



医渡科技
YIDUTECH

Yidu Tech Inc.
醫渡科技有限公司

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 2158



2023

Annual Report

年度報告



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CORPORATE INFORMATION

Executive Directors

Ms. Gong Yingying (宮盈盈) (*Chairlady*)
Mr. Xu Jiming (徐濟銘) (*Chief Executive Officer*)
(appointed on 1 February 2023)
Dr. Yan Jun (閔峻)
Ms. Feng Xiaoying (封曉瑛)
(appointed on 1 February 2023)
Ms. Yang Jing (楊晶) (resigned on 1 February 2023)
Ms. Zhang Shi (張實) (resigned on 1 February 2023)

Non-Executive Director

Mr. Zeng Ming (曾鳴)

Independent Non-Executive Directors

Dr. Ma Wei-Ying (馬維英)
Ms. Pan Rongrong (潘蓉蓉)
Prof. Zhang Linqi (張林琦)

Audit Committee

Ms. Pan Rongrong (*Chairperson*)
Dr. Ma Wei-Ying
Prof. Zhang Linqi

Remuneration Committee

Dr. Ma Wei-Ying (*Chairperson*)
Ms. Gong Yingying
Prof. Zhang Linqi

Nomination Committee

Ms. Gong Yingying (*Chairperson*)
Dr. Ma Wei-Ying
Prof. Zhang Linqi

Joint Company Secretaries

Ms. Feng Xiaoying (appointed on 1 February 2023)
Ms. Li Ching Yi
Ms. Bai Rui (resigned on 1 February 2023)

Authorized Representatives

Ms. Feng Xiaoying (appointed on 1 February 2023)
Ms. Li Ching Yi
Ms. Yang Jing (resigned on 1 February 2023)

Headquarters

8/F Health Work
No. 9 Building of Huayuan North Road
Haidian District, Beijing, China

Principal Place of Business in Hong Kong

14th Floor, Golden Centre
188 Des Voeux Road Central, Hong Kong

Registered Office

Suite#4-210, Governors Square
23 Lime Tree Bay Avenue
PO Box 32311
Grand Cayman KY1-1209, Cayman Islands

Auditor

PricewaterhouseCoopers
*Certified Public Accountants and Registered Public
Interest Entity Auditor*
22/F, Prince's Building
Central, Hong Kong

Legal Advisers

As to Hong Kong and U.S. laws
Herbert Smith Freehills
23rd Floor, Gloucester Tower
15 Queen's Road Central, Hong Kong

As to PRC law

Han Kun Law Offices
9/F, Office Tower C1, Oriental Plaza
1 East Chang An Ave.
Dongcheng District, Beijing 100738, PRC

As to Cayman Islands law

Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road, Wan Chai, Hong Kong

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman KY1-1102, Cayman Islands

Principal Banks

Citibank, N.A., Hong Kong branch
Citi Tower, One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon, Hong Kong

China CITIC Bank, Beijing branch,
Beijing Fuhua Mansion sub-branch
1st Floor, Tower E, Fuhua Mansion
8 Chaoyangmen North Street
Doncheng District, Beijing, China

Shanghai Pudong Development Bank, Beijing branch,
Dong Changan Street sub-branch
1st Floor, Tower B, Minsheng Financial Center
28 Jianguomen Inner Street
Dongcheng District, Beijing, China

Stock Code

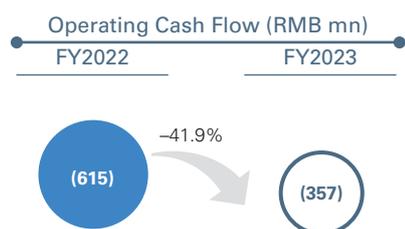
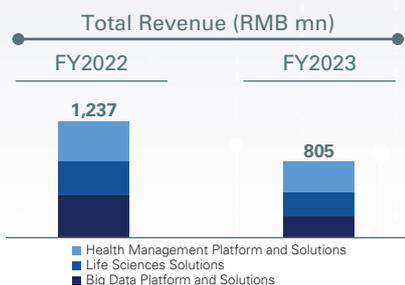
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Company Website

www.yidutechgroup.com

KEY FINANCIAL AND OPERATING DATA

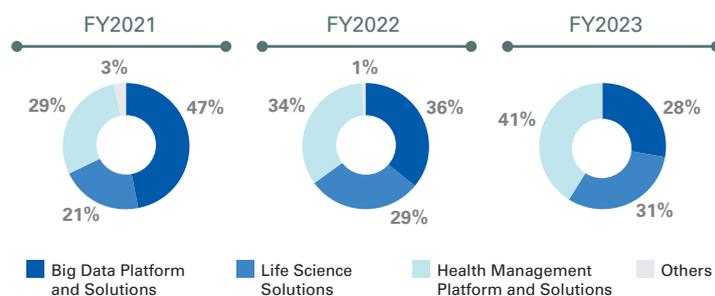
FY2023 Financial Highlights



Loss (RMB mn)



Business Structure



(1) Adjusted net loss is defined as loss for the year and adding back (i) share-based compensation expenses, and (ii) net foreign exchange losses.

Key Financial and Operating Data (Continued)

Operational Highlights with Strategic Focus

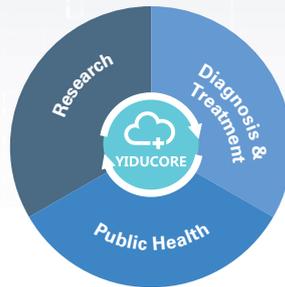
Scenario-driven

Business Focus

- Focus on the healthcare intelligence industry, and continue to concentrate on three categories of scenarios, namely **research, diagnosis & treatment** and **public health**
- Focus on the **construction of core competence**, promote the multiple use-case scenarios application under three categories of scenarios, and realize the iteration and optimization of intelligence **driven by scenarios**

Disease Focus

- Concentrate on key disease areas including **solid tumor, hematology, ophthalmology, immunology** and **cardiovascular**
- The disease registry covers **70** disease areas, including more than **20** major cancers
- Public health solutions are able to cope with all of the **40** infectious diseases defined by **Chinese Center for Disease Control and Prevention**
- The diabetes digital therapeutics product based on the diabetes digital therapeutics **independently developed** by us have been approved by both the **U.S. Food and Drug Administration ("FDA")** and **Hainan Medical Products Administration**



Client Focus

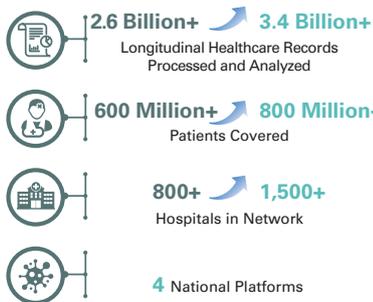
- Constantly upgrade and iterate the professionalized product matrix driven by innovation. Continuously provide high-quality services to meet the diverse needs of core customers
- The BDPS segment launched the new hospital scenario intelligent solutions, upgraded and launched the **All Disease Data Platform** to achieve the DIY creation of disease registries by hospitals, and **the new-generation of data centre, YiduEywa 2.0**, to help hospitals capitalize medical data assets
- The LSS segment served **16** out of the top 20 global MNC clients and has **17** listed companies among its top 20 clients
- As of March 31, 2023, the Group's backlog reached RMB**916** million, representing a **45.8%** year-on-year growth

Organization Focus

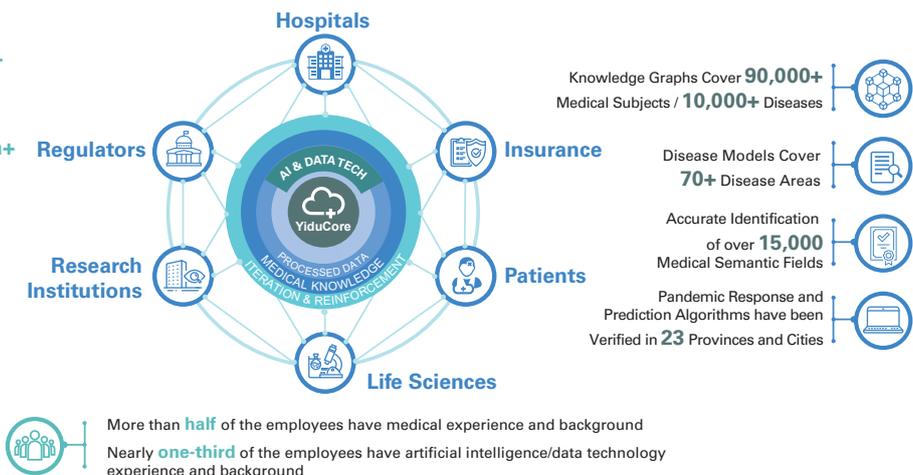
- Based on the Yiducore and reuse of the core competencies, we continuously improve the collaboration among the three business segments to enhance customer awareness, business penetration and internal operating efficiency
- Actively expand a network with key opinion leaders and industry experts. We have invited **86** industry leaders and clinical experts to share their insights in the "Happy and Smart Study" live events held by the LSS segment, and attracted more than **4,000** clinical researchers
- Our net cash outflow for operating activities decreased by **41.9%** on a year-on-year basis

Core Competency

Network



Technology



- More than **half** of the employees have medical experience and background
- Nearly **one-third** of the employees have artificial intelligence/data technology experience and background

Multidisciplinary Team

CHAIRLADY'S STATEMENT

Guided by our long-term goal of precision healthcare for all (“**green healthcare**”), Yidu Tech, as a leader in China’s healthcare intelligence industry, remains committed to independent innovation. From the supply side, we persistently propel the transformation of the healthcare industry, progressing from digitalization towards intelligentization, with the aim of attaining cost reduction and efficiency enhancement within the healthcare sector. During the fiscal year 2023, despite the uncertainties and challenges brought by the COVID-19 pandemic, we tightly stuck to our focus on scenario-driven strategies enabling us to achieve sustainable and high-quality development over the long term. Our progress has been marked by the continuous support and trust from all of our investors, and on behalf of the Group, I would like to express my sincere appreciation for your unwavering confidence in us.

Strategic focus for long-term high-quality development

We are committed to a strategic focus on improving profitability and achieving long-term high-quality development. Focusing on artificial intelligence (“**AI**”) and key disease research areas, we constantly iterate and upgrade our independently developed intelligent “medical brain”, YiduCore, and focus on three major areas, namely research, diagnosis and treatment, and public health based on disease-specific dimensions. We aim to further improve customer experience and enhance our core competitiveness through the consistent launch of self-developed, high-quality products and intelligent solutions that empower broader application scenarios. As of 31 March 2023, our total backlog reached RMB916.5 million, representing a year-on-year increase of 45.8%. We remain committed to strengthening synergies among our three business segments to improve the Group’s overall operating efficiency. Throughout this fiscal year, we achieved a year-on-year reduction of 22.2% in adjusted net loss and a year-on-year decrease of 41.9% in net cash outflow for operating activities. We expect a substantial further decrease in the adjusted net loss as we continuously enhance our operational efficiency moving forward.

Independent innovation to continually reinforce the core technology competencies of our healthcare intelligence

With the development of artificial intelligence technology, we continue to develop the high-quality products and solutions through the continuous iteration and upgrade of YiduCore to retain core customers with high revenue retention rate while meeting diverse demands of our customers. During the Reporting Period, we launched the new-generation of data centre, namely YiduEywa2.0, the new-generation of Intelligent Management and Research-based Ward Solutions, and the All Disease Data Platform. YiduEywa2.0, as a new digital intelligent platform benchmark in the healthcare field, has been progressively implemented in several top-tier hospitals in central and southern China. As the industry’s first All Disease Data Platform, it enables the DIY creation of disease registries by hospitals. The comprehensive range of research tools facilitate clinical departments to efficiently carry out real-world research, and accelerate scientific research output and clinical translation. Based on the core competence of YiduCore, our self-developed integrated digital intelligence service platform, including Digital Collaboration Platform and Decentralized Clinical Trial Platform (“**DCT**”), has served the full life-cycle of drugs and medical devices spanning from clinical development to post-marketing commercialization.

Chairlady's Statement (Continued)

In addition, we place utmost importance on data security and privacy protection, and our advanced technical architecture enables us to improve data security and compliance. Yidu Tech has obtained two evaluation certificates for multi-party secure computing and federated learning issued by the China Academy of Information and Communications Technology ("**CAICT**"). As of 31 March 2023, Yidu Tech has more than 800 authorized patents and was successfully accredited as the "National Intellectual Property Advantage Enterprise" in 2022, which is another state-class honor we have obtained after the "China Patent Award".

Network expansion to promote construction from platform to ecosystem

Our expanding customer base has promoted the development of use-case scenarios applications that have further helped to cement YiduCore, which in turn attracts more hospitals, leading principal investigators ("**PIs**"), pharmaceutical companies and researchers to join our ecosystem. Expanding network of experts, disease research, and geographical coverage also enable our algorithms to accumulate and analyse greater amounts of valuable medical knowledge and clinical experience.

As of 31 March 2023, YiduCore has processed and analyzed more than 3.4 billion healthcare records from over 800 million patients, covering over 1,500 hospitals. Our disease knowledge graphs have covered more than 10,000 diseases and our disease registries have covered over 70 disease areas. We have assisted experts and institutions with the publication of 15 datasets, covering colorectal cancer, gastric cancer, ophthalmology, leukaemia, cirrhosis and other diseases.

In the future, we aim to attract more experts who can generate fresh insights and ideas for clinical medical research, leveraging the capabilities of YiduCore. This will give rise to accelerating the medical research process while further driving network expansion.

Deepening three areas based on dimension of disease

By leveraging the continuous enhancement and refinement of our proprietary intelligent "medical brain", YiduCore, along with our healthcare intelligence-driven real-world research network with high-quality research-grade evidence, we focus on vertical disease areas such as solid tumors, hematologic disease, ophthalmology, immunity and cardiovascular disease. Our concerted efforts are directed towards expanding our presence among key hospitals, pharmaceutical companies, and regions, with a steadfast focus on disease-specific dimensions. Our focus remains steadfast in three major areas, namely public health, research, and diagnosis and treatment.

In terms of research, we improve the efficiency of clinical research, and accelerate the conversion of our medical research. Leveraging our extensive network of hospitals and experts, our intelligent clinical trial solutions have successfully supported Phase III and IV clinical trials for renowned pharmaceutical companies, significantly accelerating their drug development timelines. Although the real-world study ("**RWS**") in China is still at the early stage of development, we recognize the promotion of RWS with traceable and highly transparent data is the key foundation of accessible precision healthcare. At present, all our RWS application scenarios, from obtaining drug approval, peri-launch evidence support, label extensions all the way to post-marketing growth, encompass the entire spectrum of the drug development life cycle. The members of our RWS team have diverse experience with expertise spanning public health, epidemiology, clinical medicine, pharmacy, biostatistics, pharmacoeconomics and life sciences. As of 31 March 2023, we have accumulatively performed 204 RWS. In addition, our healthcare intelligence-driven RWS network has further reinforced our complete business loop of "medical treatment, drugs, insurance and patients", which has helped to realise our mission of making precision healthcare accessible to everyone. For instance, based on the Real-World Data Clinical Research Platform (Phase

Chairlady's Statement (Continued)

l) in Hainan Boao Lecheng constructed by us, we delivered service for a multi-national pharmaceutical company (“MNC”) client’s hyperlipidemia external control arm project, which can meet the urgent clinical needs of hyperlipidemia patients who are unable to use statins for treatment. Compared with the execution methods adopted by traditional CRO, it is able to save approximately 10% of the research cost and reduce the overall project time to 2 years.

In terms of diagnosis and treatment, we remain patient-centric and outcome-based to drive the development of precision diagnosis. We provided RWS service to a MNC client on a product indicated for eosinophilic granulomatosis with polyangiitis. The evidence generated from this study facilitated the drug’s inclusion into China’s national medical insurance catalogue. As the eosinophilic granulomatous polyangiitis is a rare disease, accelerating its approval can satisfy the clinical treatment needs of patients with such disease in China.

In terms of public health, we have utilized technologies including the large scale simulation to optimize the efficiency of resource allocation , and establish the smart and healthy city. Based on a deep understanding of epidemiology and the transmission rules of infectious diseases, we have developed public health intelligent monitoring and warning solutions that can cope with all of the 40 infectious diseases defined by China CDC. As of 31 March 2023, the efficacy and accuracy of our proprietary pandemic response and prediction algorithms have been validated in 23 provinces and cities. During the Reporting Period, we also undertook the construction of the fourth national platform project, namely “Data Platform for Clinical Trial Institution Evaluation”, to continuously improve the clinical trial capacity through evaluation. In addition, we continue to support local governments in enhancing the governance of regional health data resources and building public health platforms.

Promoting the development of health management solutions and urban Hui Min Bao

In response to the rising prevalence of chronic diseases, we focus on treatment and the development of health management related digital therapies based on YiduCore, evidence-based medicine and traceable real-world evidence (“RWE”). During the Reporting Period, diabetes digital therapeutics product based on the diabetes digital therapeutics that was developed by us has recently been approved by FDA. In addition, based on the independently-developed diabetes digital therapeutics, the diabetes digital therapeutics product for China developed by us has also been approved by Hainan Medical Products Administration of China and received the Medical Device Registration Certificate of the People’s Republic of China.

With the support of healthcare intelligent technology and our extensive scenario operation experience, we have won the bid of, and served Hui Min Bao covering 4 provinces and 12 cities as of 31 March 2023, of which more than 90% of users are located in China’s top 15 provincial-level administrative regions in terms of GDP in 2022. During the Reporting Period, as the leader of the consortium, we won the bid for the third-party platform project of Shenzhen Hui Min Bao Project and provided the main operational services. Going forward, we will focus on expanding our regional network, deepening our presence in core cities, and increasing customer penetration to support the long-term development of urban Hui Min Bao.

Chairlady's Statement (Continued)

Leveraging artificial intelligence, big data and other innovative technologies, the essence of healthcare intelligence is to improve the quality and efficiency of research-grade evidence, while resolving efficiency issues in R&D and treatment, making medical care safer, better, and more accessible. It encompasses crucial scenarios for all stakeholders in the healthcare industry, from assisting doctors in clinical diagnosis and treatment on the supply side to accelerating new drug development, from empowering precise decision-making in public health to personalized proactive health management of many at every level. This comprehensive approach aligns with our vision at Yidu Tech and our commitment to building a value-based medical system since our inception. We will continue to abide by our mission of "making value-based precision healthcare accessible to everyone", constantly strengthen our capabilities in core technologies and ecological cultivation in the process and efficiently respond to our customer needs while refining our operations, thus creating long-term value for our investors and our society at large.

"To fundamentally make a difference in healthcare, one must be compassionate, always in awe, and patient".

Full of gratitude, and all the best to everyone.

Gong Yingying

Chairlady and Founder

China

30 June 2023

BUSINESS REVIEW

Financial Highlights

	Years ended 31 March		Change (%)
	2023	2022	
	(RMB'000, except percentages)		
Revenue	804,700	1,237,200	(35.0%)
— Big Data Platform and Solutions	221,863	444,891	(50.1%)
— Life Sciences Solutions	252,884	359,375	(29.6%)
— Health Management Platform and Solutions	329,953	424,941	(22.4%)
— Others	—	7,993	(100%)
Gross profit	274,530	399,445	(31.3%)
Operating loss	(630,049)	(767,398)	(17.9%)
Loss for the year	(632,361)	(766,360)	(17.5%)
Non-IFRS adjusted net loss ⁽¹⁾	(448,712)	(576,963)	(22.2%)

(1) We define “adjusted net loss” as loss for the year and adding back (i) share-based compensation expenses, and (ii) net foreign exchange losses.

The Board did not recommend the distribution of a final dividend for the fiscal year ended 31 March 2023.

Business Review

In 2022, the global economic recovery faced multiple uncertainties due to complex and ever-changing unforeseen risks and challenges. The Group's operations also faced challenges due to the prolonged impact of the COVID-19 pandemic. Despite external pressures, we have maintained our focus on scenario-driven strategy and our dedication to technological innovation and disease research, which allowed us to achieve certain results in the development of AI research and application solutions, expansion in the field of diseases, product upgrade and iteration, and market expansion.

The nation proposes to promote the construction of the "Healthy China", putting the protection of people's health in a strategic position for prioritized development and improving the policy on the promotion of people's health. In 2022, the relevant national authorities have issued a series of policies and regulations that focus on promoting the construction of health informatization for the general public, high-quality development of public hospitals, the healthcare application scenarios empowered by AI, innovation in the healthcare supply side system, and refined operation and performance assessment of hospitals. Such market-friendly policies and better regulated market conditions enable us to deepen the development of our core technologies and capabilities, and achieve our vision of achieving precision healthcare for all in the long run.

As a leading company in the healthcare intelligence industry, we are at the forefront in terms of applying AI and big data technologies to empower the transformation and upgrading of the healthcare industry along the supply chain for higher efficiency and meeting the diverse needs of the demand side of the healthcare ecosystem.

Our intelligent "medical brain", YiduCore, empowers our customers and partners to unlock the value of data by enabling the secured applicability of high-quality data in different use-case scenarios. As of 31 March 2023, upon authorization, YiduCore has processed and analyzed more than 3.4 billion healthcare records from over 800 million patients. We focus on public health, research, and diagnosis and treatment scenarios, specializing in the disease areas of solid tumors, hematology, ophthalmology, immunology and cardiovascular. As algorithms and insightful medical knowledge continue to accumulate and iterate across different application scenarios and disease areas, we have attracted more hospitals, top-tier PIs, pharmaceutical companies and researchers to join the YiduCore network. As of 31 March 2023, we have provided solutions for 88 top research hospitals in China and 34 regulators and policymakers. The number of life science customers we have served reached 167. The number of active users who completed at least one transaction on our health management platform reached 20 million.

For the fiscal year ended 31 March 2023, our total revenue amounted to RMB804.7 million, representing a year-on-year decrease of 35.0%, mainly attributable to the prolonged pandemic, that resulted in the delays in bidding, on-site implementation and client acceptance of certain projects. Benefiting from improved internal operating efficiencies and enhanced synergies among our business segments, our loss for the year decreased to RMB632.4 million, representing a year-on-year decrease of 17.5%, and the adjusted net loss decreased to RMB448.7 million, representing a year-on-year decrease of 22.2%. Our net cash outflow for operating activities decreased by 41.9% on a year-on-year basis.

Business Review (Continued)

YiduCore

YiduCore, our intelligent “medical brain”, can be understood in terms of three layers: the first layer consists of our medical data governance capabilities, which enable us to assist in aggregating and converting raw and scattered data from in-hospital and out-of-hospital information technology systems into structured and standardised high-quality data that can be analysed and processed by algorithmic models in a rapid, accurate and cost-efficient manner upon authorization. The second layer is composed of our continuously reinforced and expanded medical knowledge, insights, and disease models generated from and applied in the intelligent algorithms, as they are applied to our data-analytics driven solutions for our customers in various use-case scenarios. The final layer is our scenario-specific operations and service capabilities that we develop to help our customers better realize the value of our solutions and ecosystem to achieve their target outcomes.

Since our incorporation, we have committed to research and independent innovation. We have continuously invested resources to deepen our understanding of diseases. The medical knowledge graphs in YiduCore are based on evidence-based medical research. As of 31 March 2023, the YiduCore medical knowledge graphs have covered over 90,000 medical subjects, of which the number of diseases covered by the disease knowledge graphs have exceeded 10,000, which supported the mapping of nearly 10 types of medical standard terminologies, such as ICD, MeSH and ATC etc. The continuously growing customer base can drive multi-scenario applications, and the iterative integration of scenarios and algorithms has further reinforced our YiduCore. As of 31 March 2023, YiduCore has built disease models in over 70 disease areas. In terms of medical natural language processing, as of 31 March 2023, upon authorization, YiduCore has processed and analyzed more than 3.4 billion healthcare records from over 800 million patients, covering over 1,500 hospitals. Through such accumulation, YiduCore is able to accurately identify over 15,000 medical semantic fields with industry-leading accuracy in medical text field extraction.

Based on the intelligent “medical brain”, YiduCore, we constantly improved the efficiency of research-grade evidence generation and deepened our research capability in different disease areas. In addition to the research on key diseases such as solid tumors, hematology, ophthalmology, immunology and cardiovascular, we further deepened our research on other diseases. During the Reporting Period, we supported the release of the China’s first cirrhosis standard dataset from technical perspective, to improve the data quality in utilization and integration of cirrhosis clinical resources. As of 31 March 2023, we have collaborated with experts and authoritative institutions to publish 15 disease standard datasets, building as a foundation for multi-center research in relevant disease areas. During the Reporting Period, we provided comprehensive scientific research service solutions to a Grade III-A hospital in East China, which ranks among the top two in thoracic surgery and tuberculosis in China. Our solutions enable full-process scientific research management, including CRF (Case Report Form) design, intelligent follow-up, and data quality control, thereby improving scientific research efficiency. Our comprehensive public health solutions provide large-scale simulation and prediction for efficient and dynamic decision-making. Our epidemic prediction and simulation products have been standardized and can be deployed remotely online with one click. As of 31 March 2023, the effectiveness and accuracy of our pandemic response and prediction algorithms have been validated in 23 provinces and cities.

Business Review (Continued)

Independent innovation and security protection are essential to YiduCore. Relying on YiduCore, the Medical Data Intelligent Platform Core Module (Version 2.7.0) (醫學數據智能平台核心模塊(2.7.0版本)) and Special Disease Intelligent Scientific Research Platform Core Module (Version 8.0.0) (專病智能科研平台核心模塊(8.0.0版本)), independently developed by us, have passed the evaluation of China Information Technology Security Evaluation Center and obtained the self-developed product evaluation certificate. We became the first healthcare technology company to obtain this certification. During the Reporting Period, with our excellent AI technology capabilities, we won the first prize at the “First Beijing Medical and Health Data Innovation and Application Competition (首屆北京醫療健康數據創新應用競賽)”, which was guided by Beijing Municipal Bureau of Economy and Information Technology, Beijing Municipal Health Commission and other authorities, and jointly hosted by Beijing International Data Exchange, Beijing Big Data Center (北京市大數據中心), Peking University People’s Hospital, Beijing Friendship Hospital, Beijing Chaoyang Hospital (北京朝陽醫院) and Beijing Chest Hospital (北京胸科醫院). With our leading scientific and technological innovation strength and intellectual property management capabilities, we were successfully accredited as the “National Intellectual Property Advantage Enterprise” in 2022, which is another state-class honor we have obtained after the “China Patent Award”.

For security protection, we have obtained the “Secure Multi-party Computing Basic Capability Special Evaluation Certificate (多方安全計算基礎能力專項評測證書)” and “Federated Learning Basic Capability Special Evaluation Certificate (聯邦學習基礎能力專項評測證書)” issued by CAICT. During the Reporting Period, we have participated in the preparation of the Research Report on the Application of Privacy Computing (2022) (《隱私計算應用研究報告(2022年)》) issued by the Institute of Cloud Computing and Big Data of the CAICT, which promoted the development and standardization of privacy computing and other relevant technical specifications. We will continue to improve the security protection capabilities of YiduCore and jointly promote the improvement of data security capabilities of the healthcare industry.

Big Data Platform and Solutions (“BDPS”)

In the BDPS segment, we provide data intelligence platform and data analytics-driven solutions for hospitals, other healthcare institutions, regulators and policymakers. During the Reporting Period, the revenue of this segment was RMB221.9 million, representing a decrease of 50.1% from the financial year ended 31 March 2022, mainly due to certain delays in tendering, on-site implementation and customer acceptance of certain projects arising from the prolonged impact of the COVID-19 pandemic. As of 31 March 2023, the number of top research hospital clients increased by 6 from FY2022 to 88, while the number of regulator and policymaker clients increased by 8 to 34.

For hospitals, we offer applications and solutions focused on three use-case scenarios, namely research, clinical diagnosis and treatment, and hospital operations management. The data analytics-driven applications and solutions we provided could further unlock the value of healthcare data to help clients conduct in-depth medical research and make precise and efficient decisions. By using our disease registries and disease research networks, top hospitals and experts can accelerate the production of research-grade evidence and scale up their clinical research in a faster and safer manner.

Business Review (Continued)

During the Reporting Period, we launched our new hospital scenario intelligent solutions, which will further broaden our target customer base with our All Disease Data Platform that enables the DIY creation of disease registries by hospitals. In addition, we also launched YiduEywa2.0, the new-generation of data centre that serves as an open system platform covering clinical diagnosis, hospital management and research scenarios. This platform aims to help hospitals capitalize their medical data assets, accelerating the generation and transformation of research results. It enables the digitalization and intelligent transformation and upgrading of the entire hospital.

During the Reporting Period, we have supported the high-quality development and digital transformation of a number of top Grade III-A hospitals, including Tongji Hospital of Tongji Medical College of Huazhong University of Science and Technology, and won the bid for a multi-center clinical research support platform construction project for a Grade III-A hospital in central China, with a contract value of over RMB10 million. Relying on the construction of the hospital's national medical centre project, we supported the hospital in building large clinical research cohorts and conducting large-sample multi-center cohort studies to improve research efficiency, and provided quality services for the hospital's multi-center research using advanced technologies such as artificial intelligence and algorithms.

We keep iterating real-world disease models by AI technologies, and continue to deepen our disease insights and engage top-grade hospitals and experts in our research network. In terms of ophthalmic diseases, we undertook the construction of ophthalmic disease registry of a Grade III-A hospital in Southwest China to continuously deepen our research on ophthalmic diseases. In addition, the "Tianjin Clinical Medical Research Centre for Eye Diseases Big Data Platform" that we have undertaken and provided technical support for, was officially launched. The platform is jointly developed by Tianjin Medical University Eye Hospital as the main center and collaborative institutions. It aims to integrate clinical, research and biological information system data in relation with eye diseases in Tianjin, covering intelligent patient recruitment, clinical operations, real-world studies, health economics research and other services. In addition to deepening our research on advantageous disease areas, we have also continuously expanded the breadth of our research in different disease areas. During the Reporting Period, we secured numerous disease registries projects in Grade III-A/Grade III hospitals, further strengthening our research capabilities in neurological diseases, orthopaedics and other disease areas.

We processed and analyzed more abundant and diverse data for regulators and policymakers. Upon authorization, we provide AI-enabled data analytics-driven solutions to regulators and policymakers, covering national/provincial/city-level regional platform development, public health, population health management, etc. To further promote the application and innovative development of new generation information technology in the healthcare industry, during the Reporting Period, the General Office of the National Health Commission released the list of the second batch of typical digital health cases. A total of 100 typical cases and 10 replicable demonstration cases were selected and commended in the notification. Among them, the "Wuhan Municipal Health Commission: Wuhan Public Health Emergency Command System" that we participated in its construction, was named as a replicable digital health demonstration case in the "Development of Big Data Applications in Health Care". "The Hospital of Blood Diseases of the Chinese Academy of Medical Sciences: Construction and Application of Big Data Database for Specialised Blood System Diseases" that we participated in its construction, was named as a typical digital health case in the "Development of Big Data Applications in Health Care".

Business Review (Continued)

During the Reporting Period, we undertook the construction of the “Data Platform for Clinical Trial Institution Evaluation” jointly promoted by the National Medical Products Administration (“**NMPA**”), and Chinese Academy of Medical Sciences & Peking Union Medical College. This is the fourth national platform we have built. The platform will perform full process evaluations of clinical trial organizations, and realize data collection and online configuration and management of evaluation models, provide effective quality control and analysis tools for evaluation work, and facilitate efficient analysis and decision-making.

