The following is the text of a report set out on pages I-1 to [I-88], received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 上海聲通信息科技股份有限公司 SHANGHAI VOICECOMM INFORMATION TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of 上海聲通信息科技股份有限公司 Shanghai Voicecomm Information Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-88, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2021, 2022 and 2023, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2021, 2022 and 2023 (the "Track Record Periods"), and material accounting policies information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-88 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "Document") in connection with the initial [**REDACTED**] 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 preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 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 purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2021, 2022 and 2023 and of the Group's financial performance and cash flows for the Track Record Periods in accordance with the basis of preparation and presentation set out in Note 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 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 29(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Periods.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

[**REDACTED**]

HISTORICAL FINANCIAL INFORMATION

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

The consolidated financial statements of the Group for the Track Record Periods, on which the Historical Financial Information is based, were audited by KPMG Huazhen LLP Shanghai Branch (畢馬威華振會計師事務所(特殊普通合夥)上海分所) in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Expressed in RMB)

	Note	Year ended 31 December		
		2021	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*4*	459,935	514,992	813,017
Cost of revenue		(307,773)	(313,526)	(487,600)
Gross Profit		152,162	201,466	325,417
Other revenue	*5(a)*	7,692	11,016	27,226
Other net gain/(loss)	*5(b)*	200	(16)	(25)
Research and development expenses		(36,310)	(63,983)	(98,798)
Selling and marketing expenses		(3,162)	(7,249)	(10,347)
Administrative and other operating expenses		(24,552)	(31,486)	(58,499)
Impairment loss on trade receivables		(17,444)	(42,562)	(55,379)
Profit from operations		78,586	67,186	129,595
Net finance costs	*6(a)*	(8,183)	(9,034)	(11,696)
Changes in carrying amount of redeemable capital contributions	*26*	(25,950)	(157,504)	(146,892)
Changes in fair value of financial assets measured at fair value through profit or loss	*18*	–	8,337	258
Share of (loss)/gain of associates	*16*	(22)	131	(20)
Profit/(loss) before taxation	*6*	44,431	(90,884)	(28,755)
Income tax	*7*	(8,047)	5,073	(446)
Profit/(loss) for the year		36,384	(85,811)	(29,201)
Attributable to				
Equity shareholders of the Company		36,895	(87,155)	(33,754)
Non-controlling interests		(511)	1,344	4,553
Profit/(loss) for the year		36,384	(85,811)	(29,201)
Earnings/(loss) per share				
Basic and diluted (RMB)	*10*	1.61	(3.33)	(1.13)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in RMB)

	Note	Year ended 31 December 2021	2022	2023
		RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) for the year		36,384	(85,811)	(29,201)
Other comprehensive income for the year (after tax and reclassification adjustments)				
Item that will not be reclassified to profit or loss:				
Equity investments at FVOCI – net movement in fair value reserves (non-recycling)	*17*	(84)	37	180
Other comprehensive income for the year		(84)	37	180
Total comprehensive income for the year		36,300	(85,774)	(29,021)
Attributable to:				
Equity shareholders of the Company		36,811	(87,118)	(33,574)
Non-controlling interests		(511)	1,344	4,553
Total comprehensive income for the year		36,300	(85,774)	(29,021)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	As at 31 December 2021	2022	2023
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property and equipment	*11*	4,973	64,530	96,647
Right-of-use assets	*12*	7,702	10,694	14,616
Intangible assets	*13*	24,236	110,950	110,682
Goodwill	*15*	17,111	39,168	39,168
Interests in associates	*16*	360	2,041	230
Equity securities designated at fair value through other comprehensive income (FVOCI)	*17*	516	560	771
Financial assets measured at fair value through profit or loss (FVPL)	*18*	20,000	28,337	28,595
Prepayments	*20*	72,909	34,360	179,956
Deferred tax assets	*27(b)*	5,184	10,038	18,399
		152,991	300,678	489,064
Current assets				
Inventories and other contract costs	*19*	112,475	95,269	7,653
Trade and other receivables	*20*	242,812	339,674	602,705
Prepayments	*20*	95,296	139,219	233,834
Cash	*21(a)*	10,641	20,434	46,876
		461,224	594,596	891,068
Current liabilities				
Trade and other payables	*22*	46,518	59,433	43,389
Contract liabilities	*23*	26,732	31,127	97,423
Bank loans and other borrowings	*24*	150,663	211,650	342,000
Lease liabilities	*25*	2,302	4,128	8,115
Taxation payable	*27(a)*	2,897	2,890	3,169
Redeemable capital contributions	*26*	265,666	527,970	852,912
		494,778	837,198	1,347,008
Net current liabilities		(33,554)	(242,602)	(455,940)
Total assets less current liabilities		119,437	58,076	33,124

The accompanying notes form part of the Historical Financial Information.

		As at 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Bank loans and other borrowings	*24*	–	10,000	10,000
Lease liabilities	*25*	6,614	8,589	10,684
Deferred tax liabilities	*27(b)*	2,016	3,973	2,832
Deferred income	*28*	1,047	871	2,036
		9,677	23,433	25,552
NET ASSETS		109,760	34,643	7,572
CAPITAL AND RESERVES				
Share capital	*29*	25,670	28,290	31,059
Reserves	*29*	81,389	(8,349)	(42,742)
Total equity/(deficit) attributable to equity shareholders of the Company		107,059	19,941	(11,683)
Non-controlling interests		2,701	14,702	19,255
TOTAL EQUITY		109,760	34,643	7,572

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

		As at 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property and equipment	*11*	4,963	57,356	84,843
Right-of-use assets	*12*	6,300	4,764	4,962
Intangible assets	*13*	11,703	61,731	70,994
Interests in subsidiaries	*14*	38,106	66,766	74,439
Interests in associates	*16*	360	2,041	230
Equity securities designated at fair value through other comprehensive income (FVOCI)	*17*	516	560	771
Financial assets measured at fair value through profit or loss (FVPL)	*18*	20,000	28,337	28,595
Prepayments	*20*	52,333	20,396	163,086
Deferred tax assets	*27(b)*	4,803	7,005	5,211
		139,084	248,956	433,131
Current assets				
Inventories and other contract costs	*19*	108,172	90,965	6,164
Trade and other receivables	*20*	243,747	362,625	637,334
Prepayments	*20*	94,259	139,201	226,537
Cash	*21(a)*	10,289	14,320	38,364
		456,467	607,111	908,399
Current liabilities				
Trade and other payables	*22*	42,001	53,539	33,901
Contract liabilities	*23*	26,732	31,127	96,941
Bank loans and other borrowings	*24*	150,663	211,650	340,000
Lease liabilities	*25*	1,565	1,631	1,752
Taxation payable		–	–	195
Redeemable capital contributions	*26*	265,666	527,970	852,912
		486,627	825,917	1,325,701
Net current liabilities		(30,160)	(218,806)	(417,302)
Total assets less current liabilities		108,924	30,150	15,829

The accompanying notes form part of the Historical Financial Information.

		As at 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Lease liabilities	*25*	5,566	3,935	3,983
Deferred income	*28*	1,047	871	2,036
		6,613	4,806	6,019
NET ASSETS		102,311	25,344	9,810
CAPITAL AND RESERVES				
Share capital	*29*	25,670	28,290	31,059
Reserves		76,641	(2,946)	(21,249)
TOTAL EQUITY		102,311	25,344	9,810

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

		Attributable to equity shareholders of the Group							
	Note	Share capital	Capital reserve	PRC statutory reserves	Fair value reserve (non-recycling)	Retained earnings	Total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2021		22,160	(4,819)	5,343	98	47,466	70,248	51	70,299
Changes in equity for 2021									
Profit/(loss) for the year		–	–	–	–	36,895	36,895	(511)	36,384
Other comprehensive income for the year		–	–	–	(84)	–	(84)	–	(84)
Total comprehensive income for the year		–	–	–	(84)	36,895	36,811	(511)	36,300
Non-controlling interests arising from business combination	*34*	–	–	–	–	–	–	3,161	3,161
Issue of ordinary shares	*29(c)*	3,510	136,890	–	–	–	140,400	–	140,400
Recognition of redeemable capital contributions as current liabilities	*26*	–	(140,400)	–	–	–	(140,400)	–	(140,400)
Appropriation for surplus reserve		–	–	3,152	–	(3,152)	–	–	–
Balance at 31 December 2021		25,670	(8,329)	8,495	14	81,209	107,059	2,701	109,760

The accompanying notes form part of the Historical Financial Information.

	Note	Attributable to equity shareholders of the Group							
		Share capital	Capital reserve	PRC statutory reserves	Fair value reserve (non-recycling)	Retained earnings	Total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 31 December 2021 and 1 January 2022		25,670	(8,329)	8,495	14	81,209	107,059	2,701	109,760
Changes in equity for 2022									
(Loss)/profit for the year		–	–	–	–	(87,155)	(87,155)	1,344	(85,811)
Other comprehensive income		–	–	–	37	–	37	–	37
Total comprehensive income for the year		–	–	–	37	(87,155)	(87,118)	1,344	(85,774)
Non-controlling interests arising from business combination	*34*	–	–	–	–	–	–	5,757	5,757
Capital contribution from non-controlling interests		–	–	–	–	–	–	4,900	4,900
Issue of ordinary shares	*29(c)*	2,620	102,180	–	–	–	104,800	–	104,800
Recognition of redeemable capital contributions as current liabilities	*26*	–	(104,800)	–	–	–	(104,800)	–	(104,800)
Balance at 31 December 2022		28,290	(10,949)	8,495	51	(5,946)	19,941	14,702	34,643
Balance at 31 December 2022 and 1 January 2023		28,290	(10,949)	8,495	51	(5,946)	19,941	14,702	34,643
(Loss)/profit for the year		–	–	–	–	(33,754)	(33,754)	4,553	(29,201)
Other comprehensive income		–	–	–	180	–	180	–	180
Total comprehensive income for the year		–	–	–	180	(33,754)	(33,574)	4,553	(29,021)
Issue of ordinary shares	*29(c)*	2,769	177,231	–	–	–	180,000	–	180,000
Recognition of redeemable capital contributions as current liabilities	*26*	–	(178,050)	–	–	–	(178,050)	–	(178,050)
Balance at 31 December 2023		31,059	(11,768)	8,495	231	(39,700)	(11,683)	19,255	7,572

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in RMB)

		Years ended 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Operating activities				
Cash used in operations	*21(b)*	(58,750)	(23,234)	(66,615)
Tax paid	*27(a)*	(16,328)	(7,880)	(1,454)
Net cash used in operating activities		(75,078)	(31,114)	(68,069)
Investing activities				
Payment for the acquisition of property and equipment		(56,579)	(19,810)	(151,112)
Payment for the acquisition of intangible assets		(13,093)	(102,593)	(31,802)
Acquisition of subsidiary, net of cash acquired	*21(e)*	(20,400)	(16,755)	(3,295)
Payment for investment in financial assets measured at FVPL		(20,000)	–	–
Proceeds from disposal of interests in an associate		2,200	–	2,000
Payment for investments in interests in associates		(300)	(1,550)	(250)
Interest received from bank deposits		30	31	73
Net cash used in investing activities		(108,142)	(140,677)	(184,386)

The accompanying notes form part of the Historical Financial Information.

		Years ended 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Financing activities				
Proceeds from bank loans and other borrowings	*21(c)*	147,161	193,666	312,000
Repayment of bank loans and other borrowings	*21(c)*	(94,499)	(122,679)	(181,650)
Proceeds from related parties loans	*21(c)*	5,000	–	–
Repayment of related parties loans	*21(c)*	(2,000)	(3,000)	–
Proceeds from non-controlling interests shareholder	*21(c)*	–	4,900	–
Interest element of lease rentals paid	*21(c)*	(374)	(403)	(637)
Capital element of lease rentals paid	*21(c)*	(1,130)	(1,444)	(1,958)
Proceeds from redeemable capital contributions	*21(c)*	140,400	104,800	161,295
Payment for capitalization of [**REDACTED**] expenses	*21(c)*	–	–	(971)
Capital contribution from investors	*21(c)*	–	16,755	1,950
Interest paid	*21(c)*	(7,839)	(11,011)	(11,132)
Net cash generated from financing activities		186,719	181,584	278,897
Net increase in cash		3,499	9,793	26,442
Cash at the beginning of the year	*21(a)*	7,142	10,641	20,434
Cash at the end of the year	*21(a)*	10,641	20,434	46,876

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Shanghai Voicecomm Information Technology Co., Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") on 5 December 2005 as a limited liability company under the Company Law of the PRC, with its registered office at Unit 418, Building 2, No. 508, Chundong Road, Minhang District, Shanghai. Upon approval by the Company's board meeting held on 26 April 2015, the Company was converted from a limited liability company into a joint stock limited liability company.

