under certain circumstances, which are not within control of the Group.

Onshore 2013 Share Transfer

On February 21, 2013, Tianjin Tianbao transferred its registered capital of Beisen Cloud Computing to Tianjin Tianchuang Huaxin Venture Capital Partnership Enterprise (Limited Partnership) (天津天創華鑫現代服務產業創業投資合夥企業(有限合夥)) (“Tianchuang Huaxin”). Since Tianchuang Huaxin and Tianjin Tianbao are within the same venture Group, management concluded that there is no impact to the Group’s consolidated financial statements.

Onshore Series B-1 Investment

On December 29, 2014, shareholders, including Jingwei Chuangda, Sequoia Juye, Tianchuang Huaxin, exercised the Series B-1 Warrant, and entered into a capital increase agreement with Beisen Cloud Computing and its then shareholders to subscribe RMB348,317 registered capital of Beisen Cloud Computing at a consideration of RMB15,674,000 (“Onshore Series B-1 Investment”). According to the agreement, these shareholders’ rights, including redemption right under certain circumstances, remain unchanged compared with Series B Investments.

Onshore Series C Investment

On July 16, 2015, investors including Sequoia Juye, Shanghai Chuangji Investment Center (Limited Partnership) (上海創稷投資中心(有限合夥)) (“Chuangji Investment”), Beijing Haoxfeng Asset Management Co., Ltd. (北京浩鑫峰資產管理有限公司)(“Beijing Haoxfeng”), Beisen Cloud Computing and its then shareholders entered into an increase registered capital agreement, under which, Sequoia Juye, Chuangji Investment and Beijing Haoxfeng agreed to acquire a total of RMB1,355,505 of the increase registered capital of Beisen Cloud Computing at total consideration of RMB97,385,000. Concurrently with Onshore Series C Investment, Co-founders and relevant shareholders signed registered capital transfer agreement, under which, Wang Zhaohui transferred RMB94,635 registered capital at consideration of RMB6,799,000, while Ji Weiguo transferred RMB128,069 registered capital at consideration of RMB9,200,000 (“Onshore Series C Investment”). According to the agreement, these registered capitals will become redeemable by Tang Zejiang under certain events, which are not within control of the Group.

Conversion to a Joint Stock Limited Company

On August 10, 2015, the then shareholders of Beisen Cloud Computing passed resolutions approving, among other matters, the conversion of Beisen Cloud Computing from a limited liability company into a joint stock limited company (the “Corporate Conversion”), and the change of name of Beisen Cloud Computing from Beijing Beisen Evaluation Technology Co., Ltd. to Beijing Beisen Cloud Computing Co., Ltd. Pursuant to the relevant agreements dated on August 10, 2015, the total registered capital of Beisen Cloud Computing, which was RMB11,135,191, was converted to 50,000,000 shares subscribed by all the shareholders of Beisen Cloud Computing in proportion to their then respective interests held in the registered capital in Beisen Cloud Computing as at July 31, 2015, with a nominal value of RMB1 per share. The conversion was completed on September 21, 2015 when Beisen Cloud Computing obtained a new business license.

Under the amended shareholders’ agreement after the Corporate Conversion, if Beisen Cloud Computing is listed on NEEQ, the redemption right would be assumed by the Co-founders, instead of Beisen Cloud Computing. Whereas, if Beisen Cloud Computing could not be listed on NEEQ before June 30, 2016, or for any reason, be delisted from NEEQ, the aforementioned revision would automatically be removed, and the previous shareholders’ agreement would continue to be effective.

Listing on NEEQ

On April 5, 2016, shares of Beisen Cloud Computing were listed on NEEQ under the stock code of Beisen Cloud (NEEQ listing).

In February and June 2016, two subscription agreements were entered into by and amongst Zhizhan Shanghai Investment Center (Limited Partnership) (置展(上海)投資中心(有限合夥)) (“Zhizhan Shanghai”), China International Capital Corporation Limited (中國國際金融股份有限公司) (“CICC”), Cinda Securities Co., Ltd. (信達證券股份有限公司) (“Cinda Securities”), Huarong Securities Co., Ltd. (華融證券股份有限公司) (“Cinda Huarong”), Goldstate Securities Co., Ltd. (金元證券股份有限公司) (“Goldstate Securities”), China Industrial Securities Co., LTD. (興業證券股份有限公司) (“Industrial Securities”), China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司) (“CGS”), Orient Securities Company Limited (東方證券股份有限公司) (“DFZQ”, together with Zhizhan Shanghai, CICC, Cinda Securities, Cinda Huarong, Goldstate Securities, Industrial Securities, and CGS, the “Market-making Institutions”), Beisen Cloud Computing and its then shareholders during its listing on NEEQ. Pursuant to the agreement, these shareholders agreed to subscribed 1,287,500 shares at a consideration of RMB40.00 per share (“Market maker round investment”).

Onshore Series D Investment

On March 10, 2017, Tianjin Tianchuang Yingxin Venture Investment Partnership (Limited Partnership) (天津天創盈鑫創業投資合夥企業(有限合夥)) (“Tianchuang Yingxin”), Mr. Shi Chuan, Beisen Cloud Computing and its then shareholders signed an investment agreement, pursuant to which, Tianchuang Yingxin and Shi Chuan agreed to subscribe 488,400 shares at a consideration of RMB40.95 per share.

On June 12, 2017, Gongqingcheng Yuanxi Investment Management Partnership (共青城元熙投資管理合夥企業(有限合夥)) (“Gongqingcheng Yuanxi”), Chuangji Investment, Beisen Cloud Computing and its then shareholders signed an investment agreement, pursuant to which, Gongqingcheng Yuanxi and Chuangji Investment agreed to subscribe 4,395,603 shares at a consideration of RMB40.95 per share (the investments from Tianchuang Yingxin and Shi Chuan on March 10, 2017 and, Gongqingcheng Yuanxi and Chuangji Investment on June 12, 2017 are collectively referred to as “Onshore Series D Investment”). In accordance with shareholders’ agreements, Onshore Series D Investment shareholders have special shareholders’ rights, which require the Co-founders to re-acquire its shares at cash under certain circumstances that are not within control of the Group. Also, if, for any reasons, Beisen Cloud Computing delisted from NEEQ, Co-founders along with Beisen Cloud Computing would have the obligation to ensure Series D Investment shareholders to have the special rights, including redemption rights, prior to Series C Investment.

Delisting from NEEQ

On March 16, 2018, the then shareholders of Beisen Cloud Computing resolved to voluntarily delist the shares of Beisen Cloud Computing from the NEEQ (“the NEEQ Delisting”). On April 27, 2018, the NEEQ Delisting was completed.