In the field of public health, our solution can help regulators assess basic medical insurance burden and risk trends of the regional population, in order to develop corresponding policies and measures and, at the same time, manage and allocate medical resources more effectively. During the Reporting Period, we won the bid for Overseas Outbreak Monitoring and Early Warning for Infectious Diseases project of China CDC, which will gradually improve its surveillance and early warning platform and system for overseas outbreak of infectious diseases. Through early identification of the spread of infectious diseases abroad and systematic analysis of infectious diseases overseas, China CDC will be able to prevent and control infectious diseases at earlier stages.

In addition to providing regional platform construction and public health solutions, with our AI-enabled analytical tools and cutting-edge simulation models, we also assisted in building cities’ “health brain” in the field of population health management. In an economically developed city in East China, we used artificial intelligence technology to enable efficient interoperability of healthcare data within the city, and meet the expectations of regulators and healthcare institutions for in-depth data utilisation in various scenarios including clinical research, diagnosis and treatment, early warning analysis and health management. In addition, during the Reporting Period, we also won the bid for the construction of regional healthcare profiling for local residents in Chaoyang District of Beijing, bridging residential medical data between hospitals in Chaoyang District to form an electronic health record for residents in Chaoyang District.

Life Sciences Solutions (“LSS”)

In the LSS segment, we currently provide analytics-driven intelligent clinical development, RWE based research, and digital commercialization solutions in respect of the full life-cycle of drugs or medical devices from clinical development to post-market commercialization to meet the diverse needs of our customers. Leveraging the disease insights empowered by AI and digital technology solutions, we help our partners in pharmaceutical, biotech, medical device and other clinical development processes to reduce the time and costs of drugs and medical devices development and improve the quality of clinical trials while achieving commercial success.

Business Review (Continued)

As a pioneer of innovative digital intelligence clinical trials in China, in view of the issues of low recruitment rate, poor compliance, slow progress of clinical trials and high cost of drug development in traditional clinical trials, we have independently developed an integrated digital intelligence service platform, which mainly includes digital collaboration platform and DCT, based on the core capabilities of YiduCore and the top tier hospitals and experts network accumulated in the BDPS segment under the guidance of patient-centered drug development. In 2020, the LSS segment published the “Blue Book on Decentralized Clinical Trials” in collaboration with experts from various industry parties and released the “Expert Consensus on Decentralized Clinical Trials” in 2022. During the Reporting Period, the BDPS segment undertook the construction of the “Data Platform for Clinical Trial Institution Evaluation” jointly promoted by the NMPA, Chinese Academy of Medical Sciences and Peking Union Medical College. The platform will perform full process evaluations of clinical trial organizations, and realize data collection and online configuration and management of evaluation models, provide effective quality control and analysis tools for evaluation work, and facilitate efficient analysis and decision-making. In addition, during the Reporting Period, the LSS segment provided a DCT digital solution for XIANNUOXIN[®] (Simnotrelvir Tablets/Ritonavir Tablets (co-packaged)), an innovative anti-COVID-19 drug jointly developed by Simcere Pharmaceutical Group Limited, the Shanghai Institute of Materia Medica of Chinese Academy of Sciences, and Wuhan Institute of Virology of Chinese Academy of Sciences, which promoted the smooth development of the project and helped to accelerate the launch of the drug, and was awarded the title of “Best Partner”.

Our capabilities in generating high-quality real-world evidences to empower life science clients to manage and optimize the entire product life-cycle, from obtaining drug approval, peri-launch evidence support, post-marketing growth, to label extension, have all been validated. During the Reporting Period, we provided a real-world study service to a MNC client on a product indicated for eosinophilic granulomatosis with polyangiitis, and evidence generated from the study facilitated the drug’s inclusion into China’s national medical insurance catalogue. Eosinophilic granulomatosis with polyangiitis is a rare disease and accelerating its approval for medical insurance will meet the clinical needs of patients with this rare disease in China. In November 2022, in collaboration with the research team of the LSS segment, Becton, Dickinson and Company released the “Research Report on Value Assessment and Practical Application of High-Value Medical Consumables” to promote the practices and application of value assessment framework and index system of high-value medical consumables in the two scenarios of health insurance and hospitals. In March 2023, the paper titled “Use of real-world evidence to support regulatory decisions on medical devices in China and a unique opportunity to gain accelerated approval in the ‘Boao Lecheng Pilot Zone’”, which was prepared by NMPA’s Hainan Key Laboratory of Real World Data Research and Evaluation in collaboration with the LSS segment, was published in the international journal “Cost Effectiveness and Resource Allocation”, the staff of the LSS segment is the first author of the paper.

Business Review (Continued)

Over the past years, the LSS segment maintained strong growth momentum, especially in the analytics-driven clinical development solutions. However, the prolonged COVID-19 pandemic delayed customer site implementation delivery, and resulted in a year-on-year decrease of revenue in this segment during the Reporting Period. As of 31 March 2023, the segment's revenue amounted to RMB252.9 million, representing a year-on-year decrease of 29.6%. Under the strategic focus, we focus on digital and intelligent technological innovation to continuously improve customer experience, channel innovation, and improvement of operating efficiency. With accumulated experience in focused disease research areas, especially for solid tumors, hematology, ophthalmology, immunology and cardiology, we have earned a good reputation in the life science industry. As of 31 March 2023, we have performed 255 clinical researches, including clinical trials sponsored by pharmaceutical companies and investigator-initiated trials. We have performed 204 prospective and retrospective real-world studies. Our Intelligent Site Management Organization services have covered 174 clinical trial facilities. The growing show cases enable us to continuously develop our competence and maintain a high quality of customer base. As of 31 March 2023, we have 167 active clients, of which 154 are core pharmaceutical, biotech and medical device corporate customers. During the Reporting Period, we achieved a 94.1% revenue retention rate for our top 10 clients in terms of revenue. Among our top 20 clients in terms of revenue, there are 6 MNC and 17 listed companies.

We actively seek new avenues for networking and business development with key opinion leaders and industry experts. For example, we hosted "Happy and Smart Study" live broadcast event to help industry participants and potential clients understand the latest breakthroughs in the industry and our core competence. As of 31 March 2023, we have organized a total of 18 live broadcast events, covering hot topics on Antibody-Drug Conjugates ("ADC") and CAR-T drug development, experience sharing of real-world studies contributing to regulatory approvals for drugs and devices, Causa Research DCT platform press conference, etc. We have also invited 86 industry leaders and clinical experts to share insights, and attracted more than 4,000 clinical researchers to participate in study and discussion.

We have a team of professionals with rich experience and cross-domain expertise. As of 31 March 2023, our employees of the LSS segment have an average of 8 years of relevant experience with expertise spanning clinical research, data science, epidemiology, biostatistics, medical informatics, AI and others. We remain committed to create processes in improving the operating efficiency not only by developing a high-caliber talent pool but also by optimizing client value. In addition, the LSS segment has established intelligent full-process management tools for clinical trial project and relatively higher quality control standards. Our intelligent quality management system covers all stages of a project from clinical design and project planning, to quality control, and to retrospective and prospective real-world studies. Meanwhile, we also established SOPs for clinical research of CAR-T offerings to ensure high-quality service. Like algorithms, digitized SOPs are promptly iterated based on the feedback from real cases.

Business Review (Continued)

Health Management Platform and Solutions (“HMPS”)

In the HMPS segment, we provide one-stop health management solutions, including health management solutions, chronic disease management services, commercial health insurance and Hui Min Bao (惠民保), a city-level supplementary insurance to the existing national social medical insurance, to provide multi-level healthcare solutions for cities with tens of millions of populations. During the Reporting Period, the revenue of our HMPS segment amounted to RMB329.9 million, representing a year-on-year decrease of 22.4%, mainly due to the adjustment of our product mix.

In order to achieve our mission “to make value-based precision healthcare accessible to everyone”, we provide innovative insurance technologies and solutions to insurers, brokers and relevant regulators and policymakers in this sector. Leveraging our medical knowledge and insights accumulated through YiduCore, we continuously improve medical actuarial models, intelligent risk control models, and disease prediction models, and strengthen the construction of five core capabilities including patient analysis and risk assessment, customised product development, hierarchical classification of large-scale population, health intervention and intelligent customer service, intelligent underwriting and quick claim settlement. Our solutions aim to empower our customers with technology to design and develop innovative insurance products, enabling faster and more accurate insurance underwriting and expediting claim processing.

During the Reporting Period, we continued to increase the market penetration of the Hui Min Bao business. As of 31 March 2023, we won the bid in and served 4 provinces and 12 cities, including Jiangsu Province, Fujian Province, Anhui Province, Shaanxi Province, Beijing, Shenzhen, Tianjin, Ningbo, etc. We focus on core cities to expand the regional network, over 90% of our users are in the China’s top 15 provincial-level administrative regions in terms of GDP in 2022. We have assisted three of the four municipalities directly under the central government in China to launch the Hui Min Bao products, including Tianjin, Beijing and Chongqing. During the Reporting Period, as the leader of a consortium, we won the bid for the third party platform project of Shenzhen Hui Min Bao (深圳惠民保) and provided main operating services, which effectively ensured the implementation and stable operation of the project and further solidified the leadership position of our Hui Min Bao business in China’s core urban cities.

With the support of healthcare intelligent technology and rich experience in scenario operation, we have been able to provide one-stop operation solutions for Hui Min Bao in provinces and cities with tens of millions of populations such as Beijing and Jiangsu Province. We served as the main operation platform for Beijing Pu Hui Jian Kang Bao (北京普惠健康保) and Jiangsu Yi Hui Bao No. 1 (江蘇醫惠保1號) for two consecutive years. The total number of the insured for 2023 Beijing Pu Hui Jian Kang Bao amounted to 3.50 million, representing an increase of approximately 14% over the previous year. The total number of the insured for 2023 Jiangsu Yi Hui Bao No. 1 amounted to 5.08 million, representing an increase of approximately 58% over the previous year.

Business Review (Continued)

Leveraging algorithm models and AI technologies, we assisted 2022 Beijing Pu Hui Jian Kang Bao to launch quick claim services. The vast majority of the insured are not required to provide claim materials such as medical bills, but are actively reached and provided compensation by receiving text messages and phone calls and other means. At present, more than 85% of the beneficiaries obtained claims through the quick claim service, which has significantly compressed the claim settlement time and reduced the financial burden of the insured. 2023 Beijing Pu Hui Jian Kang Bao further upgraded its products with the number of health management services increased from 25 in the previous year to 42, and for the first time, new citizens who are not covered by Beijing basic medical insurance are also eligible, and those who have Beijing household registration or Beijing residence permits and participated the basic medical insurance in other cities can participate in the insurance, extending the inclusiveness of Hui Min Bao to more people and reducing the burden of medical expenses on residents.

The high-quality user base and extensive user operation enable us to increase the user traffic from Hui Min Bao and enhanced our brand awareness among the general population. Our technology-empowered Hui Min Bao services have been widely recognized by the market. At the 2022 Healthy China Innovation Practice Case Collection and Summary Conference (2022健康中國創新實踐案例徵集總結大會) organized by People's Daily Online, the Hui Min Bao project we submitted was named the "2022 Healthy China Innovation Practice Typical Case (2022健康中國創新實踐典型案例)". Our operation in Beijing Pu Hui Jian Kang Bao and Jiangsu Yi Hui Bao No. 1 were awarded "Comprehensive Excellent Case", and "Special Excellent Case", respectively.

We also deliver AI one-stop analytics-driven solutions by leveraging technology capabilities and medical knowledge accumulated by YiduCore, and offer integrated and personalized digital therapeutics that integrates traditional treatment with out-of-hospital care and lifestyle interventions. During the Reporting Period, the diabetes digital therapeutics product based on the diabetes digital therapeutics independently developed by us has been approved by FDA. In addition, based on the independently-developed diabetes digital therapeutics, the diabetes digital therapeutics product for China developed by us has been approved by Hainan Medical Products Administration of China and received the Medical Device Registration Certificate of the People's Republic of China. With the maturity of the solution, we plan to expand our regional coverage to benefit more people.

As of 31 March 2023, the number of active users who have completed at least one transaction on our health management platform reached 20 million.

Business outlook

To achieve our mission to "make value-based precision healthcare accessible to everyone" and further solidify our leadership in the healthcare intelligence industry, we will continue to (i) focus on the state-of-art technology development in the field of artificial intelligence and continue to explore and independently innovate in this vertical area of the healthcare industry, (ii) strengthen investment in YiduCore, to further enhance the output efficiency of product upgrade and iteration, (iii) deepen and broaden our knowledge, research and use-cases in each key disease areas, (iv) improve operation efficiency in customer value delivery, (v) improve synergy among the business sectors to increase penetration and repurchase rate of high-quality customers, (vi) explore opportunities in international markets, and (vii) enrich our ecosystem through strategic partnerships, investments and acquisitions.

Business Review (Continued)

In respect of Big Data Platform and Solutions, we will continue to strengthen our “two-pronged” strategy. Horizontally, we will continue to (i) expand our network of hospitals and urban regions, (ii) enrich the use-case scenarios of existing customers, and continuously enlarge our customer bases by product innovation, and (iii) continuously enhance the functionality, reliability and usability of our products in combination with state-of-art technology development. Vertically, we will continue to deepen and optimize our research within each key disease area by enabling multi-site research to be carried out based on disease dimensions and hospital networks.

In respect of Life Sciences Solutions, with the constant development of AI technology, and the concept of “patient-centered” research and development being more integrated throughout full life-cycle of the medicine research and development, we will continue to accelerate the generation of research-grade evidence based on YiduCore to drive the development of our one-stop solutions from analytics-driven clinical development to post-market commercialization. Our focus will remain on the following areas: (i) the upgrade and iteration of our integrated digital intelligence-based service platform and operational efficiency improvement of such service platform, (ii) generation and application of RWE, (iii) key disease areas we excel at in clinical development, and (iv) preservation and enlargement of our customer base.

In respect of Health Management Platform and Solutions, we will continue to utilize our disease insights, knowledge and expert network to provide effective health management solutions to benefit more people with “patient-centered, outcome-oriented” care. We will continue to (i) increase the number of active users on our platform from diversified channels, (ii) expand our health management product offerings to meet the multi-level mass medical needs, and (iii) enrich user experience to solidify brand loyalty.

We are well positioned to serve as a leading player in the rapidly evolving healthcare intelligence industry. In the future, we will continue to introduce innovative AI-driven applications and solutions to capture the massive market opportunities in China and beyond, to enable stakeholders in the ecosystem to derive more value from our intelligent “medical brain”.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues decreased by 35.0% from RMB1,237.2 million for the fiscal year ended 31 March 2022 to RMB804.7 million for the fiscal year ended 31 March 2023. The decrease was primarily attributable to the decreases in revenue from Big Data Platform and Solutions and Life Science Solutions segments.

Big Data Platform and Solutions. Revenue from Big Data Platform and Solutions decreased by 50.1% from RMB444.9 million for the fiscal year ended 31 March 2022 to RMB221.9 million for the fiscal year ended 31 March 2023, primarily due to the delay in the clients' tendering processes, on-site implementation, and clients' acceptance resulting from the prolonged impact of the COVID-19 pandemic.

Life Sciences Solutions. Revenue from Life Sciences Solutions decreased by 29.6% from RMB359.4 million for the fiscal year ended 31 March 2022 to RMB252.9 million for the fiscal year ended 31 March 2023, primarily due to the delay in the clients' on-site implementation and delivery resulting from the prolonged impact of the COVID-19 pandemic.

Health Management Platform and Solutions. Revenue from Health Management Platform and Solutions decreased by 22.4% from RMB424.9 million for the fiscal year ended 31 March 2022 to RMB329.9 million for the fiscal year ended 31 March 2023, primarily due to the adjustment of our product mix.

Others. Other revenue decreased by 100% from RMB8.0 million for the fiscal year ended 31 March 2022 to nil for the fiscal year ended 31 March 2023.

Cost of Sales and Services

Our cost of sales and services decreased by 36.7% from RMB837.8 million for the fiscal year ended 31 March 2022 to RMB530.2 million for the fiscal year ended 31 March 2023. Share-based compensation expenses included in cost of sales and services were RMB13.2 million and RMB8.0 million for the fiscal years ended 31 March 2022 and 2023 respectively. The decrease was caused by cost saving in the Big Data Platform and Solutions, Life Science Solutions, Health Management Platform and Solutions segments for the fiscal year 2023.

Big Data Platform and Solutions. Cost of sales and services from Big Data Platform and Solutions segment decreased by 50.1% from RMB252.3 million for the fiscal year ended 31 March 2022 to RMB126.0 million for the fiscal year ended 31 March 2023, primarily due to (i) the decreased cost of software and hardware as well as outsourcing service fee from RMB169.5 million to RMB65.4 million; (ii) decrease in employee benefits and expenses of employees engaging in the Big Data Platform and Solutions business from RMB77.4 million to RMB59.3 million, which included share-based compensation expenses of RMB7.0 million and RMB3.8 million in the respective years.

Management Discussion and Analysis (Continued)

Life Sciences Solutions. Cost of sales and services from Life Sciences Solutions decreased by 22.9% from RMB270.8 million for the fiscal year ended 31 March 2022 to RMB208.7 million for the fiscal year ended 31 March 2023, primarily due to the decreases in (i) outsourcing service fee from RMB160.7 million to RMB113.3 million, and (ii) employee benefits and expenses of employees engaging in the Life Sciences Solutions business from RMB100.4 million to RMB88.4 million, which included share-based compensation expenses of RMB2.7 million and RMB2.1 million in the respective years.

Health Management Platform and Solutions. Cost of sales and services from the Health Management Platform and Solutions segment decreased by 36.4% from RMB307.3 million for the fiscal year ended 31 March 2022 to RMB195.5 million for the fiscal year ended 31 March 2023, primarily due to decrease in cost of pharmaceutical products and services from RMB275.4 million to RMB171.5 million.

Others. Other cost of sales and services decreased by 100% from RMB7.5 million for the fiscal year ended 31 March 2022 to nil for the fiscal year ended 31 March 2023.

Gross profit and gross margin

As a result of the foregoing, our overall gross profit for the fiscal years ended 31 March 2022 and 2023 were RMB399.4 million and RMB274.5 million respectively, and our overall gross margin was 32.3% and 34.1% respectively, which maintained steady growth despite the tough external environment.

Big Data Platform and Solutions. Our gross margin in Big Data Platform and Solutions maintained relatively stable at 43.2% for the fiscal year ended 31 March 2023 compared with 43.3% for the fiscal year ended 31 March 2022.

Life Sciences Solutions. Our gross margin in Life Sciences Solutions decreased from 24.7% for the fiscal year ended 31 March 2022 to 17.5% for the fiscal year ended 31 March 2023, primarily due to the decrease of cost at a slower rate as the Company retained the delivery team for foreseeable business opportunities despite the decrease in revenue generated as the result of prolonged impact of COVID-19 pandemic for the fiscal year ended 31 March 2023.

Health Management Platform and Solutions. Our gross margin in Health Management Platform and Solutions increased from 27.7% for the fiscal year ended 31 March 2022 to 40.7% for the fiscal year ended 31 March 2023, primarily due to the change of our product mix.

Selling and marketing expenses

Our selling and marketing expenses decreased by 34.4% from RMB413.9 million for the fiscal year ended 31 March 2022 to RMB271.6 million for the fiscal year ended 31 March 2023, primarily attributable to (i) employee benefits and expenses of employees engaging in selling and marketing function decreased from RMB234.7 million to RMB165.0 million, which included share-based compensation of RMB27.9 million and RMB17.1 million in the respective years; (ii) business development, promotion and advertising expenses for the Group's marketing activities and insurance services decreased from RMB105.9 million to RMB34.3 million.

Selling and marketing expenses as a percentage of revenue maintained relatively stable at 33.8% for the fiscal year ended 31 March 2023 compared with 33.5% for the fiscal year ended 31 March 2022.

Management Discussion and Analysis (Continued)

Administrative expenses

Our administrative expenses decreased by 31.2% from RMB337.0 million for the fiscal year ended 31 March 2022 to RMB232.0 million for the fiscal year ended 31 March 2023, primarily attributable to decreases in (i) employee benefits and expenses of employees engaging in administrative function from RMB249.3 million to RMB182.5 million, which included share-based compensation of RMB99.5 million and RMB47.6 million in the respective years; and (ii) consulting fee from RMB37.4 million to RMB2.6 million.

As a percentage of revenue, administrative expenses maintained relatively stable at 28.8% for the fiscal year ended 31 March 2023, compared with 27.2% for the fiscal year ended 31 March 2022.

Research and development expenses

Our research and development expenses decreased by 7.1% from RMB368.7 million for the fiscal year ended 31 March 2022 to RMB342.5 million for the fiscal year ended 31 March 2023. The decrease in research and development expenses was primarily due to (i) the decrease in employee benefit and expenses for employees engaging in research and development function from RMB292.4 million to RMB259.7 million, including the decrease in share-based compensation from RMB42.2 million to RMB26.3 million in the respective years; and (ii) the increase in technical and consulting services fees from RMB32.9 million to RMB45.5 million.

As the Company focused on maintaining its technological leadership and continuously increasing research and development investment, as a percentage of revenue, research and development expenses increased from 29.8% for the fiscal year ended 31 March 2022 to 42.6% for the fiscal year ended 31 March 2023.

Operating loss

As a result of the foregoing, our operating loss decreased by 17.9% from RMB767.4 million for the fiscal year ended 31 March 2022 to RMB630.0 million for the fiscal year ended 31 March 2023.

Taxation

Income tax (credit)/expense of the Group increased from RMB(0.5) million for the fiscal year ended 31 March 2022 to RMB3.4 million for the fiscal year ended 31 March 2023.

Loss for the year

As a result of the foregoing, our loss for the year decreased by 17.5% from RMB766.4 million for the fiscal year ended 31 March 2022 to RMB632.4 million for the fiscal year ended 31 March 2023.

Management Discussion and Analysis (Continued)

Non-IFRS Measure – Adjusted Net Loss

To supplement our consolidated financial statements which are presented in accordance with International Financial Reporting Standards (“IFRS”), we also use adjusted net loss (as defined below) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that the presentation of this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impact of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and certain impact of investment transactions. We believe that this measure provides useful data to investors in understanding and evaluating the Group’s consolidated results of operations in the same manner as they help our management. However, the use of non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies.

We define “adjusted net loss” as loss for the year and adding back (i) share-based compensation expenses; (ii) net foreign exchange losses.

For the fiscal years ended 31 March 2022 and 2023, our adjusted net loss was RMB577.0 million and RMB448.7 million respectively.

The table below sets forth the reconciliation of our non-IFRS financial measure for the fiscal years ended 31 March 2022 and 2023 to the closest indicator prepared in accordance with IFRS.

	Years ended 31 March	
	2023 (RMB'000)	2022 (RMB'000)
Loss for the year	(632,361)	(766,360)
Add:		
Share-based compensation expenses ⁽¹⁾	99,035	182,839
Net foreign exchange losses ⁽²⁾	84,614	6,558
Non-IFRS adjusted net loss	(448,712)	(576,963)
Non-IFRS adjusted net loss margin (%)⁽³⁾	(55.8)	(46.6)

(1) Share-based compensation expenses relate to the share awards we offered to our employees, directors and consultants under the Share Incentive Plans, which are primarily non-cash in nature and commonly not included in similar non-IFRS measures adopted by other companies in our industry.

(2) Net foreign exchange losses are primarily non-cash in nature and commonly not included in similar non-IFRS measures adopted by other companies in our industry.

(3) Represents non-IFRS adjusted net loss divided by the total revenue for the periods indicated.

Management Discussion and Analysis (Continued)

Liquidity and capital resource

During the fiscal year ended 31 March 2023, we had funded our cash requirements principally by capital contribution from shareholders and financing through issuance and sales of convertible redeemable preferred shares in private placement transactions and proceeds from initial public offering. We had cash and cash equivalents, term deposits, pledged bank deposits, restricted bank balance and deposits of RMB3,732.1 million and RMB3,522.0 million as of 31 March 2022 and 2023 respectively.

Significant investments

During the fiscal year ended 31 March 2023, Marvelous Panda Inc., a wholly-owned subsidiary of the Company, entered into a subscription agreement for the fund YD Capital I L.P. (the “**Fund**”) with the general partner and became a limited partner of the Fund by making a cash contribution of US\$40.0 million to the Fund, representing 40% of the fund commitment. During the fiscal year ended 31 March 2023, the cash equivalent to US\$557,748.0 was paid by the Group. The purpose of the Fund is primarily to (i) make venture capital investments in the healthcare sector, (ii) manage, supervise and dispose of such investments, and (iii) engage in such other activities incidental or ancillary thereto as the general partner deems necessary, appropriate or advisable.

The abovementioned subscription constituted a discloseable and connected transaction under Chapters 14 and 14A of the Listing Rules, respectively. For further details, please refer to the announcements of the Company dated 28 October 2022 and 20 December 2022.

Material acquisitions and disposals

During the fiscal year ended 31 March 2023, the Company has sold 20% of the issued share capital of EVYD Technology Limited (“**EVYD BVI**”) at a transaction consideration of US\$55.0 million. Upon the completion of the transaction, the Company indirectly hold an aggregate of 70.1% of the issued shares of EVYD BVI, and therefore remains to be the controlling shareholder of EVYD BVI after the disposal. The disposal had no impact on the Group’s income statement. As for the Group’s balance sheet, the Group recorded from the disposal an increase in the Group’s “Other Reserves” of an amount of RMB316.6 million, and an increase in the Group’s “Non-controlling Interests” in an amount of RMB59.9 million.

The abovementioned sale constituted a discloseable transaction under Chapter 14 of the Listing Rules. For further details, please refer to the announcement of the Company dated 21 December 2022.

Pledge of assets

As at 31 March 2023, the Group had no material pledge of assets.

Future plans for material investments or capital asset

As at 31 March 2023, the Group did not have detailed future plans for material investments or capital assets.

Gearing ratio

The Group monitors capital on basis of the gearing ratio, which is calculated as net debt divided by deficits on total equity. Net debt calculated as total liabilities which are considered as borrowings less cash and cash equivalents. As at 31 March 2023, the Group has a net cash position and the gearing ratio was not applicable.

Management Discussion and Analysis (Continued)

Foreign exchange exposure

During the fiscal year ended 31 March 2023, the Group mainly operated in China with most of the transactions settled in Renminbi. The functional currency of our Company, the subsidiaries and the consolidated affiliated entities that operate in the PRC, and the subsidiary operate in the Brunei are U.S. dollar, Renminbi and Brunei dollar, respectively. For the fiscal year ended 31 March 2023, we had currency translation gains of RMB300.1 million and net foreign exchange losses of RMB84.6 million, as compared with currency translation loss of RMB141.8 million and net foreign exchange loss of RMB6.6 million for the fiscal year ended 31 March 2022. We did not hedge against any fluctuation in foreign currency during the fiscal years ended 31 March 2022 and 2023.

Contingent liabilities

As at 31 March 2023, we did not have any material contingent liabilities (as at 31 March 2022: nil).

Capital commitment

As at 31 March 2023, capital commitment of the Group was RMB2.3 million, mainly renovation expenses (as at 31 March 2022: RMB2.3 million, mainly for the purchase of equipment).

Investment commitment

As at 31 March 2023, investment commitment of the Group was RMB284.0 million (as at 31 March 2022: RMB1.9 million), mainly for the outstanding contribution from Marvelous Panda Inc., a wholly-owned subsidiary of the Company, to the Fund YD Capital I L.P.

Employees and remuneration

As at 31 March 2023, the Group had a total of 1,020 employees, with 537 employees based in Beijing, 133 employees in Shanghai and 350 employees in other offices in China and overseas. The table below sets forth the total number of employees by function as at 31 March 2023:

Function	Number of employees
Product Development and Technology	411
Medical Function	354
Sales and Marketing	119
General and Administrative	136
Total	1,020

Our people are our most valued assets. We are able to continue to attract the best talents across multiple domains due to our influence in the industry and professionalism. As at 31 March 2023, about 53.5% of our employees have medical background and experiences, and about 30.1% have AI and technology experiences and background. The total remuneration cost incurred by the Group for the fiscal year ended 31 March 2023 was RMB777.7 million, as compared to RMB982.5 million for the fiscal year ended 31 March 2022. The Company has also adopted a post-IPO share award scheme and a post-IPO share option scheme.

Subsequent Events

As at the Latest Practicable Date, the Group has no significant events occurred after the Reporting Period which require additional disclosures or adjustments.

REPORT OF DIRECTORS

The Board of the Company is pleased to present this report of Directors together with the consolidated financial statements of the Group for the fiscal year ended 31 March 2023.

Directors

The Directors who held office during the fiscal year ended 31 March 2023 and up to the Latest Practicable Date are:

Executive Directors

Ms. Gong Yingying (宮盈盈) (*Chairlady*)
Mr. Xu Jiming (徐濟銘) (*Chief Executive Officer*)⁽¹⁾
Dr. Yan Jun (閻峻)
Ms. Feng Xiaoying (封曉瑛)⁽²⁾
Ms. Yang Jing (楊晶)⁽³⁾
Ms. Zhang Shi (張實)⁽⁴⁾

Non-executive Director

Mr. Zeng Ming (曾鳴)

Independent non-executive Directors

Dr. Ma Wei-Ying (馬維英)
Ms. Pan Rongrong (潘蓉蓉)
Prof. Zhang Linqi (張林琦)

Notes:

- (1) Mr. Xu Jiming was appointed as an executive Director on 1 February 2023.
- (2) Ms. Feng Xiaoying was appointed as an executive Director on 1 February 2023.
- (3) Ms. Yang Jing resigned as an executive Director on 1 February 2023.
- (4) Ms. Zhang Shi resigned as an executive Director on 1 February 2023.

Biographical details of the Directors are set out in the section headed “Directors and Senior Management” on pages 44 to 48 of this annual report.

General information

The Company was incorporated in the Cayman Islands on 9 December 2014 as an exempted company with limited liability. The Company’s Shares were listed on the Main Board of The Stock Exchange on 15 January 2021.

Report of Directors (Continued)

Principal activities

We offer healthcare solutions built on big data and artificial intelligence (AI) technologies. We serve and partner with key healthcare industry participants, including hospitals, pharmaceutical, biotech and medical device companies, research institutions, insurance companies, doctors and patients, as well as regulators and policy makers.

Analysis of the principal activities of the Group during the Reporting Period is set out in note 5 to the consolidated financial statements.

Results

The results of the Group for the Reporting Period are set out in the consolidated statement of comprehensive income on page 148 of this annual report.

Business review

A business review of the Group, as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a fair review of the Company's business, a description of the principal risks and uncertainties facing the Company, particulars of important events affecting the Company that have occurred since the end of the fiscal year, an indication of likely future development in the Group's business, an analysis of the Group's financial performance and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the "Business review" and "Management discussion and analysis" on pages 10 to 26 of this annual report. These discussions form part of this report of Directors. Events affecting the Company that have occurred since the end of the fiscal year are set out in "Subsequent Events" in "Management Discussion and Analysis".

Principal risks and uncertainties

Our business involves certain risks as set out in the section headed "Risk factors" in the Prospectus. The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control.

- its ability to manage the growth and expansion of its business and operations;
- challenges as a fast growing company with limited operating history in an emerging and dynamic industry;
- its ability to keep up with rapid changes in AI, big data analytics and other technologies;
- its ability to continue to access and accurately and efficiently process healthcare data and generate insights from the data processed;
- its ability to maintain compliance with data protection and privacy-related laws and regulations;
- its ability to obtain and maintain the requisite licenses, permits and approvals applicable to its business;
- all material aspects of its research and development activities;
- competition in the healthcare big data solutions market where the Group serves; and

- risks relating to industry, business and operations.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

Environmental policies and performance

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth.