The Company and its subsidiaries (collectively referred to as "the Group") are principally engaged in the provision of enterprise-level solutions including audio and video communication hardware and software to enterprise customers. The Group's principal operations and geographic markets are in the People's Republic of China ("PRC"). The information of the subsidiaries is set out in Note 14.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group recorded net current liabilities of RMB455,940,000 as at 31 December 2023, which is primarily due to redeemable capital contributions totaling RMB852,912,000 are classified as current liabilities (see Note 26). As at 31 December 2023, certain conditions associated with redemption rights attributable to the investors in Series A, Series B, Series B+ and Series C Financing (as defined and detailed in Note 26 were met, based on the [**REDACTED**] filling schedule, the directors of the Company are of the opinion that the holders of [**REDACTED**] Investments (as defined in Note 2(p)) will not request the Company to redeem these investments within the next twelve months from 31 December 2023 and the related redemption options would be terminated and the financial instruments issued to investors would be converted into equity upon the qualified [**REDACTED**] of the Company's shares on the Stock Exchange. Taken the above into consideration, and together with cashflow forecast for the twelve months ending 31 December 2024 prepared by management of the Group, the directors of the Company are of the opinion that the Group will have sufficient working capital, to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next 12 months from 31 December 2023.

The Historical Financial Information has been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs") which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policies information are set out in Note 2.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRSs to the Track Record Periods, expect for any new standards or interpretations that are not yet effective for the Track Record Periods. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Periods are set out in Note 36.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

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

2 MATERIAL ACCOUNTING POLICIES INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– investments in debt and equity securities (see Note 2(f)).

(b) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets.

NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(o) or 2(r) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Associates

An associate is an entity in which the Group or the company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale)). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss, and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see Note 2(j)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the company's statement of financial position, an investment in an associate is stated at cost less impairment losses (see Note 2(j)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(e) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(j)(ii)).

(f) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below:

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 30. These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(w)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made, for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

(g) Property and equipment

The following items of property and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(j)):

– right-of-use assets arising from leasehold properties where the group is not the registered owner of the property interest; and

– items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(i)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Electronic equipment	3 years
Furniture	5 years
Servers	5 years
Vehicles	4 years
Leasehold improvements	Shorter of estimated useful life and remaining lease terms
Right-of-use assets	Over the lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress represents properties under construction and machinery and equipment pending installation and is stated at cost less impairment losses (see Note 2(j)(ii)). Cost comprises the purchase costs of the asset and the related construction and installation costs.

Construction in progress is transferred to property and equipment when the asset is substantially ready for its intended use and depreciation will be provided at the appropriate rates in accordance with the depreciation policies specified above.

No depreciation is provided in respect of construction in progress.

(h) Intangible assets (other than goodwill)

Intangible assets (other than goodwill) that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses (see Note 2(j)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follow:

Software	5 years
Patents	8 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, and plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECL"s) on:

– financial assets measured at amortised cost (including cash, trade receivables and other receivables, which are held for the collection of contractual cash flows which represent solely payments of principal and interest).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due dates.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use, is based on the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Inventory and other contract costs

(i) Inventories

Inventories are electronic manufacturing which is measured at the lower of cost and net realizable.

Cost is calculated using the specific identification method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see Note 2(k)(i)), property, plant and equipment (see Note 2(g)) or intangible assets (see Note 2(h)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see Note 2(v)).

(l) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(v)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable would is also recognised (see Note 2(m)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(j)(i)).

(n) Cash

Cash comprise cash at bank and on hand that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash are assessed for ECL (see Note 2(j)(i)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequently to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Redeemable capital contribution

The Company entered into a series of investment agreements with certain independent investors, pursuant to which, these investors agreed to make cash investments to the Company to acquire the equity interest of the Company (collectively referred as "Series A, Series B, Series B+ and Series C Financing").

Capital contributions from the Series A, Series B, Series B+ and Series C Financing are classified as financial liabilities or equity in accordance with the substance of the share purchase agreement and the definitions of a financial liability and an equity instrument.

Capital contributions from the Series A, Series B, Series B+ and Series C Financing are classified as equity if they are nonredeemable by the Company or redeemable only at the Company's option. Dividends on capital contributions from the Series A, Series B and Series B+ Financing classified as equity are recognized as distributions within equity.

The Company recognized the financial instruments issued to investors as financial liabilities, because not all triggering events mentioned in the key terms above are within the control of the Company and these financial instruments did not meet the definition of equity for the Company. The financial liabilities are measured at the higher amount expected to be paid to the investors upon redemption or liquidation, on a present value basis, which is assumed to be at the dates of issuance and at the end of each reporting period. Any changes in the carrying amount of the financial liabilities were recorded in "Changes in carrying amount of redeemable capital contributions".

Capital Contribution are classified as non-current liabilities or current liabilities depending on whether the Capital Contribution can demand the Company to redeem the Preferred Shares for cash at least 12 months after the end of the reporting period or not.

(q) Research and development costs

Research and development costs comprise all expenses that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Research and development costs are recognized as expenses in the period in which they are incurred.

(r) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(z).

(s) Employee benefits

Short-term employee benefits and contributions to defined contribution retirement plans.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

Contributions to local retirement schemes pursuant to the relevant labor rules and regulations in the jurisdictions in which the Group's subsidiaries located are recognized as an expense in profit or loss as incurred.

(t) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised in directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(u) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 2(j)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(v) Revenue recognition

Revenue arises from the sale of goods and the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer. For each performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue is allocated to each performance obligation based on its standalone selling price. The Group generally determines standalone selling prices based on observable prices. If the standalone selling price is not observable through past transactions, the Group estimates the standalone selling price based on multiple factors, including, but not limited to management approved price list or cost-plus margin analysis.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

The Group generates substantially all of the revenues from the following services and products:

- Enterprise-level solutions;
- Other services primarily include promotion service.

The Group's enterprise-level solutions are offered either on software platform or solutions come with functionalities and interfacing capabilities tailored to customers' operation environment integrated with communication devices or other hardware and other service and software license. The Group determines that such contracts typically comprise one single performance obligation. Revenues are recognised at a point in time upon customer's acceptance of the respective solutions or products, which is when the control over the Group's goods or services is transferred to customers.

The maintenance services are provided to customers for a fixed amount over the service period, usually within one year. The Group recognizes revenues from maintenance services over the period when the services were provided, since customers simultaneously receive and consume the benefit of the services. The Group uses straight-line method to recognize revenue rateably over the service period. The other services provided to customers are recognised based on usage over the period.

The Group recognises enterprise-level solutions revenue on a gross basis because the Group is the principal and controls the hardware to be provided to the customer before the hardware is transferred to that customer. In addition, the Group is primarily responsible for fulfilling the promise to provide the hardware and has discretion in establishing the price for the hardware.

(w) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired, subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(x) Government grants

Government grants are recognised in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset by way of being recognised in other income.

(y) Translation of foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

(z) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(aa) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

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

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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

(vi) The entity is controlled or jointly controlled by a person identified in (a).

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

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(bb) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 MATERIAL ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Material accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management made the following accounting judgement:

Determining whether the Group is acting as a principal or as an agent in the sales of goods on the Group's platform requires judgement and consideration of all relevant facts and circumstances. In evaluation of the Group acting as a principal or an agent, the Group considers, individually or in combination whether the Group is primarily responsible for fulfilment the contract, is subject to the inventory risk, has discretion to establish prices. Having considered the relevant facts and circumstances, the directors consider that the Group obtains control of those goods sold in commerce business before the goods are transferred to the customers. Accordingly, the Group is acting as a principal for the merchandise sales and the related revenue is presented on a gross basis.

(b) Source of estimation uncertainty

Notes 18 and 30(e) contain information about the assumptions and their risk factors relating to valuation of fair value of financial assets. Other significant sources of estimation uncertainty are as follows:

(i) Fair value measurement of financial instruments using valuation techniques

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The valuation techniques include discounted cash flow model, market comparable model, adjusted recent transaction price and so on. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 30(e). The use of different valuation techniques or inputs may result in significant differences in fair value estimate. The fair value generated by valuation technique is also verified with transactions of same or similar financial instruments in observable markets according to market practice.

(ii) Impairment of non-financial assets (other than goodwill)

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

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in Note 15.

(iv) Deferred tax assets

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

(v) Loss allowance for expected credit losses

The Group estimates the amount of loss allowance for ECLs on trade and other receivables that are measured at amortized cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provision of on-premised integrated enterprise-level solutions including software license, hardware and services. All of the Group's revenues from contracts with customers within the scope of IFRS 15.

The Group's revenues are disaggregated by timing of revenue recognition and geographic information as follows:

(i) Disaggregation of revenue from contracts with customers by major business lines of revenue recognition

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Enterprise-level solutions	456,871	491,641	801,060
Others	3,064	23,351	11,957
	459,935	514,992	813,017

(ii) Disaggregation of revenue from contracts with customers by the timing of revenue recognition

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Disaggregated by timing of revenue recognition			
Revenue over time	120,809	135,231	123,524
Revenue at a point in time	339,126	379,761	689,493
	459,935	514,992	813,017

(iii) Information about major customers

The Group's customer includes two, one and nil customers with whom transactions have exceeded 10% of the Group's revenues of each of the years ended 31 December 2021, 2022 and 2023 respectively. Revenue from these customers during the Track Record Periods are set out below:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	53,825	62,982	N/A*
Customer B	58,543	N/A*	N/A*

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

(iv) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2021, 2022 and 2023, the Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts for goods such that information about revenue expected to be recognized in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts that had an expected duration of one year or less.

(b) Segment reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment during the Track Record Periods.

(c) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the solution or services were accepted.

	Revenues from external customers		
	Years ended 31 December		
	2021	*2022*	*2023*
	RMB'000	*RMB'000*	*RMB'000*
Chinese Mainland	459,935	514,992	807,017
Other countries	–	–	6,000
	459,935	514,992	813,017

5 OTHER REVENUE AND OTHER NET GAIN

(a) Other revenue

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Government grants	7,692	11,016	27,226

During the years ended 31 December 2021, 2022 and 2023, the Group received unconditional government grants of RMB7,273,000, RMB10,840,000, and RMB27,084,000, respectively, as rewards of the Group's contribution to technology innovation and regional economic development.

During the years ended 31 December 2021, 2022 and 2023, the Group received conditional government grants of RMB1,466,000, RMB nil, and RMB1,440,000, respectively, as encouragement of project development. The Group recognized such type of grants of RMB419,000, RMB176,000, and RMB142,000, respectively, in the consolidated statements of profit or loss when related conditions were satisfied.

(b) Other net gain/(loss)

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Net gain/(loss) on disposal of an associate	200	–	(41)
Net (loss)/gain on disposal of property and equipment and right-of-use assets	–	(16)	(16)
	200	(16)	(25)

6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

(a) Net finance costs

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Interest income from bank deposits	(30)	(31)	(73)
Finance income	(30)	(31)	(73)
Interest on bank loans and other borrowings *(Note 21(c))*	7,839	8,532	11,132
Interest on borrowings from related parties *(Note 21(c))*	–	130	–
Interest on lease liabilities *(Note 21(c))*	374	403	637
Finance costs	8,213	9,065	11,769
	8,183	9,034	11,696

(b) Staff costs

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	27,602	44,747	63,380
Contributions to defined contribution retirement plan	2,325	4,219	6,431
	29,927	48,966	69,811

(c) Other items

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Cost of inventories *(Note 19)*	180,719	162,735	302,493
Depreciation charge			
– property and equipment *(Note 11)*	626	1,565	1,801
– right-of-use assets *(Note 12)*	1,736	2,253	4,148
Amortisation of intangible assets *(Note 13)*	1,472	14,096	24,578
Auditors' remuneration	75	71	52
[**REDACTED**] expenses	–	4,575	15,934

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
Provision for the year	11,042	81	10,354
(Over)-provision in respect of prior years	–	–	(375)
	11,042	81	9,979
Deferred tax			
Origination and reversal of temporary differences *(Note 27(b))*	(2,995)	(5,154)	(9,533)
Total	8,047	(5,073)	446

Note: The Company and subsidiaries were all incorporated in PRC. The Company and subsidiaries are subject to the PRC Corporate Income Tax Law ("CIT Law") at the statutory income tax rate of 25%, except for following specified:

According to the Administrative Measures for Determination of High-Tech Enterprises (Guokefahuo [2016] No. 32), the Company obtained the qualification as high-technology enterprise and was entitled to a preferential income tax rate of 15% from the years from 2021 to 2024.

According to Caishui [2019] No. 13, "The Announcement of Implementation on Inclusive Tax Relief Policy of Small-scaled Minimal Profit Enterprise" issued by Ministry of Finance of the PRC and National Tax Bureau on 17 January 2019, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20%; the small-scaled minimal profit enterprise with an annual taxable income between RMB1,000,000 and RMB3,000,000 (RMB3,000,000 included) is entitled to a preferential tax treatment of 50% exemption of taxable income and application of income tax rate as 20%, from 1 January 2019 to 31 December 2021.