Onshore Series Pre-A Investment, Onshore Series A Investment held by Li Lan prior to issuance of Onshore Series B Investment, and Onshore Series A Investment held by Shenzhen Capital and Tianjin Tianbao, Onshore Series C Investment and Onshore Series D Investment are collectively referred to as Onshore Investment.

As discussed in Note 2.16, there are two units of accounts from Onshore Investment, equity portion and liability portion. For the liability portion, Beisen Cloud Computing does not have the unconditional right to avoid delivering cash or other financial assets to settle contractual obligation upon occurrence of certain events for the Onshore Investment, which are not within control of the Group.

The Group recognized the liability portion of Onshore Investment as financial liabilities (“Financial instruments issued to investors”), which recognized initially at the present value of the redemption amount. Management estimated the redemption date and calculated the present value of redemption amount based on the calculation formula defined in the agreements. Any changes in the carrying amount of the financial liabilities were recorded as “Losses from financial instruments issued to investors” of the Group’s consolidated statements of comprehensive loss.

The Group recorded the equity portion as reserves in its consolidated statements of financial position (Note 25).

Upon the Reorganization, the Onshore Investments were exchanged to redeemable convertible preferred shares or warrants issued by the Company (Note 25), the Financial instruments issued to investors are therefore derecognized from the Company’s consolidated statements of financial position (Note 31).

The movements of the financial instruments issued to investors are set out below:

	<u>Year ended</u> <u>March 31,</u> <u>2019</u>
	<u>RMB'000</u>
At the beginning of the year/period	396,541
Changes in the carrying amount due to the effective interest method	24,873
Derecognition upon Share Exchange	<u>(421,414)</u>
At the end of the year/period	<u>—</u>

31 Redeemable convertible preferred shares

A. Share Exchange upon Reorganization

On September 25, 2018, to reflect the onshore shareholding structure of Beisen Cloud Computing, the Company and relevant investors’ offshore affiliates entered into a share purchase agreement, and issued 5,051,552 Series A Redeemable Convertible Preferred Shares, 8,985,728 Series B Redeemable Convertible Preferred Shares, 2,120,830 Series B-1 Redeemable Convertible Preferred Shares (including 622,688 in the form of Warrant with exercise price equal to US\$0.0001 per share), 7,291,583 Series C Redeemable Convertible Preferred Shares (including 2,499,998 in the form of Warrant with exercise price equal to US\$0.001 per share), 6,173,503 Series D Redeemable Convertible Preferred Shares (including 488,400 in the form of Warrant with exercise price equal to US\$0.001 per share and 2,442,002 in the form of Warrant held by Gongqingcheng Yuanxi with exercise price equal to their original issue price) (the aforementioned transaction in connection with the Group’s Reorganization as the “Share Exchange”).

The management assessed that the Share Exchange involves the de-recognition of ordinary shares with preferential rights (i.e., one equity and one liability) of Beisen Cloud Computing, with

carrying amounts of RMB421,414,000, by issuing Preferred Shares and Warrants and assuming an obligation to repay RMB100,000,000 to Gongqingcheng Yuanxi (the “Repayment Liability”, Note 29). The total difference between the sum of the fair value of Preferred Shares, the fair value of the Warrant and the Repayment Liability, and the carrying amount of the ordinary shares with preferential rights was recorded as: i) losses from financial instruments issued to investors of RMB86,588,000, equal to the difference between the fair value of financial instruments issued to investors and its carrying amount (Note 30), ii) the “other reserve” of consolidated statements of financial position of RMB622,585,000, which represents the net effect of de-recognizing the equity portion of the ordinary shares with preferential rights.

Meanwhile, in connection with the Group’s Reorganization, apart from direct allotment of Redeemable Convertible Preferred Shares, as agreed by the Company and its then Ordinary Shareholders and Preferred Shareholders, there were certain redesignations from onshore Ordinary Shares or onshore Ordinary Shares with special rights to the Company’s Redeemable Convertible Preferred Shares during the transitional period:

Onshore Series A Investment held by certain shareholder were redesignated into the Company’s Series B-1 Redeemable Convertible Preferred Shares, the Group recorded RMB2,347,000 share-based payment for such redesignation, and the accounting treatment for derecognizing onshore common shares with special rights in exchange for the Company’s Redeemable Convertible Preferred Shares remains the same as discussed above.

Onshore common shares held by other Market Maker shareholders has been redesignated into the Company’s Series D Redeemable Convertible Preferred Shares, either held by the Co-founders, Genesis Capital I LP or held by China International Capital Corporation Limited offshore affiliates, whereby the difference between the fair value of Series D Redeemable Convertible Preferred Shares and the fair value of the Company’s Ordinary Shares, for RMB42,799,000 is recorded as share-based payment expenses. Meanwhile, the shares held by the Co-founders’ onshore wholly owned company has been redesignated into the Company’s Series C Redeemable Convertible Preferred Shares, and the difference between the fair value of Series C Redeemable Convertible Preferred Shares and the fair value of the Company’s Ordinary Shares, for RMB2,241,000 is recorded as share-based payment expenses.

B. Issuance of Series E-1 Redeemable Convertible Preferred Shares

On September 26, 2018, the Company entered into an agreement with Genesis Capital I LP and SCC Venture VII Holdco, Ltd. and issued 4,037,530 and 987,129 Series E-1 Redeemable Convertible Preferred Shares (“Series E-1 Preferred Shares”) for cash consideration of US\$38.7 million and US\$9.5 million respectively.

C. Issuance of Series E-2 Redeemable Convertible Preferred Shares

On November 19, 2018, the Company entered into an agreement with MATRIX PARTNERS CHINA V HONG KONG LIMITED and issued 2,556,936 Series E-2 Redeemable Convertible Preferred Shares (“Series E-2 Preferred Shares”, and Series E-1 Preferred Shares and Series E-2 Preferred Shares are collectively referred to as “Series E Preferred Shares”) for cash consideration of US\$24.5 million.

D. Share Transfer among Ordinary Shareholders and Preferred Shares

On November 23, 2018, certain Ordinary Shareholders transferred an aggregate of 1,345,920 Ordinary Shares to other Ordinary Shareholders, and certain Preferred Shareholder transferred an aggregate of 622,688 Preferred Shares to other Preferred Shareholders. The transaction price is US\$7.14 per share for the share transfer, whereby the difference between the transaction price and the fair value of Ordinary Shares and Preferred Shares, for RMB32,546,000, is recorded as share-based payment.