Compliance with relevant laws and regulations

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

Continuing connected transactions

Save as disclosed in this annual report, the Group has not entered into any non-exempt continuing connected transactions from the Listing Date to 31 March 2023. Details of related party transactions of the Group for the Reporting Period are disclosed in note 38 to the consolidated financial statements, save for the transaction provided under note 38(b)(iii), none of which fall under the definition of “connected transaction” or “continuing connected transaction” in Chapter 14A of the Listing Rules for which disclosure is required. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for the Reporting Period.

Partially-exempt continuing connected transactions

Insurance Technology Services Framework Agreement

On 25 December 2020, the Company (for itself and on behalf of other members of our Group) entered into a framework agreement with Sunshine Life Insurance Corporation Limited (for itself and on behalf of other members of the Sunshine Insurance Group Inc., Ltd. (together with its subsidiaries, the “**Sunshine Insurance Group**”)), a substantial shareholder of our Company, pursuant to which our Group shall provide Sunshine Insurance Group with insurance technology and disease management solutions and services in support of Sunshine Insurance Group’s health insurance business and functions, including insurance product development and modeling, insurance underwriting and claim processing, in return for services fees (the “**Insurance Technology Services Framework Agreement**”). The term of the Insurance Technology Services Framework Agreement shall commence on the Listing Date and expired on 31 March 2023.

Under the Insurance Technology Services Framework Agreement, the Group expects to perform three main types of services: (i) development of insurance technology and disease management solutions (such as, without limitation and depending on the demand of Sunshine Insurance Group, intelligent insurance underwriting solutions and intelligent claim processing solutions), including designing and constructing the online platforms and infrastructures including designing and implementing the products or intelligent platforms; (ii) provision of ongoing insurance technology and disease management services, including ongoing operation and maintenance of the relevant platforms; and (iii) assisting in the design of new insurance products by leveraging the real-world disease models and knowledge graphs accumulated in our YiduCore. For the services provided under the Insurance Technology Services Framework Agreement, we charge service fees.

Report of Directors (Continued)

The fixed sum consideration for the development of insurance technology and disease management solutions, and the fixed sum consideration involved in the design process of new insurance product are typically one-off but may be charged in instalments. The service fees for the provision of ongoing insurance technology and disease management services and those charged by each insurance product subsequently sold, underwritten or claimed are charged on ongoing basis and may be settled regularly (for example, every three months) as agreed between the parties.

Annual cap

For the Reporting Period, the annual cap was RMB5,000,000 and the actual transaction amount was 0.

Reason for the transactions

Provision of insurance technology and disease management solutions is part of the Group's ordinary business and the Group has many insurance companies as our customers. Sunshine Insurance Group is a well-recognized insurance company in China and could benefit from the technological infrastructure and big data insights provided by the Group. In light of the market position and business size of Sunshine Insurance Group, this cooperation can expand the Group's customer base and contribute to our revenue.

Pricing policy

Before entering into any individual big data platforms and solutions services and/or health management platforms services agreement pursuant to the Insurance Technology Services Framework Agreement, the service charges will be agreed between the parties after arm's length negotiation and, where applicable, through Sunshine Insurance Group's standard tender process. The pricing will be determined based on a range of factors, including (i) the type(s), complexity and volume of the services the Group is requested to provide, as these will determine the amount of manpower and other resources the Group needs to allocate to the project, (ii) the duration of the project or ongoing services, (iii) the Group's pricing for providing similar types of services to other customers, and (iv) fees charged by other market participants for comparable services.

The Group will only enter into an individual service agreement with Sunshine Insurance Group pursuant to the Insurance Technology Services Framework Agreement if (i) the service fees and other terms of the transaction are fair and reasonably and no less favourable than those the Group charges to other independent third party customers and (ii) it is in the interests of the Company and the Shareholders as a whole.

Listing Rules implications

Sunshine Insurance Group was considered a "connected person" under the Listing Rules by virtue of it being a substantial Shareholder. Pursuant to Rule 14A.25 of the Listing Rules, any transactions between the Company and Sunshine Insurance Group were therefore considered connected transactions.

On 25 August 2021, the shareholding of Sunshine Insurance Group in the Company decreased to 9.99%. Therefore, Sunshine Insurance Group ceased to be a substantial Shareholder and a connected person of the Company after 25 August 2021 and the transactions contemplated under the Insurance Technology Service Framework Agreement no longer constituted connected transactions of the Company.

Contractual Arrangements

Background to the Contractual Arrangements

Our Consolidated Affiliated Entities are currently the Onshore Holdcos and their respective subsidiaries, which were all established under PRC laws. Our Company operates or may operate in industries which fall under Internet resource collaboration service or Internet information service, both being the value-added telecommunication services and subject to restrictions under the current PRC laws and regulations as outlined in further detail in the section headed “Contractual Arrangements” in the Prospectus. After consultation with our PRC Legal Advisor, we determined that it was not viable for our Company to hold our Consolidated Affiliated Entities directly through equity ownership. Instead, we decided that, in line with common practice in the PRC for industries subject to foreign investment restrictions, we would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by our Consolidated Affiliated Entities through the Contractual Arrangements between the WFOEs, on the one hand, and our Consolidated Affiliated Entities and the Registered Shareholders, on the other hand.

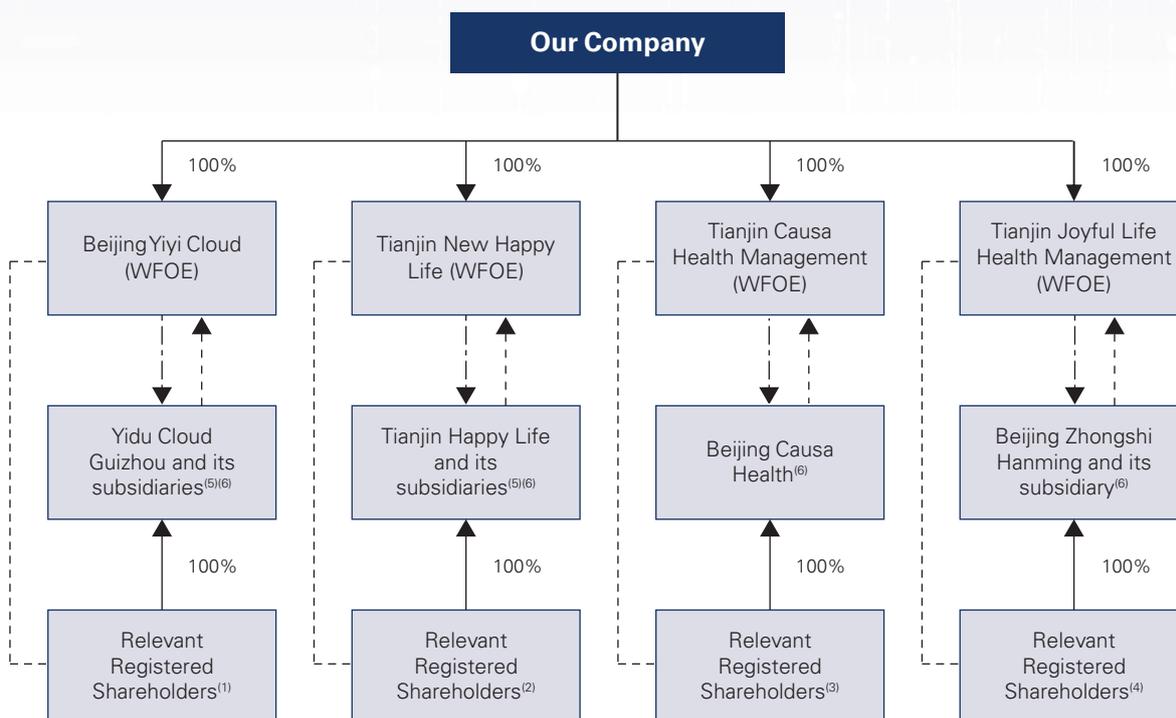
In order to comply with such laws, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the Contractual Arrangements entered into on 18 August 2020. Hence, we do not directly own any equity interest in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we have effective control over the financial and operational policies of our Consolidated Affiliated Entities and are entitled to all the economic benefits derived from the Consolidated Affiliated Entities’ operations. During the Reporting Period, the revenue contribution of the Consolidated Affiliated Entities accounted for 60.5% of our Group’s total revenue (2022: 59.5%). The total assets of the Consolidated Affiliated Entities accounted for 20.8% of our Group’s total assets (2022: 17.7%).

Based on the above and as set out in the section headed “Contractual Arrangements” in the Prospectus, we believe that the Contractual Arrangements, through which we are able to exercise control over and derive the economic benefits from our Consolidated Affiliated Entities, have been narrowly tailored to achieve our business purpose and minimize the potential for conflict with relevant PRC laws and regulations.

Our Directors believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into between the WFOEs and our Consolidated Affiliated Entities; (ii) by entering into exclusive business cooperation agreements with the WFOEs, being subsidiaries of our Company, our Consolidated Affiliated Entities will enjoy better economic and technical support from us, as well as a better market reputation after Listing; and (iii) a number of other companies in the same or similar industries to those in which we operate use similar arrangements to accomplish the same purpose.

Report of Directors (Continued)

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group under the Contractual Arrangements:



Notes:

- (1) Yidu Cloud Guizhou is owned by Ms. Gong Yingying as to 99% and Ms. Zhang Shi as to 1%.
- (2) Tianjin Happy Life is owned by Mr. Xu Jiming as to 99% and Mr. Hao Yiming as to 1%.
- (3) Beijing Causa Health is owned by Mr. He Zhi as to 99% and Mr. San Zhiyuan as to 1%. We consider Mr. He Zhi and Mr. San Zhiyuan suitable to act as a Registered Shareholder of Beijing Causa Health because of, among other considerations, their competence and their length of service and loyalty to our Group.
- (4) Beijing Zhongshi Hanming is owned by Mr. He Zhi as to 51% and Mr. Guo Xiaoyu as to 49%. We consider Mr. He Zhi and Mr. Guo Xiaoyu suitable to act as Registered Shareholders of Beijing Zhongshi Hanming because of, among other considerations, their competence and their length of service and loyalty to our Group.
- (5) These include certain companies which do not currently carry out any business operations but intend to carry out businesses which are subject to foreign investment restrictions in accordance with the Negative List.
- (6) Details of the subsidiaries of the Onshore Holdcos is set out in the section headed "History, reorganization and corporate structure" in the Prospectus.

- (7) "→" denotes direct legal ownership in the equity interest.
- (8) "- - ->" denotes contractual relationship.
- (9) "----▶" denotes provision of technical and consultation series.
- (10) ".....▶" denotes payment of service fees.
- (11) "-----" denotes the control by WFOEs over the Registered Shareholders and the Onshore Holdcos through (i) powers of attorney to exercise all shareholders' rights in the Onshore Holdcos; (ii) exclusive call options to acquire all or part of the equity interests in the Onshore Holdcos; and (iii) equity pledges over the equity interests in the Onshore Holdcos.

Risks relating to the Contractual Arrangements

We believe the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 76 to 81 of the Prospectus.

- If the PRC government finds that the agreements that establish the structure for operating our operations in China do not comply with applicable PRC regulations, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe consequences, including the nullification of the contractual arrangements and being forced to relinquish our interests in those operations.
- Our contractual arrangements may not be as effective in providing operational control as direct ownership.
- Any failure by our VIEs or their shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business.
- We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by our VIEs if any of our VIEs declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.
- The shareholders of our VIEs may have potential conflicts of interest with us.
- Contractual arrangements we have entered into with our VIEs may be subject to scrutiny by the PRC tax authorities. A finding that we owe additional taxes could negatively affect our financial condition and the value of your investment.
- Our current corporate structure and business operations may be affected by the Foreign Investment Law.

Our Group works closely with the Registered Shareholders and our external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the Contractual Arrangements.

Report of Directors (Continued)

Summary of the material terms of the Contractual Arrangements

The Contractual Arrangements which were in place during the Reporting Period, and a description of the specific agreements that comprise the Contractual Arrangements is set out below:

Exclusive Business Cooperation Agreements

Under the exclusive business cooperation agreements dated 18 August 2020 between the Onshore Holdcos and the WFOEs (the "**Exclusive Business Cooperation Agreements**"), pursuant to which, in exchange for a monthly service fee, the Onshore Holdcos agreed to engage the WFOEs as its exclusive provider of technical and consulting services, including software development, maintenance and update, network design, installation, maintenance and update, training services, and market and promotion services.

Under the Exclusive Business Cooperation Agreements, the service fee shall consist of 100% of the total consolidated profit of the Onshore Holdcos, after the deduction of any accumulated deficit of the Consolidated Affiliated Entities in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions. Notwithstanding the foregoing, the WFOEs may adjust the scope and amount of services fees according to the PRC tax law and tax practices, and the Onshore Holdcos will accept such adjustments. The WFOEs shall calculate the service fee on a monthly basis and issue a corresponding invoice to the Onshore Holdcos. Notwithstanding the payment arrangements in the Exclusive Business Cooperation Agreements, the WFOEs may adjust the payment time and payment method, and the Onshore Holdcos will accept any such adjustment.

In addition, absent the prior written consent of the WFOEs, during the term of the Exclusive Business Cooperation Agreements, with respect to the services subject to the Exclusive Business Cooperation Agreements and other matters, the Onshore Holdcos shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish cooperation relationships similar to that formed by the Exclusive Business Cooperation Agreements with any third party. In addition, without the prior written consent of the WFOEs, the Onshore Holdcos shall not enter into any agreements or arrangements that would contradict the Exclusive Business Cooperation Agreements or otherwise harm the WFOEs' interest under the Exclusive Business Cooperation Agreements. The WFOEs may appoint other parties, who may enter into certain agreements with the Onshore Holdcos, to provide the Onshore Holdcos with the services under the Exclusive Business Cooperation Agreements.

The Exclusive Business Cooperation Agreements also provide that the WFOEs have the exclusive proprietary rights to and interests in any and all intellectual property rights developed or created by the Onshore Holdcos during the performance of the Exclusive Business Cooperation Agreements.

The Exclusive Business Cooperation Agreements shall remain effective unless terminated (a) in accordance with the provisions of the Exclusive Business Cooperation Agreements; (b) in writing by the WFOEs; or (c) renewal of the expired business period of either the WFOE or the Onshore Holdcos is denied by relevant government authorities, at which time the Exclusive Business Cooperation Agreements will terminate upon termination of that business period.

Exclusive Call Option Agreements

Under the exclusive call option agreements dated 18 August 2020 among the Onshore Holdcos, the WFOEs and the Registered Shareholders (the “**Exclusive Call Option Agreements**”), the WFOEs have the rights to require the Registered Shareholders to transfer any or all their equity interests in the Onshore Holdcos to the WFOEs and/or a third party designated by it, in whole or in part at any time and from time to time, for a nominal price of RMB10, unless the relevant government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. For full details regarding covenants between the Onshore Holdcos and the Registered Shareholders, please refer to the section headed “Contractual Arrangements” in the Prospectus.

The Registered Shareholders have also undertaken that, subject to the relevant laws and regulations, they will return to the WFOEs any consideration they receive in the event that the WFOEs exercise the options under the Exclusive Call Option Agreements to acquire the equity interests in the Onshore Holdcos.

The Exclusive Call Option Agreements shall remain effective unless terminated in the event that the entire equity interests held by the Registered Shareholders in the Onshore Holdcos have been transferred to the WFOEs or their appointee(s).

Equity Pledge Agreements

Under the equity pledge agreements dated 18 August 2020 entered into between the WFOEs, the Registered Shareholders and the Onshore Holdcos (the “**Equity Pledge Agreements**”), the Registered Shareholders agreed to pledge all their respective equity interests in the Onshore Holdcos that they own, including any interest or dividend paid for the shares, to the WFOEs as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

The pledge in respect of the Onshore Holdcos takes effect upon the completion of registration with the relevant administration for market regulation and shall remain valid until after all the contractual obligations of the Registered Shareholders and the Onshore Holdcos under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of the Registered Shareholders and the Onshore Holdcos under the relevant Contractual Arrangements have been fully paid.

Upon the occurrence and during the continuance of an event of default (as defined in the Equity Pledge Agreements), the WFOEs shall have the right to require the Onshore Holdcos’ shareholders (i.e. the Registered Shareholders) to immediately pay any amount payable by the Onshore Holdcos under the Exclusive Business Cooperation Agreements, repay any loans and pay any other due payments, and the WFOEs shall have the right to exercise all such rights as a secured party under any applicable PRC law and the Equity Pledge Agreements, including without limitations, being paid in priority with the equity interests based on the monetary valuation that such equity interests are converted into or from the proceeds from auction or sale of the equity interest upon written notice to the Registered Shareholders.

The Equity Pledge Agreement in respect of each of the pledge of equity interest in Yidu Cloud Guizhou, Beijing Causa Health, Beijing Zhongshi Hanming and Tianjin Happy Life by their respective Registered Shareholders was registered as required by the relevant laws and regulations of the PRC on 9 October 2020, 29 September 2020, 29 September 2020 and 30 September 2020, respectively.

Report of Directors (Continued)

Powers of Attorney

The Registered Shareholders have executed powers of attorney dated 18 August 2020 (the “**Powers of Attorney**”). Under the Powers of Attorney, the Registered Shareholders irrevocably and exclusively appointed the WFOEs and their designated persons (including but not limited to Directors and their successors and liquidators replacing the Directors but excluding those non-independent or who may give rise to conflict of interests) as their attorneys-in-fact to exercise on their behalf, and agreed and undertook not to exercise without such attorneys-in-fact’s prior written consent, any and all right that they have in respect of their equity interests in the Onshore Holdcos, including:

- (i) to convene and attend shareholders’ meetings of the Onshore Holdcos;
- (ii) to file documents with the relevant companies registry;
- (iii) to exercise all shareholder’s rights and shareholder’s voting rights in accordance with law and the constitutional documents of the Onshore Holdcos, including but not limited to the sale, transfer, pledge or disposal of any or all of the equity interests in the Onshore Holdcos;
- (iv) to execute any and all written resolutions and meeting minutes and to approve the amendments to the articles of associations in the name and on behalf of such shareholder; and
- (v) to nominate or appoint the legal representatives, directors, supervisors, general manager and other senior management of the Onshore Holdcos.

The Powers of Attorney do not impose any conditions on granting the foregoing powers of attorney. Further, the Powers of Attorney shall remain effective for so long as each shareholder holds equity interest in the Onshore Holdcos.

There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted for the Reporting Period.

The extent to which the Contractual Arrangements relate to requirements other than the foreign ownership restriction

All of the Contractual Arrangements are subject to the restrictions as set out on pages 248 to 266 of the Prospectus. During the Reporting Period, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and none of the Contractual Arrangements had been unwound as the regulatory restrictions that led to their adoptions were not removed.

For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of “connected person”, the Consolidated Affiliated Entities will be treated as our Company’s wholly-owned subsidiary, and its directors, chief executives or substantial shareholders (as defined in the Listing Rules) and their respective associates will be treated as our Company’s “connected persons.” The transactions contemplated under the Contractual Arrangements are continuing connected transactions of the Company.

Report of Directors (Continued)

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to our legal structure and business operations. Our Directors also believe that our structure, whereby the financial results of our Consolidated Affiliated Entities are consolidated into our financial statements as if they were our Company's wholly-owned subsidiaries, and all the economic benefits of their business flows to our Group, places our Group in a special position in relation to the connected transactions rules. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into, among others, by our Consolidated Affiliated Entities and any member of our Group from time to time (including Consolidated Affiliated Entities) (the "**New Intergroup Agreements**") technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, for all such transactions to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and independent shareholders' approval requirements.

Waiver from the Stock Exchange and annual review

In respect of the partially-exempt continuing connected transactions set out above, we have applied for, and the Stock Exchange has granted us, waivers from strict compliance with the announcement requirements under the Listing Rules.

In respect of the Contractual Arrangements and New Intergroup Agreements, we have applied for, and the Stock Exchange has granted us, waivers from strict compliance with (i) the announcement, circular and independent shareholders' approval requirements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement to set annual caps under Rule 14A.53 of the Listing Rules, and (iii) the requirement to limit the term to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange subject to the following conditions:

- (a) no change without independent non-executive Directors' approval;
- (b) no change without independent Shareholders' approval;
- (c) the Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities;
- (d) the Contractual Arrangements may be renewed and/or reproduced without an announcement, circular, or obtaining the approval of our Shareholders (i) upon the expiry of the existing arrangements, (ii) in connection with any changes to the shareholders or directors of, or of their shareholdings in, the Consolidated Affiliated Entities, or (iii) in relation to any existing, new or acquired wholly foreign-owned enterprise or operating company (including branch company) engaging in a business similar or relating to those of our Group, on substantially the same terms and conditions as the existing Contractual Arrangements; and
- (e) our Group will disclose details relating to the Contractual Arrangements on an ongoing basis.

Report of Directors (Continued)

Confirmation from independent non-executive Directors

The Company's independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that:

- (i) the transactions carried out during the Reporting Period have been entered into in accordance with the relevant provisions of the Contractual Arrangements;
- (ii) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group during the Reporting Period;
- (iii) no new contracts were entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the Reporting Period;
- (iv) the Contractual Arrangements have been entered into in the ordinary and usual course of business of the Group;
- (v) the Contractual Arrangements have been entered into on normal commercial terms or better; and
- (vi) the Contractual Arrangements have been entered into in accordance with the relevant agreement governing the Contractual Arrangements on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Conclusions from the Company's independent auditor

PricewaterhouseCoopers, the auditor of the Company, has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into during the Reporting Period:

- (i) nothing has come to their attention that causes PricewaterhouseCoopers to believe that the disclosed continuing connected transactions have not been approved by the Company's Board of Directors;
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes PricewaterhouseCoopers to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) nothing has come to their attention that causes PricewaterhouseCoopers to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;
- (iv) with respect to the aggregate amount of the continuing connected transactions other than those transactions with the VIEs under the contractual arrangements set out in the attached list of continuing connected transactions, nothing has come to their attention that causes PricewaterhouseCoopers to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company; and

- (v) with respect to continuing connected transactions with the VIEs under the contractual arrangements, nothing has come to their attention that causes PricewaterhouseCoopers to believe that dividends or other distributions have been made by the VIEs to the holders of the equity interests of the VIEs which are not otherwise subsequently assigned or transferred to the Group.

Major customers

We have a broad and diverse customer base, which has expanded rapidly since our inception.

During the Reporting Period, we generated revenue of RMB85.2 million from our largest customer, representing 10.6% of our total revenue during the Reporting Period. During the same period, we generated revenue of RMB274.6 million in aggregate from our five largest customers combined, representing 34.1% of our total revenue.

None of the Directors, their respective close associates, or any Shareholder (which to the knowledge of the Directors own more than 5% of the number of issued shares of the Company) had any interest in any of our five largest customers during the Reporting Period.

Major suppliers

Our top suppliers are primarily providers of servers and cloud servers and medical equipment suppliers. We purchase servers (i) to build our own IT infrastructure or (ii) to include such servers as part of our integrated software and hardware solutions.

During the Reporting Period, the purchases we made from the largest supplier was RMB55.0 million, representing 9.7% of our total purchases during the Reporting Period. During the same period, the purchases we made from the five largest suppliers combined was RMB212.7 million, representing 37.5% of our total purchases.

None of the Directors, their respective close associates, or any Shareholder (which to the knowledge of the Directors own more than 5% of the number of issued shares of the Company) had any interest in any of our five largest suppliers during the Reporting Period.

Pre-emptive rights

There are no provisions for pre-emptive rights under the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

Tax relief and exemption of holders of listed securities

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

Subsidiaries

Particulars of the Company's subsidiaries are set out in note 12 to the consolidated financial statements.

Report of Directors (Continued)

Property and equipment

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 16 to the consolidated financial statements.

None of the Company's properties are held for development and/or sale or for investment purposes.

Share capital and shares issued

Details of movements in the share capital of the Company for the Reporting Period are set out in note 27 to the consolidated financial statements.

Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the Company has maintained the prescribed percentage of public float under the Listing Rules.

Donation

During the Reporting Period, the Group made charitable donations of approximately RMB0.5 million.

Debenture issued

The Group has not issued any debentures during the Reporting Period.

Equity-linked agreements

Save as disclosed in the sections headed "Share Schemes" in this report of Directors, no equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

Dividend

The Board does not recommend the distribution of any final dividend for the fiscal year ended 31 March 2023. No shareholder has waived or agreed to waive any dividends for the fiscal year ended 31 March 2023.

Permitted indemnity

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been in force for the Reporting Period. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

Distributable reserves

As at 31 March 2023, the Company do not have any reserves available for distribution to Shareholders.

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity on page 152 and in note 28 and note 40 to the consolidated financial statements, respectively.

Loans and borrowings

As at 31 March 2023, the Company does not have any bank loans and borrowings.

Directors' service contracts

Each of our executive Directors has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for an initial term of three years from the Listing Date or until the third annual general meeting of our Company after the Listing Date, whichever is sooner (subject to retirement as and when required under the Articles of Association).

Our non-executive Director has entered into a letter of appointment with our Company for an initial term of three years from the Listing Date or until the third annual general meeting of our Company after the Listing Date, whichever is sooner (subject to retirement as and when required under the Articles of Association).

Each of our independent non-executive Directors has entered into an appointment letter with our Company. The term of appointment of our independent non-executive Directors is for an initial term of three years from the Listing Date or until the third annual general meeting of our Company after the Listing Date, whichever is sooner (subject to retirement as and when required under the Articles of Association).

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with any member of our Group that is not determinable by the employer within one year without the payment of compensation (other than statutory compensation).

Directors interests in transactions, arrangements or contracts of significance

Save as disclosed in the section headed "Continuing Connected Transactions" of this report of Directors, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Reporting Period.

Emoluments of Directors and the five highest paid individuals

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the Company has established the remuneration committee of the Company (the "**Remuneration Committee**") to formulate remuneration policies.

The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee.

Report of Directors (Continued)

The Directors and the senior management personnel are eligible participants of the Pre-IPO Share Option Plans, Post-IPO Share Award Scheme and the Post-IPO Share Option Scheme, details of which are set out in the Prospectus, note 30 to the consolidated financial statements and pages 109 to 120 under “Other information” in this annual report.

Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in note 41 and note 9, respectively to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

For the Reporting Period, the aggregate amount of remuneration (including wages, salaries, bonuses, defined contribution plans, other social security costs, housing benefits and share-based compensation expenses) for our Directors was approximately RMB6.1 million (as set out in note 41 to the consolidated financial statements).

Directors’ interests in competing business

Save as disclosed in this annual report, during the Reporting Period, none of our Directors had any interest in a business which materially competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Contracts with controlling shareholders

Save as disclosed in the Prospectus and in this annual report, to the best knowledge and belief of our Directors, no contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries during the Reporting Period.

Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

Auditor

The consolidated financial statements of the Group have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

There has been no change in the Company’s auditor in any of the preceding three years.

Continuing disclosure obligations pursuant to the Listing Rules

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Directors' rights to acquire shares or debentures

Save as disclosed in this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries, fellow subsidiaries or its holdings companies a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

By order of the Board

Gong Yingying

Chairlady and Founder

China

30 June 2023

DIRECTORS AND SENIOR MANAGEMENT

Members of our Board

Name	Age	Position	Date of appointment as Director
Gong Yingying ⁽¹⁾	39	Executive Director and Chairlady	9 December 2014
Xu Jiming ⁽²⁾	39	Executive Director and Chief Executive Officer	1 February 2023
Yan Jun	44	Executive Director	16 August 2020
Feng Xiaoying ⁽³⁾	44	Executive Director	1 February 2023
Yang Jing ⁽⁴⁾	44	Executive Director	14 August 2018
Zhang Shi ⁽⁵⁾	50	Executive Director	3 July 2020
Zeng Ming	53	Non-executive Director	25 June 2021
Ma Wei-Ying	55	Independent non-executive Director	15 January 2021
Pan Rongrong	45	Independent non-executive Director	15 January 2021
Zhang Linqi	59	Independent non-executive Director	15 January 2021

Notes:

- (1) Ms. Gong is also known by her alias name Gong Rujing (宮如璟).
- (2) Mr. Xu Jiming was appointed as an executive Director on 1 February 2023.
- (3) Ms. Feng Xiaoying was appointed as an executive Director on 1 February 2023.
- (4) Ms. Yang Jing resigned as an executive Director on 1 February 2023.
- (5) Ms. Zhang Shi resigned as an executive Director on 1 February 2023.

Executive Directors

Ms. Gong Yingying (宮盈盈), aged 39, is an executive Director, the Chairlady of the Board, the Founder of our Company, chairperson of the nomination committee and member of the remuneration committee. Ms. Gong is responsible for the overall strategy, business direction and management of our Company.

Ms. Gong started her career in Credit Suisse First Boston, the former investment banking division of Credit Suisse group, and served as an analyst from July 2005 to March 2007. She then joined Global Infrastructure Partners LLP, an investment fund focusing on the infrastructure sector, and worked as an analyst from November 2006 to June 2007. From July 2007 to December 2008, Ms. Gong was the investment manager of the global credit transaction group at Deutsche Bank AG. From January 2011 to February 2012, Ms. Gong worked as a deputy general manager at the private equity division of Anbang Insurance Group Co., Ltd. During her time at Credit Suisse First Boston, Global Infrastructure Partners LLP, Deutsche Bank AG and Anbang Insurance Group Co., Ltd., Ms. Gong worked on a wide range of initial public offerings, mergers and acquisitions and other equity investment transactions, and accumulated extensive investment experience and industry insights. Ms. Gong founded Guizhou Province Xiao Yingying Charity Foundation (貴州省笑盈盈慈善基金會) in March 2019, a charitable foundation focusing on the support of children with rare or major illnesses. Mr. Xu Jiming, our executive Director, Chief Executive Officer and Co-founder, is the spouse of Ms. Gong.

Directors and Senior Management (Continued)

Ms. Gong's iconic leadership has been widely recognized. In 2019, she was elected as one of the nine Young Global Leaders from the Greater China region by the World Economic Forum.

Ms. Gong received her Executive Master of Business Administration degree from Cheung Kong Graduate School of Business in October 2012 and her bachelor's degree in economics from the London School of Economics and Political Science in July 2005.

Mr. Xu Jiming (徐濟銘), aged 39, was appointed as an executive Director and the Chief Executive Officer in February 2023 to lead and manage the daily operations of the Company. Mr. Xu has served as the chief technology officer of Yidu Cloud Beijing, a subsidiary of the Company, since October 2015 and the chief executive officer of Tianjin Happy Life, an affiliated company of the Company, since March 2018. Mr. Xu is the co-author of a paper on the application of AI technology in medicine development published in the *Nature Medicine* journal in January 2019. Mr. Xu is the spouse of Ms. Gong, an executive Director and the Chairlady of the Board.

Mr. Xu has over ten years of experience in the fields of search engine technology, big data and AI. Before joining the Group in October 2015, Mr. Xu worked in the mobile business division of Alibaba where he held the positions of senior architect at *UCWeb* between June 2015 and October 2015 and general manager of the search product technology center of amap.com between May 2013 and June 2015. Between July 2008 and May 2013, Mr. Xu worked at Baidu Internet Technology Co., Ltd. as a technology manager.

Mr. Xu received his master's degree in computer application technology from the Graduate School of the Chinese Academy of Sciences in July 2008 and his bachelor's degree in automation from Tsinghua University in July 2005.

Dr. Yan Jun (閻峻), aged 44, is an executive Director and the Chief Technology Officer of our Company. Dr. Yan has served as the Chief AI Scientist of our Group since December 2017. Dr. Yan is responsible for the overall technology strategy of our Group and research and development of medical AI technologies, including the research and development of large language model in the medical vertical field, natural language processing, etc.