According to Announcement [2021] No. 12, "The Announcement of Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses" issued by Ministry of Finance of the PRC and National Tax Bureau on 2 April 2021, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 87.5% exemption of taxable income and application of income tax rate as 20% from 1 January 2021 to 31 December 2022.

According to Announcement [2023] No. 6, "The Announcement of Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses" issued by Ministry of Finance of the PRC and National Tax Bureau on 26 March 2023, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 1 January 2023 to 31 December 2023.

Certain subsidiaries in the Group meet the conditions as small-scaled minimal profit enterprise were qualified for the entitlement of such preferential tax treatment during the Track Record Periods.

Under the PRC Income Tax Law and its relevant regulations, 75% additional tax deduction is allowed for qualified research and development costs for the years ended 31 December 2020, 2021 and during the period from 1 January 2022 to 30 September 2022.

According to Announcement [2022] No.28 of the Ministry of Finance, the State Taxation Administration and the Ministry of Science and Technology, High-tech enterprises are allowed to deduct the full amount of equipment and appliances newly purchased during the period from 1 October 2022 to 31 December 2022 from the taxable income amount on a one-off basis in the current year and allowed to conduct 100% additional tax deduction before tax. For the enterprises entitled to the current additional tax deduction ratio of 75% for research and development expenses, such ratio is raised to 100% during the period from 1 October 2022 to 31 December 2022.

According to Announcement [2023] No. 7 of the Ministry of Finance and the State Taxation Administration, the enterprises entitled to the current additional tax deduction ratio of 100% for research and development expenses during the period from 1 January 2023 to 31 December 2023.

(b) Reconciliation between actual income tax expense/(benefit) and accounting profit/(loss) at applicable tax rates:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) before taxation	44,431	(90,884)	(28,755)
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	11,108	(22,721)	(7,189)
Effect of preferential tax rate	(3,717)	7,557	(1,238)
Super-deduction of research and development expenses	(4,422)	(7,822)	(14,561)
Tax effect of non-deductible expenses	54	69	291

	Years ended 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Effect of utilisation of deductible losses previously not recognised	–	–	(526)
Tax effect of changes in the carrying amount of redeemable capital contributions	3,892	23,626	22,034
Super-deduction of acquisition of property and equipment	–	(7,717)	–
Tax effect of deductible temporary differences or deductible losses not recognized	1,132	1,935	2,078
Effect on deferred tax balances at 1 January resulting from a change in tax rate	–	–	(68)
(Over)-provision in respect of prior years	–	–	(375)
Actual tax expense/(benefit)	8,047	(5,073)	446

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	For the year ended 31 December 2021					
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Termination benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Jinghua Tang	–	1,264	254	36	–	1,554
Qi Sun	–	1,264	254	36	–	1,554
Non-Executive directors						
Xiaoyuan Yang	71	–	–	–	–	71
Xiaobo Tan	–	–	–	–	–	–
Fenggao Zhao (resigned on 28 April 2021)	–	–	–	–	–	–
Bin Cao (resigned on 28 April 2021)	–	–	–	–	–	–
Yulei Chen (appointed on 8 May 2021)	–	–	–	–	–	–
Tiantian Ma (appointed on 8 May 2021)	–	–	–	–	–	–
Independent directors						
Rong Liu	60	–	–	–	–	60
Binrui Mou (appointed on 3 November 2021)	10	–	–	–	–	10
Haipeng Wu (appointed on 30 June 2021)	35	–	–	–	–	35
Supervisors						
Dong Xiao	–	249	–	25	–	274
Yongzheng Wu	–	181	–	28	–	209
Xiaodi Xu	–	167	–	14	–	181
	176	3,125	508	139	–	3,948

	For the year ended 31 December 2022					
	Directors' fees	**Salaries, allowances and benefits in kind**	**Discretionary bonuses**	**Retirement scheme contributions**	**Termination benefits**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Jinghua Tang	–	1,948	–	63	–	2,011
Qi Sun	–	1,948	–	63	–	2,011
Non-Executive directors						
Xiaoyuan Yang	72	–	–	–	–	72
Xiaobo Tan	–	–	–	–	–	–
Yulei Chen	–	–	–	–	–	–
Tiantian Ma	–	–	–	–	–	–
Independent directors						
Rong Liu	73	–	–	–	–	73
Binrui Mou	73	–	–	–	–	73
Haipeng Wu	73	–	–	–	–	73
Supervisors						
Dong Xiao	–	344	–	21	–	365
Yongzheng Wu	–	221	–	31	–	252
Xiaodi Xu	–	215	–	27	–	242
	291	4,676	–	205	–	5,172

	For the year ended 31 December 2023					
	Directors' fees	**Salaries, allowances and benefits in kind**	**Discretionary bonuses**	**Retirement scheme contributions**	**Termination benefits**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Jinghua Tang	–	2,029	–	68	–	2,097
Qi Sun	–	2,034	–	68	–	2,102
Non-Executive directors						
Xiaoyuan Yang	73	–	–	–	–	73
Xiaobo Tan	–	–	–	–	–	–
Yulei Chen	–	–	–	–	–	–
Tiantian Ma	–	–	–	–	–	–
Independent directors						
Rong Liu	72	–	–	–	–	72
Binrui Mou	72	–	–	–	–	72
Haipeng Wu	72	–	–	–	–	72
Sinn Wai Kin Derek (appoint on 19 June 2023)	195	–	–	–	–	195
Supervisors						
Dong Xiao	–	389	–	51	–	440
Yongzheng Wu	–	225	–	34	–	259
Xiaodi Xu	–	313	–	35	–	348
	484	4,990	–	256	–	5,730

During the years ended 31 December 2021, 2022 and 2023, no amounts were paid or payable by the Group to the above non-director highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

For the years ended 31 December 2021, 2022 and 2023, of the five individuals with the highest emoluments, two, two and two are directors, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	2,274	3,255	3,408
Discretionary bonuses	301	135	453
Retirement scheme contributions	124	188	204
	2,699	3,578	4,065

The emoluments of the three, three, and three with the highest emoluments during the year ended 31 December 2021, 2022 and 2023, respectively, are within the following bands:

	Years ended 31 December		
	2021	**2022**	**2023**
	Number of individuals	*Number of individuals*	*Number of individuals*
HKDnil – HKD500,000	–	–	–
HKD500,001 – HKD1,000,000	2	2	1
HKD1,000,001 – HKD1,500,000	–	–	1
HKD1,500,001 – HKD2,000,000	1	–	–
HKD2,000,001 – HKD2,500,000	–	1	1

10 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share for the years ended 31 December 2021, 2022 and 2023 are calculated by dividing the profit attributable to the ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the Track Record Periods, calculated as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) attributable to equity shareholders of the Company	36,895	(87,155)	(33,754)
Allocation of profit/(loss) for the year attributable to equity shareholders of redeemable capital contributions	(9,208)	29,813	14,241
Profit/(loss) attributable to ordinary equity shareholders of the Company for the purpose of basic earnings/(loss) per share	27,687	(57,342)	(19,513)

Weighted average number of ordinary shares

	Years ended 31 December		
	2021	**2022**	**2023**
Issued ordinary shares at the beginning of the year	22,160,000	25,670,000	28,290,000
Effect of ordinary shares issued for redeemable capital contributions	(4,960,000)	(8,470,000)	(11,073,833)
Weighted average number of ordinary share at the end of the year for the purpose of basic earnings/(loss) per share	17,200,000	17,200,000	17,216,167

	Years ended 31 December		
	2021	**2022**	**2023**
Profit/(loss) attributable to the ordinary shareholders of the Company (in RMB'000)	27,687	(57,342)	(19,513)
Weighted average number of ordinary shares in issue (number of shares)	17,200,000	17,200,000	17,216,167
Basic earnings/(loss) per share (in RMB)	1.61	(3.33)	(1.13)

Effect of ordinary shares issued for redeemable capital contributions represent the weighted average number of ordinary shares of the Group associated with the redeemable capital contributions (see Note 26) at 31 December 2021, 2022 and 2023, which are subject to redemption and excluded from the calculation of the basic earnings/(loss) per share.

(b) Diluted earnings/(loss) per share

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

The effect of redeemable capital contributions is anti-dilutive during the year ended 31 December 2021, 2022 and 2023, therefore is not included calculation of diluted earnings per share of the Company.

Accordingly, diluted loss per share during the Track Record Periods are the same as basic earnings/(loss) per share.

11 PROPERTY AND EQUIPMENT

The Group

	Electronic equipment	Furniture	Servers	Vehicles	Construction-in-process	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At 1 January 2021	358	326	136	470	–	595	1,885
Additions	2,053	109	1,811	–	253	275	4,501
At 31 December 2021 and 1 January 2022	2,411	435	1,947	470	253	870	6,386
Additions	187	25	1,007	–	59,919	–	61,138
Disposals	(269)	(23)	(15)	–	–	–	(307)
At 31 December 2022 and 1 January 2023	2,329	437	2,939	470	60,172	870	67,217
Additions	313	443	7,191	–	29,091	1,319	38,357
Transfers	1,769	–	72,672	–	(89,263)	10,397	(4,425)
Disposals	(8)	(60)	–	–	–	–	(68)
At 31 December 2023	4,403	820	82,802	470	–	12,586	101,081
Accumulated depreciation:							
At 1 January 2021	(271)	(48)	(21)	(447)	–	–	(787)
Charge for the year	(132)	(73)	(148)	–	–	(273)	(626)
At 31 December 2021 and 1 January 2022	(403)	(121)	(169)	(447)	–	(273)	(1,413)
Charge for the year	(706)	(78)	(491)	–	–	(290)	(1,565)
Written back on disposals	255	22	14	–	–	–	291
At 31 December 2022 and 1 January 2023	(854)	(177)	(646)	(447)	–	(563)	(2,687)
Charge for the year	(756)	(114)	(588)	–	–	(343)	(1,801)
Written back on disposals	8	46	–	–	–	–	54
At 31 December 2023	(1,602)	(245)	(1,234)	(447)	–	(906)	(4,434)
Net book value:							
At 31 December 2021	2,008	314	1,778	23	253	597	4,973
At 31 December 2022	1,475	260	2,293	23	60,172	307	64,530
At 31 December 2023	2,801	575	81,568	23	–	11,680	96,647

The Company

	Electronic equipment	Furniture	Servers	Vehicles	Construction-in-process	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At 1 January 2021	358	326	136	470	–	595	1,885
Additions	2,042	109	1,811	–	253	275	4,490
At 31 December 2021 and 1 January 2022	2,400	435	1,947	470	253	870	6,375
Additions	152	25	1,007	–	52,785	–	53,969
Disposals	(269)	(23)	(15)	–	–	–	(307)
At 31 December 2022 and 1 January 2023	2,283	437	2,939	470	53,038	870	60,037
Additions	203	6	7,087	–	26,304	–	33,600
Transfers	1,766	–	72,420	–	(79,342)	731	(4,425)
Disposals	(8)	(60)	–	–	–	–	(68)
At 31 December 2023	4,244	383	82,446	470	–	1,601	89,144
Accumulated depreciation:							
At 1 January 2021	(271)	(48)	(21)	(447)	–	–	(787)
Charge for the year	(131)	(73)	(148)	–	–	(273)	(625)
At 31 December 2021 and 1 January 2022	(402)	(121)	(169)	(447)	–	(273)	(1,412)
Charge for the year	(701)	(78)	(491)	–	–	(290)	(1,560)
Written back on disposals	255	22	14	–	–	–	291
At 31 December 2022 and 1 January 2023	(848)	(177)	(646)	(447)	–	(563)	(2,681)
Charge for the year	(733)	(84)	(575)	–	–	(283)	(1,675)
Written back on disposals	9	46	–	–	–	–	55
At 31 December 2023	(1,572)	(215)	(1,221)	(447)	–	(846)	(4,301)
Net book value:							
At 31 December 2021	1,998	314	1,778	23	253	597	4,963
At 31 December 2022	1,435	260	2,293	23	53,038	307	57,356
At 31 December 2023	2,672	168	81,225	23	–	755	84,843

12 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is presented below:

The Group

	Property leased for own use
	RMB'000
At 1 January 2021	8,676
Additions	762
Depreciation charge for the year	(1,736)
At 31 December 2021 and 1 January 2022	7,702
Additions	5,245
Depreciation charge for the year	(2,253)
At 31 December 2022 and 1 January 2023	10,694
Additions	4,917
Modification	3,519
Disposals	(679)
Depreciation charge for the year	(4,148)
Depreciation written back on disposal	313
At 31 December 2023	14,616

The Company

	Property leased for own use
	RMB'000
At 1 January 2021	7,073
Additions	679
Depreciation charge for the year	(1,452)
At 31 December 2021 and 1 January 2022	6,300
Additions	–
Depreciation charge for the year	(1,536)
At 31 December 2022 and 1 January 2023	4,764
Additions	591
Modification	1,587
Disposals	(679)
Depreciation charge for the year	(1,614)
Depreciation written back on disposal	313
At 31 December 2023	4,962

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:			
– Office buildings *(i)*	1,736	2,253	4,148
Interest on lease liabilities *(Note 6(a))*	374	403	637
Expense relating to short-term leases	123	12	45
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	5	11	26

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 21(d) and 25, respectively.