E. Share Exchange in Connection with the Reorganization by Exercising Warrants

On November 23, 2018, the Warrants held by the warrant holders with exercise price equal to US\$0.001 were exercised since relevant regulatory filings have been completed. Management concluded that these Warrants are mainly a transitional arrangement to complete the Group's Reorganization, with no significant impact to the Group's consolidated financial statements.

On June 1, 2020, Warrant Holder Gongqingcheng Yuanxi exercised its Warrant and acquired the Company's Series D Redeemable Convertible Preferred Shares (Note 32).

F. Issuance of Series F Redeemable Convertible Preferred Shares

On April 9, 2021, the Company entered into an agreement with SVF II Cortex Subco (DE) LLC, Mercer Investments (Singapore) Pte. Ltd., Bargate Investment Holdings One Limited, Fidelity China Special Situations PLC, Fidelity Funds, Fidelity Investments Funds, Space Trek L.P., MATRIX PARTNERS CHINA V HONG KONG LIMITED, GC HCM (BVI) Limited, GC HCM Holdings Limited, SCC Growth VI Holdco E, Ltd. and SCGC Capital Holding Company Limited, and issued 4,104,113; 1,231,234; 1,231,234; 663,808; 552,070; 15,356; 820,823; 410,411; 328,329; 205,206; 697,699 and 410,411 Series F Redeemable Convertible Preferred Shares ("Series F Preferred Shares") for cash consideration of US\$100 million, US\$30 million, US\$30 million, US\$16.2 million, US\$13.5 million, US\$0.4 million, US\$20 million, US\$10 million, US\$8 million, US\$5 million, US\$17 million and US\$10 million respectively.

G. Share Repurchase Concurrently with Issuance of Series F Redeemable Convertible Preferred Shares

Concurrently with the issuance of Series F Preferred Shares, 412,000, 366,300 and 122,100 series D Redeemable Convertible Preferred Shares have been repurchased by the Company from three Series D Preferred Shareholders, and 100,642 and 140,000 Ordinary Shares have been repurchased by the Company from two Ordinary Shareholders respectively at a consideration of US\$21.9 per share. The Company derecognized the carrying amount of relevant Series D Redeemable Convertible Preferred Shares, whereby the difference between the consideration and the fair value of the Redeemable Convertible Preferred Shares, for RMB37,889,000, is recognized as share-based payment expenses. For details about the repurchase of Ordinary Shares, please refer to Note 24.

The Series A, B, B-1, C, D, E-1, E-2 and F Redeemable Convertible Preferred Shares are collectively referred to as the "Preferred Shares".

The key terms of the Preferred Shares upon issuance of Series F Preferred Shares are summarized as follows:

(a) Dividends rights

Prior and in preference to any declaration or payment of any dividend on the Ordinary Shares, each holder of the Preferred Shares shall be entitled to receive dividends, out of any funds legally available therefor, the pro rata portion of the dividend to be distributed in proportion to the shareholding percentage of such holder in respect of Preferred Shares held by it (calculated on a fully-diluted and as-converted basis) in all the then outstanding Shares of the Company. Such dividends shall be payable and accrue when, as and if declared by the Board and shall be cumulative.

No dividends shall be declared or paid on any Ordinary Shares during any previous or current fiscal year of the Company until all accrued dividends shall have been paid or declared and set apart during that fiscal year and unless and until a dividend in like amount as is declared or paid on such Junior Share has been declared or paid on each outstanding Preferred Shares (on an as-converted to Ordinary Share basis).

(b) Conversion of Preferred Shares

Each Preferred Share may, at the option of the Preferred Shareholders thereof, be converted at any time into fully-paid and nonassessable Ordinary Shares based on the then-effective Applicable Conversion Price.

In addition, each Preferred Share shall automatically be converted, based on the then-effective Applicable Conversion Price, without any action being required by the holder of such share and whether or not the certificates representing such share are surrendered to the Company or its transfer agent, into Ordinary Shares upon the closing of a qualified initial public offering ("Qualified IPO").

The Applicable Conversion Price shall initially equal the Applicable Original Issue Price, and each shall be adjusted from time to time due to: a) issuance of additional ordinary shares without consideration or for a consideration per share received by the Company that is less than they Applicable Conversion Price in effect on the date of and immediately prior to such issue, b) share dividends, subdivisions, combinations or consolidations of Ordinary Shares, c) Other distributions, d) reclassification, exchange and substitution. For avoidance of doubt, the initial conversion ratio for the Preferred Shares to Ordinary Shares shall be 1:1.

(c) Redemption feature

In the event (i) the Company fails to consummate a Qualified IPO prior to the 3rd anniversary of the issuance of Series F Preferred Shares, (ii) any of the Group Companies or the Co-founders commit any material crime or material breach of laws in each case of which has a material adverse effect of the Qualified IPO, (iii) the Co-founders taken as a whole cease to Control the Group Companies which has a material adverse effect the Qualified IPO, (iv) there is a material breach by any Group Company, the Co-founders or the Founder Holdcos of any of its respective warranties, covenants and undertakings set forth in the Transaction Documents prior to the Qualified IPO, and such breach is not effectively cured within thirty (30) business days upon receipt of written notice from any Preferred Shareholder, or (v) any holder of any Preferred Shares has validly requested the Company to redeem its Preferred Shares in accordance with the foregoing (i) to (iv), each Preferred Shares shall be redeemable at the

option of each holder of the Preferred Shares, out of funds legally available therefor, at redemption price equal to:

For each Series F Preferred Share, (x) one hundred percent (100%) of the Series F Original Issue Price, plus (y) an amount accruing thereon daily at a simple rate of eight percent (8%) per annum of the Series F Original Issue Price, beginning on the date of issuance of such Series F Preferred Shares, plus (z) any declared but unpaid dividends.

For each Series E Preferred Share, (x) 100% of the Series E Original Issue Price, plus (y) an amount accruing thereon daily at a simple rate of 8% per annum of the Series E Original Issue Price, beginning on the date of issuance of such Series E Preferred Shares, plus (z) any declared but unpaid dividends.

For each Series D Preferred Share, (x) 100% of the Series D Original Issue Price, plus (y) an amount accruing thereon daily at a compound rate of 10% per annum of the Series D Original Issue Price, beginning on the date: with respect to Series D Preferred Shares held by Shanghai Chuangji Investment Center L.P. (上海創稷投資中心 (有限合夥)), of June 15, 2017; with respect to Series D Preferred Shares held by Beis Investment (BVI) Ltd, of June 16, 2017; with respect to Series D Preferred Shares held by Zhide One Investment Co. Limited, of January 20, 2016; with respect to Series D Preferred Shares held by Genesis Capital I LP, of May 24, 2018, plus (z) any declared but unpaid dividends.