Before joining our Group in December 2017, Dr. Yan worked at Microsoft (China) Co., Ltd. between July 2006 and November 2017 in various research roles, including as a senior lead researcher in the enterprise intelligence and data mining area. The main areas of Dr. Yan's research included AI knowledge mining, knowledge-based machine learning, text processing technology and information retrieval with an emphasis on AI technologies in the medical field. His research products have led to a range of commercial applications and have been granted numerous patents.

Dr. Yan has published over 100 papers in prestigious academic publications and conferences including Special Interest Group on Knowledge Discovery in Data (SIGKDD) of the Association for Computing Machinery ("**ACM**"), Special Interest Group on Information Retrieval (SIGIR) of the ACM, International Conference on World Wide Web (WWW) Conference, the International Conference on Data Mining held by the Institute of Electrical and Electronics Engineers ("**IEEE**") and *IEEE Transactions on Knowledge and Data Engineering*.

Dr. Yan has been a member of the medical health and biological information processing committee of Chinese Information Processing Society of China since December 2018. Dr. Yan also chaired the organizing committee of the Global Artificial Intelligence Technology Conference and was invited as a special forum guest in 2018.

Directors and Senior Management (Continued)

Dr. Yan holds a Ph.D. in applied mathematics from Peking University awarded in July 2006 and received his bachelor's degree in computational mathematics from Jilin University in July 2001.

Ms. Feng Xiaoying (封曉瑛), aged 44, was appointed as an executive Director, the Chief Financial Officer and the joint company secretary of the Company in February 2023. Ms. Feng obtained her Bachelor degree in Management from the School of Economics and Management of the Tsinghua University in 2001. Ms. Feng is a Chartered Professional Accountant of Canada and a Certified Public Accountant of China. Ms. Feng has led the team to win the 6th NewFortune Best IR team award (Hong Kong listed company), the Excellent Technology Value Listed Company in the 2022 Capital Market "Golden Sail" Case awarded by 21st Century Business Herald, the Best IR Team Award in the 7th Zhitong Caijing Capital Market Annual Meeting, and IRSC 2022-2023 Best Shareholder Relations Award. Prior to that, Ms. Feng has worked at PricewaterhouseCoopers, Deloitte, China Minsheng Investment Group and other institutions. Ms. Feng served as executive director and deputy chief executive officer of China Minsheng Financial Holdings Corporation Limited from December 2015 to February 2018, as executive vice president and chief financial officer of OFO (HK) Limited from February 2018 to May 2019. She was appointed as an independent non-executive director of Shenzhen Leo-King Environmental Group Co., Ltd. (深圳市朗坤環境集團股份有限公司) (Shenzhen Stock Exchange Stock code: 301305) since May 2019.

Non-executive Director

Mr. Zeng Ming (曾鳴), aged 53, has been appointed as a non-executive Director of the Company with effect from 25 June 2021. Mr. Zeng was the chief strategy officer of Alibaba Group between 2006 and 2018. Mr. Zeng has published a number of books on business strategies. Mr. Zeng obtained his Doctor of Philosophy degree in International Business and Strategy from University of Illinois at Urbana-Champaign, USA in 1998 and a Bachelor of Arts degree in Economics from Fudan University (復旦大學) in 1991. Mr. Zeng was the professor of Strategy at Cheung Kong Graduate School of Business, Beijing China and a faculty member at INSEAD, France.

Independent non-executive Directors

Dr. Ma Wei-Ying (馬維英), aged 55, was appointed as an independent non-executive Director, chairperson of the remuneration committee and members of the audit committee and nomination committee of our Company in January 2021. Dr. Ma has served as a vice president and the head of the AI Laboratory at ByteDance between February 2017 and August 2020, where he is responsible for the fundamental research and technology development in the fields of, among others, machine learning, computer vision, speech and audio processing, natural language processing and personalized recommendation and search engine. Before joining ByteDance, Dr. Ma worked at Microsoft Research Asia ("MSRA") from April 2001 to February 2017 as the assistant managing director. At MSRA, Dr. Ma led the research groups in various areas, including AI, machine learning, natural language computing and web search and data mining. Prior to joining MSRA, Dr. Ma worked as a software design engineer in the internet information technology department at the Hewlett-Packard Labs in Palo Alto, California, the United States, from April 1998 to April 2001 in the fields of multimedia content analysis and adaptation. From October 2007 to December 2019, Dr. Ma also served as a guest professor in computer science at National Taiwan University. Since October 2020, Dr. Ma also served as an IEEE Fellow and ACM Distinguished Scientist at Institute for AI Industry Research, Tsinghua University.

Directors and Senior Management (Continued)

Dr. Ma has over 160 granted patents and has published more than 300 papers in prestigious international journals and conferences. He served on the editorial boards of several professional journals including *ACM Transactions on Information System*. He served as the co-chairman of the Special Interest Group on Information Retrieval (SIGIR 2011) and the co-chairman of the Program Committee of the World Internet Conference (WWW 2008). Dr. Ma was accredited as the fellow of the IEEE in 2011 and a Distinguished Scientist by ACM in 2010. He won the second prize of Wu Wen Jun AI Science & Technology Award in 2017.

Dr. Ma holds a Ph.D. in electrical and computer engineering from the University of California, Santa Barbara, awarded in June 1997. Dr. Ma received his master's degree in electrical and computer engineering from the University of California, Santa Barbara in December 1994 and his bachelor's degree in electrical engineering from National Tsing Hua University in June 1990.

Ms. Pan Rongrong (潘蓉蓉), aged 45, was appointed as an independent non-executive Director and chairperson of the Audit Committee of our Company in January 2021. She was appointed as an executive director of SciClone Pharmaceuticals (Holdings) Limited (賽生藥業控股有限公司) (Stock Exchange Stock code: 6600) since May 2023. Ms. Pan has been the chief financial officer and a vice president of finance at SciClone Pharmaceuticals Group since November 2018. Ms. Pan has served as a joint company secretary for SciClone Pharmaceuticals (Holdings) Limited since February 2021. Between July 2002 and November 2018, Ms. Pan worked at PricewaterhouseCoopers, Shanghai branch initially as an auditor. In July 2013, Ms. Pan became a partner of the audit practice of PricewaterhouseCoopers and held the position until she left PricewaterhouseCoopers in November 2018.

Ms. Pan was accredited as a member of the Chinese Institute of Certified Public Accountants in 2004.

Ms. Pan received her master's degree in accounting from Fudan University in July 2001 and her bachelor's degree in international accounting from Shanghai International Studies University in July 1998.

Prof. Zhang Linqi (張林琦), aged 59, was appointed as an independent non-executive Director and members of the audit committee, remuneration committee and nomination committee of our Company in January 2021. Prof. Zhang has been a professor of microbiology and infectious diseases at the School of Medicine, Tsinghua University since July 2008. At the School of Medicine, Tsinghua University, Prof. Zhang also served the role of Deputy Dean between January 2014 and June 2015. Before joining Tsinghua University, Prof. Zhang worked at the Aaron Diamond AIDS Research Center of the Rockefeller University as an associate professor between 2003 and 2007, an assistant professor at the Rockefeller University between August 1998 and January 2003, and a research scientist at the Aaron Diamond AIDS Research Center between September 1995 and July 1998. Prof. Zhang has served as an independent director for Shuo Shi Biologics (碩世生物) (Shanghai Stock Exchange Stock code: 688399) since August 2017.

Prof. Zhang has over 30 years of experience researching the pathogenesis of major human viral diseases and vaccine development. His research primarily focuses on HIV but also includes COVID-19, Middle East respiratory syndrome coronavirus, Ebola virus, Zika virus, avian influenza virus and other emerging highly pathogenic viruses. Prof. Zhang has published over 80 papers in leading academic journals including *Nature*, *New England Journal of Medicine*, *Nature Medicine*, *Journal of Clinical Investigation* and *JAMA*, many of which are widely cited.

Directors and Senior Management (Continued)

Prof. Zhang is the recipient of multiple national awards in China in recognition of his achievements, including the National Science and Technology Awards second prize in 2015 and Distinguished Young Scholar of National Natural Science Foundation in 2008. Prof. Zhang has also served as an expert member of national advisory boards of the PRC government and several international organizations on HIV/AIDS and infectious diseases and was elected a foreign fellow of the African Academy of Sciences in 2016.

Prof. Zhang holds a Ph.D. from the University of Edinburgh awarded in July 1993. He received a bachelor's degree in biology from the Beijing Normal University in July 1985.

Senior management

See disclosure in “Directors and Senior Management — Executive Directors” for the biographies of Ms. Gong, Mr. Xu Jiming, Dr. Yan Jun and Ms. Feng Xiaoying.

Joint company secretaries

Ms. Feng Xiaoying (封曉瑛), has been appointed as our joint company secretary with effect from 1 February 2023. Biography of Ms. Feng is set out in the section headed “Directors and Senior Management — Executive Directors — Ms. Feng Xiaoying” on page 46 of this annual report.

Ms. Li Ching Yi (李菁怡), has been appointed as our joint company secretary with effect from 16 October 2020. Ms. Li is a senior manager of the Listing Corporate Services Department of Trident Corporate Services (Asia) Ltd., a global professional services firm. She has over 10 years of professional experience in company secretarial field. She is currently a joint company secretary of Pop Mart International Group Limited (Stock Exchange Stock code: 9992), Acotec Scientific Holdings Limited (Stock Exchange Stock code: 6669), 3D Medicines Inc. (Stock Exchange Stock code: 1244) and Sipai Health Technology Co., Ltd. (Stock Exchange Stock code: 314), and the company secretary of Yadong Group Holdings Limited (Stock Exchange Stock code: 1795), all companies are listed on the Stock Exchange. Ms. Li is an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries). She obtained a bachelor's degree in social sciences in October 2011 from Lingnan University in Hong Kong and a master degree in professional accounting and corporate governance in July 2015 from City University of Hong Kong.

Changes to directors' information

Save as disclosed in this annual report, during the Reporting Period and as at the Latest Practicable Date, there has been no change to the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.



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Environmental, Social and Governance Report

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Environmental, Social and Governance Report (Continued)

1. About the Report

The Group is pleased to release the third Environmental, Social and Governance Report (“**Report**” or “**ESG Report**”), which aims to disclose to the industry participants on the Group’s policy, strategy and performance in relation to sustainable development for FY2023.

Reporting Scope

The ESG Report covers the Reporting Period. Unless otherwise provided, the ESG Report covers the same content as this annual report. The environmental key performance indicator (“**KPI**”) data covers principal business operations of the Group, including Beijing head office, Beijing Yiyi Cloud Technology Co., Ltd. (北京懿醫雲科技有限公司), Nanjing Yiyi Cloud Big Data Technology Co., Ltd. (南京懿醫雲大數據科技有限公司), Guizhou Yidu Cloud Technology Co., Ltd. (貴州醫渡雲技術有限公司), Yidu Cloud (Beijing) Technology Co., Ltd. (醫渡雲(北京)技術有限公司), Nanjing Yidu Cloud Medical Technology Co., Ltd. (南京醫渡雲醫學技術有限公司), Yidu Cloud (Chongqing) Technology Co., Ltd. (醫渡雲(重慶)科技有限公司), Yidu Cloud (Guangzhou) Technology Co., Ltd. (醫渡雲(廣州)技術有限公司), Shanghai Yizhi Medical Technology Co., Ltd. (上海懿智醫療科技有限公司), Nanjing Yiji Cloud Medical Data Research Institute Co., Ltd. (南京醫基雲醫療數據研究院有限公司), Beijing Causa Health Technology Co., Ltd. (北京因數健康科技有限公司), Yinshu Insurance Brokerage Co., Ltd. (因數保險經紀有限公司), Ningbo Century Kangtai Technology Co., Ltd. (寧波世紀康泰科技有限公司) and EVYD Technology Limited.

Reporting Standard

The Report is compiled in accordance with the Environmental, Social and Governance Reporting Guide (“**ESG Reporting Guide**”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, the contents of which also complies with the disclosure requirements, the statutory disclosure regulation and the provisions of “comply or explain” under the ESG Reporting Guide, and follows the four reporting principles of “Materiality”, “Quantitativeness”, “Balance” and “Consistency”.

Environmental, Social and Governance Report (Continued)

Materiality	The Report follows the materiality principle of the Stock Exchange, and has identified and disclosed the process of the material environmental, social and governance issues with its selection criteria, description on key industry participants, the process and results of industry participants' involvement, and identification process of important issues and material issue matrix.
Quantitativeness	The statistical standards, methodologies, assumptions, and/or calculation tools used for reporting emissions/energy consumption, if appropriate, as well as the source of conversion factors, are described in the Report.
Balance	The Report impartially presents the Group's performance for FY2023 to avoid selection, omission or presentation formats that may inappropriately affect the decision or judgment of the reader.
Consistency	The statistical methods used for data disclosure of the Report are the same as those used for the previous year. Clarification will be made in the Report if there are any changes.

Reporting Language

The Report is published in both Chinese and English.

Report Approval

The Report was reviewed and approved for release by the board of directors of the Group (the "**Board**") on 30 June 2023.

Report Release

A soft copy of the Report is available on the official website of the Group (www.yidutechgroup.com) and on the HKEx news of the Stock Exchange (www.hkexnews.hk).

Report Feedback

We highly value your feedback on the Report. Should you have any questions or suggestions, please contact us via the following channels:

Address of the headquarters in the PRC: 8/F Health Work, No. 9 Building of Huayuan North Road, Haidian District, Beijing, China

E-mail: ir@yiducloud.cn

Environmental, Social and Governance Report (Continued)

2. Awards and Honors

We actively promote the intelligent transformation and high-quality sustainable development of the healthcare industry by continuously developing advanced technologies such as AI, big data technology and cloud computing. In FY2023, we have been widely recognized by industry participants, and received numerous awards.

Name of Awards/Honors	Award Date	Awarding Agency
China Patent Excellence Award (中國專利優秀獎)	April 2022	China National Intellectual Property Administration
"Healthcare Big Data Application and Development" Digital Health Demonstration Case (「健康醫療大數據應用發展」數字健康示範案例)	May 2022	National Health Commission of the PRC
"Healthcare Big Data Application and Development" Digital Health Typical Case (「健康醫療大數據應用發展」數字健康典型案例)	May 2022	National Health Commission of the PRC
Beijing Pu Hui Jian Kang Bao was awarded "Innovative Hui Min Bao Product of the Year" (北京普惠健康保獲評「年度創新惠民保產品」)	June 2022	Sina Finance
Digital Economy Industrial Innovation Achievements (數字經濟產業創新成果)	July 2022	2022 Global Digital Economy Conference
"Medical NLP Technology" was awarded First Prize at the First Beijing Medical and Health Data Innovation and Application Competition (「醫療NLP技術」榮獲首屆北京醫療健康數據創新應用競賽一等獎)	July 2022	Beijing Municipal Bureau of Economy and Information Technology
Successfully selected into Demonstration Cases of Beijing AI Innovation and Application Pilot Zone (成功入選《北京人工智能創新應用先導區示範案例》)	July 2022	Beijing Artificial Intelligence Industry Alliance (北京人工智能產業聯盟)
China's healthcare big data solutions market share ranked first (中國醫療大數據解決方案市場份額第一)	August 2022	IDC China
National Intellectual Property Advantage Enterprise (國家知識產權優勢企業)	October 2022	China National Intellectual Property Administration
2022 Guangdong-Hong Kong-Macao Greater Bay Area High-Value Patent Cultivation & Layout Competition Gold Award (2022粵港澳大灣區高價值專利培育佈局大賽金獎)	December 2022	Executive Committee of Guangdong-Hong Kong-Macao Greater Bay Area High-Value Patent Cultivation & Layout Competition

Environmental, Social and Governance Report (Continued)

Name of Awards/Honors	Award Date	Awarding Agency
2022 Listed Company with Outstanding Technology Value (2022年度卓越科技價值上市公司)	December 2022	21st Century Business Herald
"Cutting-edge Digital Transformation Enterprise" among 2022 Top 100 Digital Transformation List (2022數字化轉型百強榜「數字化轉型新銳企業」)	December 2022	Economic Observers (經濟觀察報)
2022 TOP10 Innovation Listed Company in PRC Healthcare Industry (2022中國大健康產業創新上市企業TOP10)	December 2022	EqualOcean Healthcare
"Yidu Tech: Research, Develop and Promote Hui Min Bao and Help Construct Multi-level Medical Insurance System" was accredited as "2022 Healthy China Innovation Practice Typical Case" (《醫渡科技：研發推行惠民保，助力構建多層次醫療保障體系》獲評「2022健康中國創新實踐典型案例」)	December 2022	Public Health column of People's Daily Online
Comprehensive Outstanding Case (綜合優秀案例)	December 2022	People's Daily Health App, Health Times
Collaborative Innovation Case (協同創新案例)	December 2022	People's Daily Health App, Health Times
2022 Top 10 ESG Excellent Corporate Award (2022年度ESG十大優秀企業獎)	January 2023	China Times
China's top 100 insurance technology companies in 2022 (2022年度中國保險科技100強榜單)	January 2023	INSLAB (分子實驗室)
2022-2023 Best Shareholder Relation Award (2022-2023 最佳股東關係獎)	January 2023	China Excellence IR
Ranked No. 1 in the 2022 healthcare big data enterprise list (2022醫療大數據企業排行榜排名第一)	February 2023	China Internet Weekly of Chinese Academy of Sciences, the Center for Informatization Study of the Chinese Academy of Social Sciences and eNet Research Centre
2022 PRC Healthcare Intelligence Industry Annual Corporate (2022中國醫療智能產業年度企業)	March 2023	China Internet Weekly of Chinese Academy of Sciences, the Center for Informatization Study of the Chinese Academy of Social Sciences and eNet Research Centre

Environmental, Social and Governance Report (Continued)



2022 PRC AI Industry Annual Corporate
(2022中國人工智能產業年度企業)



“Yidu Tech: Research, Develop and Promote Hui Min Bao and Help Construct Multi-level Medical Insurance System” was recognized as “2022 Healthy China Innovation Practice Typical Case” by Public Health column of People’s Daily Online (《醫渡科技：研發推行惠民保·助力構建多層次醫療保障體系》獲評人民網·人民健康頒發的「2022健康中國創新實踐典型案例」)

3. ESG Development Strategy

Yidu Tech is committed to integrating sustainable development concept into its day-to-day business operation and constantly improves ESG management by formulating ESG policy and measures to improve sustainable development performance. We always adhere to the mission of “making value-based precision healthcare accessible to everyone” and empower healthcare industry with self-innovated AI technology. Leveraging our self-developed intelligent “medical brain”, YiduCore, we provide the analytics-driven solutions and operating services to industry participants under different scenarios. Supported by AI and big data technology, we can offer more efficient and accurate medical solutions to reduce medical costs and waste, and finally achieve the new ecology for data intelligence and green healthcare.

3.1 Statement of the Board

The Group regards ESG management as an important part of its daily operation and management. We have established a solid ESG governance structure.

Environmental, Social and Governance Report (Continued)

The Board takes full responsibility for ESG strategy and reporting as leadership on ESG matters. During this fiscal year, the Board is responsible for the supervision of ESG matters, and regularly discusses, reviews and approves the Group's ESG management policy, strategies and risk management plans, including the identification and prioritization of key ESG issues. We have reviewed the progress of the environment-related directive goals set for last year, which can reflect the effectiveness of the Group's ESG policy, measures, and management policy. In future, we will keep seeking opportunities to improve our ESG performance in order to supervise and improve our sustainable development work.

3.2 ESG Governance Structure

We established a top-down ESG management structure. As the highest decision-making level of the Group for ESG, the Board is responsible for approving the ESG management policies, strategies, objectives and annual work of the Group; assessing and managing major ESG issues, risks and opportunities; monitoring the implementation of ESG governance policies; and approving ESG reports, and taking full responsibility for the ESG strategies and reporting.

The organizing level is ESG working group, which is led by the capital markets department, and is comprised of the heads of the finance department, legal department, human resources department, marketing department, administrative center and procurement department. The working group is responsible for formulating ESG management policies, strategies, objectives and annual work plan; assisting the Board in identifying, evaluating, reviewing and managing major ESG issues, risks and opportunities. Moreover, the ESG working group coordinates and promotes the implementation of ESG policies across departments to ensure that ESG policies are properly handled and implemented. The ESG working group makes regular reports and ESG-related recommendations to the Board.

The execution level is comprised of numerous departments, including the capital markets department, finance department, legal department, human resources department, marketing department, administrative center and procurement department and related business departments. All departments shall abide by relevant ESG policies and systems, organize, promote and implement ESG-related work within respective scope and report updates to the ESG working group on a regular basis.



Environmental, Social and Governance Report (Continued)

3.3 Communication with Stakeholders

The Group values opinions and requirements of stakeholders and has established a comprehensive communication mechanism to actively maintain regular/irregular and sufficient communication with customers, shareholders/investors, employees, governments and regulators, suppliers, communities/non-governmental organizations, business partners, counterparts, media and other major stakeholders, respond to their concerns and requirements and constantly improve our ESG performance, thereby building a long-term relationship of mutual trust and support.

Major Stakeholders	Expectations and Requirements	Main Means of Communication and Responses
Customers	<ul style="list-style-type: none"> • High quality service and products • Customer privacy and data security • Customer sustainable relationship maintenance • Marketing practice 	<ul style="list-style-type: none"> • User feedback surveys • Improve risk control and technology iteration in security computing • Daily business communication/visits • Daily media communication, social media communication • Industry research, industry seminars, experts communication
Shareholders/investors	<ul style="list-style-type: none"> • Corporate governance • Openness and transparency of information • Business expansion • Intellectual property • Rights protection 	<ul style="list-style-type: none"> • Annual general meetings and other general meetings • Performance roadshow conferences • Investor day/industry seminars • Results announcements, interim reports and annual reports • Corporate newsletter, company website and official WeChat account • Regular announcements

Environmental, Social and Governance Report (Continued)

Major Stakeholders	Expectations and Requirements	Main Means of Communication and Responses
Employees	<ul style="list-style-type: none"> • Employees' training and development • Good working environment • Safeguarding rights of employees • Health and safety 	<ul style="list-style-type: none"> • Training, events, seminars, workshops, lectures • Employee opinion survey • Performance communication and review • Meetings, employee communication conferences • Publications (e.g. Data Compliance and Cybersecurity Weekly) • Company intranet
Governments and regulators	<ul style="list-style-type: none"> • Compliance with national laws and regulations • Social responsibilities 	<ul style="list-style-type: none"> • Policy documents and guidelines • Meetings/work reports/information submission • Seminars • Involvement of city population health management and provide AI-empowered solutions • Hui Min Bao operation service
Suppliers	<ul style="list-style-type: none"> • Improvement of partnership • Open and fair cooperation 	<ul style="list-style-type: none"> • Supplier management system • Green supplier management system • Site inspection

Environmental, Social and Governance Report (Continued)

Major Stakeholders	Expectations and Requirements	Main Means of Communication and Responses
Communities/non-governmental organizations	<ul style="list-style-type: none"> Increase the input in community public welfare 	<ul style="list-style-type: none"> Public welfare activities Seminars/workshops/lectures
Business partners	<ul style="list-style-type: none"> Strengthen cooperation Open and fair cooperation 	<ul style="list-style-type: none"> Industry forum and industry reports Visits and conference communication
Counterparts	<ul style="list-style-type: none"> Promotion of industry communication and cooperation 	<ul style="list-style-type: none"> Strategic cooperation projects Industry conference and forum
Media	<ul style="list-style-type: none"> Open and transparent information disclosure Timely updates on business progress 	<ul style="list-style-type: none"> Press conference Press reports Interviews with senior management Results announcement Media activity

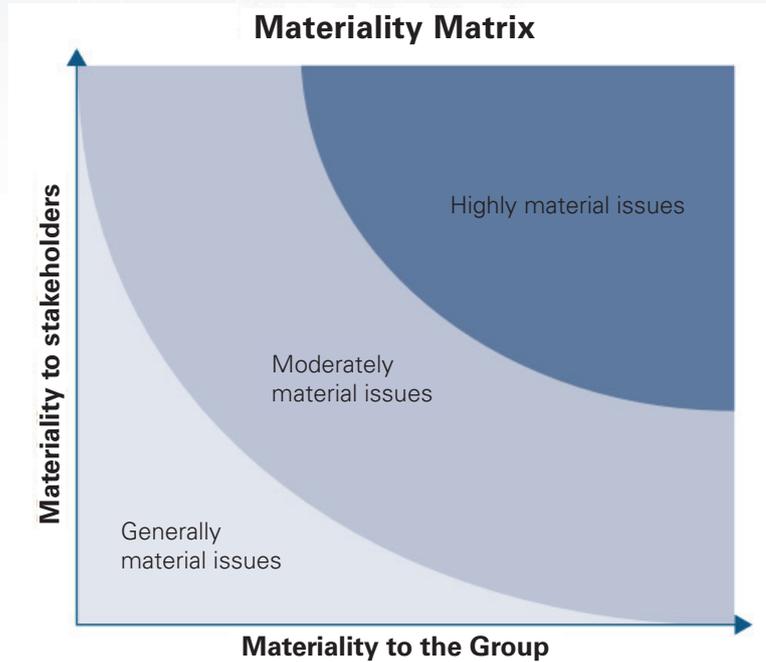
3.4 Materiality Issues

As the Group's strategy and business operations had not significantly changed during this fiscal year, upon considering the mutual importance and impact of each ESG issues to stakeholders, the materiality issues of the Group in FY2022 remain applicable for this fiscal year. The Group performed materiality assessment in FY2022 and took the disclosure obligations covered in the ESG Reporting Guide, the material map of Sustainability Accounting Standards Board ("**SASB**") and other factors into consideration. After careful analysis, we finally concluded 29 material issues covering ESG aspects that are applicable to the Group's business.

Based on the business operation in this fiscal year, we consolidated the first and second issues last year into "public health and population health management empowered by healthcare intelligence", and the 28 ESG issues ultimately applicable to the Group's business for this financial year include 8 highly material issues, 11 moderately material issues and 9 generally material issues. According to the importance of these issues, we make different levels of key disclosures in this report and take it as important consideration during ESG strategies and policies formulation.

Environmental, Social and Governance Report (Continued)

The following ESG materiality issues have been approved and confirmed by the Board.



ESG Highly Material Issues

1. Public health and population health management empowered by healthcare intelligence
 2. Provision of more accessible, inclusive and equitable health insurance services
 3. Reducing waste in the healthcare industry
 4. Technological development and innovation
 5. Protecting customer privacy and data security
 6. Promoting the technological improvement and intelligentization in the healthcare industry
 7. Protecting and safeguarding intellectual property rights
 8. Compliant risk management
-

ESG Moderately Material Issues

9. Optimizing customer services
 10. Compliant employment
 11. Occupational health and safety
 12. Employees' rights and benefits
 13. Equality and diversity
 14. Employees' training and development
 15. Commitment to social welfare
 16. Raising public health awareness
 17. Integrity and compliance in operation
 18. Business ethics and code of conduct
 19. ESG governance
-

Environmental, Social and Governance Report (Continued)

ESG Generally Material Issues

20. Energy consumption
 21. Resource utilization
 22. Practicing green office
 23. Emissions management
 24. Responding to climate change
 25. Product quality management
 26. Supply chain management
 27. Sales convention and product labelling
 28. Protecting the rights of subjects
-

4. Innovative Healthcare Intelligence

Under a series of national core strategic policies related to “digitization, intelligence and technological innovation”, the digital economy driven by AI, big data and other innovative technologies have become one of the driving forces of strong economic growth. The effect of innovative technologies to empower hospitals to improve diagnosis & treatment efficiency and research capabilities and assist governments in innovating public health and population health management has been widely validated. We aim to solidify our leading position in the rapidly developing healthcare intelligence industry, and create more value for stakeholders in the ecosystem through our intelligent “medical brain” and analytics-driven solutions.

4.1 Intelligent Brain Empowered by Technology and Innovation

We constantly empower our business with independent technological innovation with the mission of “making value-based precision healthcare accessible to everyone”, thereby bringing more accurate and efficient services and products to the patients.

YiduCore

YiduCore, our intelligent “medical brain”, represents our core capabilities that can be understood in terms of three layers. The first layer consists of our medical data governance capabilities, which enable us to assist in aggregating and converting raw and scattered data from in-hospital and out-of-hospital information technology systems into structured and standardised high-quality data that can be analysed and processed by algorithmic models in a rapid, accurate and cost-efficient manner upon authorization. The second layer is composed of our continuously reinforced and expanded medical knowledge, insights, and disease models generated from and applied in the intelligent algorithms, as they are applied to our data-analytics driven solutions for our customers in various use-case scenarios. The final layer is our scenario-specific operations and service capabilities that we develop to help our customers better realize the value of our solutions and ecosystem to achieve their target outcomes. As of 31 March 2023, upon authorization, YiduCore has processed and analyzed more than 3.4 billion healthcare records from over 800 million patients, covering over 1,500 hospitals, and has built relevant disease models in more than 70 disease areas. Through such accumulation, YiduCore is able to accurately identify over 15,000 medical semantic fields with industry-leading accuracy in medical text field extraction.

Environmental, Social and Governance Report (Continued)

Algorithms and models in YiduCore can be assembled to form solutions that adapt to diverse needs and use-case scenarios of the healthcare industry.

YiduCore's Capacity

Data processing capability	<ul style="list-style-type: none">• Converting scattered and unstructured data into structured and standardized data that can be learned and calculated by machines• Performing deep training on medical data of various disease areas to improve the speed and accuracy of algorithm processing
Disease knowledge and insights	<ul style="list-style-type: none">• Building medical solutions driven by data analysis and evidence decision-making to reinforce core advantages• Continuous iteration and growth in the process of constantly expanding application scenarios to form a closed loop
Operation capacity in medical scenes	<ul style="list-style-type: none">• Professional medical and operation team• Assisting customers to achieve efficiency improvement and value brought by digitalization/intelligence

We constantly improved the efficiency of research-grade evidence generation and deepened our research capability in different disease areas. In addition to the research on key diseases such as solid tumors, hematology, ophthalmology, immunology and cardiovascular, we further deepened our research on other diseases. During the Reporting Period, we supported the release of the China's first cirrhosis standard dataset from technical perspective, to improve the data quality in utilization and integration of cirrhosis clinical resources. As of 31 March 2023, we have collaborated with experts and authoritative institutions to publish 15 disease standard datasets, building as a foundation for multi-center research in relevant disease areas. During the Reporting Period, we provided comprehensive scientific research service solutions to a Grade III-A hospital in East China, which ranks among the top two in thoracic surgery and tuberculosis in China. Our solutions enable full-process scientific research management, including CRF (Case Report Form) design, intelligent follow-up, and data quality control, thereby improving scientific research efficiency. Our comprehensive public health solutions provide large-scale simulation and prediction for efficient and dynamic decision-making. Our epidemic prediction and simulation products have been standardized and can be deployed remotely online with one click. As of 31 March 2023, the effectiveness and accuracy of our pandemic response and prediction algorithms have been validated in 23 provinces and cities.

Environmental, Social and Governance Report (Continued)

YiduCore requires day-to-day large-scale computing, and based on the technological breakthrough of large-scale pre-training models, we continuously optimize the function of medical text structurization, standardization, automatic desensitization and other tasks, actively promote energy saving and emission reduction, and reduce the negative impact on the environment. We are committed to integrating the concept of green development into the daily operation of YiduCore. Through large-scale pre-train models, some tasks can achieve a further 5%–10% improvement in models effectiveness while reducing the amount of annotation by 80%–90%, improving data processing efficiency and achieving energy saving.

Big Data Platform and Solutions (“BDPS”)

In the BDPS segment, we provide data intelligence platforms and analytics-driven solutions to hospitals, other healthcare institutions, regulators and policymakers. We continue to strengthen our “two-pronged” strategy. Horizontally, we strengthen YiduCore by expanding our network of hospitals and regions, enriching the use-case scenarios of existing customers, and investing in core technology capabilities to enhance the functionality, reliability and usability of our products. Vertically, we continue to deepen and optimize our insights and knowledge within key disease areas by enabling multi-site research to be carried out in our network.