(i) Office Buildings

The Group has obtained the right to use certain office buildings through tenancy agreements during the Track Record Periods. The leases typically run for an initial period of 2 to 7 years, some leases include an option to renew the lease when all terms are renegotiated. None of the leases include variable lease payments.

13 INTANGIBLE ASSETS

The Group

	Software	**Patents**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At 1 January 2021	–	–	–
Additions	17,108	–	17,108
Acquisition of a subsidiary *(Note 34)*	–	8,600	8,600
At 31 December 2021, and 1 January 2022	17,108	8,600	25,708
Additions	91,810	–	91,810
Acquisition of a subsidiary *(Note 34)*	–	9,000	9,000
At 31 December 2022, and 1 January 2023	108,918	17,600	126,518
Additions	19,885	–	19,885
Transfers	4,425	–	4,425
At 31 December 2023	133,228	17,600	150,828

	Software	Patents	Total
	RMB'000	*RMB'000*	*RMB'000*
Accumulated amortisation:			
At 1 January 2021	–	–	–
Charge for the year	(935)	(537)	(1,472)
At 31 December 2021 and 1 January 2022	(935)	(537)	(1,472)
Charge for the year	(12,927)	(1,169)	(14,096)
At 31 December 2022 and 1 January 2023	(13,862)	(1,706)	(15,568)
Charge for the year	(22,378)	(2,200)	(24,578)
At 31 December 2023	(36,240)	(3,906)	(40,146)
Net book value:			
At 31 December 2021	16,173	8,063	24,236
At 31 December 2022	95,056	15,894	110,950
At 31 December 2023	96,988	13,694	110,682

During the Track Record Periods, the amounts of amortization expense charged to cost of revenue, research and development expenses and administrative and other operating expenses are as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Cost of revenue	670	2,568	4,099
Research and development expenses	569	7,584	13,744
Administrative and other operating expenses	233	3,944	6,735
	1,472	14,096	24,578

Intangible assets patents represent patents acquired by the Group in connection with the acquisition of Shanghai Yuanya Information Technology Co., Ltd. and Xian Jinxun Digital Intelligence Information Technology Co., Ltd. completed on 19 July 2021 and 30 December 2022, The amortization charge for the years ended 31 December 2021, 2022 and 2023 is included in "Cost of revenue" in the consolidated statements of profit or loss.

The Company

	Software
	RMB'000
Cost:	
At 1 January 2021	–
Additions	12,319
At 31 December 2021, and 1 January 2022	12,319
Additions	59,948
At 31 December 2022, and 1 January 2023	72,267
Additions	19,885
Transfers	4,425
At 31 December 2023	96,577
Accumulated amortisation:	
At 1 January 2021	–
Charge for the year	(616)
At 31 December 2021 and 1 January 2022	(616)
Charge for the year	(9,920)
At 31 December 2022 and 1 January 2023	(10,536)
Charge for the year	(15,047)
At 31 December 2023	(25,583)
Net book value:	
At 31 December 2021	11,703
At 31 December 2022	61,731
At 31 December 2023	70,994

During the Track Record Periods, the amounts of amortization expense charged to cost of revenue, research and development expenses and administrative and other operating expenses are as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Cost of revenue	133	972	1,899
Research and development expenses	250	5,881	8,411
Administrative and other operating expenses	233	3,067	4,737
	616	9,920	15,047

14 INTERESTS IN SUBSIDIARIES

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Investment costs	38,106	66,766	74,439

As at 31 December 2023, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Company name	**Place and date of establishment**	**Particulars of registered and paid-in capital**	**Effective interest held by the Group**			**Principal activities**
			As at 31 December			
			2021	**2022**	**2023**	
Shanghai Yuanya Information Technology Co., Ltd. (上海淵雅信息科技有限公司) *(Notes (i), (ii) and (iii))*	The People's Republic of China ("PRC") 27 July 2017	RMB10,000,000/ RMB10,000,000	51%	51%	51%	Software and information technology services
Voicecomm Yilian (Shanghai) Software Technology Co., Ltd. (聲通一璉(上海)軟件科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 13 July 2020	RMB10,000,000/ RMB3,445,700	67%	67%	67%	Software and information technology services
Shandong Voicecomm Information Technology Co., Ltd. (山東聲通信息科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 10 November 2020	RMB10,000,000/ RMB10,000,000	100%	100%	100%	Software and information technology services

Company name	Place and date of establishment	Particulars of registered and paid-in capital	Effective interest held by the Group			Principal activities
			As at 31 December			
			2021	2022	2023	
Shandong Voicecomm Intelligent Technology Co., Ltd. (山東聲通智能科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 20 April 2021	RMB10,000,000/ RMB10,000,000	100%	100%	100%	Software and information technology services
Xian Jinxun Digital Intelligence Information Technology Co., Ltd. (西安金訊數智信息技術有限公司) *(Notes (i), (ii) and (iv))*	The People's Republic of China ("PRC") 7 July 2022	RMB5,500,000/ RMB500,000	–	51%	51%	Software and information technology services
Sichuan Voicecomm Jiachen Information Technology Co., Ltd. (四川聲通甲辰信息科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 30 August 2022	RMB20,000,000/ RMB1,270,000	–	100%	100%	Software and information technology services
Hainan Voicecomm Intelligent Technology Co., Ltd. (海南聲通智能科技有限責任公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 5 December 2022	RMB10,000,000/ RMB1,400,000	–	100%	100%	Software and information technology services
Jiangsu Shengtong Information Technology Co., Ltd. (江蘇聲同信息科技有限責任公司) *(Notes (i), (ii) and (v))*	The People's Republic of China ("PRC") 18 January 2023	RMB10,000,000/ nil	–	–	–	Software and information technology services
Sichuan Shengtong Xuanwu Information Technology Co., Ltd. (四川聲通玄武信息科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 11 May 2023	RMB20,000,000/ RMB1,760,000	–	–	100%	Software and information technology services
Sichuan Shengtong Gengyou Automotive Parts Intelligent Manufacturing Co., Ltd. (四川聲通庚酉汽車零部件智能製造有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 10 May 2023	RMB20,000,000/ RMB1,250,000	–	–	100%	Manufactory and technology service
Chongqing Shengtong Intelligent Technology Co., Ltd. (重慶聲通智能科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 8 June 2023	RMB10,000,000/ RMB1,140,000	–	–	100%	Software and information technology services
Sichuan Shengtong Zhigan Technology Co., Ltd. (四川聲通智感科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 28 June 2023	RMB20,000,000/ RMB50,000	–	–	100%	Software and information technology services

Company name	Place and date of establishment	Particulars of registered and paid-in capital	Effective interest held by the Group			Principal activities
			As at 31 December			
			2021	2022	2023	
Sichuan Shengtong Yunxiu Information Technology Co., Ltd. (四川聲通蘊秀信息科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 28 June 2023	RMB20,000,000/ RMB100,000	–	–	100%	Software and information technology services
Chengdu Shengtong Zhigan Technology Co., Ltd. (成都聲通智感科技有限公司) *(Notes (i), (ii) and (v))*	The People's Republic of China ("PRC") 25 July 2023	RMB30,000,000/ nil	–	–	–	Software and information technology services
Sichuan Shengtong Zhishi Technology Co., Ltd. (四川聲通智識科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 31 July 2023	RMB30,000,000/ RMB770,000	–	–	100%	Software and information technology services
Guang'an Shengtong Information Technology Co., Ltd. (廣安聲通信息科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 23 Aug 2023	RMB10,000,000/ RMB33,000	–	–	100%	Software and information technology services

(i) These entities are limited liability companies established in the PRC. The official names of these entities are in Chinese. The English translation of the Company names is for identification purpose only.

(ii) No audited financial statements have been prepared for the years ended 31 December 2021, 2022 and 2023.

(iii) On 19 July 2021, the Company acquired 51% equity interests in Shanghai Yuanya Information Technology Co., Ltd. from third party which is principally engaged in, among others, the research and development of automobile management platforms.

(iv) On 30 December 2022, the Company acquired 51% equity interests in Xi'an Jinxun Digital Intelligence Information Technology Co., Ltd. from third party to enhance the Group's service capabilities in voice communication sector.

(v) These two subsidiaries were voluntarily deregistered in 2023.

All companies now comprising the Group have adopted December 31 as their financial year end date.

15 GOODWILL

The movement of goodwill is set out as below:

Cost:	*RMB'000*
At 1 January 2021	–
Acquisition of a subsidiary *(Note 34 (i))*	17,111
At 31 December 2021	17,111
Acquisition of a subsidiary *(Note 34 (ii))*	22,057
At 31 December 2022 and at 31 December 2023	39,168
Accumulated impairment losses:	
At 1 January 2021, 31 December 2021, 31 December 2022 and 31 December 2023	–
Carrying amount:	
At 31 December 2023	39,168
At 31 December 2022	39,168
At 31 December 2021	17,111

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in the acquisition. The goodwill is not deductible for tax purposes.

Impairment tests for cash-generating units containing goodwill

The goodwill mainly arose from the acquisitions of Shanghai Yuanya Information Technology Co., Ltd. ("Yuanya Information") on 19 July 2021 and Xi'an Jinxun Digital Intelligence Information Technology Co., Ltd. ("Jinxun Digital Intelligence") on 30 December 2022, amounting to RMB17,111,000 and RMB22,057,000 (Note 34), respectively.

Goodwill is attributable to the acquired market share and economies of scale expected to be derived from combining with the operations of the Group following these acquisitions.The Group carries out its annual impairment test on goodwill by comparing the recoverable amounts of CGU or group of CGUs to the carrying amounts. Goodwill arising from the acquisition of Yuanya Information and Jinxun Digital Intelligence, was monitored separately and assessed as separate CGUs for the purpose of impairment testing.

Impairment review on the goodwill has been conducted by the management as of 31 December 2021, 2022 and 2023. The recoverable amount of the CGUs is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates.

Key assumptions of the significant CGU as at 31 December 2021 is set out as follow:

	Yuanya Information
Compound annual growth rate of revenue during the 5-year forecast period	12.5%
Long-term growth rate	2.5%
Discount rate	16.3%

Key assumptions of the significant CGUs as at 31 December 2022 are set out as follows:

	Yuanya Information	Jinxun Digital Intelligence
Compound annual growth rate of revenue during the 5-year forecast period	13.0%	7.9%
Long-term growth rate	2.3%	2.3%
Discount rate	16.3%	16.8%

Key assumptions of the significant CGUs as at 31 December 2023 are set out as follows:

	Yuanya Information	Jinxun Digital Intelligence
Compound annual growth rate of revenue during the 5-year forecast period	8.1%	19.5%
Long-term growth rate	2.2%	2.2%
Discount rate	16.3%	16.8%

Details of the headroom calculated based on the recoverable amounts deducting the carrying amount allocated for the significant CGUs are set out as follows:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Yuanya Information	2,754	4,004	7,864
Jinxun Digital Intelligence	–	2,854	7,861

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the 5-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as at 31 December 2021:

	Yuanya Information
Compound annual growth rate of revenue during the 5-year forecast period	-0.5%
Discount rate	+0.7%

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the 5-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as at 31 December 2022:

	Yuanya Information	Jinxun Digital Intelligence
Compound annual growth rate of revenue during the 5-year forecast period	-0.6%	-0.6%
Discount rate	+1.1%	+0.6%

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the 5-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as at 31 December 2023:

	Yuanya Information	Jinxun Digital Intelligence
Compound annual growth rate of revenue during the 5-year forecast period	-2.0%	-2.0%
Discount rate	1.9%	1.6%

The Company performs annual impairment test on goodwill at the end of the reporting year. The recoverable amount of the CGU based on the value-in-use calculations is higher than its carrying amount as at 31 December 2021, 2022 and 2023. With regard to the assessment of the VIU of the CGUs, the directors of the Company believe that any reasonably possible change in any of the above key assumptions would not cause the carrying value, including goodwill, of the CGUs to exceed the recoverable amounts.