For each Series C Preferred Share, (x) 100% of the Series C Original Issue Price, plus (y) an amount accruing thereon daily at a compound rate of 10% per annum of the Series C Original Issue Price, beginning on July 8, 2015, plus (z) any declared but unpaid dividends.

For each Series B-1 Preferred Share, (x) 100% of the Series B-1 Original Issue Price, plus (y) an amount accruing thereon at a simple interest rate of 10% per annum of the Series B-1 Original Issue Price, beginning on the date: with respect to Series B-1 Preferred Shares held by Jingwei Chuangda (Hangzhou) Venture Capital Investment L.P. (經緯創達 (杭州) 創業投資合夥企業 (有限合夥)) and Max Woods Limited, of April 27, 2015; with respect to Series B-1 Preferred Shares held by Genesis Capital I LP and SCC Venture VII Holdco, Ltd., of November 23, 2018, plus (z) any declared but unpaid dividends.

For each Series B Preferred Share, (x) 100% of the Series B Original Issue Price, plus (y) an amount accruing thereon at a simple interest rate of 10% per annum of the Series B Original Issue Price, beginning on the date: with respect to Series B Preferred Shares held by Jingwei Chuangda (Hangzhou) Venture Capital Investment L.P. (經緯創達 (杭州) 創業投資合夥企業 (有限合夥)), of January 16, 2013; with respect to Series B Preferred Shares held by Max Woods Limited, of April 12, 2013, plus (z) any declared but unpaid dividends.

For each Series A Preferred Share, equal to (x) 100% of the Series A Original Issue Price, plus (y) an amount accruing thereon at a simple interest rate of 10% per annum of the Series A Original Issue Price, beginning on July 5, 2010, plus (z) any declared but unpaid dividends (collectively, the "Series A Redemption Price").

(d) *Liquidation preferences*

Upon any liquidation (including deemed liquidation), dissolution or winding up of the Company and/or any Group Company, either voluntary or involuntary, holders of the Preferred Shares shall be entitled to receive distributions in the following manner:

- (i) First to the holders of Series F Preferred Shares, entitled to receive, on parity with each other, an amount equal to one hundred percent (100%) of the Series F Original Issue Price (in each case as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions), plus an amount accruing thereon daily at a simple rate of eight percent (8%) per annum of the Series F Original Issue Price, plus all dividends declared and unpaid with respect thereto per Series F Preferred Shares, then held by such holder.
- (ii) Second to the holders of Series E Preferred Shares, entitled to receive, on parity with each other, an amount equal to one hundred percent (100%) of the Series E Original Issue Price (in each case as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions), plus an amount accruing thereon daily at a simple rate of eight percent (8%) per annum of the Series E Original Issue Price, plus all dividends declared and unpaid with respect thereto per Series E Preferred Share, then held by such holder .
- (iii) Third to the holders of Series D Preferred Shares, entitled to receive, on parity with each other, an amount equal to one hundred and fifty percent (150%) of the Series D Original Issue Price (in each case as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions), plus all dividends declared and unpaid with respect thereto per Series D Preferred Share, then held by such holder.
- (iv) Lastly to the holders of Series C Preferred Shares, Series B-1 Preferred Shares, Series B Preferred Shares and Series A Preferred Shares, entitled, on parity with each other, an amount equal to one hundred and fifty percent (150%) of relevant Original Issue Price (in each case as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions), plus all dividends declared and unpaid with respect thereto relevant Preferred Shares, then held by such holder.

After distribution or payment in full of the amount distributable or payable on the Preferred Shares pursuant to paragraph (i) to (iv) above, the remaining assets of the Company available for distribution shall be distributed ratably among the holders of outstanding Ordinary Shares and the holders of outstanding Preferred Share in proportion to the number of outstanding Ordinary Shares held by them (with outstanding Preferred Shares treated on an as-if-converted basis).

(e) *Voting rights*

Subject to the articles, each Preferred Shares shall carry such number of votes as is equal to the number of votes or Ordinary Shares into which such series of Preferred Shares could be converted. Holders of the Ordinary Shares and Preferred Shares shall vote together and not as separate classes.

The Group does not bifurcate any embedded derivatives from the host instruments and designates the entire instruments as financial liabilities at fair value through profit or loss with the fair value changes in relation to the Company's own credit risk recognized as other comprehensive income,

while fair value changes in relation to market risk recorded in the consolidated statement of comprehensive loss. Amounts recorded in other comprehensive income related to credit risk are not subject to recycling in profit or loss, but are transferred to retained earnings when realized.

Management designated Redeemable Convertible Preferred Shares as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Subsequently, the component of fair value changes relating to the Company's own credit risk is recognized in other comprehensive loss. The classification of Redeemable Convertible Preferred Shares as current or non-current liabilities is based on whether the Preferred Shareholders can demand the Company to redeem the Preferred Shares within 12 months after the end of the reporting period. As of March 31, 2021, all Redeemable Convertible Preferred Shares are classified as current liabilities as the Preferred Shareholders can demand redemption if the Company could not consummate a Qualified IPO by December 31, 2021. Upon issuance of Series F Preferred Shares in April 2021, the earliest redemption date of all the Redeemable Convertible Preferred Shares were extended to three years from the closing of issuance of Series F Preferred Shares as described above (Note 31(G)(c)), as such, all Redeemable Convertible Preferred Shares are classified as non-current liabilities as of September 30, 2022.

The movement of the redeemable convertible preferred shares is set out as below:

	RMB'000
As at April 1, 2018 (Unaudited)	—
Allotment of redeemable convertible preferred shares upon Reorganization	985,961
Issuance of Series E-1 Preferred Shares	333,013
Issuance of Series E-2 Preferred Shares	170,000
Changes in fair value through profit or loss	317,678
Changes in fair value through other comprehensive income	19,173
Foreign exchange adjustments	(28,400)
As at March 31, 2019	<u>1,797,425</u>
As at April 1, 2019	1,797,425
Changes in fair value through profit or loss	883,369
Changes in fair value through other comprehensive income	8,946
Foreign exchange adjustments	110,717
As at March 31, 2020	<u>2,800,457</u>
As at April 1, 2020	2,800,457
Exercise of warrant liability	246,682
Changes in fair value through profit or loss	752,797
Changes in fair value through other comprehensive income	1,170
Foreign exchange adjustments	(242,929)
As at March 31, 2021	<u>3,558,177</u>
As at April 1, 2021	3,558,177
Issuance of Series F Preferred Shares	1,700,951
Repurchase of redeemable convertible preferred shares	(92,853)
Changes in fair value through profit or loss	1,638,199
Changes in fair value through other comprehensive income	(7,365)
Foreign exchange adjustments	(186,185)
As at March 31, 2022	<u>6,610,924</u>