For hospitals, we offer applications and solutions focused on three use-case scenarios, namely research, clinical diagnosis and treatment, and hospital operations management to hospitals. We keep iterating real-world disease models by using AI technologies and continue to deepen disease insights and engage top-grade hospitals and experts in our research network. During the Reporting Period, we launched our new hospital scenario intelligent solutions, which will further broaden our target customer base with our All Disease Data Platform that enables the DIY creation of disease registries by hospitals. In addition, we also launched YiduEywa2.0, the new-generation of data centre and open system platform covering clinical, management and research of hospital in all aspects, which helps hospitals capitalize and leverage their medical data assets, accelerating the generation and transformation of research results. It enables the digitalization and intelligent transformation and upgrading of the entire hospital, and supports the high-quality development and digital transformation of a number of top Grade III-A hospitals, including Tongji Hospital of Tongji Medical College of Huazhong University of Science and Technology.

Upon appropriate authorization, we provide AI-enabled data analytics-driven solutions to regulators and policymakers, covering national/provincial/city-level regional platform development, public health, population health management, etc. During the Reporting Period, we undertook the construction of the “Data Platform for Clinical Trial Institution Evaluation” jointly promoted by the National Medical Products Administration and Chinese Academy of Medical Sciences & Peking Union Medical College. This is the fourth national platform we have built. The platform will perform full process evaluations of clinical trial organizations, and realize data collection and online configuration and management of evaluation models, provide effective quality control and analysis tools for evaluation work, and facilitate efficient analysis and decision-making.

Environmental, Social and Governance Report (Continued)

We also assisted in building cities' "health brain" in the field of population health management. In an economically developed city in East China, we used artificial intelligence technology to enable efficient interoperability of healthcare data within the city, and meet the expectations of regulators and healthcare institutions for in-depth data utilisation in various scenarios including clinical research, diagnosis and treatment, early warning analysis and health management. In addition, during the Reporting Period, we also won the bid for the construction of regional healthcare profiling for local residents in Chaoyang District of Beijing, bridging residential medical data between hospitals in Chaoyang District to form an electronic health record for residents in Chaoyang District.

Life Sciences Solutions ("LSS")

Based on the core capabilities of YiduCore and the top tier hospitals and experts network accumulated in the BDPS segment, we currently provide analytics-driven clinical development, RWE-based research and digital commercialization solutions in respect of the full life-cycle of drugs and medical devices from clinical development to post-market commercialization. Leveraging the disease insights empowered by AI and digital technology solutions, we help our partners in pharmaceutical, biotech, medical device and other clinical development processes to reduce the time and costs of drugs and medical devices development and improve the quality of clinical trials while achieving commercial success.

We actively seek new avenues for networking and business development with key opinion leaders and industry experts. For example, we hosted "Happy and Smart Study" live broadcast event to help industry participants and potential clients understand the latest breakthroughs in the industry and our core competence. As of 31 March 2023, we have organized a total of 18 live broadcast events, covering hot topics on Antibody-Drug Conjugates ("**ADC**") and CAR-T drug development, experience sharing of real-world studies contributing to regulatory approvals for drugs and devices, Causa Research DCT platform press conference, etc. We have also invited 86 industry leaders and clinical experts to share insights, and attracted more than 4,000 clinical researchers to participate in study and discussion.

We will continue to accelerate the generation of research-grade evidence and drive the development of our one-stop solutions from analytics-driven clinical development to post-market commercialization in line with evolving regulations and policies. We will continue to focus on generation and application of RWE in focused three categories of use-base scenarios, key disease areas we excelled at in clinical development, enlargement and preservation of our customer base with high-quality, and improvement in our operational efficiency. During the Reporting Period, we provided a real-world study service to a MNC client on a product indicated for eosinophilic granulomatosis with polyangiitis, and evidence generated from the study facilitated the drug's inclusion into China's national medical insurance catalogue. Eosinophilic granulomatosis with polyangiitis is a rare disease and accelerating its approval for medical insurance will meet the clinical needs of patients with this rare disease in China.

Environmental, Social and Governance Report (Continued)

Health Management Platform and Solutions (“HMPS”)

In order to achieve our mission “to make value-based precision healthcare accessible to everyone”, we provide innovative insurance technologies and solutions to insurers, brokers and relevant regulators and policymakers in this sector. Leveraging our medical knowledge and insights accumulated through YiduCore, we continuously improve medical actuarial models, intelligent risk control models, and disease prediction models, and strengthen the construction of five core capabilities including patient analysis and risk assessment, customised product development, hierarchical classification of large-scale population, health intervention and intelligent customer service, intelligent underwriting and quick claim settlement. Our solutions aim to empower our customers with technology to design and develop innovative insurance products, enabling faster and more accurate insurance underwriting and expediting claim processing.

We will continue to promote the development and services of innovative insurance products through independent technological innovation, and provide “inclusive and fair” and customized insurance services for more provinces and cities in China. As of 31 March 2023, we won the bid in and served 4 provinces and 12 cities, including Jiangsu Province, Fujian Province, Anhui Province, Shaanxi Province, Beijing, Shenzhen, Tianjin, Ningbo, etc. “Jiangsu Yi Hui Bao No. 1 (江蘇醫惠保1號)”, as an important replenishment of basic medical insurance, can provide comprehensive protection for employees’ health with low investment, high protection and fast claim processing. During the participation period of “Jiangsu Yi Hui Bao No. 1 (江蘇醫惠保1號)” in 2023, over 1,300 enterprises participated in the collective insurance, benefiting more than 260,000 employees and enhancing their happiness and sense of belonging.

Leveraging algorithm models and AI technologies, we assisted 2022 Beijing Pu Hui Jian Kang Bao to launch quick claim services. The vast majority of the insured are not required to provide claim materials such as medical bills, but are actively reached and provided compensation by receiving text messages and phone calls and other means. At present, more than 85% of the beneficiaries obtained claims through the quick claim service, which has significantly compressed the claim settlement time and reduced the financial burden of the insured. 2023 Beijing Pu Hui Jian Kang Bao further upgraded its products with the number of health management services increased from 25 in the previous year to 42, and for the first time, new citizens who are not covered by Beijing basic medical insurance are also eligible, and those who have Beijing household registration or Beijing residence permits and participated the basic medical insurance in other cities can participate in the insurance, extending the inclusiveness of Hui Min Bao to more people and reducing the burden of medical expenses on residents.

At the 2022 Healthy China Innovation Practice Case Collection and Summary Conference (2022健康中國創新實踐案例徵集總結大會) organized by People’s Daily Online, the Hui Min Bao project we submitted was named the “2022 Healthy China Innovation Practice Typical Case (2022健康中國創新實踐典型案例)”. Our operation in Beijing Pu Hui Jian Kang Bao and Jiangsu Yi Hui Bao No. 1 were awarded “Comprehensive Excellent Case”, and “Special Excellent Case”, respectively.

Environmental, Social and Governance Report (Continued)



"Beijing Pu Hui Jian Kang Bao"
Honorary Credential



"Jiangsu Yi Hui Bao No. 1"
Honorary Credential

Typical Hui Min Bao Case: Beijing Pu Hui Jian Kang Bao – Overseas Innovative Drug Direct Compensation

A 6-year-old child, W (pseudonym), was diagnosed with "congenital achondroplasia" after being born with short limbs, slow growth in height and weight, and recurrent lung infections with shortness of breath. W went to Hainan Hospital of Ruijin Hospital of Shanghai Jiao Tong University School of Medicine for further treatment, where he was to be treated with Vosoritide monotherapy, and the attending physician treated him with "Voxzogo-vosoritide/Vosoritide", an innovative drug used for the treatment of congenital achondroplasia. The drug was purchased at a total expense of approximately RMB380,000, but as it is listed in the "Beijing Pu Hui Jian Kang Bao" overseas innovative drug catalogue and is applicable to the indication coverage, and due to the fact that W was verified to fall within the population with non-specific pre-existing conditions, W was entitled to enjoy a zero deductible and a reimbursement rate of 60%. As the reimbursement amount of "Beijing Pu Hui Jian Kang Bao" overseas innovative drug is approximately RMB230,000, W only needs to pay approximately RMB150,000 for the innovative drugs. Based on the unit price of Voxzogo-vosoritide/Vosoritide of RMB4,239.38, and W's estimated dosing cycle of 12 times with 30 doses per month during the cover period (from 1 January 2023 to 31 December 2023), the estimated maturity benefit is RMB500,000. As the insured is treated at Hainan Hospital of Ruijin Hospital of Shanghai Jiao Tong University School of Medicine (Boao Research Hospital), a designated healthcare institution in Hainan, and is entitled to direct reimbursement of innovative drugs of "Beijing Pu Hui Jian Kang Bao", the insured only needs to pay the portion that should be borne by himself.

4.2 High Quality Assurance

We are relentless in our pursuit of excellence and provide our customers with the highest quality products and services to gain their trust and support. The Group has obtained quality management system certification (GB/T 19001-2016/ISO9001:2015).

Quality management is an ongoing process and Happy Life Technology ("HLT"), our clinical research service company focusing on providing life science solutions, has developed the HLT Quality Manual to regulate its quality assurance department, innovative medical solutions business department and other functional departments to ensure quality, comply with applicable laws, regulations and regulatory policies/procedures and carry out corresponding quality improvement activity.

Environmental, Social and Governance Report (Continued)

In order to continuously improve and ensure the stability of online services, we formulated Online Service Stability Management Measures, which clearly lists and regulates organizational protection for service stability management, segregation of responsibilities between different roles, definition of service level, grading of accident damage determination, accident handling process, online operation specifications, formulation of stability service-level agreements and incentives on stability. The operation and maintenance engineer executes and controls the access of employee operating system through regulating online operating process to reduce the risk of online accidents. The Group rapidly iterates the product terminal of its business and has a rapidly growing demand for data processing and higher requirements for customization of production and quality control. The Group actively monitors and handles big data quality in a proactive manner and has formulated Quality Control Points and standards for our data processing and application platforms. The Group has an extremely high requirement for quality of data in various use-cases and clear data control evidence and criteria in place, and values highly various native secondary data quality issues found in the process of data aggregation and production. In this regard, in 2019, we updated and developed the quality control standards in response to the Group's adoption of automated quality control to assist and urge the production team to locate and address problems. We also clarify the Group's data quality objectives and conduct quality inspection and analysis in accordance with China's Data Management Capability Maturity Assessment Model (GB/T 36073-2018) formulated in 2018.

High Quality Management

We formulate Quality Management System in strict accordance with Drug Administration Law of the PRC, the Regulations for the Implementation of the Drug Administration Law of the PRC, the Goods Supply Practice for Pharmaceutical Products and its appendices and other relevant laws and regulations, including but not limited to Regulations on Drug Check and Acceptance, Drug Display and Storage Management System, Review Management System for New Cooperative Enterprise and Newly Introduced Products, Quality Record and Receipt Management System and other quality management processes, to ensure the truthfulness, normalization and traceability of our quality management work.

In respect of drugs, we have formulated Drug Return Management System, Drug Recall Management System, Quality Incident Reporting System, Adverse Drug Reaction Reporting Management System, Drug Traceability Quality Management System and other related areas to ensure the quality of our products and services. The Group clarifies the responsibilities of each department on drug quality and strengthens the safety supervision on drugs sold to ensure the safety and efficacy for human beings. To ensure the quality of products and services, we conduct independent reviews on projects, suppliers and processes. Reviewers conduct investigations as per plans and contractual agreements, including interview with key personnel, review the procedures and processes of products and services, audit records and data, and evaluate facilities and equipment. Reviewers conduct investigations as per plans and contractual agreements, including interview with key persons, review the procedures and processes of products and services, audit records and data, and evaluate facilities and equipment.

During the Reporting Period, the Group did not have any product recalls due to safety or health reasons.

Environmental, Social and Governance Report (Continued)

Customers' Interests Assurance

In order to regulate drug quality enquiry and complaint management, ensure timely identification and elimination of quality hazards and improve drug quality and service quality, we have formulated the Quality Inquiry and Complaint Management System. The quality department is responsible for managing inquiries on drug quality and conducting investigation, dealing with and reports on complaints. The business department and other department are responsible for assisting in handling quality inquiries and complaints. The quality department should find out the causes of quality issues found in the process of handling quality inquiries and complaints, clarify responsibilities, analyze, evaluate and take effective measures to deal with and feedback on quality complaints in a timely manner, and make records and notify suppliers and pharmaceutical manufacturers when necessary. The Group regulated claim settlement business under Quality Control Standard of the Claim Settlement Department and the Quality Inspection Standard.

During the Reporting Period, we were not aware of any complaints on our products or services.

5. Responsible Business Operations

Responsibility and honest operation are necessary to the Group's risk mitigation and sustainable development. We improve our management ability and governance level from multiple aspects, such as risk, compliance, information security and privacy, intellectual property and suppliers. By setting policy system, group management and department rules, we have formulated action plans to optimize the Group's operation and management capability to promote long-term and sustainable development of the enterprise and the industry.

5.1 Emphasis on Risk Management and Control

Quality and efficient risk management is an important premise to enhance the Group's core competitiveness and promote its sustainable, stable and healthy development. We improve our risk management level to better cope with uncertainties in our future development and convert risks to opportunities. The Group formulated Risk Assessment Management Method in accordance with the Basic Standards for Internal Control within the Group, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and relevant laws and regulations as well as the actual conditions of the Company. In this system, we defined different risks as strategic risk, finance risk, market risk, operational risk and legal risk, or material risks, vital risks and general risks based on their impact on the Group.

We have a clear division of responsibilities for risk management in place. The management is the highest decision maker for risk management, which is responsible for reviewing and approving risk management policies, determining risk management principles, constantly monitoring and improving the effectiveness of risk management policies according to changing environment and business development, and integrating risk management into the overall business development strategies. The audit department is the risk management department, which is responsible for organizing and overseeing the establishment and operation of risk management system as well as supervising and evaluating our risk management work. Each subsidiary and department of the Group is responsible for carrying out its own risk assessment work and submitting them to the management and the audit department for review.

Environmental, Social and Governance Report (Continued)

We conduct streamlined risk assessment procedures through goal setting, risk identification, risk analysis and evaluation, risk response, and other major steps. We assess procedures after determining the Group's risk management concepts and risk tolerance.

Goal setting	<ul style="list-style-type: none">• Five aspects include legal compliance, asset security, truthfulness and integrity of financial report and relevant information, operation efficiency and effectiveness, and development strategy.
Risk identification	<ul style="list-style-type: none">• Identify key business or issues through goal setting and layer decomposition;• Accurately identify internal environmental risks and external environmental risk factors that may arise from the achievement of key business or event control objectives, to determine corresponding risk tolerance;• The audit department of the Group should timely organize each department to separately identify the risks of special/major matters;• Integrate and identify risks that affect the achievement of the Company's goals.
Risk analysis and evaluation	<ul style="list-style-type: none">• For the identified risks, each department of the Group should analyze the "possibility" and "impact" of each risk with qualitative and quantitative methods;• The audit department gathers and assesses the analysis results and final risk rating is derived from two-dimensional chart of "possibility" and "impact";• For material risks, priority should be given to allocating resources for corresponding control.
Risk response	<ul style="list-style-type: none">• The Group should select and implement appropriate risk response strategy based on the results of risk analysis, as well as the reason and tolerance of risks while balancing risks and return.

Upon the completion of risk evaluation procedures, the Group formulates supervision and improvement processes for risk management. Each department and affiliates should carry out self-investigation on the risk response and business process control on a regular basis, update defects identified and submit its work record to the audit department in a timely manner. The Group should conduct risk evaluation at least once a year to ensure ongoing identification, assessment, response and inspection of the Group's risk exposures.

Environmental, Social and Governance Report (Continued)

5.2 Integrity and Compliance in Operation

The Group has always adhered to the core value of integrity, and adopted a zero-tolerance attitude towards corruption, bribery and other unethical behaviors, and is committed to integrating the concepts of fairness, honesty and legal compliance into the entire operation process, and jointly creating a good business environment with business partners.

The Group has formulated Compliance Management System to improve the effectiveness of compliant management, enhance self-restraint ability and promote stable operation and sustainable development of the Group. Compliant management work should be executed by the compliance department with systems to regulate operation and management of the Group and staff, and compliance with laws, regulations, rules and other regulatory documents, industry specification and self-discipline rules and internal regulations of the Company as well as ethics and code of conduct recognized and universally observed by the industry. Based on the Fundamental Norms on Corporate Internal Control, the Application Guidance on Corporate Internal Control, the Guidance on Corporate Internal Control and Assessment, Rules Governing the Listing of the Company's Securities and relevant requirements of laws and regulations, the Group, based on our actual condition and industry features, formulated the Management Measures for Internal Control to reinforce and regulate internal control, ensure lawful and compliant operation and management, asset security, truthfulness and completeness of its financial reports and relevant information, improve operational efficiency and effectiveness and promote regulated operation and sustainable development of the Company.

Anti-Bribery, Anti-Corruption, Anti-Fraud and Anti-Money Laundering

The Group complies with the laws and regulations related to anti-corruption, such as the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering Law of the PRC, to prevent any form of corruption and bribery in daily operations. The Group has formulated a series of policies, such as Anti-Bribery & Anti-Corruption Policy, Management System for Anti-Commercial Bribery, Anti-Fraud Management Policy and Anti-Money Laundering Policy, to practice compliance and integrity in operation, and improve and enhance the Group's operations.

The Anti-Bribery & Anti-Corruption Policy expressly prohibits all employees, outsourcers, agents, distributors, customers, consultants and other partners of the Group from giving or accepting money, gifts or entertainment that may be regarded as bribery. Misconducts are avoided, identified and reported through reporting, employee training, regular supervision of internal audit and compliance department and other methods.

Environmental, Social and Governance Report (Continued)

The Management System for Anti-Commercial Bribery was updated and improved in mid-2022, with an aim to prevent commercial bribery or other misconduct in business operation. The system expressly prohibits the act of providing or acquiring trading opportunities or other economic benefits by giving or receiving property or other benefits in business activities that violate the principle of fair competition, and clearly stipulates supervision, reporting and punishment measures. The legal and compliance department of the Group conducts regular anti-commercial bribery publicity and training to enhance employees' awareness of anti-commercial bribery; the human resources department has incorporated anti-commercial bribery training into the Group's new employee induction training and keeps relevant records to monitor the work style of employees. During the Reporting Period, the Group has also held meetings and training for Directors on anti-corruption and anti-bribery policies, whistleblowing policies, ESG management systems, etc.

The Group formulated Anti-Fraud Management Policy to avoid fraud. The policy clarifies the attribution of responsibility for anti-fraud, the prevention and control of fraud, the whistleblowing, investigation and reporting of fraud cases, the guidance and supervision of anti-fraud work, and the remedial measures and penalties for fraud. It aims to regulate the professional conduct of directors, senior and middle management employees and ordinary employees of the Company, and ensure the relevant personnel strictly abide by relevant laws, industry norms and standards, professional ethics and rules and regulations of the Company and establish a good culture of integrity and diligence to prevent behaviors that damage the interests of the Company and shareholders.

The Anti-Money Laundering Policy specifically applies anti-money laundering internal control to relevant businesses, departments and positions through the formulation of customer identification system, large funds and suspicious transaction reporting system, information storage and staff training, to avoid management deficiencies.

Meanwhile, we have formulated the Individual Reimbursement System and Reimbursement Process to enhance expense management of the Company, regulate scope of expenditure and clarify expense reimbursement standards and reimbursement processes. Based on the Management System for Complaint, Whistle-blowing and Suggestion, we set up whistle-blowing hotlines and emails to support employees in reporting fraud, corruption, bribery and other illegal and dishonest acts.

During the Reporting Period, the Group had no legal proceedings related to bribery, fraud and money-laundering.

Environmental, Social and Governance Report (Continued)

Regulating External Promotion Activities

Public media, the Group's official website, WeChat public account and other media channels are important windows for the Group's external publicity, and are also important channels for the establishment of the Company's brand image. The Group strictly abides by the requirements of the Advertising Law of the PRC and other relevant laws and regulations. In September 2022, we updated and improved the External Publicity and Release Procedures and Rules, which requires that external publicity and release be made under the principles of timeliness, uniformity, standardization and compliance, as well as the release process for data disclosure. According to the Specifications on External Use and Review Process of Promotional Materials, any data used by the Group in the promotional materials shall be reviewed by the marketing department and the legal and compliance department before their external use to ensure that the use of publicity data is legal and compliant.

During the Reporting Period, the Group had no non-compliance or unlawful cases on external publicity.

5.3 Valuing Privacy and Security

The Group focuses on the development and application of healthcare intelligence and is committed to becoming a leader in China's healthcare intelligence industry. We attach great importance to information privacy and security, and promote the construction of a secure, inclusive and value-oriented healthcare intelligence system. The Group's guarantee on information security is the core and foundation of building healthcare intelligence. The Group complies with PRC information security laws and regulations in all material respects, including but not limited to the PRC Cybersecurity Law, the PRC Data Security Law, the PRC Personal Information Protection Law, Information Security Technology-Personal Information Security Guidelines, the Measures for Cybersecurity Review, Administrative Measures for the Graded Protection of Information Security and other relevant laws and regulations and data protection policies of overseas countries/regions where we operate.

We formulate the Security Management System-Information Security Strategy to clarify the Group's information security policy and goal and the Group's information security management organization and its responsibilities. The Group has established an information security committee, which comprises an information security leadership group, an information security management working group and an information security implementation group. The information security leadership group is responsible for the Group's overall information security efforts; the information security management working group under the leadership group is responsible for day-to-day execution and appraisal of information security; and the information security implementation group is responsible for day-to-day execution of information security, and effectively and comprehensively manage information security risks from different aspects, such as security management system strategy, security management organization policy, personnel security policy, system construction strategy, system operation and maintenance strategy, host security policy, network security policy, application security policy, data security and backup and recovery strategy.

Environmental, Social and Governance Report (Continued)

Staff Safety Strategy

- We regularly provide information security training and examination for all employees to ensure that employees clearly understand information security and the use and operating method of information equipment, etc.;
 - We have clearly stated the reward and punishment system, and strictly deal with any employee who commit security violations. The employee's information security behavior records also affect the employee's appraisal, annual bonus, salary and position adjustment, etc.;
 - The human resources department of the Group strictly regulates the recruitment process of candidates by inspecting their background, and relevant individuals are required to sign confidentiality agreements;
 - Any third party who desires to access the information assets must sign a confidentiality agreement first. Third parties must be aware of the consequences and liabilities of breach of the agreement;
 - When employees or third-party personnel leave or are transferred from their positions, all information equipment must be returned, and the accounts and permissions of employees and third-party personnel must be withdrawn.
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Internet, Data and Application Security Strategy

- We regularly scan the network system and patch the security vulnerabilities found in a timely manner; establish a network security management system, stipulate network security configuration, log retention cycle, security policies, upgrades and patches, password update cycles, etc.; meanwhile, we have designated a staff to manage the network, be responsible for the daily maintenance of operation logs and network monitoring records, and the analysis and processing of alarm information; we achieve a minimal service configuration for the device and take regular offline backups of the configuration file.
 - We ensure that all connections to external systems are authorized and approved; and allow or deny network access to portable and mobile devices in accordance with security policies. We audit every operating system user and database user on the server and important client terminal, including important security-related events within the system, such as important user behavior, abnormal use of system resources, and use of important system commands.
 - We adopt encryption or other protective measures to keep system administration data, identification information, and important business data transmission and storage confidential. We establish a security management system in relation to backup and recovery management, and standardize the backup method, backup frequency, storage medium and retention period of backup information.
 - Based on the requirements of each business application, we strictly restrict users' access to information and application system functions to prevent unauthorized access to information systems. We audit the log files and system logs generated by the application system itself, record and retain log information of user activities, abnormalities and information security events in accordance with the requirements of company logs, so as to support future investigations and audits.
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Environmental, Social and Governance Report (Continued)

For the code of conduct for the operation of all employees of the Group and the personnel of external partner companies, we have formulated the Information Security Management Specification for Staff and the Employee Information Security Red Lines to ensure safety use of the Company's assets, information security and privacy of customers and the security of our business information and confidential information from such aspects as daily operation, terminal safety, data security, third-party personnel security, and more.

Meanwhile, we have also developed the File Backup and Recovery Standard Operating Procedures to ensure that our computer data is protected from damage or loss caused by natural disasters or human errors, as well as damage from external and internal sources.

Yidu Cloud (Beijing) Technology Co., Ltd., one of the subsidiaries of the Group, is responsible for the design and development of the healthcare big data platform and solutions, and has obtained qualifications and certifications related to graded protection. In addition, the Company has obtained various information security management system certificates, including Information Security Management System Certification (GB/T 22080-2016/ISO/IEC27001: 2013), Cloud Service Information-Security Management System Certification (ISO/IEC 27017: 2015), Personally Identifiable Information Security Management System Certification (ISO/IEC 27018: 2014), Privacy Information Management System Certification (ISO/IEC 27701 : 2019), Privacy Framework Information Security Management System Certification (ISO/IEC 29100 : 2011), Information Technology Service Management System Certification (ISO/IEC 20000-1 : 2018), Business Continuity Management System Certification (ISO 22301 : 2019), and Data Governance Compliance Certification (ISO/IEC 38505:2017).

The Group has invested heavily in the area of security computing and we are one of the healthcare technology companies in China that were certified by the CAICT for secure multi-party computing and federated learning capabilities. We have also established a joint research center with Tsinghua University to carry out and promote the use of federated learning and security computing techniques.

Environmental, Social and Governance Report (Continued)



Secure Multi-party Computing Basic Capability Special Evaluation Certificate (多方安全计算基础能力专项评测证书) and Federated Learning Basic Capability Special Evaluation Certificate (联邦学习基础能力专项评测证书), the Certificates of Capability Assessment for Big Data Product

The Medical Data Intelligent Platform Core Module (Version 2.7.0) (醫學數據智能平台核心模塊 (2.7.0版本)) and Special Disease Intelligent Scientific Research Platform Core Module (Version 8.0.0) (專病智能科研平台核心模塊 (8.0.0版本)) independently developed by us, have passed the evaluation of China Information Technology Security Evaluation Center (“**CNITSEC**”) and obtained the independent self-developed product evaluation certificate, which made us become the first healthcare technology company to pass this certification. This assessment was a national authorized security assessment of information technology products conducted by CNITSEC with national authority and objective specifications. The assessment concluded that the two approved independent self-developed data intelligent products of the Group have a clear functional structure, with a good state of continuous maintenance, and have passed the source code homology analysis test.

Environmental, Social and Governance Report (Continued)



Medical Data Intelligent Platform Core Module (Version 2.7.0)

(醫學數據智能平台核心模塊(2.7.0版本)) and Special Disease Intelligent Scientific Research Platform Core Module (Version 8.0.0) (專病智能科研平台核心模塊(8.0.0版本)), the Certificates of Independent Self-developed Product Evaluation

During the Reporting Period, the Group did not have any material non-compliance of laws and regulations such as information leakage and privacy security.

5.4 Respecting for Intellectual Property Rights

The Group persists on independent development and encourages invention and creativity. As a healthcare intelligence company empowered by cutting-edge technologies such as AI and big data technology, we recognize the importance of protecting intellectual property rights for the technological innovation, technological advancement in production and sustainable development of the Group. We strictly comply with the Patent Law of the PRC, the Copyright Law of the PRC, the Trademark Law of the PRC and other relevant laws and regulations, and actively carry out the management of intellectual property rights.

Environmental, Social and Governance Report (Continued)

The Group has formulated relevant internal policies such as the Management Regulations on Intellectual Property Rights and Management Regulations on Patents to clarify the research and development of the Group's technology and the use of patents. Such systems aim to protect the Group's intangible assets through the management of intellectual property rights, and clarify the scope, management regulations and practices of intellectual property rights. In terms of patents, we clarify the responsibilities of the patent management working group and set out clearly the search and retrieval of patents, the patent application process, the application of patents and the protection of patents. At the same time, we attach great importance to the incentives for innovative talents. In order to enhance the market competitiveness of the Group and promote the advancement of production technology, we have clearly defined the incentives for inventors or designers and protect their authorship rights. During the Reporting Period, the Group maintained 1,268 registered patents with 259 newly authorized patents.

The Group has set up relevant departments to be responsible for the management of intellectual property rights, formulate various regulations on the management of intellectual property rights, coordinate the management of intellectual property rights, delineate the scope of management and responsibilities of each position, and guide, supervise and inspect the management of intellectual property rights of other departments. Before we carry out technological innovation and work creation and other activities involving intellectual property rights, we are required to determine whether the innovation conforms to the Group's sustainable development strategy and whether it can generate real intellectual property rights. All departments of the Group are fully aware of the importance of intellectual property rights and, resolutely stop and put an end to the loss of intellectual property rights caused by misconducts in accordance with the Anti-Unfair Competition Law of the PRC; and fully take into account the actual situation of the Group to give full play to the role of intellectual property rights in the competition. In order to strengthen employees' awareness of intellectual property protection, the Group has established an intellectual property publicity system, and conducts intellectual property training and publicity every year.

In addition, the Group has also formulated the Academic Achievements Management System, which regulates all current employees and those who engage in academic activities in the name of the Group and its affiliated companies, shall establish the scientific spirit of truthseeking and innovation, while respecting others and protect the Group's own academic achievements. We have established an academic committee, which is designed for the special investigation and arbitration of academic morality issues, and proposes handling suggestions to the Group according to the conclusion of the investigation and arbitration. If any academic morality issues are identified, we will take disciplinary action against the reported person or make recommendations for organizational handling and take relevant action in accordance with the disciplinary measures in the system.

During the Reporting Period, the Group did not have any incidents involving infringement of intellectual property rights.

Environmental, Social and Governance Report (Continued)

5.5 Excellent Supplier Management

Suppliers play an important role on the Group's operations. The three major scenarios of research, diagnosis and treatment and public health are the focus of the Group's intelligent applications. The supply chains stakeholders cover by and suppliers with excellence in quality involved in these scenarios will work with us to promote the construction of a safe, inclusive and value-oriented healthcare intelligence system.

We have formulated the operating regulation on Supplier Management and Selection to enhance the safety factor and supply reliability of suppliers, ensure its compliance and standardize supplier management and selection across the Group. The finance department and legal department of the Group are responsible for assessing the qualification of suppliers, participating in the selection of suppliers for procurement projects, rating candidate suppliers, and supervising the qualification of suppliers. The procurement department conducts supplier search and selection, maintains a supplier directory, collects and updates supplier information, regularly assesses and evaluates the suppliers' product quality and service capability, assists the finance department in supplier audits, and leads business negotiations with suppliers based on procurement requirements. The procurement demand department specifies the scope of procurement content, sets specifications for technical, functional and service requirements for procurement, participates in the assessment of suppliers' qualifications and the selection of suppliers for procurement projects, rates candidate suppliers and decides on the final procurement suppliers. The process stipulates that supplier selection shall base on the demands of the procurement project and follow the principles of quality first, scientific procedure, best reputation and centralized procurement to select the supplier with best cost performance for procurement.

The Group developed the Procurement Process Management (《採購流程管理》) to improve the efficiency of procurement projects, reduce costs and increase efficiency of procurement projects, and ensure compliance and transparency in the conduct of procurement projects. In addition to suppliers' qualification, quality, their capability in delivering products and services and pricing, we will also consider their performance in areas of environment and corporate social responsibility, such as whether they comply with relevant policies, regulations and standard of national environmental protection, whether they have obtained the ISO management system certification (including quality, environment, occupational health, etc.), and ensure they have not engaged in illegal employment, and whether they provide reasonable remunerations and workplace environment for their employees. The Group has formulated the Plan for Handling Non-conforming Products Procured and Services (《處理不合格採購產品服務的方案》) to deal with cases of non-conforming specifications, poor quality, delayed delivery, breakage and shortage, poor usage of products/services procured, etc.