16 INTERESTS IN ASSOCIATES

The following list contains associates of the Group and the Company, all of which are unlisted corporate entities whose quoted market price is not available:

			Proportion of ownership interest as at 31 December 2023		
Name of company	**Place of establishment and business**	**Particulars of issued and paid-in capital**	**Group's effective interest**	**Held by the Company**	**Principal activities**
Shanghai Voicecomm Yuanzhi Technology Co., Ltd. ("Voicecomm Yuanzhi") (上海聲通垣智科技有限公司) *(Notes (i) and (iv))*	The PRC	RMB10,000,000/ RMB4,273,000	–	–	Software and Information Technology Services
Jiangsu Voicecomm Information Technology Co., Ltd. (江蘇聲通信息科技有限公司) *(Notes (ii) and (iii))*	The PRC	RMB10,000,000/ RMB2,000,000	–	–	Computer software and hardware manufacturing
SDG Voicecomm Service (Wuhan) Co., Ltd. ("SDG Voicecomm") (特發聲通科技服務(武漢)有限公司) *(Note (v))*	The PRC	RMB5,000,000/ RMB2,500,000	10%	10%	Provision of technology related services

* The English translation of the associates' names is for reference only. The official names of these companies are in Chinese.

(i) In August 2019, the Group invested 20% of the equity interest in Shanghai Voicecomm Yuanzhi Technology Co., Ltd. with contributed registered capital in RMB2,000,000. In 2020, 2021 and 2022, the Group made the capital injection in RMB150,000, RMB300,000 and RMB1,550,000, respectively.

(ii) In June 2020, the Group invested 20% of the equity interest in Jiangsu Voicecomm Information Technology Co., Ltd. through capital injection of RMB2,000,000 in cash.

(iii) In March 2021, the Group dispose its 20% of the equity interest of Jiangsu Voicecomm Information Technology Co., Ltd. to Beijing Yujia Technology Co., Ltd. at a consideration of RMB2,200,000 in cash. The gain of the disposal amounted to RMB200,000 was recorded in the other net gain/(loss) of the consolidated statements of profit or loss.

(iv) In September 2023, the Group dispose its 20% of the equity interest of Voicecomm Yuanzhi to Shanghai Voicecomm Rongzhi Technology Group Co., Ltd., a company controlled by Jinghua Tang, at a consideration of RMB2,000,000 in cash. The loss of the disposal amounted to RMB41,000 was recorded in the other net gain/(loss) of the consolidated statements of profit or loss.

(v) In August 2023, the Group invested 10% of the equity interest in SDG Voicecomm with contributed registered capital in RMB500,000. In 2023, the Group made the capital injection in RMB250,000.

The Group accounts for SDG Voicecomm as an investment in an associate using the equity method in the consolidated financial statements of the Group under applicable financial reporting standards, as the Group has the right to appoint a director in the board of directors of SDG Voicecomm.

All of the above associates are accounted for using the equity method in the consolidated financial statements during the Track Record Periods.

The Group assesses whether this is any objective evidence that its interest in the associates are impaired at the end of each reporting period by considering the associates' business development process, any significant financial difficulty, default or bankruptcy encountered by the associates and adverse change in technological, market, economic or legal environment. Based on the assessment above, the Group concluded that no impairment indicator was identified at the end of each reporting period and no impairment loss of interest in associates is considered necessary to be recognized in the consolidated statements of profit or loss.

Aggregate information of associates that are not individually material:

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	360	2,041	230

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
(Loss)/gain from continuing operations	(22)	131	(20)
Total comprehensive income	(22)	131	(20)

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	2,082	360	2,041
Capital injection of interests in associates	300	1,550	250
Disposal of interests in an associate	(2,000)	–	(2,000)
Net loss on disposal of an associate	–	–	(41)
Share of (loss)/gain of associates	(22)	131	(20)
At the end of the year	360	2,041	230

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Equity securities designated at FVOCI (non-recycling)			
– Unlisted equity securities	516	560	771

The unlisted equity security at FVOCI (non-recycling), represent investment in unlisted equity interest of a private entity incorporated in the PRC.

This entity is principally engaged in software development.

The Group designated these investments at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the Track Record Periods. The analysis on the fair value measurement of the above financial asset is disclosed in Note 30(e).

The changes in fair value in amount of RMB99,000, RMB44,000 and RMB211,000 (Note 30) which is net off tax impact in amount of RMB84,000, RMB37,000 and RMB180,000 (Note 27(b)) is recognised in other comprehensive income for the year (after tax).

18 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at FVPL			
– Unlisted equity securities	20,000	28,337	28,595

In June 2021, the Group invested 3.95% of the equity interest in another private company, which is incorporated in the PRC and principally engaged in the AI hardware manufacturing and sales, for a consideration of RMB20,000,000 in cash.

The investment was classified as financial assets measured at FVPL, because the investment contain substantive liquidation preference and are redeemable at the option of the Group if the investee is liquidated in the future. The redeemable amount is calculated by investment consideration plus remaining net assets on pro rata basis.

For the years ended 31 December 2021, 2022 and 2023, the Group recognised RMB nil, RMB8,337,000 and RMB258,000 in the changes in fair value of financial assets measured at fair value through profit or loss.

The analysis on the fair value measurement of the above financial asset is disclosed in Note 30(e).

19 INVENTORIES AND OTHER CONTRACT COSTS

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Communication devices	74,529	55,246	–
Servers and computers	37,306	30,742	593
Perception equipment and accessories	–	8,134	5,561
Others	640	1,147	36
	112,475	95,269	6,190
Other contract cost	–	–	1,463
	112,475	95,269	7,653

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Communication devices	74,529	55,246	–
Servers and computers	33,003	26,438	567
Perception equipment and accessories	–	8,134	5,561
Others	640	1,147	36
	108,172	90,965	6,164
Other contract cost	–	–	–
	108,172	90,965	6,164

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	180,719	162,735	302,493

As at 31 December 2021, 2022 and 2023, inventories of RMB23,486,000, RMB nil and RMB nil were pledged as security for issuance of letters of credit, respectively.

All inventories are expected to be recovered within one year.

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory. There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the year.

All of the other capitalised contract costs are expected to be recovered within one year.

20 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Trade and other receivables			
Trade receivables	248,068	379,103	704,682
Less: loss allowance on trade receivables	(32,368)	(66,479)	(121,858)
	215,700	312,624	582,824
Bills receivables	10,500	–	–
	226,200	312,624	582,824
Value added tax ("VAT") recoverable	9,296	16,661	13,430
Taxation recoverable *(Note 27(a))*	1,104	8,896	650
Capitalization of [**REDACTED**] expenses	–	–	3,564
Other deposit and receivable	6,212	1,493	2,237
	242,812	339,674	602,705
Prepayments			
Current			
Prepayments for goods and services	95,296	139,219	233,834
Non-current			
Prepayments for purchase of property, equipment and intangible assets	63,009	24,460	145,002
Prepayments for services	9,900	9,900	34,954
	72,909	34,360	179,956

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	227,199	327,468	636,899
Less: loss allowance on trade receivables	(30,070)	(53,434)	(83,735)
	197,129	274,034	553,164
Bills receivables	10,500	–	–
	207,629	274,034	553,164
Value added tax recoverable	6,795	10,966	9,673
Taxation recoverable	1,104	8,896	251
Amounts due from subsidiaries	23,067	67,238	69,188
Capitalization of [**REDACTED**] expenses	–	–	3,564
Other deposit and receivable	5,152	1,491	1,494
	36,118	88,591	84,170
	243,747	362,625	637,334
Current			
Prepayments for goods and services	94,259	139,201	226,537
Non-current			
Prepayments for purchase of property, equipment and intangible assets	52,333	20,396	137,702
Prepayments for services	–	–	25,384
	52,333	20,396	163,086

As at 31 December 2021, 2022 and 2023, except for the rental deposits of RMB3,173,000, RMB566,000 and RMB921,000, respectively, all of the Group's trade and other receivables are expected to be recovered or recognised as expense within a year.

Bills receivable primarily represent short-term commercial acceptance bills receivable that entitle the Group to receive the full face amount from the banks at maturity, which generally ranges from 6 to 12 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivable.

Certain bills receivable were discounted to financial institutions with recourse, where substantially the risks and rewards of ownership had not been transferred. Since the Group has continuing involvement in the transferred assets, discounted bills receivable of RMB10,500,000, RMB nil and RMB nil, respectively, were therefore not derecognized as at 31 December 2021, 2022 and 2023.

(a) Ageing analysis of trade receivables and bills receivables

As at 31 December 2021, 2022 and 2023, the ageing analysis of the Group's trade receivables and bills receivables, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	220,157	236,186	505,107
After 1 year but within 2 years	3,199	74,653	72,420
After 2 years but within 3 years	2,600	1,737	5,297
Over 3 years	244	48	–
	226,200	312,624	582,824

Trade receivables are generally due within 180 to 270 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 30(a).

(b) Movement in the allowance for credit losses of trade receivables:

The Group

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	14,924	32,368	66,479
Impairment losses recognised	17,444	42,562	55,379
Write-off	–	(8,451)	–
Balance at the end of the year	32,368	66,479	121,858

21 CASH AND OTHER CASH FLOW INFORMATION

(a) Cash:

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	10,641	20,434	46,876

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	10,289	14,320	38,364

(b) Reconciliation of profit/(loss) before taxation to cash used in operations

		Year ended 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) before taxation		44,431	(90,884)	(28,755)
Adjustments for:				
Depreciation	*6(c)*	2,362	3,818	5,949
Amortization	*6(c)*	1,472	14,096	24,578
Impairment loss on trade receivables	*20(b)*	17,444	42,562	55,379
Changes in carrying amount of redeemable capital contributions	*26*	25,950	157,504	146,892
Changes in fair value of financial assets measured at fair value through profit or loss	*30*	–	(8,337)	(258)
Finance costs	*6(a)*	8,213	9,065	11,769
Finance income	*6(a)*	(30)	(31)	(73)
Net (gain)/loss on disposal of an associate	*5*	(200)	–	41
Share of loss/(gain) of associates	*16*	22	(131)	20
(Gain)/loss on disposal of property and equipment and right-of-use assets	*5(b)*	–	16	(16)
Changes in working capital:				
(Increase)/decrease in inventories and other contract costs		(9,541)	17,206	87,616
Increase in trade and other receivables		(155,599)	(131,632)	(323,092)
Increase in prepayments		(24,876)	(43,923)	(116,130)
Increase in trade and other payables		16,338	3,218	2,004
Increase in contract liabilities		14,217	4,395	66,296
Increase/(decrease) in deferred income		1,047	(176)	1,165
Cash used in operations		(58,750)	(23,234)	(66,615)

(c) Reconciliation of liabilities arising from financing activities

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

	Bank loans and other borrowings	Loans from related parties	Lease liabilities	Redeemable capital contributions	Total
	RMB'000 *(Note 24)*	*RMB'000* *(Note 33)*	*RMB'000* *(Note 25)*	*RMB'000* *(Note 26)*	*RMB'000*
At 1 January 2021	98,001	2,349	9,284	99,316	208,950
Changes from financing cash flows:					
Proceeds from bank loans and other borrowings	147,161	–	–	–	147,161
Repayment of bank loans and other borrowings	(94,499)	–	–	–	(94,499)
Proceeds from related parties loans	–	5,000	–	–	5,000
Repayment of related parties loans	–	(2,000)	–	–	(2,000)
Capital element of lease rentals paid	–	–	(1,130)	–	(1,130)
Interest element of lease rentals paid	–	–	(374)	–	(374)
Proceeds from redeemable capital contributions	–	–	–	140,400	140,400
Interest paid	(7,839)	–	–	–	(7,839)
Total changes from financing cash flows	44,823	3,000	(1,504)	140,400	186,719
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	–	762	–	762
Interest expenses *(Note 6(a))*	7,839	–	374	–	8,213
Changes in carrying amount of redeemable capital contributions	–	–	–	25,950	25,950
Total other changes	7,839	–	1,136	25,950	34,925
At 31 December 2021 and 1 January 2022	150,663	5,349	8,916	265,666	430,594

	Bank loans and other borrowings	Loans from related parties	Lease liabilities	Redeemable capital contributions	Capital contribution from an investor	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 24)	*(Note 33)*	*(Note 25)*	*(Note 26)*	*(Note 22)*	
At 1 January 2022	150,663	5,349	8,916	265,666	–	430,594
Changes from financing cash flows:						
Proceeds from bank loans and other borrowings	193,666	–	–	–	–	193,666
Repayment of bank loans and other borrowings	(122,679)	–	–	–	–	(122,679)
Repayment of related parties loans	–	(3,000)	–	–	–	(3,000)
Capital element of lease rentals paid	–	–	(1,444)	–	–	(1,444)
Interest element of lease rentals paid	–	–	(403)	–	–	(403)
Proceeds from redeemable capital contributions	–	–	–	104,800	–	104,800
Capital contribution from an investor	–	–	–	–	16,755	16,755
Interest paid	(8,532)	(2,479)	–	–	–	(11,011)
Total changes from financing cash flows	62,455	(5,479)	(1,847)	104,800	16,755	176,684
Other changes:						
Increase in lease liabilities from entering into new leases during the year	–	–	5,245	–	–	5,245
Interest expenses *(Note 6(a))*	8,532	130	403	–	–	9,065
Changes in carrying amount of redeemable capital contributions	–	–	–	157,504	–	157,504
Total other changes	8,532	130	5,648	157,504	–	171,814
At 31 December 2022	221,650	–	12,717	527,970	16,755	779,092