	RMB'000
(Unaudited)	
As at April 1, 2021	3,558,177
Issuance of Series F Preferred Shares	1,700,951
Repurchase of redeemable convertible preferred shares	(92,853)
Changes in fair value through profit or loss	660,595
Changes in fair value through other comprehensive income	(36,070)
Foreign exchange adjustments	(58,113)
As at September 30, 2021	<u>5,732,687</u>
As at April 1, 2022	6,610,924
Changes in fair value through profit or loss	4,991
Changes in fair value through other comprehensive income	4,334
Foreign exchange adjustments	783,223
As at September 30, 2022	<u>7,403,472</u>

The Group applied the discounted cash flow method to determine the underlying equity value of the Company and adopted equity allocation model to determine the fair value of the redeemable convertible preferred shares as at the dates of issuance and at the end of each reporting period.

Key valuation assumptions used to determine the fair value of Preferred Shares are as follows:

	Year ended March 31				Six months ended September 30	
	2019	2020	2021	2022	2021	2022
					(Unaudited)	
Discount rate	23.0%	21.0%	18.0%	16.5%	17.6%	16.5%
Risk-free interest rate	2.2%	0.2%	0.1%	2.3%	0.4%	4.1%
Volatility	37.1%	41.2%	40.7%	42.9%	41.7%	41.7%

32 Warrant liability

In connection with the Group's Reorganization, the Company granted a Warrant to one of its existing investors on September 25, 2018, which permits that investor to acquire the Company's 2,442,002 Series D Preferred Shares after completion of the requisite regulatory formalities for outbound investments. Exercise price of the Warrant is an equivalent US dollar amount of the original investment of RMB100,000,000 by that investor in Beisen Cloud Computing, subject to the changes of exchange rate at the date of exercise of the Warrant. Concurrently, Beisen Cloud Computing also assumed an obligation to repay the RMB100,000,000 to this investor (the "Repayment Liability"). That investor exercised the Warrant on June 1, 2020.

The purpose of the Warrant and the Repayment Liability is to replace the original common shares with special rights (Note 30) eventually with the Company's Redeemable Convertible Preferred Shares as part of the Group's Reorganization. Management concluded that such Warrant should be recorded as a financial liability measured at fair value through profit or loss. The total difference between the sum of the Repayment Liability (RMB100,000,000) and the fair value of Warrant liability upon issuance, and the carrying amount of ordinary shares with preferential rights was recorded as: i) losses from de-recognizing financial instruments issued to investors of RMB33,477,000 in the consolidated statement of comprehensive loss, representing the difference between the fair value of the financial instruments issued to investors and the carrying amount of its liability portion (Note 30), ii) the reserves of consolidated statements of financial position of RMB8,985,000, which represented the net effect of de-recognizing the equity portion of related ordinary shares with preferential rights.

The movement of the Warrant liability is set out as below:

	RMB'000
As at April 1, 2018 (Unaudited)	—
Issuance of warrant liability in relation to the Reorganization of the Group	44,628
Changes in fair value through profit or loss	13,159
Foreign exchange adjustments	<u>(675)</u>
As at March 31, 2019	<u>57,112</u>
	RMB'000
As at April 1, 2019	57,112
Changes in fair value through profit or loss	53,472
Foreign exchange adjustments	<u>3,992</u>
As at March 31, 2020	<u>114,576</u>
	RMB'000
As at April 1, 2020	114,576
Changes in fair value through profit or loss	32,571
Exercise of warrant liability	<u>(147,147)</u>
As at March 31, 2021	<u>—</u>

The Group did not grant any other warrant after March 31, 2021.

Key valuation assumptions used to determine the fair value of Warrant Liability are as follows:

	<u>Year ended March 31</u>				<u>Six months ended</u> <u>September 30</u>	
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
					(Unaudited)	
Discount rate	23.0%	21.0%	N/A	N/A	N/A	N/A
Risk-free interest rate	2.4%	0.1%	N/A	N/A	N/A	N/A
Volatility	41.3%	69.6%	N/A	N/A	N/A	N/A

33 Dividends

No dividends have been paid or declared by the Company or the companies now comprising the Group for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022.

34 Cash flow information*(a) Cash (used in)/generated from operations*

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Loss before income tax	(691,910)	(1,252,276)	(923,438)	(1,921,579)	(820,014)	(167,124)
Adjustments for :						
Depreciation and amortization	7,962	14,342	11,711	13,374	5,686	11,063
Depreciation of right-of-use assets	22,592	31,993	28,762	37,705	16,924	20,279
Net impairment losses on financial assets and contract assets	(118)	384	1,026	1,024	32	2,601
Share-based payments expenses	81,126	77,946	33,549	106,983	79,593	5,692
Net fair value gains on financial assets measured at fair value through profit or loss	(3,708)	(3,984)	(18,771)	(37,820)	(19,807)	(21,191)
Finance income—net	(437)	(4,727)	(3,035)	(5,183)	(2,908)	(1,358)
Changes in fair value of warrant liability	13,159	53,472	32,571	—	—	—
Changes in fair value of redeemable convertible preferred shares	317,678	883,369	752,797	1,638,199	660,595	4,991
Loss of disposal of long-lived assets	38	425	163	352	415	(355)
Gains on disposal of subsidiaries	(1,154)	(4,132)	—	(11,875)	(12,432)	—
Exchange gains/(losses)	1,588	14,958	(26,207)	(27,937)	(5,073)	(1,142)
Losses from financial instruments issued to investors	111,461	—	—	—	—	—
Change in working capital :						
Decrease/(increase) in trade receivables	2,402	(5,055)	(2,061)	(11,013)	(4,558)	(6,969)
(Increase)/decrease in contract assets	(328)	(1,989)	1,978	(1,402)	(1,631)	(19)
(Increase)/decrease in other receivables and prepayment	(3,368)	(5,508)	(5,962)	(11,140)	(5,051)	3,108
Increase in contract acquisition costs	(9,924)	(4,875)	(10,314)	(7,995)	(2,130)	(1,859)
Decrease/(increase) in restricted cash	65	(728)	665	(117)	50	—
Increase/(decrease) in trade payables	845	784	(1,491)	3,687	2,348	1,953
Increase/(decrease) in other payables and accruals	5,665	16,294	10,924	1,992	(2,682)	(6,162)
Increase/(decrease) in contract liabilities	53,146	75,348	95,031	54,566	3,376	(11,500)
Increase/(decrease) in salary and welfare payable	12,067	42,368	57,357	16,928	(30,358)	(19,096)
Cash (used in)/generated from operations	(81,153)	(71,591)	35,255	(161,251)	(137,625)	(187,088)

(b) Non-cash investing and financing activities

The major non-cash investing and financing transactions during the Track Record Period mainly include (i) the additions of the right-of-use assets and lease liabilities described in Note 16, and

(ii) financial assets at fair value through profit or loss arises from disposal of Beisen Shengya described in Note 8.