Environmental, Social and Governance Report (Continued)

In terms of supply chain management, the Group has developed management measures such as Supply Chain Risk Identification and Control (《供應鏈風險識別與控制》) and Supplier Supervision Methods (《供應商監督方法》) to effectively reduce and prevent risks through the identification of supply chain risks, and has defined effective control strategies in these management measures for reference and usage. At the same time, the Group attaches great importance to integrity. Our suppliers are required to sign the Confidentiality and Integrity Agreement to ensure that they comply with the Group's anti-corruption and anti-bribery policies, and undertake that all operations, service and activities under such agreement will be in full compliance with all laws and regulations applicable to our business operations. The Group integrates the list of qualified suppliers, in which qualified suppliers are explicitly listed and priority will be given to those suppliers with excellent performance evaluation grades.

The Group is committed to establishing a comprehensive green supply chain management system. We have formulated the Green Supply Chain Management System to integrate the concepts of green manufacturing, product life cycle management and extend producer responsibility into corporate business processes, incorporating factors such as environment, health and safety, energy saving and consumption reduction and resource recycling of the product life cycle into our supply chain management system. The management system proposes that the products procured should use clean energy, which will help to reduce waste of water resources, meet environmental protection requirements as far as possible and avoid excessive procurement and waste. The materials provided by suppliers and their production, logistics and storage processes shall comply with corporate green procurement requirements. Eco-friendly products and services shall be given priority, and their installation and use shall generate the least radiation or harmful substances.

During the Reporting Period, the Group had 2,940 suppliers in total, including 2,647 suppliers in Mainland China and 293 suppliers in overseas, Hong Kong, Macau and Taiwan, providing us with hardware, software, medicine, consumables, consulting services and others. All of the suppliers of the Group shall comply with the relevant supplier management policies.

6. Concerning on Employee Development

6.1 Safeguarding Rights of Employees

The Group strictly abides by the Labor Law of the PRC, the Labor Contract Law of the PRC, and the Law on the Protection of Minors of the PRC and other labor and employment related laws and regulations. The Group has established a clear recruitment management system and follows the principles of openness, equality, competition and basis of merit to employ staff in accordance with the law. The Group has developed an Employee Handbook to introduce the basic rules and regulations of the Group, which helps new employees to better understand the Group's culture and business and to fit in the Group more quickly, enabling each employee to better realise his or her value, which in turn improves the overall operational efficiency of the Group. During the Reporting Period, the Group had 1,020 employees in total.

Environmental, Social and Governance Report (Continued)

Recruitment and Promotion

The Group attaches importance to the cultivation and development of talents. In order to improve the recruitment effect and to ensure that the recruitment process is more process-oriented, systematic and standardized, the Group has specially formulated the Recruitment Management System to better bring in talents and build a high-quality workforce. According to such system, the human resources department is responsible for the management of recruitment channels across the Group, including internal referrals, external referrals, external network recruitment, headhunting and other channels to manage the Group's recruitment. The Group has established a unified school recruitment campaign and recruitment for functional positions in the Group to promote the exploration of outstanding talents. During the recruitment and interview process, we focus on candidates' experience, professionalism, potential, comprehensive quality, values and motivation, and we also conduct graded inspection for the positions that candidates applying for, with different levels of focus on professionalism and general competencies adjusted according to the nature of the positions.

The Group's recruitment team will adhere to the principles of respecting and attracting talents to release recruitment information, fully utilizing available channels to present objective and truthful recruitment information that in line with national regulations and policies. In order to expand recruitment channels and improve recruitment efficiency and suitability, the Group encourages internal recommendation of outstanding talents for the Company, and has formulated a special Internal Referral Rules of Yidu Tech Group, and each department will also give certain incentives for internal recommendation, subject to the internal referral rules of the Group.

In addition, the Group has formulated the External Referral Rules of Yidu Tech Group to encourage external personnel to recommend outstanding talents for us, which is applicable to external referees to recommend candidates to participate in the recruitment activities for senior positions at senior expert level and above. The external referral criteria are consistent with the Group's unified recruitment standards that under strictly quality control. In addition, we will conduct background investigation on the candidates to be admitted and judge whether they are finally admitted based on the results of the investigation. During the recruitment and approval process, the Group will review whether the candidate has reached the legal age of employment, and if any age inconsistency or forced labour is identified, the employment contract will be immediately terminated to protect the legitimate labour rights and interests. During the Reporting Period, no child or forced labour was identified in the Group. In the recruitment process, the Group maintains a prudent and standardized attitude to achieve the best talent recruitment result, explores high quality talents based on the principle of combining internal and external resources and giving priority to internal recruitment, and pays attention to the development potential of talents for the long-term interests of the Group.

Environmental, Social and Governance Report (Continued)

The Group has set a Performance Appraisal Management System which sets out different promotion paths for different categories of staff. Employees to be promoted should possess the comprehensive literacy and professionalism required for higher ranks; conform with the Company's cultural values and set an example and lead in the team. In order to encourage employees with exceptional achievements, the Group has set up exceptional promotion paths to ensure that the Company does not lose outstanding talents and to enhance the Group's core competitiveness. Our promotion process refers to the Grade Management System formulated by the Group to ensure the efficiency of the operation of the promotion process. The Group provides a complaint channel for employees who disagree with the results of performance appraisals. Employees can lodge their complaints after the release of performance results, and we will reconcile such cases. If there is still disagreement, the Standing Committee will make the final confirmation.

Remunerations and Dismissal

The Group makes reference to the Group's salary management system to clarify the entry salary, salary payment and salary adjustment, and the system is strictly implemented in accordance with the relevant internal policies of the Group. The Group will, within the budget of each department, provide incentives to employees who have performed well in performance appraisals. At the same time, the Group prohibits any unfair and unreasonable dismissal. We have established the Reward and Punishment System as the basis for internal reward and punishment management. If any serious violation occurs, the Group has the right to terminate employment contract with the involved employee pursuant to relevant laws and regulations of the PRC.

For employees who violate national laws, company rules and regulations or act contrary to our values, the Group will judge the level of discipline according to the seriousness of the situation, the degree of cooperation of the employee and the damage caused, etc. Violations will be classified as minor, general or serious according to the seriousness of the nature, and we will make punishment according to the seriousness of the situation, and dismiss in serious cases.

Working Hours and Holidays

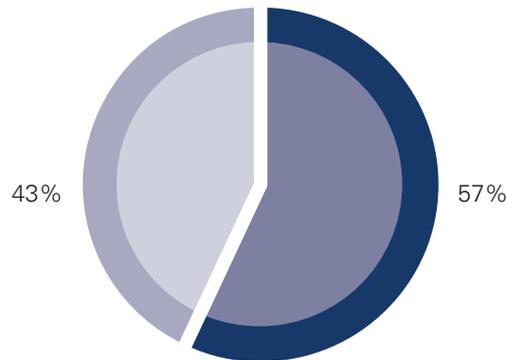
In accordance with the Labor Contract Law of the PRC and other laws and regulations, and in light of the actual situation of the Group, the Group has formulated the Attendance Management System, which clearly states the working hours and related vacation arrangements of employees to ensure that employees have sufficient rest time. We adopt a standard working hour system and formulate practicable working hours. Employees are required to work 5 days a week and 8 hours a day. In addition, we implement flexible working hours to improve the work efficiency of employees. Employees shall consciously abide by the Group's working hour system and work in the workplace specified by the Group. If employees need to work at home in special circumstances, a flexible mixed work mode can be adopted. The Group will appropriately adjust the specific working hour system, working hours and shifts for special positions in accordance with legal regulations and in light of the actual situation, and implement relevant specific plans after written approval is obtained from the human resources department. In addition to the annual leave and statutory holidays stipulated by the Labor Law of PRC, current employees of the Group are entitled to additional leave such as wedding leave, maternity leave and paternity leave.

Environmental, Social and Governance Report (Continued)

Equal Opportunity, Diversity and Anti-discrimination

The Group has been committed to protecting equal and legitimate rights and interests of employees to ensure equal and fair employment and no form of discrimination on the basis of gender, race, pregnancy, disability, marital status or family status in employment. In addition, we pay great attention to the expectations and needs of employees in all aspects, and implement a series of effective regulations and policies from the Group to each business department. Besides, the Group adopts multiple online and offline communication channels, including corporate WeChat, internal live streaming, one-on-one conversations, and one-to many meetings, so as to create a harmonious and comfortable workplace environment for employees. We respect and treat every employee well, and enhance their sense of belonging to the Group as much as possible. We attach great importance to promoting gender equality in the Group. The Group has integrated the concept of gender equality into the corporate culture from the management onwards, to ensure that women at all levels are given equal opportunities for development and influence. The ratio of male and female on the Board of Director of the Group is 5:3, which is higher than the global average¹. The Chairlady and CFO of the Group are both women, and female employees account for more than 50% of the total workforce, reflecting the diversity, fairness and inclusiveness of the Group. In the future, we will continue to promote diversity and anti-discrimination efforts to create a more fair and equal workplace environment for our employees.

FY2023 Employee Gender Ratio



■ Total number of female employees ■ Total number of male employees

¹ According to Women on Boards Progress Report 2022 published by MSCI, the proportion of female directors in the MSCI ACWI Index constituent companies in 2022 was 24.5%.

Environmental, Social and Governance Report (Continued)

6.2 Employee Benefits

The Group has always been people-oriented and regards our employees as valuable asset for the Group's development. In order to help solve the worries of our employees and to take care of their lives comprehensively, we pay for five insurances and one fund for each employee according to the law, i.e. pension, medical, unemployment, work injury and maternity insurances and housing provident fund, and other basic social security benefits. In addition, we also purchase accident insurance and supplementary medical insurance for employees. We also organize annual medical check-ups for our staff to protect their health in all aspects.

At the same time, we have a number of special benefits for our staff, including monthly meal subsidies through takeaway platform and activities on major festivals. We also provide team building funds for our regular staff to enhance team bonding. To relieve the stress of our staff, we have a gymnasium in our office for them to use during their break time, and we offer office benefits such as haircuts service every Thursday. In addition, we also take care of the personal life of our staff by providing them with accident insurance and a wedding gift for those who get married during their employment. We also collaborate with our staff to prepare a filial bonus and transfer the subsidised portion of the Company's filial bonus and the amount of the filial bonus within the employee's salary chosen by the employee to the employee's parents as part of their pension every month.



Team Building Activities

Our employees are located in multiple cities both domestically and internationally. During traditional festivals, although we cannot meet face-to-face, we organize a variety of activities to meet online through various platforms and organize activities such as watch live broadcasts, send blessings, eat crabs, make dumplings, cook glutinous rice balls and give out red packets to our employees together with love and warmth.

Environmental, Social and Governance Report (Continued)

Celebrate the festival together with “Love in Yidu”



Technical innovation is the driving force behind our vision of green healthcare. A good technical atmosphere and win-win teamwork make us more energetic and creative. We held the “Super Code Power” Yidu Tech Programmer’s Day event on the “1024 Programmer’s Day” to build a communication channel for programmers and other types of employees, and enhance communication and mutual understanding.



1024 Programmer’s Day

Environmental, Social and Governance Report (Continued)

6.3 Concerning on Employee Safety

The Group strictly complies with the Occupational Disease Prevention and Control Law of the PRC, Emergency Response Law of the PRC, the Production Safety Law of the PRC, Management Measures on Contingency Plans for Emergencies and other relevant laws and regulations, continues to improve its production safety management system and safety emergency management system, and actively carries out safety hazard investigation and supervision and inspection to ensure the work safety of its employees in the workplace environment. At the same time, the Group's Employee Handbook also contains safety and health and hygiene requirements, which clearly defines the responsibility and obligation of each employee in this regard, to comply with the relevant operating specifications, to properly use the protective equipment and protective gear provided by the Company and to protect their own health.

In addition to physical health, we also pay attention to the psychological health of our employees, helping them establish a positive mood, stable personality, appropriate self-evaluation, harmonious interpersonal relationships, a realistic attitude towards life, and to maintain proper self-confidence, certain endurance, resistance to setbacks, the ability to recover psychologically, self-control, environmental adaptability and social interaction. All departments have set up hotlines and other feedback channels to solve staff problems in a timely and effective manner.

We adhere to the policy of "people-oriented and prevention first" and have formulated the Emergency Plan for Handling Sudden Suspected Pandemics and the Comprehensive Emergency Plan for Office Production Safety Accidents to reduce the occurrence of production safety responsibility accidents, improve the level and ability of self-investigation, self-correction, self-prevention and self-help, and establish an emergency organization system so that the emergency evacuation group, wounded rescue group, peripheral control group and communication group will work together to deal with various types of sudden safety accidents such as fire, electric shocks, earthquakes, fire emergency rescue and social security incidents and sudden public health security emergencies.

	Emergency Evacuation Group	Wounded Rescue Group	Peripheral Control Group	Communication Group
Responsibility	Post-accident on-site evacuation instructions	Responsible for transporting the wounded to the safety zones	Dividing the warning areas, setting up isolation zones and keeping on-site order	Providing various materials, equipment and communication equipment for handling emergencies

Environmental, Social and Governance Report (Continued)

6.4 Smooth Occupational Development

Talents are the important resource for the development of the Group. The Group attaches great importance to the construction of its talent team and the improvement of the talent cultivation mechanism, and focuses on the cultivation and enhancement of employees' capabilities. We have formulated the Training Management System of Yidu Tech Group (《醫渡科技集團培訓管理制度》) to clarify the learning and development path for employees and guide them to achieve their career development goals based on their own growth plans, which can accumulate and share in-house knowledge and experience, enhance organizational capabilities and talent density and achieve operational development goals.

Training Types	Training Contents
New Employee Orientation	<ul style="list-style-type: none">• New employee training organized by the Company and they must pass the post-training examination;• Including rules and regulations, financial system, human resources system, information security system, compliance system, use of various systems, and other systems;• Line supervisors are required to arrange training for new staff on their jobs, including training on standard operating procedures (SOP) for each department and professional competencies required for their positions.
General Competence Training	<ul style="list-style-type: none">• To conduct the necessary general competence training for the employees in the form of open classes.
Professionalism Training	<ul style="list-style-type: none">• To receive the latest version of SOP training before using SOP;• Prior to the effective date of SOP, SOP training for current employees must be completed. The SOP training period for new employees is set by each department, which is to be completed after their induction as soon as possible;• The employees must receive the related SOP training prior to performing related duties.
Leadership Training	<ul style="list-style-type: none">• According to the development stage of employees' career, the Company arranges the targeted leadership development programs to enhance employees' leadership and management skills.
Customized Competence Training	<ul style="list-style-type: none">• Based on the actual demands of each department, we provide targeted micro-consultation and training services.

Environmental, Social and Governance Report (Continued)

There are a variety of training forms to assist employees to plan their self-learning, guide them to learn the internal rules and regulations, information on products and services and experience-building content, as well as encourage them to acquire leading information and knowledge relating to their industry and expertise. At the same time, we provide on-site training on various topics and targeted learning, and offer our employees the “Yidu E Academy” as an online learning platform. We also encourage our employees to improve their work competences in practice with coaching programs and technical support.

Training Project	Training Contents
LEAP Leadership Development Program	<ul style="list-style-type: none"> • Goal and service management • Business coaching and feedback • Excellent team with good people
General Competence Training	<ul style="list-style-type: none"> • Upgrade PPT design • Three tips for problem analysis and resolution • Expression of deep understanding and belief • Using pyramid principle to make content ideas more logical • Mastering the skills of teaching and sharing • Emotion management in communication and collaboration • Master the methods of stress management • How to manage your goals
Customized Competence Training	<ul style="list-style-type: none"> • Communication skills for different interpersonal styles • Critical communication • Work habits of highly effective person • Workshops with the theme of team building • Project management
Sharing Topics on Efficient Office during the Pandemic	<ul style="list-style-type: none"> • Positive mindset and efficient office? These 12 ways can help you! • Easier and more effective time management: The Pomodoro Technique • How to organize an effective online meeting? • Improve collaboration efficiency with Outlook meeting invitations • The PLUS principle of efficient telecommuting • Tips on how to adjust to the business mindset during the pandemic period • How to improve work efficiency after returning to office? Work from home team management tips • Dedication training in the post-pandemic era • How can we improve our work efficiency when we return to office? • The 18 tips for team building activities

Environmental, Social and Governance Report (Continued)

7. Promoting Low-Carbon Development

We are committed to reducing the negative impact of our business on the environment with green operation. We have strictly complied with all environmental regulations in areas where we operate, including Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), The Energy Conservation Law of the PRC (《中華人民共和國節約能源法》) and Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染防治法》), and encourage our employees to abide by our environmental policies. During the Reporting Period, we have not violated any laws relating to the discharge of greenhouse gases or pollutants into water and land or the generation of hazardous or non-hazardous waste.

As a part of our commitment to corporate social responsibility and green operations, last year, we set our environmental goals. Through comprehensive management, we review the use of resources in office area and promote education for employees to promote energy conservation, emission reduction and efficient use of resources, and maintain or reduce the Group's water and electricity consumption density, greenhouse gas emission density and waste density. During the Reporting Period, we have reviewed our environmental goals. As a non-manufacturing company, we promote energy conservation and resource utilization by multiple ways of managing resources, which can reduce the water and electricity consumption, greenhouse gas emissions and waste generation.

7.1 Emissions Management

According to the Greenhouse Gas Protocol formulated by the World Resources Institute and the World Business Council for Sustainable Development and the ISO 14064-1 formulated by the International Standardization Organization, we conducted a review on the greenhouse gas emissions of the Group. The details are as follows:

Greenhouse Gas Emissions	Unit	FY2023
Direct greenhouse gas emissions (Scope 1)	tonne of CO ₂ e	—
Indirect greenhouse gas emissions (Scope 2)	tonne of CO ₂ e	1,087.73
Total greenhouse gas emissions (Scope 1 and 2)	tonne of CO ₂ e	1,087.73

Greenhouse Gas Emissions Intensity	Unit	FY2023
Per meter square	tonne of CO ₂ e	0.06
Per employee	tonne of CO ₂ e	0.90

We have reviewed the environmental goals set in the last year and there is room for improvement in the progress of the goals. The increase of the total greenhouse gas emissions in this year has contributed to the increase of the total greenhouse gas emissions intensity². The Group will continue to strengthen the supervision for greenhouse gas emissions to promote the environmental protection and sustainable development.

² The office in Brunei has been moved to a new campus with the expanded common area, resulting in increased electricity consumption in the office, common areas and facilities, and hence an increase in the greenhouse gas emissions.

Environmental, Social and Governance Report (Continued)

During the Reporting Period, we did not have any fuel consumption from vehicles and stationary emission sources. Therefore, there were no data on air pollutant emission during the Reporting Period.

7.2 Green Office

Water resources management

In terms of water consumption, to improve the utilization efficiency of water resources, we have formulated the Corporate Water Saving Plan with a commitment to enhance the carrying capacity of the water environment. We are committed to conserving water and minimizing the negative impact of our business on the environment. In our efforts to reduce water consumption and promote sustainable development, we have taken the measures to conserve water at the source. We have installed infrared sensors in each water facility, and strengthened inspections on water facilities. We have also conducted regular water pipe leak tests or water meter reading checks to ensure efficient water use. If there is a leak, we will immediately notify the relevant person to repair the equipment. In addition, we also assess the water consumption through the review of water tariffs, and conduct investigations on unreasonable water consumption to prevent waste. To promote water saving culture to employees, we will provide education on water conservation practices and put water saving reminder signs on water equipment to raise employee awareness and promote active water conservation. Our offices are supplied with water from the municipal water supply and have no water intake issues.

We have reviewed the environmental goals set in the last year and there is room for improvement in the progress of the goals. During the Reporting Period, the Group's water consumption was 31,570.32 m³. The water density was 26.04 m³ per employee and 1.74 m³ per m²³. We implement water-conservation measures to reduce the utilization of water resources.

Improving energy efficiency

The Group closely monitors the electricity consumption in its offices, and strives to improve efficiency by comparing the usage data for the same period. During the Reporting Period, the Group's electricity consumption was 1,792.68 MWh. The electricity density was 1.48 MWh per employee and 0.10 MWh per m². We have reviewed the electrical goals set in the last year and there is room for improvement in the progress of the goals⁴. We implement energy-conservation measures to reduce the electricity consumption density.

³ The office in Brunei has been moved to a new campus since April 2022, with water leakage from faulty water piping and expanded common area on the campus, which resulted in the increase of water demand.

⁴ The office in Brunei was moved into a new office campus with the expanded common area, resulting in increased electricity consumption in the office, common areas and facilities.

Environmental, Social and Governance Report (Continued)

To pursue and achieve the common goal of energy conservation and emission reduction, and in recognition of our responsibility to the environment, the Group has formulated Corporate Energy Conservation and Emission Reduction Plan to promote energy conservation and emission reduction and achieve the goal of carbon neutrality. To remind this mission for our employees, we prominently put energy conservation and emission reduction signs and encourage them to turn off their electronic devices during non-working hours or when they are not in use. The Group closely monitors the electricity consumption in its offices, and strives to improve efficiency by comparing the consumption data for the same period. The Group strives to use natural light as much as possible and divides the office areas into different zones with individual switches to improve energy efficiency. We also reduce the frequency of air-conditioning operation by natural ventilation or electric fans. When air-conditioning is needed, we set the temperature to 26°C. In addition, we plant green plants in our office to create a green environment.

Reducing waste generation

We strictly comply with the corresponding laws and regulations, control waste discharge at source and adopt strict disposal control measures to ensure safe and orderly disposal of waste. The Group adheres to the principles of waste reduction, recycling and energy saving to promote the development of green office. We have formulated the Waste Reduction and Management Plan, which includes specific measures for daily operation of the office. We promote office automation, such as using electronic documents instead of paper documents and setting printing restrictions to reduce paper waste. We advocate the use of reusable and recyclable materials such as environmentally friendly paper and rechargeable batteries, for example recycled waste paper for posting reimbursement invoices, and recyclable cardboard boxes for necessary transport packaging to maximize packaging space utilization and reduce plastic waste. We recycled hazardous waste to avoid environmental pollution. Recycling sites are set up in our office to encourage employees to support recycling in action. The administrative office of the Group regularly checks the amount of paper, hazardous items and non-hazardous waste generated in the office and analyzes the data to identify room for improvement.

We have reviewed the environmental goals set in the last year and the goals are in good progress. We generated 4,175.00kg of non-hazardous waste during the year. The non-hazardous waste generation density for the year was 3.44kg, a decrease of 47.03% compared to last year.

Environmental, Social and Governance Report (Continued)

7.3 Responding to Climate Change

The Group has recognized risks and opportunities of climate change to the Company and actively taken measures to address climate change to mitigate the potential risks and explore new opportunities. We refer to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to identify the physical and transformation risks that climate change may bring to us. We have developed emergency response plans to deal with possible climate disasters and to ensure the security of employees and corporate property.

Physical Risk	Risk Level	Potential Consequences	Responses
Acute	Low	Extreme weather such as typhoon and heavy rain may affect the Group's equipment such as data centers.	<ul style="list-style-type: none"> • Develop disaster response measures; • Provide disaster response training and escape drills to employees.
Chronic	Low	Hot weather will affect the health of employees and increase the Group's electricity demand.	<ul style="list-style-type: none"> • We optimize the heating and air-conditioning system and strengthen communication with employees to ensure their safety.

Transition Risk	Risk Level	Potential Consequences	Responses
Regulation	Low	Climate change prompts local governments to impose stricter environmental regulations, which may put pressure on the Group's operations.	<ul style="list-style-type: none"> • We pay close attention to the updates of regulations in each place of operation, actively respond and formulate corresponding policies to make adjustments; • Track the latest laws and regulations regarding climate change.
Reputation	Low	Undermine existing collaborative arrangements or weaken the ability to attract new partners.	<ul style="list-style-type: none"> • We actively communicate with industry participants and implement various measures to mitigate climate change, in response to the expectations of all parties.

8. Social Contributions

Adhering to the mission “to make value-based precision healthcare accessible to everyone”, Yidu Tech continues to contribute science and technology power to healthcare research, rural revitalization, talent training and other aspects, providing support and practice opportunities for the growth of healthcare intelligence talents across multiple domains, promoting more efficient healthcare research and high-quality development of the healthcare industry, creating social value and enhancing social welfare. The Group always keeps in mind the support from the community, insists on fulfilling its social responsibility, fully utilizes its advantages to participate in community building and provides support and assistance to the local community within its capacity.

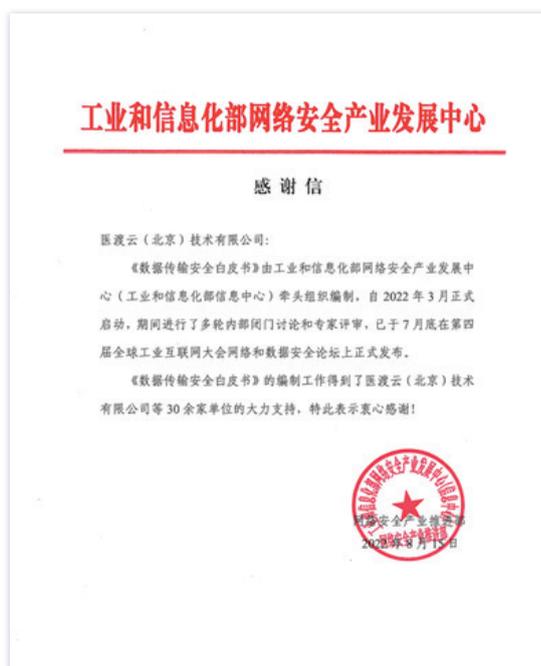
The Group attaches importance to science and technology innovation, focuses on healthcare research and funds Beijing Natural Science Foundation (北京市自然科學基金) — Haidian Original Innovation Joint Fund project in the field of the healthcare big data and AI. More than 30 representatives from hospitals, universities and medical research institutions in charge of the project delivered their reports and exchanged their views at the project launch meeting, aiming to increase support for basic medical research, strengthen collaboration with industry, academia and research, promote the construction of healthcare big data and artificial intelligence ecology, promote the transformation of medical research results, and contribute to the “Healthy China” strategy.

We concern the life pressure for left-behind children, children in distress, and elderly people in difficult families, and provide help for them. We donated RMB45,000 to Tianjin Charity Association for purchase of Tianjin Hui Min Bao (天津惠民保) for children in need and elderly people in need in Tianjin, including 200 insurance policies for left-behind children and children in distress, and 100 insurance policies for elderly people in need in Tianjin. By donating Hui Min Bao products, we are committed to providing health protection to society and reduce the risk of returning to poverty due to illness. In the future, we will continue to strengthen the collaboration of all parties to ensure that the operation of the Hui Min Bao program will continue to benefit the people’s livelihood and effectively reduce the financial burden of large medical expenses for families.

Environmental, Social and Governance Report (Continued)

In addition, we are also concerned about rural development. In Cangxi County, Sichuan Province, Yidu Tech made a financial donation to the Red Cross Society of Guangyuan City, Sichuan Province, in which we donated RMB100,000 for industrial development of Longwang Town, Cangxi County and the early childhood education of QingshuiPu Town, Zhaohua District, to help the construction and development of the rural area.

With our own technological capabilities, the Group actively responded to the national instruction to focus on data security, participated in the compilation of the “White Paper on Data Transmission Security (《數據傳輸安全白皮書》)” led by Internet Security Industrial Development Centre of the Ministry of Industry and Information Technology, established a comprehensive and compliant data risk control system, and joined the “Privacy-Preserving Computing Alliance” (隱私計算聯盟) for a series of research and standards development in relation to technology, application and industry in the field of privacy computing led by the alliance, contributing to the development of the data transmission security industry.



Thank-you letter from the Internet Security Industrial Development Centre of the Ministry of Industry and Information Technology

Environmental, Social and Governance Report (Continued)

With innovative technology application and rich practical experience, the Group has been assisting in the construction of disease registries for nasopharyngeal, lung and colorectal cancers for Sun Yat-sen University Cancer Center for years, which effectively provided great convenience and strong support for scientific research efforts of doctors, and contributed to a significant increase in scientific research efficiency. The Group has been granted the “Excellent Partner” award for three consecutive years.



Sun Yat-sen University Cancer Center has issued “Excellent Partner” award to Yidu Tech for three consecutive years

The Group also works with the community to foster innovative and complex talents for digital transformation of the healthcare industry, and actively supported the First National Healthcare Chief Data Officer (CDO) Seminar Series, at which leaders and experts from the Department of Planning, Development and Informatization of the National Health Commission (國家衛生健康委規劃發展與信息化司), the statistical information center of National Health Commission of PRC, the Hubei Provincial Health Commission, Tsinghua University, Wuhan University and Tongji Medical College of Huazhong University of Science and Technology attended. With the concept of data empowerment and innovative development, the seminar focuses on the latest policy requirements, core technology methods, best practice cases, etc. It carried out systematic seminar content design integrating multi-source knowledge and skill systems. Subsequent seminars will be carried out one after another to serve the high-quality development of hospitals and the construction of the “Healthy China”.

Environmental, Social and Governance Report (Continued)



The First National Healthcare Chief Data Officer Seminar Series

In order to better support clinical research and cultivate medical big data analysis and modeling talents, the Group and Tongji Hospital have launched a joint training program for interns. Based on the domestic leading clinical scientific and research big data platform jointly developed by both parties, we assist clinical researchers in collecting diagnosis and research data efficiently and conduct big data-based real-world research and disease cohort research to accelerate the medical research process with AI, and promote the efficient output of research results.

Environmental, Social and Governance Report (Continued)

Appendix I: Environmental and Social KPIs Summary

Environmental Performance ⁵	Unit	FY2023
Greenhouse Gas Emissions		
Direct greenhouse gas emissions (Scope 1) ⁶	tonne of CO ₂ e	—
Indirect greenhouse gas emissions (Scope 2) ^{7,8}	tonne of CO ₂ e	1,087.73
Total greenhouse gas emissions (Scope 1 and 2)	tonne of CO ₂ e	1,087.73
Greenhouse Gas Emissions Intensity		
Greenhouse gas emissions intensity (per m ²)	tonne of CO ₂ e/m ²	0.06
Greenhouse gas emissions intensity (per employee)	tonne of CO ₂ e/employee	0.90
Electricity Consumption		
Purchased electricity consumption	MWh	1,792.68
Purchased electricity consumption intensity (per m ²)	MWh/m ²	0.10
Purchased electricity consumption intensity (per employee)	MWh/employee	1.48
Water Consumption		
Total water consumption	m ³	31,570.32
Total water consumption intensity (per m ²)	m ³ /m ²	1.74
Total water consumption intensity (per employee)	m ³ /employee	26.04

⁵ The scope of environmental data covers headquarter of the Group in Beijing, Beijing Yiyi Cloud Technology Co., Ltd. (北京懿醫雲科技有限公司), Nanjing Yiyi Cloud Big Data Technology Co., Ltd. (南京懿醫雲大數據科技有限公司), Guizhou Yidu Cloud Technology Co., Ltd. (貴州醫渡雲技術有限公司), Yidu Cloud (Beijing) Technology Co., Ltd. (醫渡雲(北京)技術有限公司), Nanjing Yidu Cloud Medical Technology Co., Ltd. (南京醫渡雲醫學技術有限公司), Yidu Cloud (Chongqing) Technology Co., Ltd. (醫渡雲(重慶)科技有限公司), Yidu Cloud (Guangzhou) Technology Co., Ltd. (醫渡雲(廣州)技術有限公司), Shanghai Yizhi Medical Technology Co., Ltd. (上海懿智醫療科技有限公司), Nanjing Yiji Cloud Medical Data Research Institute Co., Ltd. (南京醫基雲醫療數據研究院有限公司), Beijing Causa Health Technology Co., Ltd. (北京因數健康科技有限公司), Factor Insurance Brokerage Co., Ltd. (因數保險經紀有限公司), Ningbo Century Kangtai Technology Co., Ltd. (寧波世紀康泰科技有限公司) and EVYD Technology Limited.