	Bank loans and other borrowings	Lease liabilities	Redeemable capital contributions	Capital contribution from an investor	Capitalization of [REDACTED] expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 24)	*(Note 25)*	*(Note 26)*	*(Note 22)*	*(Note 22)*	
At 1 January 2023	221,650	12,717	527,970	16,755	–	779,092
Changes from financing cash flows:						
Proceeds from bank loans and other borrowings	312,000	–	–	–	–	312,000
Repayment of bank loans and other borrowings	(181,650)	–	–	–	–	(181,650)
Capital element of lease rentals paid	–	(1,958)	–	–	–	(1,958)
Interest element of lease rentals paid	–	(637)	–	–	–	(637)
Proceeds from redeemable capital contributions	–	–	161,295	–	–	161,295
Payment for capitalization of [**REDACTED**] expenses	–	–	–	–	(971)	(971)
Interest paid	(11,132)	–	–	–	–	(11,132)
Total changes from financing cash flows	119,218	(2,595)	161,295	–	(971)	276,947
Other changes:						
Increase in lease liabilities from entering into new leases during the year	–	4,917	–	–	–	4,917
Interest expenses *(Note 6(a))*	11,132	637	–	–	–	11,769
Disposal of right-of-use assets	–	(396)	–	–	–	(396)
Modification of right-of-use assets	–	3,519	–	–	–	3,519
Changes in carrying amount of redeemable capital contributions	–	–	163,647	(16,755)	–	146,892
Total other changes	11,132	8,677	163,647	(16,755)	–	166,701
At 31 December 2023	352,000	18,799	852,912	–	(971)	1,222,740

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprise the following:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	128	23	71
Within financing cash flows	1,504	1,847	2,595
	1,632	1,870	2,666

These amounts relate to the following:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Lease rentals paid	1,632	1,870	2,666

(e) Net cash outflow arising from the acquisition of a subsidiary

The recognised amounts of assets acquired and liabilities at the date of acquisition of the subsidiary comprise the following:

(i) Yuanya Information acquisition

	Fair value on acquisition
	RMB'000
Intangible assets	
– Patents *(Note 13)*	8,600
Other receivables	1,995
Other payables and accruals	(1,995)
Deferred tax liabilities	(2,150)
Net identifiable assets acquired	6,450
Less: non-controlling interests	(3,161)
Add: goodwill *(Note 15)*	17,111
Total acquisition price	20,400
Total consideration paid in cash	20,400
Less: cash of subsidiary acquired	–
Net cash outflow arising from the acquistion of a subsidiary	20,400

(ii) Jinxun Digital Intelligence acquisition

	Fair value on acquisition
	RMB'000
Intangible assets	
– Patents *(Note 13)*	9,000
Cash	5,000
Deferred tax liabilities	(2,250)
Net identifiable assets acquired	11,750
Less: non-controlling interests	(5,757)
Add: goodwill *(Note 15)*	22,057
Total acquisition price	28,050
Less: consideration payable for Jinxun Digital Intelligence acquisition *(Note 22)*	(6,295)
Total consideration paid in cash	21,755
Less: cash of subsidiary acquired	(5,000)
Net cash outflow arising from the acquistion of a subsidiary	16,755

22 TRADE AND OTHER PAYABLES

The Group

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	6,635	3,306	14,402
Accrued payroll and benefits	4,421	6,607	8,493
Other taxes payable	958	1,777	3,680
Loans from related parties	5,349	–	–
Capital contribution from an investor	–	16,755	–
Consideration payable for Jinxun Digital Intelligence acquisition	–	6,295	3,000
Payable for acquisition of property and equipment	15,152	7,148	6,557
Payable for acquisition of service	11,000	11,303	213
Accrual [**REDACTED**] expenses	–	4,400	5,829
Deposits received	60	61	60
Other payables and accrual expenses	2,943	1,781	1,155
	46,518	59,433	43,389

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	4,130	2,858	12,727
Accrued payroll and benefits	3,460	4,793	6,216
Other taxes payable	577	886	227
Amounts due from a subsidiary	–	2,000	2,000
Loans from related parties	5,349	–	–
Capital contribution from an investor	–	16,755	–
Consideration payable for Jinxun Digital Intelligence acquisition	–	6,295	3,000
Payable for acquisition of property and equipment	15,152	2,545	2,954
Payable for acquisition of service	11,000	11,303	–
Accrual [**REDACTED**] expenses	–	4,400	5,829
Deposits received	60	61	60
Other payables and accrual expenses	2,273	1,643	888
	42,001	53,539	33,901

All of the trade and other payables are expected to be settled or recognised as income within one year.

As at 31 December 2021, 2022 and 2023, the ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	5,697	674	13,806
After 6 months but within 1 year	5	552	477
After 1 year	933	2,080	119
	6,635	3,306	14,402

23 CONTRACT LIABILITIES

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	12,515	26,732	31,127
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(12,474)	(23,043)	(30,967)
Increase in contract liabilities as a result of receiving advance payment during the year	80,113	58,370	132,644
Decrease in contract liabilities as a result of recognising revenue during the same year	(53,422)	(30,932)	(35,381)
Balance at the end of the year	26,732	31,127	97,423

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	12,515	26,732	31,127
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(12,474)	(23,043)	(30,967)
Increase in contract liabilities as a result of receiving advance payment during the year	80,113	58,370	132,162
Decrease in contract liabilities as a result of recognising revenue during the same year	(53,422)	(30,932)	(35,381)
Balance at the end of the year	26,732	31,127	96,941

Contract liabilities of the Group mainly arise from the non-refundable advance payments made by customers while the underlying services are yet to be provided.

24 BANK LOANS AND OTHER BORROWINGS

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Bank loans			
– Unsecured and unguaranteed	10,000	10,000	30,000
– Secured and guaranteed *(i)*	118,000	201,650	312,000
– Pledged and unguaranteed *(ii)*	10,500	–	–
	138,500	211,650	342,000
Other borrowings			
– Secured and guaranteed *(iii)*	3,063	–	–
– Pledged and guaranteed *(iv)*	9,100	–	–
	12,163	–	–
	150,663	211,650	342,000
Non-current			
Bank loans			
– Secured and guaranteed *(i)*	–	10,000	10,000
	–	10,000	10,000

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Bank loans			
– Unsecured and unguaranteed	10,000	10,000	30,000
– Secured and guaranteed *(i)*	118,000	201,650	310,000
– Pledged and unguaranteed *(ii)*	10,500	–	–
	138,500	211,650	340,000
Other borrowings			
– Secured and guaranteed *(iii)*	3,063	–	–
– Pledged and guaranteed *(iv)*	9,100	–	–
	12,163	–	–
	150,663	211,650	340,000

(i) As at 31 December 2021, 2022 and 2023, certain bank facilities granted to the Group for bank loans were guaranteed by Mr. Jinghua Tang, Mr. Qi Sun and Mr. Yerong Shi (collected referred to "Shareholders") as the shareholders of the Company and their spouses.

(ii) As at 31 December 2021, 2022 and 2023, bills receivables of the Group in the amount of RMB10,500,000, RMB nil and RMB nil were pledged for the bank loans, respectively.

(iii) As at 31 December 2021, 2022 and 2023, the Group borrowed secured borrowings from third-party leasing companies amounted to RMB3,063,000, RMB nil and RMB nil which were guaranteed by the shareholders. The loans were repaid in 2022 and the guarantee was released.

(iv) As at 31 December 2021, 2022 and 2023, the Group borrowed secured borrowings from third-party leasing companies amounted to RMB9,100,000, RMB nil and RMB nil. These loans were pledged by the inventories with carrying amount of RMB23,486,000, RMB nil and RMB nil, respectively.

As at 31 December 2021, 2022 and 2023, certain secured borrowings from bank and third-party leasing companies were guaranteed by Shareholders are listed as follows:

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Bank loans with guarantees issued by Shareholders *(i)*	118,000	211,650	322,000
Other loans with guarantees issued by Shareholders *(iii)(iv)*	12,163	–	–
	130,163	211,650	322,000

The maturity of the secured borrowings is ranging from 1 to 3 years. As at 31 December 2021, 2022 and 2023, secured borrowings carried an interest rate ranging from 1.4% to 17.7% per annum.

As at 31 December 2021, 2022 and 2023, the Group had unutilized banking facilities for bank loans and bills payable totaling RMB10,675,000, RMB56,350,000 and RMB101,000,000, respectively.

All above-mentioned guarantees by shareholders will be released before the completion of [**REDACTED**] date.

25 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities as at 31 December 2021, 2022 and 2023.

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,302	4,128	8,115
After 1 year but within 2 years	1,917	3,152	4,652
After 2 years but within 5 years	4,697	5,437	6,028
After 5 years	–	–	4
	6,614	8,589	10,684
	8,916	12,717	18,799

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,565	1,631	1,752
After 1 year but within 2 years	1,631	1,850	1,792
After 2 years but within 5 years	3,935	2,085	2,191
	5,566	3,935	3,983
	7,131	5,566	5,735

26 REDEEMABLE CAPITAL CONTRIBUTIONS

In 2020, the Company entered into investment agreements with Series A investors, pursuant to which, these investors agreed to subscribe 4,960,000 shares of the Company at a consideration of RMB74,400,000 (referred as "Series A Financing").

Pursuant to the Series A investment agreements, two of Series A investors ("Series A-1 investor") are entitled to the redemption rights, liquidation preference and anti-dilution rights, while the remaining two Series A investors ("Series A-2 investor") are entitled to the liquidation preference and one director nomination rights for each investors.

In 2021, the Company entered into investment agreements with Series B investors, pursuant to which, these investors agreed to subscribe 3,510,000 shares of the Company at a consideration of RMB140,400,000 (referred as "Series B Financing").

In 2022, the Company entered into investment agreements with Series B+ investors, pursuant to which, these investors agreed to subscribe 2,620,000 shares of the Company at a consideration of RMB104,800,000 (referred as "Series B+ Financing").

In 2023, the Company entered into investment agreements with Series C investors, pursuant to which, these investors agreed to subscribe 2,769,230 shares of the Company at a consideration of RMB180,000,000 in which 2,739,230 shares of the Company at a consideration of RMB178,049,940 are entitled to the redemption rights, liquidation preference and anti-dilution rights (referred as "Series C Investment").

The Series A, Series B, Series B+ and Series C investors (collectively refer to "the investors") are entitled to the same voting rights and dividend rights as other founding shareholders of the Company. Certain key special rights attributable to the investors of the investments are summarized as follows:

Redemption rights

Shares issued by the Company for the Series A-1, Series B, Series B+ and Series C shall be redeemable by the Company and the founder of the Company upon the occurrence of certain events, with the main conditions being:

(i) a qualified [**REDACTED**] does not occur within 31 December 2024 for Series A-1, Series B, Series B+ and Series C Financing.

(ii) the Company didn't meet guaranteed profit from 2020 to 2025; or

(iii) changes to the Company's controlling shareholder.

The redemption price of the shares issued in the investments shall equal to the higher of (i) the aggregate of the original issue price for the respective series plus an amount accruing daily at 8% of the original preferred shares issue price per annum minus all paid dividends (ii) fair market value of the shares of relevant series on the date of redemption.

Liquidation preference

In the event of any liquidation including deemed liquidation, dissolution, bankruptcy, acquisitions, sale or transfer of all or part of the core assets, winding up of the Company, the founder of the Company and the Company shall ensure that the investors of the investments are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to founder in order of priority, an amount equals to the aggregate of the original issue price for the respective series plus an amount declared but not paid dividends and the remaining assets of the Company available for distribution shall be distributed rateably among the shareholders.

Anti-dilution right

If the Company increases its share capital at a price lower than the price paid by the investors of the investments on a per share capital basis prior to a qualified [**REDACTED**], the investors have a right to require the founding shareholders of the Company to transfer for nil consideration to the investors, so that the total amount paid by the investors divided by the total amount of share capital obtained is equal to the price per share capital in the new issuance.

Presentation and classification

The Company recognized the financial instruments issued to investors as financial liabilities, because not all triggering events mentioned in the key terms above are within the control of the Company and these financial instruments did not meet the definition of equity for the Company. The financial liabilities are measured at the higher amount expected to be paid to the investors upon redemption or liquidation which is assumed to be at the dates of issuance and at the end of each reporting period. Any changes in the carrying amount of the financial liabilities were recorded in "Changes in carrying amount of redeemable capital contributions".

The movements of the redeemable capital contributions are set out below:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	99,316	265,666	527,970
Changes in carrying amount of redeemable capital contributions	25,950	157,504	146,892
Issuance for cash	140,400	104,800	178,050
At the ending of the year	265,666	527,970	852,912

The Company received advance payment of Series C financing proceeds in amount of 16,755,000 in 2022 which is recorded in the trade and other payables as at 31 December 2022.