(c) *Debt reconciliation*

This section sets out an analysis of net cash and the movements in net cash for the years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2021 and 2022.

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
					RMB'000
Cash and cash equivalents	257,351	191,337	215,074	288,706	78,919
Redeemable convertible preferred shares	(1,797,425)	(2,800,457)	(3,558,177)	(6,610,924)	(7,403,472)
Warrant liability	(57,112)	(114,576)	—	—	—
Lease liabilities	(49,493)	(28,348)	(24,199)	(76,527)	(67,604)
Net debt	(1,646,679)	(2,752,044)	(3,367,302)	(6,398,745)	(7,392,157)

	Liabilities from financing activities			Other assets	Total
	Leases	Redeemable convertible preferred shares	Warrant liability	Cash and cash equivalents	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net debt as at April 1, 2018 (Unaudited)	(26,419)	—	—	106,604	80,185
Cash flows	23,415	(503,013)	—	164,332	(315,266)
Allotment of redeemable convertible preferred shares upon Reorganization	—	(985,961)	—	—	(985,961)
Issuance of warrant liability in relation to the Reorganization of the Group	—	—	(44,628)	—	(44,628)
Changes in fair values	—	(336,851)	(13,159)	—	(350,010)
Foreign exchange adjustments	—	28,400	675	(13,585)	15,490
(Additions)/disposals—non cash	(46,489)	—	—	—	(46,489)
Finance costs recognized	(1,950)	—	—	—	(1,950)
Interest payments	1,950	—	—	—	1,950
Net debt as at March 31, 2019	(49,493)	(1,797,425)	(57,112)	257,351	(1,646,679)
Net debt as at April 1, 2019	(49,493)	(1,797,425)	(57,112)	257,351	(1,646,679)
Cash flows	33,555	—	—	(69,651)	(36,096)
Changes in fair values	—	(892,315)	(53,472)	—	(945,787)
Foreign exchange adjustments	—	(110,717)	(3,992)	3,637	(111,072)
Additions—non cash	(16,585)	—	—	—	(16,585)
Disposals—non cash	4,175	—	—	—	4,175
Finance costs recognized	(2,094)	—	—	—	(2,094)
Interest payments	2,094	—	—	—	2,094
Net debt as at March 31, 2020	(28,348)	(2,800,457)	(114,576)	191,337	(2,752,044)
Net debt as at April 1, 2020	(28,348)	(2,800,457)	(114,576)	191,337	(2,752,044)
Cash flows	29,165	—	—	31,244	60,409
Exercise of warrant liability	—	(246,682)	147,147	—	(99,535)
Changes in fair values	—	(753,967)	(32,571)	—	(786,538)
Foreign exchange adjustments	—	242,929	—	(7,507)	235,422
Additions—non cash	(27,157)	—	—	—	(27,157)
Disposals—non cash	2,141	—	—	—	2,141
Finance costs recognized	(1,378)	—	—	—	(1,378)
Interest payments	1,378	—	—	—	1,378

	Liabilities from financing activities			Other assets	Total
	Leases	Redeemable convertible preferred shares	Warrant liability	Cash and cash equivalents	
	RMB'000	RMB'000	RMB'000	RMB'000	
Net debt as at March 31, 2021	(24,199)	(3,558,177)	—	215,074	(3,367,302)
Net debt as at April 1, 2021	(24,199)	(3,558,177)	—	215,074	(3,367,302)
Cash flows	37,820	(1,585,675)	—	86,013	(1,461,842)
Changes in fair values	—	(1,630,834)	—	—	(1,630,834)
Foreign exchange adjustments	—	186,185	—	(12,381)	173,804
Other changes due to share repurchase	—	(22,423)	—	—	(22,423)
Additions—non cash	(92,303)	—	—	—	(92,303)
Disposals—non cash	2,155	—	—	—	2,155
Finance costs recognized	(2,628)	—	—	—	(2,628)
Interest payments	2,628	—	—	—	2,628
Net debt as at March 31, 2022	(76,527)	(6,610,924)	—	288,706	(6,398,745)
(Unaudited)					
Net debt as at April 1, 2021	(24,199)	(3,558,177)	—	215,074	(3,367,302)
Cash flows	14,824	(1,578,069)	—	571,759	(991,486)
Changes in fair values	—	(624,525)	—	—	(624,525)
Foreign exchange adjustments	—	60,770	—	(26,818)	33,952
Additions—non cash	(35,197)	(32,686)	—	—	(67,883)
Disposals—non cash	795	—	—	—	795
Finance costs recognized	(1,102)	—	—	—	(1,102)
Interest payments	1,102	—	—	—	1,102
Net debt as at September 30, 2021	(43,777)	(5,732,687)	—	760,015	(5,016,449)
Net debt as at April 1, 2022	(76,527)	(6,610,924)	—	288,706	(6,398,745)
Cash flows	18,750	—	—	(214,437)	(195,687)
Changes in fair values	—	(9,325)	—	—	(9,325)
Foreign exchange adjustments	—	(783,223)	—	4,650	(778,573)
Additions—non cash	(14,649)	—	—	—	(14,649)
Disposals—non cash	4,822	—	—	—	4,822
Finance costs recognized	(1,856)	—	—	—	(1,856)
Interest payments	1,856	—	—	—	1,856
Net debt as at September 30, 2022	(67,604)	(7,403,472)	—	78,919	(7,392,157)

35 Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the year/period but not yet incurred is as follows:

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Within 1 year	2,462	1,703	880	10,885	1,410

(b) Operating Lease Commitments

The Group leases certain offices under non-cancellable operating lease arrangements with lease terms less than 1 year, which can be exempted from IFRS 16. The Group's future aggregate minimum lease payments for such short term non-cancellable operating leases were as follows:

	As at March 31,				As at
	2019	2020	2021	2022	September 30
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Within 1 year	<u>5,879</u>	<u>1,732</u>	<u>238</u>	<u>1,118</u>	<u>1,013</u>

36 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 significant transactions were carried out between the Group and its related parties during the Track Record Period. 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) Year end balances with related parties

The following companies are related parties of the Group that had significant transactions and/or balance with the Group during the Track Record Period.