⁶ Direct greenhouse gas emissions (Scope 1) include direct greenhouse gas emissions that generated from the sources owned and controlled by the Group

⁷ Indirect greenhouse gas emissions (Scope 2) include indirect greenhouse gas emissions that caused by electricity generation, heating and cooling by the Group.

⁸ The electricity emission factors for China, Singapore and Brunei have been updated and are available at the following websites:

https://www.mee.gov.cn/zcwj/zcjd/202203/t20220315_971493.shtml

<https://united4efficiency.org/country-assessments/brunei-darussalam/>

<https://www.nccs.gov.sg/singapores-climate-action/mitigation-efforts/power/>

Environmental, Social and Governance Report (Continued)

Environmental Performance	Unit	FY2023
Hazardous Waste		
Generation of used toner cartridges/ink boxes	unit	89
Used toner cartridges/ink boxes consumption intensity (per employee)	unit/employee	0.07
Generation of used batteries	unit	668
Used batteries consumption intensity (per employee)	unit/employee	0.55
Non-hazardous Waste		
Generation of non-hazardous waste	kg	4,175.00
Non-hazardous waste intensity (per employee)	kg/employee	3.44
Paper Consumption		
Paper consumption	kg	5,762.65
Paper consumption intensity (per employee)	kg/employee	4.75

Environmental, Social and Governance Report (Continued)

Social Scope ⁹	Unit	FY2023
Number of Employees ¹⁰	person	1,020
Number of Employees (by Gender)		
Female Employees	person	586
Male Employees	person	434
Number of Employees (by Employment Category)		
Short-term contract/part-time	person	164
Full-time entry-level employees	person	957
Full-time middle management	person	52
Full-time senior management	person	11
Number of Employees (by Age Group)		
Aged below 30	person	306
Aged 30–50	person	711
Aged over 50	person	3
Number of Employees (by Geographical Region)		
Employees in North China	person	582
Employees in Northeast China	person	19
Employees in East China	person	210
Employees in Central China	person	59
Employees in Northwest China	person	13
Employees in South China	person	66
Overseas employees	person	71

⁹ The scope of social data includes the entire group

¹⁰ Excluding short-term contract/part-time employees

Environmental, Social and Governance Report (Continued)

Social Scope	Unit	FY2023
Employee Turnover Rate¹¹		
Total Employee Turnover Rate	%	39.54
Employee Turnover Rate (by Gender)		
Female employees	%	34.96
Male employees	%	44.78
Employee Turnover Rate (by Age Group)		
Aged below 30	%	35.71
Aged 30–50	%	40.85
Aged over 50	%	66.67
Employee Turnover Rate (by Geographical Region)		
Employees in North China	%	41.27
Employees in Northeast China	%	34.48
Employees in East China	%	41.83
Employees in Central China	%	32.18
Employees in Northwest China	%	18.75
Employees in South China	%	31.25
Overseas employees	%	33.64
Percentage of Employees Trained¹² (by Gender)		
Female Employees	%	57.63
Male Employees	%	42.37

¹¹ Calculation method of the employee turnover rate: $\text{number of staff turnover of such category} \div (\text{number of staff turnover of such category} + \text{number of staff of such category at the end of the year}) \times 100\%$

Excluding short-term contract/part-time employees when calculating the employee turnover rate

¹² Calculation method of the percentage of employees trained: $\text{employees trained of such category} \div \text{total number of employees trained} \times 100\%$

Excluding short-term contract/part-time employees when calculating the employees trained

Environmental, Social and Governance Report (Continued)

Social Scope	Unit	FY2023
Percentage of Employees Trained (by Employment Category)		
Full-time entry-level employees	%	93.70
Full-time middle management	%	5.41
Full-time senior management	%	0.89
Average Training Hours Per Trained Employee¹³ (by Gender)		
Female Employees	hour	18.80
Male Employees	hour	11.20
Average Training Hours Per Trained Employee (by Employment Category)		
Full-time entry-level employees	hour	15.30
Full-time middle management	hour	11.20
Full-time senior management	hour	7.85
Occupational Health and Safety		
Work-related fatalities for the past three years (including the reporting year)	person	0
Work-related fatality rate for the past three years (including the reporting year)	%	0
Lost days due to work-related injuries	day	0
Anti-Corruption		
Number of concluded cases regarding corrupt practices brought against the Group or employee	case	0

¹³ Calculation method of the average training hours per trained employee: the training hours of employees of such category ÷ the number of employees of such category × 100%

Environmental, Social and Governance Report (Continued)

Appendix II: Index of the ESG Reporting Guide of the Stock Exchange

Indicator	Content	Respective Section	
A. Environmental Scope			
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7. Promoting Low-Carbon Development
A1: Emissions	A1.1	The types of emissions and respective emissions data.	7.1 Emissions Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental and Social KPIs Summary
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental and Social KPIs Summary
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental and Social KPIs Summary
	A1.5	Description of emission target(s) set and steps taken to achieve them.	7. Promoting Low-Carbon Development
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	7.2 Green Office Reducing waste generation

Environmental, Social and Governance Report (Continued)

Indicator	Content	Respective Section	
A. Environmental Scope			
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.2 Green Office Water resources management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas, oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental and Social KPIs Summary
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental and Social KPIs Summary
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7. Promoting Low-Carbon Development
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	7. Promoting Low-Carbon Development
	A2.5	Total packaging material used for finished products (in tonnes) and (if applicable) proportion of per unit produced.	The Group did not use packaging materials during the year
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	7. Promoting Low-Carbon Development
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7. Promoting Low-Carbon Development
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.3 Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7.3 Responding to Climate Change

Environmental, Social and Governance Report (Continued)

Indicator	Content	Respective Section	
B. Social Scope			
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6. Concerning on Employee Development
B1: Employment	B1.1	Total workforce by gender, employment type (e.g. fulltime, part-time), age group and geographical region.	Appendix I: Environmental and Social KPIs Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Environmental and Social KPIs Summary
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.3 Concerning on Employee Safety
B2: Health and Safety	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: Environmental and Social KPIs Summary
	B2.2	Lost days due to work injury.	Appendix I: Environmental and Social KPIs Summary
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.3 Concerning on Employee Safety

Environmental, Social and Governance Report (Continued)

Indicator	Content	Respective Section
B. Social Scope		
	General Disclosure	Policy on improving employees' knowledge and skills in performing their duties. Descriptions of training activities.
	B3.1	The percentage of trained employees by gender and employee category (e.g. senior management, middle management, etc.).
B3: Development and Training	B3.2	The average number of training hours completed by each employee by gender and of the employee category.
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of child labor or forced labor.
B4: Labor standards	B4.1	Description of measures to review employment practices to avoid child and forced labor.
	B4.2	Description of steps taken to eliminate such practices when discovered.
		6.4 Smooth Occupational Development
		Appendix I: Environmental and Social KPIs Summary
		Appendix I: Environmental and Social KPIs Summary
		6. Concerning on Employee Development
		6. Concerning on Employee Development
		6. Concerning on Employee Development

Environmental, Social and Governance Report (Continued)

Indicator	Content	Respective Section
B. Social Scope		
	General Disclosure	Policies on managing the environmental and social risks of the supply chain.
B5: Supply Chain Management	B5.1	Number of suppliers by geographical region.
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are implemented, and how they are implemented and monitored.
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.
		5.5 Excellent Supplier Management

Environmental, Social and Governance Report (Continued)

Indicator	Content	Respective Section	
B. Social Scope			
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.2 High Quality Assurance 5.2 Integrity and Compliance in Operation 5.3 Valuing Privacy and Safety
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group did not record any product subject to recalls for safety and health reasons during the Reporting Period
	B6.2	Number of products and service-related complaints received and how they are dealt with.	4.2 High Quality Assurance
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.4 Respecting for Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	4.2 High Quality Assurance
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Valuing Privacy and Safety

Environmental, Social and Governance Report (Continued)

Indicator	Content	Respective Section	
B. Social Scope			
B7: Anti-Corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.2 Integrity and Compliance in Operation
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	5.2 Integrity and Compliance in Operation Appendix I: Environmental and Social KPIs Summary
	B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	5.2 Integrity and Compliance in Operation
B8: Community Investment	B7.3	Description of anti-corruption training provided to directors and staff.	5.2 Integrity and Compliance in Operation
	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that its activities take into consideration the communities' interests.	8. Social Contributions
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sports).	8. Social Contributions
	B8.2	Resources contributed (e.g. money, time) to the focus areas.	8. Social Contributions

OTHER INFORMATION

Directors' and chief executives' interests and short positions in shares and underlying shares and debentures of the company or any of its associated corporations

As at 31 March 2023, the interests or short positions of the Directors and chief executives in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange are set out below:

Name of Director	Nature of interest	Relevant entity	Number of Shares	Approximate % of interest ⁽¹⁾
Ms. Gong	Interest in controlled corporation/Interest of spouse	Sweet Panda Limited ⁽²⁾	416,634,675(L) ⁽³⁾	40.23%
Xu Jiming	Beneficial owner/Interest of spouse	Company	416,634,675(L) ⁽⁴⁾	40.23%
Yan Jun	Beneficial owner/Interest of spouse	Company	2,628,540(L) ⁽⁵⁾	0.25%
Feng Xiaoying	Beneficial owner	Company	1,745,800(L) ⁽⁶⁾	0.17%
Zeng Ming	Interest in controlled corporation	Perfect Sword Limited ⁽⁷⁾	2,163,845(L) ⁽⁸⁾	0.21%

Notes:

- (1) The calculation is based on the total number of 1,035,557,785 Shares in issue as at 31 March 2023.
- (2) Sweet Panda Limited is wholly-owned by Ms. Gong.
- (3) Ms. Gong's spouse, Mr. Xu Jiming, is entitled to receive up to 17,332,785 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of those options, 309,750 shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme, and 103,250 award shares granted to him under the Post-IPO Share Award Scheme. Ms. Gong is deemed to be interested in these Shares.
- (4) Represents Mr. Xu Jiming's entitlement to receive up to 17,332,785 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of those options, 309,750 shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme, and 103,250 award shares granted to him under the Post-IPO Share Award Scheme. Sweet Panda Limited is wholly-owned by Ms. Gong, spouse of Mr. Xu Jiming, owns 398,888,890 Shares. Mr. Xu Jiming is deemed to be interested in these Shares.
- (5) Represents Mr. Yan Jun's entitlement to receive up to 2,500,640 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of those options. Ms. Liu Ning, spouse of Mr. Yan Jun, purchased 127,900 Shares in total. Mr. Yan Jun is deemed to be interested in the shares held by Ms. Liu Ning.

Other Information (Continued)

- (6) Represents Ms. Feng Xiaoying's entitlement to receive up to 1,125,300 Shares pursuant to the exercise of options granted to her under the Post-IPO Share Option Scheme, and 620,500 award shares granted to her under the Post-IPO Share Award Scheme.
- (7) Perfect Sword Limited is controlled by Mr. Zeng Ming and his spouse, Ms. Tan Qing.
- (8) Represents Mr. Zeng Ming, through Perfect Sword Limited, is entitled to receive up to 750,000 shares pursuant to the exercise of options granted to it under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of these options, and 1,413,845 shares exercised under the Pre-IPO Share Option Plans. Mr. Zeng Ming is deemed to be interested in these shares.
- (9) The letter (L) denotes a long position in the Shares.

Save as disclosed above, as at 31 March 2023, none of the Directors and chief executives of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Model Code.

Substantial shareholders' interests and short positions in shares and underlying shares

As at 31 March 2023, so far as our Directors are aware, the following persons (other than the Directors and chief executives whose interests have been disclosed in this annual report) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate % of interest ⁽¹⁾
Sweet Panda Limited ⁽²⁾	Beneficial interest	398,888,890	38.52%
Ms. Gong Yingying ⁽²⁾	Interest in a controlled corporation/Interest of spouse	416,634,675	40.23%
Mr. Xu Jiming ⁽²⁾	Beneficial interest/Interest of spouse	416,634,675	40.23%
Sunshine Longevity Limited ⁽³⁾	Beneficial interest	96,068,715	9.28%
Sunshine Life Insurance Corporation Limited ⁽³⁾	Interest in a controlled corporation	96,068,715	9.28%
Sunshine Insurance Group Inc., Ltd. ⁽³⁾	Interest in a controlled corporation	96,068,715	9.28%

Notes:

- (1) The calculation is based on the total number of 1,035,557,785 Shares in issue as at 31 March 2023.

Other Information (Continued)

- (2) Sweet Panda Limited is wholly-owned by Ms. Gong. Ms. Gong's spouse, Mr. Xu Jiming, is entitled to receive up to 17,332,785 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of those options, 309,750 shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme, and 103,250 award shares granted to him under the Post-IPO Share Award Scheme. Ms. Gong is deemed to be interested in these Shares.
- (3) Sunshine Longevity Limited is wholly-owned by Sunshine Life Insurance Corporation Limited, which is a non-wholly owned subsidiary of Sunshine Insurance Group Inc., Ltd. Under the SFO, each of Sunshine Life Insurance Corporation Limited and Sunshine Insurance Group Inc., Ltd. is deemed to be interested in the Shares held by Sunshine Longevity Limited.

Save as disclosed herein, as at 31 March 2023, no person, other than the Directors and chief executives whose interests are set out in this annual report, had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Share Schemes

Pre-IPO Share Option Plans

The two Pre-IPO Share Option Plans of the Company were approved and adopted pursuant to a shareholders' resolution of the Company passed on 16 March 2015 (the "**Pre-IPO ESOP I**" and the "**Pre-IPO ESOP II**", respectively). No options will be granted under the Pre-IPO Share Option Plans after the Listing Date.

The purposes of the Pre-IPO Share Option Plans are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, directors, and consultants of the Group and to promote the success of the Company's business by offering these individuals or entities an opportunity to acquire a proprietary interest in the success of the Company.

Persons eligible to participate in the Pre-IPO Share Option Plans include employees, including officers and directors, of the Group and consultants of the Group or any parent company of the Company.

The maximum aggregate number of Shares under the Pre-IPO ESOP I which may be issued by the Company is 68,333,335. The maximum aggregate number of Shares under the Pre-IPO ESOP II which may be issued by the Company is 83,333,335.

As of 31 March 2023, the Company has granted options under the Pre-IPO Share Option Plans to 1,173 grantees. The exercise price of the options under the Pre-IPO Share Option Plans is between US\$0.0028 per Share and US\$2.56 per Share. No consideration was payable by the grantees for the grant of options under the Pre-IPO Share Option Plans. As of 31 March 2023, under the Pre-IPO Share Option Plans, 87,473,663 options have been exercised, 396,160 options have been cancelled and 9,114,180 options have been lapsed. The aggregate number of Shares underlying the outstanding options as at 31 March 2023 were 53,451,167 Shares, represents approximately 5.16% of the issued Shares.

Other Information (Continued)

Each of the Pre-IPO Share Option Plans commenced on 16 March 2015 and shall continue in effect for a term of ten years. Further details of the Pre-IPO Share Option Plans are set out in the Prospectus.

Details and movements of the outstanding options granted under the Pre-IPO ESOP I during the fiscal year ended 31 March 2023 are as follows:

Name of Participant or Category of Participant		Role	Date of Grant	Vesting Period ⁽¹⁾	Exercise Price (US\$)	Weighted average closing price immediately before the dates on which the options were exercised (HK\$)	Outstanding as of 1 April 2022	Share options granted during the fiscal year ended 31 March 2023 ⁽²⁾	Exercised during the fiscal year ended 31 March 2023	Lapsed during the fiscal year ended 31 March 2023	Cancelled during the period year ended 31 March 2023	Outstanding as of 31 March 2023
Directors of the Company												
Zhang Shi ⁽³⁾	Executive Director		17 July 2017	4 years	0.018	—	10,000,000	—	—	—	—	10,000,000
Xu Jiming	Executive Director		24 August 2016	4 years	0.018	—	15,000,000	—	—	—	—	15,000,000
			1 December 2020	0 year	0.018	—	50,000	—	—	—	—	50,000
Employees												
In aggregate	N/A		9 December 2014 to 1 December 2020	2-4 years	0.0028-0.018	7.20	3,588,985	—	1,425,000	75,000	—	2,088,985
Total						7.20	28,638,985	—	1,425,000	75,000	—	27,138,985

Notes:

- (1) The exercise period of the options granted under Pre-IPO ESOP I shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Pre-IPO ESOP I and the share option award agreement signed by the grantee.
- (2) No option was granted under the Pre-IPO ESOP I during the fiscal year ended 31 March 2023, therefore there is no corresponding (1) closing price of the share immediately before the date on which the options were granted, (2) fair value of options at the date of grant and (3) accounting standard and policy adopted to be included.
- (3) Zhang Shi resigned as an Executive Director on 1 February 2023.

Other Information (Continued)

Details and movement of the outstanding options granted under the Pre-IPO ESOP II during the fiscal year ended 31 March 2023 are as follows:

Name of Participant or Category of Participant	Role	Date of Grant	Vesting Period ⁽¹⁾	Exercise Price (US\$)	Weighted average closing price immediately before the dates on which the options were exercised (HK\$)	Outstanding as of 1 April 2022	Share options granted during the fiscal year ended 31 March 2023 ⁽²⁾	Exercised during the fiscal year ended 31 March 2023	Lapsed during the fiscal year ended 31 March 2023	Cancelled during the period year ended 31 March 2023	Outstanding as of 31 March 2023
Directors of the Company											
Yan Jun	Executive Director	05 December 2017	4 years	0.018	9.15	750,000	—	750,000	—	—	—
		30 November 2018	4 years	0.018	9.15	750,000	—	750,000	—	—	—
		30 December 2019	4 years	0.018	9.15	416,745	—	208,370	—	—	208,375
		01 December 2020	4 years	0.018	—	583,255	—	—	—	—	583,255
		11 December 2020	1 year	0.018	—	640	—	—	—	—	640
Yang Jing ⁽³⁾	Executive Director	16 October 2017	4 years	0.018	—	8,000,000	—	—	—	—	N.A.
		11 December 2020	1 year	0.018	—	640	—	—	—	—	N.A.
Zhang Shi ⁽⁴⁾	Executive Director	17 July 2017	4 years	0.018	—	1,140,000	—	—	—	—	N.A.
		12 October 2017	4 years	0.018	—	2,500,000	—	—	—	—	N.A.
		31 December 2018	2 years	0.018	—	267,285	—	—	—	—	N.A.
		23 May 2019	1 year	0.018	—	166,000	—	—	—	—	N.A.
		30 December 2019	4 years	0.018	—	550,280	—	—	—	—	N.A.
		11 December 2020	1 year	0.018	—	640	—	—	—	—	N.A.
Xu Jiming	Executive Director	30 December 2019	4 years	0.018	—	2,282,145	—	—	—	—	2,282,145
		11 December 2020	1 year	0.018	—	640	—	—	—	—	640
Employees											
In aggregate	N/A	03 July 2015 to 11 December 2020	2-4 years	0.018-0.0028	8.05	41,260,027	—	32,440,098 ⁽⁵⁾	1,139,412	300,000	7,380,517
Service providers⁽⁶⁾											
In aggregate		01 October 2017 to 11 December 2020	0-5 years	0.018-2.56	7.96-10.30	4,757,930	—	26,165	1,500,000	—	3,231,765
Total					7.96-10.30	63,426,227	—	34,174,633	2,639,412	300,000	26,312,182

Other Information (Continued)

Notes:

- (1) The exercise period of the options granted under Pre-IPO ESOP II shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Pre-IPO ESOP II and the share option award agreement signed by the grantee.
- (2) No option was granted under the Pre-IPO ESOP II during the fiscal year ended 31 March 2023, therefore there is no corresponding (1) closing price of the share immediately before the date on which the options were granted, (2) fair value of options at the date of grant and (3) accounting standard and policy adopted to be included.
- (3) Yang Jing resigned as an Executive Director on 1 February 2023.
- (4) Zhang Shi resigned as an Executive Director on 1 February 2023.
- (5) Yang Jing and Zhang Shi remain as employees of the Company after they resigned as Directors. This figure covers the options exercised by them after their resignation.
- (6) Service providers of the Company provides services including but not limited to project design, market analysis, management consulting and technical consulting. The grant of option to the service providers is to remunerate and compensate them for their continuing services to the Group in the same manner the Company remunerate and compensate other employees of the Group, which serves the purpose of the Post-IPO Share Option Scheme i.e. to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company as a whole.

Post-IPO Share Award Scheme

The Post-IPO Share Award Scheme was conditionally adopted pursuant to the resolutions of the Shareholders on 28 December 2020.

The purpose of the Post-IPO Share Award Scheme is to align the interests of eligible persons with those of our Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of our Group.

Any individual, being an employee, director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of our Group or any affiliate of the Group who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to our Group is eligible to receive an award.

The maximum aggregate number of Shares underlying all grants made pursuant to the Post-IPO Share Award Scheme (excluding Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme) will not exceed 45,088,100 Shares without further Shareholders' approval, subject to an annual limit of 3% of the total number of issued Shares of the relevant times.

During the Reporting Period, 14,538,100 Shares had been granted, 505,950 awards have been cancelled and 3,976,499 awards have been lapsed under the Post-IPO Share Award Scheme. The total number of awards available for grant under the Post-IPO Share Award Scheme was 17,954,389 Shares, representing 1.71% of the issued shares capital of the Company as at the Latest Practicable Date.

The Post-IPO Share Award Scheme shall be valid and effective for ten years from the Listing Date (after which no awards will be granted), and thereafter for so long as there are any non-vested Shares granted prior to the expiration of the Post-IPO Share Award Scheme, for the purpose of giving effect to the vesting of such Shares or otherwise as may be required in accordance with the provisions of the Post-IPO Share Award Scheme.

Further details of the Post-IPO Share Award Scheme are set out in the Prospectus.

Other Information (Continued)

Details and movement of the outstanding awards granted under the Post-IPO Share Award Scheme during the fiscal year ended 31 March 2023 are as follows⁽¹⁾:

Name of Participant or Category of Participant	Role	Date of Grant	Vesting Period	Closing price of shares immediately before the date on which the awards were granted (HK\$)	Weighted average closing price before the dates on which the awards were vested (HK\$)	Fair value at the date of grant (HK\$) ⁽²⁾	Outstanding as of 1 April 2022	Share awards granted during the fiscal year ended 31 March 2023 ⁽³⁾	Share awards vested during the fiscal year ended 31 March 2023	Lapsed during the fiscal year ended 31 March 2023	Cancelled during the period year ended 31 March 2023	Outstanding as of 31 March 2023
Directors of the Company												
Xu Jiming	Executive Director	01 October 2021	4 years	25.85	9.79	—	107,250	—	25,812	—	4,000	77,438
Zhang Shi ⁽⁴⁾	Executive Director	01 October 2021	4 years	25.85	—	—	209,250	—	—	—	209,250	—
Yang Jing ⁽⁵⁾	Executive Director	01 October 2021	4 years	25.85	—	—	1,250	—	—	—	1,250	—
Yan Jun	Executive Director	01 October 2021	4 years	25.85	—	—	111,000	—	—	—	111,000	—
Feng Xiaoying	Executive Director	01 July 2021	4 years	40.80	—	—	180,000	—	—	—	18,000	162,000
		01 July 2021	4 years	40.80	—	—	60,000	—	—	—	—	60,000
		01 October 2022	4 years	4.82	—	1,104,744	—	229,200	—	—	—	229,200
		01 October 2022	4 years	4.82	—	816,026	—	169,300	—	—	—	169,300
Employees												
In aggregate		01 July 2021 to 01 January 2023	0-4 years	3.72-40.90	8.81	67,131,628	6,803,140	11,893,100	1,146,620	3,976,499	162,450	13,410,671
Service provider exceeding 0.1% of the relevant class of shares in issue												
TomeTech Co., Limited ⁽⁶⁾		01 July 2022	0 year	9.36	9.36	21,027,240	—	2,246,500	2,246,500	—	—	—
Other Service providers⁽⁷⁾												
In aggregate		01 July 2021 to 01 January 2022	1-4 years	—	4.82-9.79	—	330,800	—	193,025	—	—	137,775
Total				3.72-40.90	4.82-9.79	90,079,638	7,802,690	14,538,100	3,611,957	3,976,499	505,950	14,246,384
The five highest paid individuals during the financial year ended 31 March 2023												
In aggregate		01 July 2021 to 01 October 2022	4 years	4.79-40.90	5.37	4,316,310	942,800	895,500	150,549	—	35,800	1,651,951

Other Information (Continued)

Notes:

- (1) No amount was paid by selected participants on application or acceptance of the award shares granted to them under the Post-IPO Share Award Scheme.
- (2) Details of the valuation of share award of the Company during the year, including accounting standard and policy adopted for share option schemes are set out in Note 30 and Note 2.20 to the consolidated financial statements.
- (3) The vest of the award is subject to the award grantee(s) meeting the performance targets to be determined by the Company from time to time. The Company has established an appraisal mechanism to assess the fulfilment of performance targets by its Directors, chief executive and employees, which are linked to the Company's strategic goals and values. The appraisal mechanism uses a scoring system based on a matrix of qualitative and quantitative indicators that vary according to the roles and responsibilities of the relevant Directors, chief executive and employees. The indicators include, but are not limited to, measures of work quality, efficiency, collaboration, management and strategy. The scoring system evaluates the Directors, chief executive and employees' regular duties and the strategic objectives or tasks assigned for the appraisal period. The Company intends to make reference to this appraisal mechanism to set and review the performance targets of the award grantees periodically.
- (4) Zhang Shi resigned as an Executive Director on 1 February 2023.
- (5) Yang Jing resigned as an Executive Director on 1 February 2023.
- (6) TomeTech Co., Limited provides consulting services for the Group to develop its overseas business in the United States, Europe, the Middle East, and Southeast Asia, including understanding local regulations and policies, conducting market access analysis and project feasibility research, and exploring business opportunities, etc. The grant of award is to remunerate and compensate TomeTech Co., Limited for its services to the Group in the same manner the Company remunerates and compensates other service provider of the Group, which serves the purpose of the Post-IPO Share Award Scheme set out above.
- (7) Service providers of the Company provides services including but not limited to project design, market analysis, management consulting and technical consulting. The grant of award to the service providers is to remunerate and compensate them for their continuing services to the Group in the same manner the Company remunerate and compensate other employees of the Group, which serves the purpose of the Post-IPO Share Award Scheme i.e. to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company as a whole.

Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was conditionally adopted pursuant to the resolutions of the Shareholders on 28 December 2020. The Post-IPO Share Option Scheme shall be valid and effective for the period of ten years commencing on the Listing Date (after which, no further options shall be offered or granted). The remaining life of the Post-IPO Share Option Scheme is approximately eight years.

The purpose of the Post-IPO Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in our Company and to encourage the selected participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and Shareholders as a whole. The Post-IPO Share Option Scheme will provide our Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to eligible persons.

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of our Group or any of our Group's affiliates who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to our Group is entitled to be offered and granted options.

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme is 90,176,201, being no more than 10% of the Shares in issue of the Listing Dates.

Other Information (Continued)

An option may, subject to the rules of the Post-IPO Share Option Scheme and the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to our Company in such form as our Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

An offer shall be made to selected participants by a letter in duplicate which specifies the terms on which the option is to be granted. Such terms may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part, and may include at the discretion of the Board or its delegate(s) such other terms either on a case basis or generally.

Pursuant to the Post-IPO Share Option Scheme, the participants may subscribe for the Shares on the exercise of an option at the price determined by the Board provided that it shall not be less than the greater of (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

During the Reporting Period, 18,979,900 options have been granted, 1,501,450 options have been cancelled and 5,065,513 options have been lapsed under the Post-IPO share Option Scheme. The total number of Shares available for grant under the Post-IPO Share Option Scheme was 69,646,164 Shares, representing 6.62% of the issued share capital of the Company as at the Latest Practicable Date.

Details and movement of the outstanding options granted under the Post-IPO Share Option Scheme during the fiscal year ended 31 March 2023 are as follows:

Name of Participant or Category of Participant	Role	Date of Grant	Vesting Period ⁽¹⁾	Exercise Price (HK\$)	Closing price of shares immediately before the date on which the options were granted (HK\$)	Weighted average closing price immediately before the dates on which the options were exercised (HK\$)	Fair value at the date of grant (HK\$) ⁽²⁾	Outstanding as of 1 April 2022	Share options granted during the fiscal year ended 31 March 2023 ⁽³⁾	Exercised during the fiscal year ended 31 March 2023	Lapsed during the fiscal year ended 31 March 2023	Cancelled during the period year ended 31 March 2023	Outstanding as of 31 March 2023
Directors of the Company													
Yang Jing ⁽⁴⁾	Executive Director	29 July 2021	4 years	34.52	32.50	—	—	3,750	—	—	—	3,750	—
Yan Jun	Executive Director	29 July 2021	4 years	34.52	32.50	—	—	333,000	—	—	—	333,000	—
Zhang Shi ⁽⁵⁾	Executive Director	29 July 2021	4 years	34.52	32.50	—	—	627,750	—	—	—	627,750	—
Xu Jiming	Executive Director	29 July 2021	4 years	34.52	32.50	—	—	321,750	—	—	—	12,000	309,750
Feng Xiaoying	Executive Director	22 April 2022	0 year	8.83	8.44	—	2,169,666	—	612,900	—	—	—	612,900
		10 October 2022	4 years	4.8	4.51	—	1,029,924	—	512,400	—	—	—	512,400
Employees													
In aggregate		29 July 2021 to 10 October 2022	0-4 years	4.8-34.52	4.51-35.25	7.44	34,442,796	2,959,000	17,854,600	281,075	5,065,513	524,950	14,942,062
Service providers⁽⁶⁾													
In aggregate		29 July 2021	4 years	34.52	32.50	—	—	10,900	—	—	—	—	10,900
Total					4.51-35.25	7.44	37,642,386	4,256,150	18,979,900	281,075	5,065,513	1,501,450	16,388,012

Other Information (Continued)

Notes:

- (1) The exercise period of the options granted under Post-IPO Share Option Scheme shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Post-IPO Option Scheme and the share option award agreement signed by the grantee.
- (2) Details of the valuation of share option of the Company during the year, including accounting standard and policy adopted for share option schemes are set out in Note 30 and Note 2.20 to the consolidated financial statements.
- (3) The exercise of the option is subject to the option grantee(s) meeting the performance targets to be determined by the Company from time to time. The Company has established an appraisal mechanism to assess the fulfilment of performance targets by its Directors, chief executive and employees, which are linked to the Company's strategic goals and values. The appraisal mechanism uses a scoring system based on a matrix of qualitative and quantitative indicators that vary according to the roles and responsibilities of the relevant Directors, chief executive and employees. The indicators include, but are not limited to, measures of work quality, efficiency, collaboration, management and strategy. The scoring system evaluates the Directors, chief executive and employees' regular duties and the strategic objectives or tasks assigned for the appraisal period. The Company intends to make reference to this appraisal mechanism to set and review the performance targets of the option grantees periodically.
- (4) Yang Jing resigned as a Director on 1 February 2023.
- (5) Zhang Shi resigned as a Director on 1 February 2023.
- (6) Service providers of the Company provides services including but not limited to project design, market analysis, management consulting and technical consulting. The grant of option to the service providers is to remunerate and compensate them for their continuing services to the Group in the same manner the Company remunerate and compensate other employees of the Group, which serves the purpose of the Post-IPO Share Option Scheme i.e. to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company as a whole.