The fair market value of the shares were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer. The Company used discounted cash flow method to determine the total share value of the Company and applied the equity allocation model to determine the fair market value of the shares of relevant series at the end of each reporting period upon redemption.

Key valuation assumptions used to determine the fair market value of the shares are as follows:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Discount rate	14.7%	14.4%	14.4%
Discounts for lack of marketability ("DLOM")	19.0%	14.0%	7.0%

If the Company's significant unobservable inputs applied in the valuation had been 1% lower or higher than management's estimation as at 31 December 2021, 2022 and 2023, the present value of the redeemable preferred shares would increase/(decrease) by the amounts listed in table below:

	As at 31 December 2021	
	DLOM	Discount rate
	RMB'000	*RMB'000*
Impact on the profit/(loss) before income tax due to estimated changes in carrying amount of redeemable capital contributions		
Add 1%	204	751
Reduce 1%	(204)	(869)

	As at 31 December 2022	
	DLOM	**Discount rate**
	RMB'000	*RMB'000*
Impact on the profit/(loss) before income tax due to estimated changes in carrying amount of redeemable capital contributions		
Add 1%	4,956	38,772
Reduce 1%	(3,673)	(46,196)

	As at 31 December 2023	
	DLOM	**Discount rate**
	RMB'000	*RMB'000*
Impact on the profit/(loss) before income tax due to estimated changes in carrying amount of redeemable capital contributions		
Add 1%	7,656	67,339
Reduce 1%	(7,658)	(86,700)

27 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	7,079	1,793	(6,006)
Provision for PRC Corporate Income Tax for the year	11,042	81	9,979
Tax paid	(16,328)	(7,880)	(1,454)
At the end of the year	1,793	(6,006)	2,519
Represented by:			
Taxation recoverable *(Note 20)*	(1,104)	(8,896)	(650)
Taxation payable	2,897	2,890	3,169
	1,793	(6,006)	2,519

(b) Deferred tax assets and liabilities recognized:

(i) The components of deferred tax assets/(liabilities) recognized in the consolidated statements of financial position and the movements during the Track Record Periods are as follows:

	Credit loss allowance	Deferred income	Right-of-use assets	Lease Liabilities	Deductible tax losses	Financial assets at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Appraisal of intangible asset appreciation	Depreciation of fixed assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2021	2,238	–	136	(49)	–	(17)	–	–	–	2,308
Charged/(credited) profit or loss	2,653	166	218	(176)	–	–	–	134	–	2,995
Charged to reserves	–	–	–	–	–	15	–	–	–	15
Acquisition of subsidiaries	–	–	–	–	–	–	–	(2,150)	–	(2,150)
At 31 December 2021 and 1 January 2022	4,891	166	354	(225)	–	(2)	–	(2,016)	–	3,168
Charged/(credited) to profit or loss	7,285	(35)	338	(213)	6,454	–	(1,250)	292	(7,717)	5,154
Credited to reserves	–	–	–	–	–	(7)	–	–	–	(7)
Acquisition of subsidiaries	–	–	–	–	–	–	–	(2,250)	–	(2,250)
At 31 December 2022 and 1 January 2023	12,176	131	692	(438)	6,454	(9)	(1,250)	(3,974)	(7,717)	6,065
Charged/(credited) to profit or loss	10,432	175	526	(224)	(2,479)	–	(39)	1,142	–	9,533
Credited to reserves	–	–	–	–	–	(31)	–	–	–	(31)
At 31 December 2023	22,608	306	1,218	(662)	3,975	(40)	(1,289)	(2,832)	(7,717)	15,567

(ii) The components of deferred tax/(liabilities) recognized in the statements of financial position and the movements during the Track Record Periods are as follows

	Credit loss allowance	Deferred income	Right-of-use assets	Lease Liability	Deductible tax losses	Financial assets at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Depreciation of fixed assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2021	2,238	–	136	(49)	–	(17)	–	–	2,308
Charged/(credited) to profit or loss	2,272	166	218	(176)	–	–	–	–	2,480
Charged to reserves	–	–	–	–	–	15	–	–	15
At 31 December 2021 and 1 January 2022	4,510	166	354	(225)	–	(2)	–	–	4,803
Charged/(credited) to profit or loss	4,772	(35)	231	(235)	6,443	–	(1,250)	(7,717)	2,209
Credited to reserves	–	–	–	–	–	(7)	–	–	(7)
At 31 December 2022 and 1 January 2023	9,282	131	585	(460)	6,443	(9)	(1,250)	(7,717)	7,005
Charged/(credited) to profit or loss	4,544	175	242	(242)	(6,443)	–	(39)	–	(1,763)
Credited to reserves	–	–	–	–	–	(31)	–	–	(31)
At 31 December 2023	13,826	306	827	(702)	–	(40)	(1,289)	(7,717)	5,211

(iii) Reconciliation to the consolidated statements of financial position:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax asset recognised in the consolidated statement of financial position	5,184	10,038	18,399
Net deferred tax liability recognised in the consolidated statement of financial position	(2,016)	(3,973)	(2,832)
Net deferred tax asset recognized in the consolidated statement of financial position	3,168	6,065	15,567

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in Note 2(t), the Group has not recognised deferred tax assets in respect of unused tax losses and temporary differences as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The following table presents the Group's unused tax losses and temporary differences at the reporting dates:

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Deductible temporary differences	1,109	2,176	1,850
Unused tax losses	3,566	8,698	15,865
	4,675	10,874	17,715

The expiration information of the Group's unused tax losses is set out below:

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
2025	812	812	812
2026	2,754	2,754	2,754
2027	–	5,132	5,131
2028	–	–	7,167
	3,566	8,698	15,865

28 DEFERRED INCOME

As at 31 December 2021, 2022 and 2023, deferred income of the Group and the Company represented unamortized conditional government grants amounted to RMB1,047,000, RMB871,000 and RMB2,036,000 for the purchase of research and development equipment.

We recognize government grants in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that we will comply with the conditions attaching to them. Grants that compensate us for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate us for the cost of an asset are recognized initially as deferred income and amortized to profit or loss on a straight-line basis over the useful life of the asset by way of being recognized in other income.

29 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Note	**Share capital**	**Capital reserve**	**PRC statutory reserves**	**Fair value reserve (non-recycling)**	**Retained earnings/ (Accumulated losses)**	**Total**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2021		22,160	(4,819)	5,343	98	48,090	70,872
Changes in equity for 2021:							
Profit for the year		–	–	–	–	31,523	31,523
Other comprehensive income		–	–	–	(84)	–	(84)
Total comprehensive income for the year		–	–	–	(84)	31,523	31,439
Issue of ordinary shares	*29(c)*	3,510	136,890	–	–	–	140,400
Recognition of redeemable capital contributions as current liabilities	*26*	–	(140,400)	–	–	–	(140,400)
Appropriation for surplus reserve		–	–	3,152	–	(3,152)	–
Balance at 31 December 2021 and 1 January 2022		25,670	(8,329)	8,495	14	76,461	102,311

	Note	Share capital	Capital reserve	PRC statutory reserves	Fair value reserve (non-recycling)	Retained earnings/ (Accumulated losses)	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Changes in equity for 2022:							
Loss for the year		–	–	–	–	(77,004)	(77,004)
Other comprehensive income		–	–	–	37	–	37
Total comprehensive income for the year		–	–	–	37	(77,004)	(76,967)
Issue of ordinary shares	*29(c)*	2,620	102,180	–	–	–	104,800
Recognition of redeemable capital contributions as current liabilities	*26*	–	(104,800)	–	–	–	(104,800)
Balance at 31 December 2022 and 1 January 2023		28,290	(10,949)	8,495	51	(543)	25,344
Changes in equity for 2023:							
Loss for the year		–	–	–	–	(17,664)	(17,664)
Other comprehensive income		–	–	–	180	–	180
Total comprehensive income for the year		–	–	–	180	(17,664)	(17,484)
Issue of ordinary shares		2,769	177,231	–	–	–	180,000
Recognition of redeemable capital contributions as current liabilities		–	(178,050)	–	–	–	(178,050)
Balance at 31 December 2023		31,059	(11,768)	8,495	231	(18,207)	9,810

(b) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the Track Record Periods.

(c) Share capital

	Note	**Number of shares**	**In RMB'000**
Ordinary shares, issued and fully paid:			
At 1 January 2021		22,160,000	22,160
Ordinary shares issued	*(i)*	3,510,000	3,510
At 31 December 2021 and 1 January 2022		25,670,000	25,670
Ordinary shares issued	*(ii)*	2,620,000	2,620
At 31 December 2022		28,290,000	28,290
Ordinary shares issued	*(iii)*	2,769,230	2,769
At 31 December 2022 and 31 December 2023		31,059,230	31,059

(i) In 2021, the Company entered into an investment agreement with certain investors, pursuant to which, these investors agreed to invest RMB140,400,000 in the Company in exchange of 3,510,000 shares of the Company. During the year ended 31 December 2021, the share capital of the Company increased from RMB22,160,000 to RMB25,670,000 by issue of additional 3,510,000 ordinary shares at RMB1 per share.

(ii) In 2022, the Company entered into an investment agreement with certain investors, pursuant to which, these investors agreed to invest RMB104,800,000 in the Company in exchange of 2,620,000 shares of the Company. During the year ended 31 December 2022, the share capital of the Company increased from RMB25,670,000 to RMB28,290,000 by issue of additional 2,620,000 ordinary shares at RMB1 per share.

(iii) In 30 June 2023, the Company entered into an investment agreement with certain investors, pursuant to which, these investors agreed to invest RMB179,999,940 in the Company in exchange of 2,769,230 shares of the Company. During the year ended 31 December 2023, the share capital of the Company increased from RMB28,290,000 to RMB31,059,230 by issue of additional 2,769,230 ordinary shares at RMB1 per share.

(d) Capital reserve

The capital reserve represents (i) the difference between consideration received for ordinary shares subscription net of any transaction costs directly attributable to the subscription and the par value of the ordinary shares subscribed; (ii) the amount arises from the adjustment of redeemable capital contributions as current liabilities.

(e) PRC statutory reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the PRC.

For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

(f) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period (see Note 2(f)).

(g) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings, and lease liabilities but excludes redeemable capital contributions) less cash. Adjusted capital comprises all components of equity and redeemable capital contributions.

The Group's adjusted net debt-to-capital ratio as at 31 December 2021, 2022 and 2023 and were as follows:

		Years ended 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Current liabilities:				
Bank loans and other borrowings	*24*	150,663	211,650	342,000
Loans from related parties	*33*	5,349	–	–
Lease liabilities	*25*	2,302	4,128	8,115
		158,314	215,778	350,115
Non-current liabilities:				
Bank loans and other borrowings	*24*	–	10,000	10,000
Lease liabilities	*25*	6,614	8,589	10,684
		6,614	18,589	20,684
Total debt		164,928	234,367	370,799
Less: Cash	*21(a)*	(10,641)	(20,434)	(46,876)
Adjusted net debt		154,287	213,933	323,923
Total equity		109,760	34,643	7,572
Add: Redeemable capital contributions	*26*	265,666	527,970	852,912
Adjusted capital		375,426	562,613	860,484
Adjusted net debt-to-capital ratio		41.1%	38.0%	37.6%

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and other receivables. The Group's exposure to credit risk arising from cash are limited because the counterparties are reputable banks or financial institution, which the Group considered to present low credit risks. The Group's exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account (i) the landlords' credit rating and (ii) the remaining lease term and the period covered by the rental deposits. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Group's exposure to credit risk arising from trade receivables is influenced mainly by the individual characteristics of each customer. The default risk of the industry or country in which the customers operate also has an influence on credit risk. As at 31 December 2021, 2022 and 2023, 53.8%, 51.7% and 36.1% of the total trade receivables were due from the Group's top five largest customers. Trade receivables are generally due within 180 to 270 days from the date of billing.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, taking into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group measures loss allowances for trade receivables at lifetime ECL. The Group determines ECL by using a provision matrix, estimated based on historical credit loss experience, the past default experience of the debtor, general economic conditions of the industry and country in which the debtors operates and an assessment of both the current and the forecast duration of condition as at 31 December 2021, 2022 and 2023. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, including trade-related balances in amounts due from related parties, as at 31 December 2021, 2022 and 2023:

	As at 31 December 2021		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	7.7%	209,856	16,095
Less than 12 months past due	33.6%	27,773	9,326
More than 12 months but less than 24 months past due	58.4%	7,760	4,528
More than 24 months but less than 36 months past due	83.4%	1,563	1,303
More than 36 months past due	100.0%	1,116	1,116
		248,068	32,368

	As at 31 December 2022		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	7.9%	221,075	17,553
Less than 12 months past due	27.6%	137,776	37,998
More than 12 months but less than 24 months past due	51.5%	18,359	9,456
More than 24 months but less than 36 months past due	76.0%	1,755	1,334
More than 36 months past due	100.0%	138	138
		379,103	66,479

	As at 31 December 2023		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	10.7%	491,480	52,433
Less than 12 months past due	26.4%	177,186	46,837
More than 12 months but less than 24 months past due	60.9%	33,882	20,634
More than 24 months but less than 36 months past due	91.0%	1,996	1,816
More than 36 months past due	100.0%	138	138
		704,682	121,858

Expected loss rate are based on actual loss experience over the past 4 years. These rates are adjusted to reflect differences in economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over expected lives of the receivables.