<u>Names of the major related parties</u>	<u>Relationship</u>
Beijing Beisen Asset Management Limited	Entity controlled by Mr Wang Zhaohui and Mr Ji Weiguo
Mr Zhang Qinghua (i)	Key management
Beijing Black Mirror Co., Ltd. ("Beijing Black Mirror")	The Group has significant influence over the entity (Note 8)
Gongqingcheng Yuanxi	Shareholder

(i) Mr Zhang Qinghua was the key management of Beisen Cloud Computing, and he resigned from the Group after the disposal transaction of Sen Yun Technology (Note 8).

(b) Year end balances with related parties

	As at March 31,				As at
	2019	2020	2021	2022	September 30
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Other payables due to related parties-non-trade(Note 29)					
—Gongqingcheng Yuanxi	<u>100,000</u>	<u>100,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other receivables due from related parties-non-trade					
—Beijing Beisen Asset Management Limited	<u>13</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

(c) Transactions with other related parties

	Year ended March 31,			Six months ended September 30,	
	2019	2020	2021	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Sales of goods and services					
—Mr. Zhang Qinghua	189	—	—	—	—
Unlisted equity investment					
—Beijing Black Mirror	2,000	—	—	—	—
Lease income					
—Beijing Beisen Asset Management Limited	13	—	—	—	—

(d) Key management personnel compensations

Key management includes executive directors and other members of the Company's senior management team. The compensations payable to key management for employee services are shown below:

	Year ended March 31,				Six months ended September 30,	
	2019	2020	2021	2022	2021	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Share-based compensation	4,900	5,484	5,770	8,273	4,026	(419)
Wages, salaries and bonuses	5,245	5,418	6,250	6,160	2,757	2,913
Pension cost-defined contribution plans	195	156	52	214	104	115
Housing benefits	123	156	160	162	80	87
Other social security costs	120	124	132	144	72	76
	10,583	11,338	12,364	14,953	7,039	2,772

37 Benefits and interests of directors

The remuneration of every director for the year ended March 31, 2019 is set out as below:

Name	Fees	Wages, salaries and bonuses	Pension cost-defined contribution plans	Other social security costs	Housing benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Wang Zhaohui(i)	—	1,093	57	35	36	—	1,221
Mr. He Jiabo(ii)	—	2,133	57	35	36	4,483	6,744
Mr. Ji Weiguo(iii)	—	1,408	57	35	36	—	1,536
Mr. Xu Liang(v)	—	—	—	—	—	—	—
Mr. Ji Yue(ii)	—	—	—	—	—	—	—
Mr. Zuo Lingye(ii)	—	—	—	—	—	—	—
Mr. Quan Le(ii)	—	—	—	—	—	—	—
Mr. Xu Hao(vi)	—	—	—	—	—	693	693
	—	4,634	171	105	108	5,176	10,194

The remuneration of every director for the year ended March 31, 2020 is set out as below:

Name	Fees	Wages, salaries and bonuses	Pension costs-defined contribution plans	Other social security costs	Housing benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Wang Zhaohui(i)	—	887	39	31	39	—	996
Mr. He Jiabo(viii)	—	1,943	39	31	39	4,483	6,535
Mr. Ji Weiguo(iii)	—	1,212	39	31	39	—	1,321
Mr. Xu Liang(v)	—	—	—	—	—	—	—
Mr. Ji Yue(ii)	—	—	—	—	—	—	—
Mr. Zuo Lingye(ii)	—	—	—	—	—	—	—
Mr. Quan Le(ii)	—	—	—	—	—	—	—
Mr. Xu Hao(vi)	—	—	—	—	—	2,499	2,499
	—	4,042	117	93	117	6,982	11,351

The remuneration of every director for the year ended March 31, 2021 is set out as below:

Name	Fees	Wages, salaries and bonuses	Pension costs-defined contribution plans	Other social security costs	Housing benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Wang Zhaohui(i)	—	1,032	13	33	40	—	1,118
Mr. He Jiabo(viii)	—	2,303	13	33	40	4,483	6,872
Mr. Ji Weiguo(iii)	—	1,667	13	33	40	—	1,753
Mr. Xu Liang(v)	—	—	—	—	—	—	—
Mr. Ji Yue(ii)	—	—	—	—	—	—	—
Mr. Zuo Lingye(ii)	—	—	—	—	—	—	—
Mr. Quan Le(ii)	—	—	—	—	—	—	—
Mr. Xu Hao(vi)	—	—	—	—	—	—	—
	—	5,002	39	99	120	4,483	9,743

The remuneration of every director for the year ended March 31, 2022 is set out as below:

Name	Fees	Wages, salaries and bonuses	Pension cost-defined contribution plans	Other social security costs	Housing benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Wang Zhaohui(i)	—	1,155	53	36	40	—	1,284
Mr. He Jiabo(viii)	—	2,369	53	36	40	4,679	7,177
Mr. Ji Weiguo(iii)	—	1,225	53	36	40	—	1,354
Ms. Liu Xianna(vii)	—	1,412	53	36	40	3,594	5,135
Ms. Liu Shanshan(iv)	—	—	—	—	—	—	—
Mr. Xu Liang(v)	—	—	—	—	—	—	—
Mr. Ji Yue(ii)	—	—	—	—	—	—	—
Mr. Zuo Lingye(ii)	—	—	—	—	—	—	—
Mr. Quan Le(ii)	—	—	—	—	—	—	—
Mr. Xu Hao(vi)	—	—	—	—	—	—	—
	—	6,161	212	144	160	8,273	14,950

The remuneration of every director for the six months ended September 30, 2021 is set out as below:

Name (Unaudited)	Fees	Wages, salaries and bonuses	Pension cost-defined contribution plans	Other social security costs	Housing benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Wang Zhaohui(i)	—	553	26	18	20	—	617
Mr. He Jiabo(viii)	—	1,076	26	18	20	2,241	3,381
Mr. Ji Weiguo(iii)	—	548	26	18	20	—	612
Ms. Liu Shanshan(iv)	—	—	—	—	—	—	—
Mr. Xu Liang(v)	—	—	—	—	—	—	—
Mr. Ji Yue(ii)	—	—	—	—	—	—	—
Mr. Zuo Lingye(ii)	—	—	—	—	—	—	—
Mr. Quan Le(ii)	—	—	—	—	—	—	—
Mr. Xu Hao(vi)	—	—	—	—	—	—	—
	—	<u>2,177</u>	<u>78</u>	<u>54</u>	<u>60</u>	<u>2,241</u>	<u>4,610</u>

The remuneration of every director for the six months ended September 30, 2022 is set out as below:

Name	Fees	Wages, salaries and bonuses	Pension cost-defined contribution plans	Other social security costs	Housing benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Wang Zhaohui(i)	—	422	29	19	22	—	492
Mr. He Jiabo(viii)	—	932	29	19	22	(887)	115
Mr. Ji Weiguo(iii)	—	782	29	19	22	—	852
Ms. Liu Xianna (vii)	—	777	29	19	22	468	1,315
	—	<u>2,913</u>	<u>116</u>	<u>76</u>	<u>88</u>	<u>(419)</u>	<u>2,774</u>

- (i) Mr. Wang Zhaohui was appointed as the Company's chairman of the board of directors on April 6, 2018.
- (ii) Mr. Ji Yue, Mr. Zuo Lingye and Mr. Quan Le were appointed as the Company's directors on September 25, 2018. Mr. Ji Yue, Mr. Zuo Lingye and Mr. Quan Le resigned on December 31, 2021.
- (iii) Mr. Ji Weiguo was appointed as the Company's director on April 6, 2018.
- (iv) Ms. Liu Shanshan was appointed as the Company's director on April 9, 2021 and resigned on December 31, 2021.
- (v) Mr. Xu Liang was appointed as the Company's director on September 26, 2018 and resigned on December 31, 2021.
- Mr. Ji Yue, Mr. Zuo Lingye, Mr. Quan Le, Ms. Liu Shanshan and Mr. Xu Liang were appointed by the relevant Pre-IPO investors to represent their respective interests at the Board and assumed non-executive roles, and resigned prior to the filing of the initial listing application of the Company for purposes of simplifying the Board structure. All such former directors were not involved in the day-to-day management of the Company during their terms.
- (vi) Mr. Xu Hao was appointed as the Company's director on March 13, 2019 and resigned on April 9, 2021. Mr. Xu Hao had only served as a director on non-executive basis. He had not been employed by any member of the Group and had not been involved in the Group's day-to-day operations.
- (vii) Ms. Liu Xianna was appointed as the Company's director on December 31, 2021.
- (viii) Mr. He Jiabo was appointed as the Company's director on September 25, 2018 and resigned from directorship and his position as the president of the Company effective from November 30, 2022 due to health reasons. Mr. He Jiabo will continue to be employed by the Company as a consultant subsequent to his resignation from directorship.

38 Notes to the statements of financial position of the Company*(a) Investments in subsidiaries*

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Investments in a subsidiary (i)	483,600	725,800	791,335	2,268,994	2,537,633
Deemed investment arising from share-based payment (ii)	—	75,447	108,996	147,564	171,868
Deemed investment arising from the Reorganization (iii)	1,275,958	1,432,215	1,432,215	1,309,422	1,464,453
	1,759,558	2,233,462	2,332,546	3,725,980	4,173,954

- (i) The Company invested in USD71,820,000, USD102,440,000, USD120,423,000, USD357,423,000 and USD357,423,000 to its directly owned subsidiary as at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022 respectively.
- (ii) The Company granted share options directly to employees of its subsidiaries (including the structured entities) within the Group, and the Company did not charge subsidiaries for the transaction. In the consolidated financial statements, the transaction was treated as an equity-settled share-based payment. While in the separate financial statements of the Company, it was recorded as an increase in the investment in the subsidiaries.
- (iii) Deemed investment arising from the Reorganization represented the fair value of Beisen Cloud Computing acquired by the Company upon completion of the Reorganization. During the year ended March 31, 2022, concurrently with the preferred shares repurchase (Note 31), the related deemed investments originally recognized were accordingly derecognized.

(b) Other receivables and prepayments

	As at March 31,				As at
	2019	2020	2021	2022	September 30,
	RMB'000	RMB'000	RMB'000	RMB'000	2022
Amounts due from a subsidiary (ii)	—	—	1,445	—	30,623
Deferred listing expenses	—	—	—	4,711	6,186
Promissory notes receivables (i)	241,300	27,980	—	—	—
Legal fee prepayments	—	—	329	—	—
	241,300	27,980	1,774	4,711	36,809

- (i) In connection with the Group's Reorganization, certain offshore shareholders, who are the relevant onshore shareholders' affiliates, issued promissory notes to the Company in exchange of the Company's redeemable convertible preferred shares on September 25, 2018. These offshore shareholders obtained shareholders' rights upon issuance of promissory notes. The conditions precedent to the obligation of offshore shareholders to repay the promissory notes to the Company shall include that onshore shareholders entered into share transfer agreements with any other party agreed by Beisen Cloud Computing and relevant onshore shareholders, and the relevant onshore shareholders have received the full payment at the consideration for the aforesaid share transfer. On the Company's standalone financial statements, management recorded receivables from offshore shareholders, whereas management determined the Company's receivables from offshore shareholders and Beisen Cloud Computing's payable to onshore shareholders should be deemed as a linked transaction, and eliminated on the consolidated financial statements.
- (ii) Amounts due from a subsidiary were amounts paid to Beisen HK for operating purposes.

(c) Cash and cash equivalents

	As at March 31,				As at September 30,
	2019	2020	2021	2022	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank	5,749	5,042	2,862	33,835	838
	<u>5,749</u>	<u>5,042</u>	<u>2,862</u>	<u>33,835</u>	<u>838</u>

As at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, cash at bank were all denominated in USD.

(d) Other payables and accruals

	As at March 31,				As at September 30,
	2019	2020	2021	2022	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Accrued taxes other than income tax (i)	—	—	—	10,771	12,048
Accrued listing expenses	—	—	—	2,656	4,715
Amounts due to subsidiaries	—	—	—	4,743	—
Accrued service and goods	—	—	15	—	—
	<u>—</u>	<u>—</u>	<u>15</u>	<u>18,170</u>	<u>16,763</u>

- (i) The Company repurchased ordinary shares and Series D Preferred Shares from certain ordinary shareholders and preferred shareholders concurrently with issuance of Series F Preferred Shares (Note 31). As at September 30, 2022, withholding tax for such transaction has yet to be paid.

39 Contingent liabilities

The Group did not have any material contingent liabilities as at March 31, 2019, 2020, 2021 and 2022 and September 30, 2022.

40 Events after the reporting period

On March 1, 2023, the Company granted 3,414,515 share options to employees pursuant to the Pre-IPO Share Option Plan with exercise price of US\$0.0001 per share. There were no other material subsequent events undertaken by the Company or by the Group after September 30, 2022.

III 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 September 30, 2022 and up to the date of this report.