The following significant changes in the gross carrying amounts of trade receivables contributed to the change in the loss allowance during the 2021, 2022 and 2023:

– origination of new trade receivables net of those settled resulted in an increase of RMB10,048,000, RMB1,458,000 and RMB34,880,000 in loss allowance, respectively;

– change in past due trade receivables resulted in an increase of RMB7,396,000, RMB41,104,000 and RMB20,499,000 in loss allowance, respectively; and

– write-off of trade receivables with a gross carrying amount of RMB nil, RMB8,451,000 and RMB nil resulted in a decrease in loss allowance, respectively.

(b) Liquidity risk

The management are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

	As at 31 December 2021					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and other borrowings	154,672	–	–	–	154,672	150,663
Trade and other payables	45,690	–	–	–	45,690	45,690
Lease liabilities	2,617	2,155	4,924	–	9,696	8,916
Redeemable capital contributions	265,666	–	–	–	265,666	265,666
	468,645	2,155	4,924	–	475,724	470,935

	As at 31 December 2022					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and other borrowings	216,433	700	10,700	–	227,833	221,650
Trade and other payables	57,656	–	–	–	57,656	57,656
Lease liabilities	4,549	3,451	5,676	–	13,676	12,717
Redeemable capital contributions	527,970	–	–	–	527,970	527,970
	806,608	4,151	16,376	–	827,135	819,993

	As at 31 December 2023					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and other borrowings	348,553	10,700	–	–	359,253	352,000
Trade and other payables	39,709	–	–	–	39,709	39,709
Lease liabilities	8,690	5,008	6,192	4	19,894	18,799
Redeemable capital contributions	852,912	–	–	–	852,912	852,912
	1,249,864	15,708	6,192	4	1,271,768	1,263,420

(c) Interest rate risk

The Group's interest-bearing financial instruments at variable rates are the cash at bank as at 31 December 2021, 2022 and 2023. The Group's interest-bearing financial instruments at fixed interest rates are loans and borrowings as at 31 December 2021, 2022 and 2023 that are measured at amortised cost.

The Group's income and operating cash flows are substantially independent of exchanges in market interest rates and the Group has no significant interest-bearing assets except for cash.

(d) Currency risk

As at 31 December 2021, 2022 and 2023, the Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than the functional currencies of the Company and its subsidiaries are not significant.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;

Level 3 valuations: Fair value measured using significant unobservable inputs.

Analysis on fair value measurement of financial instruments as at 31 December 2021, 2022 and 2023 are as follows:

	Fair value at 31 December 2021	**Fair value measurement at 31 December 2021 categorized into**		
		Level 1	**Level 2**	**Level 3**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities *(i)*	516	–	–	516
Financial assets at FVPL				
– Unlisted equity securities *(ii)*	20,000	–	–	20,000
	20,516	–	–	20,516
Liability:				
Redeemable capital contributions *(iii)*	265,666	–	–	265,666

	Fair value at 31 December 2022	Fair value measurement at 31 December 2022 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities *(i)*	560	–	–	560
Financial assets at FVPL				
– Unlisted equity securities *(ii)*	28,337	–	–	28,337
	28,897	–	–	28,897
Liability:				
Redeemable capital contributions *(iii)*	527,970	–	–	527,970

	Fair value at 31 December 2023	Fair value measurement at 31 December 2023 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities *(i)*	771	–	–	771
Financial assets at FVPL				
– Unlisted equity securities *(ii)*	28,595	–	–	28,595
	29,366	–	–	29,366
Liability:				
Redeemable capital contributions *(iii)*	852,912	–	–	852,912

During the years ended 31 December 2021, 2022 and 2023, there were no transfers, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements:

	Valuation techniques	**Significant unobservable inputs**
Unlisted equity securities *(i)*	The comparable company approach *(Note i)*	DLOM
Unlisted equity securities *(ii)*	The adjusted latest round financing price approach *(Note ii)*	Changing trend of average market multiples of comparable companies
Redeemable capital contributions *(iii)*	Discounted cash flow *(Note iii)*	DLOM and Discount rate

(i) The fair value of certain unlisted equity security is determined average market multiples of comparable companies. As at 31 December 2021, 2022 and 2023, it is estimated that with all other variables held constant, an increase/decrease in change of DLOM by 5% would have decreased/increased the Group's other comprehensive income by RMB37,000, RMB39,000 and RMB39,000, respectively.

(ii) The fair value of certain unlisted equity security is determined using latest round financing price adjusted for changing trend of average market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of average market multiples of comparable companies. As at 31 December 2021, 2022 and 2023, it is estimated that with all other variables held constant, an increase/decrease in change of average market multiples of comparable companies by 5% would have increased/decreased the Group's profit by RMB1,000,000, decreased/increased the Group's loss by RMB2,518,000 and decreased/increased the Group's loss by RMB1,512,000, respectively.

(iii) The sensitivity analysis for redeemable capital contributions was disclosed in Note 26.

The following table shows a reconciliation from the beginning balances to the ending balances of financial assets for fair value measurement in Level 3 of the fair value hierarchy:

	Financial assets at FVOCI	**Financial assets at FVPL**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2021	615	–	615
Purchase	–	20,000	20,000
Net realized and unrealized gains on financial assets at fair value other comprehensive income	(99)	–	(99)
As at 31 December 2021	516	20,000	20,516
Net realized and unrealized gains on financial assets at fair value other comprehensive income	44	–	44
Net realized and unrealized losses on financial liabilities at fair value through profit or loss	–	8,337	8,337

	Financial assets at FVOCI	Financial assets at FVPL	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2022	560	28,337	28,897
Net realized and unrealized gains on financial assets at fair value other comprehensive income	211	–	211
Net realized and unrealized losses on financial liabilities at fair value through profit or loss	–	258	258
As at 31 December 2023	771	28,595	29,366

The changes of redeemable capital contributions for the years ended 31 December 2021, 2022 and 2023 have been presented in Note 26.

Any gain or loss arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognized in the fair value reserve (non-recycling) in other comprehensive income.

Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to accumulated losses.

The gains arising from the financial assets at FVPL are presented in the "Changes in fair value of financial assets measured at fair value through profit or loss" line item in the consolidated statements of profit or loss.

All financial instruments carried at cost or amortized cost are at amounts not materially different from their values as at 31 December 2021, 2022 and 2023.

31 COMMITMENTS

Commitments outstanding at 31 December 2021, 2022 and 2023 not provided for in the financial statements were as follows:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Purchase of network and other telecommunication resource costs	424,246	291,400	180,306
Purchase of property, equipment and intangible assets	19,833	68,236	95,300

32 CONTINGENT LIABILITIES

As at 31 December 2021, 2022 and 2023, the Group does not have any material contingent liabilities.

33 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Short-term employee benefits	4,173	5,973	8,167
Contributions to defined contribution retirement plans	278	382	497
	4,451	6,355	8,664

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Related party transactions

During the Track Record Periods, the directors are of the view that the following personals and companies are related parties:

Name of party	**Relationship**
Jinghua Tang	Founder of the Company and Shareholder
Qi Sun	Shareholder
Yerong Shi*	Shareholder
Shanghai Chenqi Information Consulting Co., Ltd.**	The entity controlled by Yerong Shi
Shanghai Voicecomm Rongzhi Technology Group Co., Ltd.**	The entity controlled by Jinghua Tang
QianHai (ShangHai) Technology Inc., Co.**	The entity controlled by Tiantian Ma

* On 23 August 2021, Yerong Shi and Jinghua Tang signed the agreement to cease Yerong Shi acting in concert with Jinghua Tang. Yerong Shi was not being related parties from the ceasing date.

** The English translation of these entities is for reference only. The official names of the entities established in the PRC are in Chinese.

(c) Guarantees and pledges issued by related parties

Certain bank facilities granted to the Group were guaranteed or secured with pledges issued by related parties. An analysis of the carrying value of these liabilities in Note 24.

(d) Significant related party transactions

During the years ended 31 December 2021, 2022 and 2023, the Group had following transactions with related parties:

Trade in nature

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
– Purchase from			
QianHai (ShangHai) Technology Inc., Co. *(i)*	–	–	14,708

Non-trade in nature

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
– Loan and advance to relate party			
Jinghua Tang *(ii)*	3,000	–	–
Shanghai Chenqi Information Consulting Co., Ltd. *(ii)*	2,000	–	–
	5,000	–	–
– Repayment of related parties loans			
Jinghua Tang *(ii)*	–	3,130	–
Yerong Shi *(ii)*	–	2,349	–
Shanghai Chenqi Information Consulting Co., Ltd. *(ii)*	2,000	–	–
	2,000	5,479	–
– Disposal of interests in associates			
Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. *(Note 16)*	–	–	2,000
– Expenses paid on behave of shareholders			
Yerong Shi	–	–	684
Jinghua Tang	–	–	26
	–	–	710
– Repayment of company advances			
Yerong Shi	–	–	684
Jinghua Tang	–	–	26
	–	–	710

(i) The Group purchased hardware and software for fulfilment of sales contract.

(ii) The Group's related party transactions are based on the Group's financing arrangements. The interest rates on related party borrowings do not compare unfavorably with market terms.

(e) Significant related party balances

At 31 December 2021, 2022 and 2023, the Group had following balances with related parties:

Trade in nature

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
– Prepayment-current			
QianHai (ShangHai) Technology Inc., Co.	–	–	386

Non-trade in nature

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
– Other payables and accruals			
Jinghua Tang	3,000	–	–
Yerong Shi	2,349	–	–
	5,349	–	–

34 BUSINESS COMBINATIONS

(i) Yuanya Information acquisition

On 19 July 2021, the Company acquired 51% equity interests in Yuanya Information from a third party at a cash consideration of RMB20,400,000 to enhance the Group's service capabilities in vehicle sector.

From the dates of acquisitions to 31 December 2021, Yuanya Information contributed revenue of RMB11,291,000 and net profit of RMB1,197,000, respectively. During the year ended 31 December 2021, Yuanya Information contributed revenue of RMB11,291,000 and net profit of RMB1,197,000, respectively, had the acquisition been completed as at 1 January 2021.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the respective dates of acquisitions:

	Fair value on acquisition
	RMB'000
Purchase consideration	
Total acquisition price	20,400
Identifiable assets and liabilities:	
Other receivables	1,995
Intangible assets	
– Patents	8,600
Other payables and accruals	(1,995)
Deferred tax liabilities	(2,150)
Net identifiable assets acquired	6,450
Less: non-controlling interests	(3,161)
Add: goodwill *(Note 15)*	17,111
Net assets acquired	20,400

(ii) Jinxun Digital Intelligence acquisition

On 30 December 2022, the Company acquired 51% equity interests in Jinxun Digital Intelligence from a third party at a cash consideration of RMB28,050,000 to enhance the Group's service capabilities in voice communication sector.

From the dates of acquisitions to 31 December 2022, Jinxun Digital Intelligence contributed revenue of RMB nil and net profit of RMB nil, respectively. During the year ended 31 December 2022, Jinxun Digital Intelligence contributed revenue of RMB nil and net profit of RMB nil, respectively, had the acquisition been completed as at 1 January 2022.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the respective dates of acquisitions:

	Fair value on acquisition
	RMB'000
Purchase consideration	
Total acquisition price	28,050
Identifiable assets and liabilities:	
Intangible assets	
– Patents	9,000
Cash	5,000
Deferred tax liabilities	(2,250)
Net identifiable assets acquired	11,750
Less: non-controlling interests	(5,757)
Add: goodwill *(Note 15)*	22,057
Net assets acquired	28,050

35 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At of 31 December 2021, 2022 and 2023, the directors consider the immediate controlling parties of the Group to be Jinghua Tang and his concert parties, and ultimate controlling party of the Group to be Jinghua Tang.

36 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIODS

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 1, *Classification of liabilities as current or non-current*	1 January 2024
Amendments to IFRS 16, *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to IAS 1, *Non-current Liabilities with Covenants*	1 January 2024
Amendments to IAS 7 and IFRS 7, *Supplier Finance Arrangements*	1 January 2024
Amendments to IAS 21, *Lack of exchangeability*	1 January 2025
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	Available for optional adoption/effective date deferred indefinitely

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

37 SUBSEQUENT EVENTS

[Subsequent to December 31, 2023, there is no significant subsequent event.]

Subsequent Financial Statements

No audited financial statements have been prepared by the Company or any of its subsidiaries in respect of any period subsequent to 31 December 2023.