The number of shares that may be issued in respect of options and awards granted under all schemes of our Company during the financial year divided by the weighted average number of shares of the relevant class in issue for the year is 3.36%.

The number of options and awards available for grant under the scheme mandate at the beginning and the end of the financial year ended 31 March 2023 is as follows:

	As of 1 April 2022	As of 31 March 2023
Options available for grant under the Post-IPO Share Option Scheme	85,920,051	73,507,114
Awards available for grant under the Post-IPO Share Award Scheme	37,162,245	27,021,094
Total options and awards available for grant under the scheme mandate	123,082,296	100,528,208

Note: There was no service provider sublimit set under the Pre-IPO Shares Scheme Post-IPO Share Option Scheme and Post-IPO Share Award Scheme.

Further details of the Post-IPO Share Option Scheme are set out in the Prospectus.

Other Information (Continued)

Summary of the Share Option Schemes and Share Award Scheme

	Pre-IPO ESOP I	Pre-IPO ESOP II	Post-IPO Share Award Scheme	Post-IPO Share Option Scheme
1. Purpose	The purposes of this plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors, and consultants and to promote the success of the Company's business by offering these individuals or entities an opportunity to acquire a proprietary interest in the success of the Company. The plan provides for the grant of options to purchase Shares.	The purposes of this plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors, and consultants and to promote the success of the Company's business by offering these individuals or entities an opportunity to acquire a proprietary interest in the success of the Company. The plan provides for the grant of options to purchase Shares.	The purposes of the scheme are: (i) to align the interests of eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.	The purpose of the option scheme is to provide eligible persons with the opportunity to acquire proprietary interests in the Company and to encourage eligible persons to work towards enhancing the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. The Post-IPO Option Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to eligible persons.
2. Participants	Any individual, being an employee or director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group or any affiliate of the Group (including nominees and/or trustees of any employee benefit trust established for them), and any officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate of the Group who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group			
3. Total number of shares available for issue and the percentage of the issued shares that it represents as at the Latest Practicable Date	As at the Latest Practicable Date, the total number of shares available for issue is 12,058,985, representing approximately 1.15% of the entire issued share capital of the Company as of the Latest Practicable Date.	As at the Latest Practicable Date, the total number of shares available for issue is 23,999,827, representing approximately 2.28% of the entire issued share capital of the Company as of the Latest Practicable Date.	As at the Latest Practicable Date, the total number of shares available for issue is 22,152,474, representing approximately 2.10% of the entire issued share capital of the Company as of the Latest Practicable Date.	As at the Latest Practicable Date, the total number of shares available for issue is 89,777,701, representing approximately 8.53% of the entire issued share capital of the Company as of the Latest Practicable Date.

Other Information (Continued)

	Pre-IPO ESOP I	Pre-IPO ESOP II	Post-IPO Share Award Scheme	Post-IPO Share Option Scheme
4. Maximum entitlement of each participant	There is no maximum entitlement applicable to an individual participants	There is no maximum entitlement applicable to an individual participants	There is no maximum entitlement applicable to an individual participants	Unless approved by the Shareholders in the manner set out in the scheme rules, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the option scheme and share options granted and to be granted under any other share option scheme(s) of the Company to each eligible person (including both exercised and outstanding options) in any 12 months period shall not exceed 1% of the total number of Shares in issue.
5. Period within which the option may be exercised	The administrator in its sole discretion shall determine when an option is to expire, but the term shall not exceed ten (10) years from the date of grant	The administrator in its sole discretion shall determine when an option is to expire, but the term shall not exceed ten (10) years from the date of grant	Not applicable	The exercise period is determined by the Board provided that it is not later than the last day of the 10 year period after the date of grant of the options. There is no minimum period for which an option must be held before it can be exercised.
6. Vesting period	The total vesting period of options granted ranges from approximately 0 to 4 years.	The total vesting period of options granted ranges from approximately 0 to 5 years.	The total vesting period of Shares award granted ranges from approximately 0 to 4 years.	The total vesting period of options granted ranges from approximately 0 to 4 years.
7. Purchase price	0.0028–0.018 (US\$)	0.018–2.56 (US\$)	Not applicable	4.8–34.52 (HK\$)

Other Information (Continued)

	Pre-IPO ESOP I	Pre-IPO ESOP II	Post-IPO Share Award Scheme	Post-IPO Share Option Scheme
8. Basis of determining the exercise price of options granted or the purchase price of the shares awarded	The exercise price shall be determined by the administrator in its sole discretion	The exercise price shall be determined by the administrator in its sole discretion	Not applicable	The subscription price shall be such price determined by the Board in its absolute discretion and notified to the eligible person in the Offer and shall be no less than the higher of: <ul style="list-style-type: none"> (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date; (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date; and (c) the nominal value of a Share on the grant date.
9. Remaining life	The plan shall be valid and effective till 15 March 2025. The remaining life of the plan is approximately two years as at the date of this report.	The plan shall be valid and effective till 15 March 2025. The remaining life of the plan is approximately two years as at the date of this report.	The plan shall be valid and effective till 15 January 2031. The remaining life of the plan is approximately eight years as at the date of this report.	The plan shall be valid and effective till 15 January 2031. The remaining life of the plan is approximately eight years as at the date of this report.

Purchase, sale or redemption of the Company's listed securities

During the Reporting Period, neither the Company nor any of its subsidiaries or Consolidated Affiliated Entities purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Material litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the Latest Practicable Date.

Use of proceeds from the Global Offering

On 15 January 2021, the shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering (following full exercise of the Over-allotment Option, as defined in the Prospectus were approximately RMB3,825 million (the "Net Proceeds"), which are intended to be applied in the manner set out in the Prospectus. There was no change in the intended use of proceeds as previously disclosed.

Other Information (Continued)

Set out below is the status of use of proceeds from the global offering as at 31 March 2023 and 2022.

Purpose	% of use of proceeds	Net proceeds (RMB million)	Amount used		Unutilised amount as at 31 March 2023 (RMB million)	Unutilised amount as at 31 March 2023 (RMB million)	Expected time of full utilisation
			Unutilised amount as at 31 March 2022 (RMB million)	for the fiscal year ended 31 March 2023 (RMB million)			
Strengthen our core capabilities	35%	1,339	1,339	254	1,085	31 Mar 2025	
Further our business expansion	35%	1,339	1,339	725	614	31 Mar 2025	
Further enrich our ecosystem through strategic partnerships, investments and acquisitions	20%	765	765	17	748	31 Mar 2024	
Working capital and general corporate purposes	10%	382	382	119	263	31 Mar 2025	

The above Net Proceeds were translated with spot rates on the Listing Date, while the cash and cash equivalents, term deposits, pledged bank deposits, restricted bank balance and deposits as of 31 March 2023 were translated with spot rates on its balance sheet date.

As of 31 March 2023, the Company had utilised RMB1,115 million of the Net Proceeds.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the Reporting Period.

Corporate Governance Practices

The Board of the Company is committed to maintaining high corporate governance standards and believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code and complied with the applicable code provisions during the Reporting Period, save for deviation from code provision F.1.1 as disclosed below.

The Company is committed to enhancing its corporate governance practices appropriate to the conduct and the growth of its business and to reviewing such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

Corporate Culture

As a leading healthcare intelligence company committed to promoting the establishment of a safe, inclusive and value-based intelligent healthcare system, the Group instils a culture of proprietary innovation that is driven by advanced technology, with the mission “to making value-based precision healthcare accessible to everyone”, to provide intelligent analytics-driven innovative solutions for the healthcare industry, help accelerate the cost reduction of healthcare services, and improve the efficiency of the healthcare industry’s supply side. The Board, together with senior management, set the tone and shapes and define the corporate culture and strategic direction, which is underpinned by the core values of acting lawfully, ethically and responsibly across all levels of the Group. The desired culture is developed and reflected consistently in the operating practices and policies of the Group, as well as its relations with stakeholders. Board oversight of the culture of the organization encompasses a range of measures and tools, including employee engagement, retention and training, stringent financial reporting, effective and accessible whistleblowing framework, data privacy and security and legal and regulatory compliance, as well as staff safety, wellbeing and support. Taking into account the corporate culture in a range of contexts, the Board considers that the culture, purpose, values and strategy of the Group are aligned.

Corporate Governance Report (Continued)

Corporate Strategy

The principal objective of the Group is to enable stakeholders in the healthcare ecosystem to derive long-term value from healthcare intelligence. To achieve this objective, the Group integrates the artificial intelligence technology, big data analytics, clinical research platform and clinical service to aid intellectualization of the healthcare industry. The Group continuously upgrades its healthcare intelligence infrastructure, YiduCore, to derive deep medical insights and knowledge. Leveraging YiduCore, the Group focuses on the development of the innovative, analytics-driven solutions for the diverse needs and use-case scenarios of the healthcare industry, promoting the construction of a better, safer and accessible healthcare system. This is aligned with the Group's culture of proprietary innovation driven by advanced technology. The Chairlady's Statement and the Business Review contain discussions and analyses of the Group's performance, business outlook and the basis on which the Group generates or preserves value over the longer term and the basis on which the Group will execute its strategy for delivering the objective of the Group. Further information on the sustainable development initiatives of the Group and its key relationships with stakeholders can also be found in the Environmental, Social and Governance ("ESG") Report of the Group.

Board of Directors

The Board is responsible for the overall leadership of the Group, oversees the Group's businesses, strategic decisions, monitors performance and takes decisions objectively in the best interest of the Company.

The Board has delegated the authority and responsibilities for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. All Board committees are provided with sufficient resources to perform their duties.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

The Board regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Corporate Governance Report (Continued)

Board Composition

As at the Latest Practicable Date, the Board currently comprises eight Directors, consisting of four executive Directors, one non-executive Director and three independent non-executive Directors. The members of the Board of the Company during the Reporting Period are listed as follows:

Executive Directors

Ms. Gong Yingying (*Chairlady*)

Mr. Xu Jiming (*Chief Executive Officer*) (appointed on 1 February 2023)

Dr. Yan Jun

Ms. Feng Xiaoying (appointed on 1 February 2023)

Ms. Yang Jing (resigned on 1 February 2023)

Ms. Zhang Shi (resigned on 1 February 2023)

Non-executive Director

Mr. Zeng Ming

Independent Non-executive Directors

Dr. Ma Wei-Ying

Ms. Pan Rongrong

Prof. Zhang Linqi

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The biographical information of the Directors are set out in the section headed “Biographies of Directors and Senior Management” of this annual report.

Save as disclosed in this annual report, to the best knowledge of the Company, there are no financial, business, family, or other material or relevant relationships among members of the Board.

Chairperson and Chief Executive Officer

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. According to the current structure of the Board, the positions of the Chairlady of the Board and Chief Executive Officer of the Company are held by Ms. Gong Yingying and Mr. Xu Jiming, respectively.

The Chairlady is responsible for ensuring that all directors are properly briefed on issues arising at Board meetings and receive adequate, accurate, clear, complete and reliable information in a timely manner. She is also responsible for setting the agenda for each Board meeting, taking into account, where appropriate, any matters proposed by Directors. The Chairlady takes the lead to ensure that the Board acts in the best interests of the Group and promotes a culture of openness and encourages Directors with different views to voice their concerns. The Board, under the leadership of the Chairlady, has adopted good corporate governance practices and procedures and taken appropriate steps to provide effective communication with shareholders, as outlined later in this report.

Corporate Governance Report (Continued)

The Chief Executive Officer is responsible for the daily business operations and management of the Group. He maintains an ongoing dialogue with the Chairlady to keep him fully informed of all major business development and issues. He is also responsible for ensuring that the development needs of senior management reporting to him are identified and met as well as leading the communication program with shareholders.

Independent Non-executive Directors

During the Reporting Period, the Board at all times met the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent and remain so as of the Latest Practicable Date.

Independent View

The Board adopted the board independence policy on 23 September 2022 to ensure independent views and input are available to the Board. The Board ensures the appointment of at least three independent non-executive directors and at least one-third of its members being independent non-executive directors. Further, independent non-executive directors will be appointed to committees of the Board as required under the Listing Rules and as far as practicable to ensure independent views and input are available. The Nomination Committee strictly adheres to the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of independent non-executive directors, and is mandated to assess annually the independence of independent non-executive directors to ensure that they can continually exercise independent judgement. All Directors may also obtain independent professional advice at the Company's expense for carry out their functions.

Appointment and Re-election of Directors

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date or until the third annual general meeting of the Company after the Listing Date, and are subject to termination in accordance with their respective terms and conditions of the services contracts.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of three years commencing from the Listing Date and are subject to termination in accordance with their respective terms and conditions of the appointment letters.

Corporate Governance Report (Continued)

All Directors will hold office subject to provision of retirement and rotation of directors under the Articles of Association. Pursuant to Article 16.20 of the Articles of Association, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation and be eligible for re-election, provided that every Director (including those appointed for a specific term) is subject to retirement by rotation at least once every three years. Any Director required to stand for re-election pursuant to Article 16.2 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he/she retires and shall be eligible for re-election thereafter.

Accordingly, Mr. Xu Jiming, Ms. Feng Xiaoying, Dr. Yan Jun and Mr. Zeng Ming shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

As regards the code provision under the Corporate Governance Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the Company, the Directors update the Board regarding offices held in public companies and organisations, and other significant commitments once every half year.

The Board reserves for its decisions on all major matters relating to the approval and monitoring of policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Corporate Governance Report (Continued)

The Board has clearly set out the circumstances under which the management should report to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. The Board regularly reviews the above said circumstances and ensures they remain appropriate.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal action taken against them arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key operational sites and meetings with senior management of the Company.

Directors are encouraged to participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, the Company organized training sessions conducted by the legal advisers for all Directors. The training sessions covered a wide range of relevant topics including directors' duties and responsibilities, continuing connected transaction, disclosure of interests and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

Corporate Governance Report (Continued)

The training records of the Directors for the Reporting Period are summarized as follows:

Name of Directors	Attending training, briefings, seminars, conferences and workshops relevant to the Company's industry and business, director's duties and/or corporate governance	Reading news alerts, newspapers, journals, magazines and publications relevant to the Company's industry and business, director's duties and/or corporate governance
Executive Directors		
Ms. Gong Yingying	√	√
Mr. Xu Jiming ⁽¹⁾	√	√
Dr. Yan Jun	√	√
Ms. Feng Xiaoying ⁽²⁾	√	√
Ms. Yang Jing ⁽³⁾	√	√
Ms. Zhang Shi ⁽⁴⁾	√	√
Non-executive Director		
Mr. Zeng Ming	√	√
Independent non-executive Directors		
Dr. Ma Wei-Ying	√	√
Ms. Pan Rongrong	√	√
Prof. Zhang Linqi	√	√

Notes:

- (1) Mr. Xu Jiming was appointed as an executive Director with effect from 1 February 2023.
- (2) Ms. Feng Xiaoying was appointed as an executive Director with effect from 1 February 2023.
- (3) Ms. Yang Jing resigned as an executive Director with effect from 1 February 2023.
- (4) Ms. Zhang Shi resigned as an executive Director with effect from 1 February 2023.

Board Committees

The Board has established three committees namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, each of which has been delegated responsibilities and reports back to the Board. The roles and functions of these committees are set out in their respective terms of reference. The terms of reference of each of these committees will be revised from time to time to ensure that they continue to meet the needs of the Company and to ensure compliance with the Corporate Governance Code where applicable. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Corporate Governance Report (Continued)

Audit Committee

As at the Latest Practicable Date, the Audit Committee comprises three members, including three independent non-executive Directors, namely Ms. Pan Rongrong, Dr. Ma Wei-Ying and Prof. Zhang Linqi, with Ms. Pan Rongrong possessing the appropriate professional qualifications and accounting and related financial management expertise. Ms. Pan Rongrong is the chairperson of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the Corporate Governance Code. The main duties of the Audit Committee are to assist the Board in reviewing the compliance, accounting policies and financial reporting procedures, financial controls, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and advising on the appointment or replacement of external auditor, providing advice and comments to the Board and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 March 2023. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

During the Reporting Period, the Audit Committee held two meetings, during which matters such as the audit plan for the Reporting Period, effectiveness of the risk management and internal control systems, the implementation status of the internal control's rectification measures and internal audit function were discussed.

The Audit Committee also met the external auditor once without the presence of the executive Directors during the Reporting Period.

Remuneration Committee

As at the Latest Practicable Date, the Remuneration Committee comprises three members, including two independent non-executive Directors, namely Dr. Ma Wei-Ying and Prof. Zhang Linqi and one executive Director, namely Ms. Gong Yingying. Dr. Ma Wei-Ying is the chairperson of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the Corporate Governance Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, making recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management, establishing a formal and transparent procedure for developing remuneration policy to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the Reporting Period, the Remuneration Committee held one meeting, during which matters such as the remuneration packages of the Directors and senior management, and adoption of terms of reference of the Remuneration Committee were discussed.

Corporate Governance Report (Continued)

Pursuant to paragraph E.1.5 of the Corporate Governance Code, the remuneration paid to the members of senior management by bands for the Reporting Period is set out below:

Remuneration bands	Number of Individuals
Up to RMB1,000,000	3
RMB1,000,000 to RMB2,000,000	3
RMB7,000,000 to RMB8,000,000	1
Total	7

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of traveling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

Nomination Committee

As at the Latest Practicable Date, the Nomination Committee comprises three members, including one executive Director, namely Ms. Gong Yingying and two independent non-executive Directors, namely Dr. Ma Wei-Ying and Prof. Zhang Linqi. Ms. Gong Yingying is the chairperson of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the Corporate Governance Code. The principal duties of the Nomination Committee include reviewing the structure, size and diversity required of the Board annually and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; monitoring the implementation of board diversity policy, and assessing the independence of independent non-executive Directors.

During the Reporting Period, the Nomination Committee held two meetings to review the appointment terms as stipulated in the service contracts of the executive Directors and backgrounds and identities of the senior management. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

In accordance with the Articles of Association, Directors shall be elected by the general meeting with a term of three years and may serve consecutive terms if re-elected. Any person appointed by the Board to fill a temporary vacancy or as an addition to the Board shall hold office only until the next general meeting of the Company, and shall then be eligible for re-election.

At the expiry of a Director's term, the Director may stand for re-election and reappointment for further term. Subject to the compliance of the provisions of the relevant laws and administrative regulations, the general meeting of the Shareholders may dismiss by ordinary resolution any Directors of whom the term of office has not expired (the claim for compensation under any contracts shall however be not affected).

The procedures for the appointment, re-election and removal of directors are set out in the Articles of Association. The Nomination Committee will identify individuals suitably qualified to become directors and make recommendations to the Board on the selection of individuals. The Nomination Committee will determine the composition of board members based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will also make recommendations to the Board of Directors on the appointment or re-appointment of directors and succession planning for directors (in particular the Chairperson of the Board and the general manager), taking into account the Company's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future.

Corporate Governance Report (Continued)

Board Diversity Policy and Nomination Policy

The Board has adopted the board diversity policy (the “**Board Diversity Policy**”) which sets out the basic principles to be followed to ensure that the board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company’s competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the Board Diversity Policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

The Board currently comprises eight members, including three female Directors and five male Directors, which is in line with the gender diversity requirements by the Stock Exchange. We will implement policies to ensure gender diversity when recruiting staff to develop a pipeline of female potential successors to the Board. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the Board.

The Board has also adopted the nomination policy (the “**Nomination Policy**”) which sets out the nomination procedures for selecting candidates for election as Directors of the Board of the Group. The policy is adopted by the Board and administered by the Nomination Committee.

Selection of board candidates shall be based on amongst others, character and integrity, qualifications, willingness to devote adequate time and a range of diversity perspectives with reference to the Company’s business model and specific needs.

Selection and recommendation of candidates will be based on the nomination procedures and the process and criteria adopted by the Nomination Committee and a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualification, skills, knowledge, and industry and regional experience, length of services, personal integrity and time commitments of the proposed candidates. The Company should also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee shall review the Board Diversity Policy and the Nomination Policy and the measurable objectives periodically, and as appropriate, to ensure the continued effectiveness of the Board.

Corporate Governance Report (Continued)

Workforce Diversity

The Group follows the principles of openness and equality and does not discriminate against applicants on the basis of gender, race, age, religious beliefs, and other factors. The Group actively promotes diversity in the workforce and encourages the employment of employees from all backgrounds. The Group has established systematic external and internal recruitment management process to ensure the quality of recruitment and select qualified and outstanding talents.

As at 31 March 2023, the gender ratio in the workforce (including senior management) is 434 (male): 586 (female). For further details of gender ratio together with the relevant data, please refer to the section headed "Concerning on Employee Development" under the ESG Report.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the Corporate Governance Code.

During the Reporting Period, the Board had reviewed the Company's policies and practices on compliance with legal and regulatory requirements, training and continuous professional development of Directors and senior management, the corporate governance policies and practices, the compliance of the Model Code, and the Company's compliance with the Corporate Governance Code and the disclosure in this Corporate Governance Report.

Board Meetings and Directors' Attendance Records

During the Reporting Period, the Company in accordance with code provision C.5.1 of the Corporate Governance Code, has adopted the practice of holding Board meetings regularly with at least four times a year, and at approximately quarterly intervals with active participation of majority of the Directors, either in person or through electronic means of communication.

Code provision C.2.7 of the Corporate Governance Code provides that the Chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the Reporting Period, the Chairlady held one meeting with the independent non-executive directors without the presence of other directors.

Corporate Governance Report (Continued)

The attendance records of each Director at the Board and Board committee meetings of the Company held during the Reporting Period are set out below:

Name of Directors	Attendance/Number of Meeting(s)				
	Board meeting(s)	Audit Committee Meeting(s)	Remuneration Committee meeting(s)	Nomination Committee meeting(s)	General meeting(s)
Executive Directors					
Ms. Gong Yingying	4/4	N/A	1/1	1/1	1/1
Mr. Xu Jiming ⁽¹⁾	0/0	N/A	N/A	N/A	N/A
Dr. Yan Jun	4/4	N/A	N/A	N/A	1/1
Ms. Feng Xiaoying ⁽²⁾	0/0	N/A	N/A	N/A	N/A
Ms. Yang Jing ⁽³⁾	4/4	N/A	N/A	N/A	1/1
Ms. Zhang Shi ⁽⁴⁾	4/4	N/A	N/A	N/A	1/1
Non-executive Directors					
Mr. Zeng Ming	2/4	N/A	N/A	N/A	1/1
Independent non-executive Directors					
Dr. Ma Wei-Ying	3/4	2/2	1/1	1/1	1/1
Ms. Pan Rongrong	4/4	2/2	N/A	N/A	1/1
Prof. Zhang Linqi	4/4	2/2	1/1	1/1	1/1

Note:

- (1) Mr. Xu Jiming was appointed as an executive Director with effect from 1 February 2023.
- (2) Ms. Feng Xiaoying was appointed as an executive Director with effect from 1 February 2023.
- (3) Ms. Yang Jing resigned as an executive Director with effect from 1 February 2023.
- (4) Ms. Zhang Shi resigned as an executive Director with effect from 1 February 2023.

Notices of not less than 14 days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and Board committee meetings, reasonable notice will be generally given.

The agenda and accompanying Board papers together with all appropriate, complete and reliable information are sent to all Directors at least three days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

Corporate Governance Report (Continued)

The senior management attends all regular Board meetings and where necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

Both the joint company secretaries are responsible for taking and keeping minutes of all Board meetings and committee meetings. Minutes of the Board meetings and Board committee meetings are recorded in sufficient detail on the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board committee meeting are/ will be circulated to the Directors for comments within a reasonable time after each meeting. The minutes of the Board and Board committees meetings are open for inspection by all Directors.

The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have potential or actual conflicts of interests.

Risk Management and Internal Controls

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing the design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management policies, procedures and internal control process with defined rights and responsibilities for each key personnel, including but not limited to, anti-bribery policy, anti-money laundering management, risk assessment management, connected transaction management, procurement and payment management, assets management, human resources and remuneration management, capital management and information system management.

We endeavour to uphold the integrity of our business by maintaining an internal control system into our organisational structure. Our internal control and risk management systems cover, among others, corporate governance, operations, management, legal matters, finance and auditing. Our internal audit department reviewed our internal control system and we have implemented and will continue to implement the relevant suggestions they proposed/propose. Our internal audit department (the "**Internal Audit Department**") performed a review of the adequacy and effectiveness of the risk management and internal control systems over our major business processes. The Company has established risk management systems with relevant policies and procedures that we believe are appropriate for our business operations.

Corporate Governance Report (Continued)

The Internal Audit Department conducted a follow-up review (the “**Internal Control Review**”) on, among others, control environment, risk management, information and communication, monitoring of controls, operation level controls such as revenue cycle, procurement cycle, expenditure cycle, etc. and provided recommendations to enhance the internal control system of our Group.

We have adopted and implemented the recommendations provided by the Internal Audit Department and the Internal Audit Department has not identified any material findings which may have material impact on the effectiveness of our internal control system.

Based on the result of the Internal Control Review, the Board, as supported by the Audit Committee, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 March 2023, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function, ensured the adequacy of resources, staff qualifications and experiences, training programmes and budget of the Company’s accounting, internal audit, financial reporting functions as well as those relating to the ESG performance and reporting.

Whistleblowing Policy

The Company has adopted whistleblowing policy with effect from 25 June 2021 and amended on 23 September 2022; and anti-bribery and anti-corruption policy with effect from 31 January 2018 and amended on 23 September 2022.

The Audit Committee of the Company shall review such policies and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

Inside Information

The Company has developed its disclosure policy which provides a comprehensive guidance to the Company’s Directors, senior management and relevant employees on handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

Dividend Policy

Code provision F.1.1 of the Corporate Governance Code provides that the issuer should have a policy on payment of dividends and should disclose it in the annual report. As the Company intends to retain our available funds and earnings to fund the development and growth of our business, the performance of which will continue to be impacted by the relevant industry’s and economic outlook in the foreseeable future, the Board is of the opinion that it is not appropriate to adopt a dividend policy at this stage. The Board will review the Company’s status periodically and consider to adopt a dividend policy if and when appropriate.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding dealings in the securities of the Company by the Directors. Having made specific enquiries of all the Directors, all the Directors have confirmed that they have complied with the required standards as set out in the Model Code during the Reporting Period.

The Company's relevant employees, who because of his/her office or employment, are likely to be in possession of inside information of the Company, are also subject to the Model Code. The Company is not aware of any non-compliance of the Model Code by the relevant employees of the Group during the Reporting Period.

Directors' Responsibility in Respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2023.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, announcements relating to disclosure of insider information and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board with such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report of this annual report.

Auditor's Remuneration

The total fee paid/payable to the external auditor in respect of audit services and non-audit services for the Reporting Period is set out below. The amount of other audit service fee included statutory audits of the Group's certain subsidiaries. The non-audit services conducted by the Auditor mainly include professional services on tax advisory.

Category of services	Fee paid/ payable RMB'000
Auditor of the Company	3,900
Other audit services and non-audit services	2,039
Total	5,939

Corporate Governance Report (Continued)

Joint Company Secretaries

Ms. Feng Xiaoying (“**Ms. Feng**”) and Ms. Li Ching Yi (“**Ms. Li**”) are the joint company secretaries of the Company.

Ms. Feng has been appointed as our joint company secretary with effect from 1 February 2023. Biography of Ms. Feng is set out in the section headed “Directors and Senior Management — Executive Directors — Ms. Feng Xiaoying” on page 46 of this annual report.

Ms. Li has been appointed as our joint company secretary with effect from 16 October 2020. Ms. Li is a senior manager of the Listing Corporate Services Department of Trident Corporate Services (Asia) Ltd., a global professional services firm. She has over 10 years of professional experience in company secretarial field. Ms. Li is an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries). Ms. Li has assisted on the company secretarial matters of the Company and has closely communicated with Ms. Feng.

Ms. Bai Rui resigned as our joint company secretary with effect from 1 February 2023.

During the Reporting Period, each of Ms. Feng and Ms. Li has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

Communications with Shareholders and Investors

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group’s business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions.

The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The general meetings of the Company provide a platform for communication between the Board and the Shareholders. The chairlady of the Board as well as chairperson of each of the Audit Committee, the Remuneration Committee and the Nomination Committee or, in their absence, other members of the respective committees, are available to answer Shareholders’ questions at general meetings. The external auditor of the Company is also invited to attend the annual general meetings of the Company to answer questions about the conduct of audit, the preparation and content of the auditor’s report, the accounting policies and auditor independence.

To promote effective communication and to build a communication channel between the Company and the Shareholders, the Company adopts a Shareholders’ communication policy and maintains a website (www.yidutechgroup.com), where information and updates on the Company’s financial information, corporate governance practices, biographical information of the Board and other information are available for public access.

Corporate Governance Report (Continued)

During the year ended 31 March 2023, the Company reviewed the implementation and effectiveness of the shareholders communication policy, including the multiple communication channels for shareholders in place and the steps taken to handle shareholders' enquiries mentioned above, and ensuring timely dissemination of information to Shareholders, mainly through the Company's announcements, results announcements, interim and annual reports, general meeting(s), as well as by making available all the disclosures published to the Stock Exchange's website and the corporate communications on the Company's website. The Board considered that the shareholders communication policy has been properly implemented and effective.

Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Procedures for Shareholders to Convene Extraordinary General Meeting

Article 12.3 of the Articles of Association provides that general meetings shall be convened on the written requisition of any one or more Shareholder(s) holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal place of business, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionist(s).

If the Board does not within two months from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further two months, the requisitionist(s) themselves or any of them holding no less than one-tenth of the paid up capital of the Company which carry the rights of voting at general meetings, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Procedures for shareholders to propose a person for election as a director

For proposal of a person for election as Director, pursuant to Article 16.5 of the Articles of Association, no person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Corporate Governance Report (Continued)

Based on this, if a Shareholder wishes to propose a person (the “**Candidate**”) for election as a Director at a general meeting, he/she shall deposit a written notice at the Company’s principal place of business in Hong Kong at 14/F., Golden Centre, 188 Des Voeux Road Central, Hong Kong. The notice must (i) include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules; and (ii) be signed by the Shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal information.

Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or in the Companies Law of the Cayman Islands for putting forward proposals of new resolutions by Shareholders at general meetings. Shareholders who wish to move forward a resolution may request the Company to convene a general meeting in accordance with the procedures mentioned above. For proposing a person for election as a Director, please refer to the procedures set out in the preceding paragraph.

Putting Forward Enquiries to the Board

For putting forward any enquiry to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 8/F Health Work
No. 9 Building of Huayuan North Road
Haidian District
Beijing
PRC
(For the attention of the Board of Directors)

Email: ir@yiduccloud.cn

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders’ information may be disclosed as required by law.

Change in Constitutional Documents

The Company adopted amended and restated Articles of Association on 26 August 2022. During the Reporting Period, no other changes have been made to the said Articles of Association. The Articles of Association is available on the websites of the Company and the Stock Exchange.

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

To the Shareholders of Yidu Tech Inc.

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Yidu Tech Inc. (the “Company”) and its subsidiaries (the “Group”) set out on pages 148 to 247, which comprise:

- the consolidated balance sheet as at 31 March 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

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Independent Auditor's Report (Continued)

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition for bundled contracts in big data platform and solutions segment
- Expected credit losses assessment of trade receivables and contract assets

Key Audit Matter

Revenue recognition for bundled contracts in big data platform and solutions segment

Refer to notes 2.22, 4(c) and 5 to the consolidated financial statements.

During the year ended 31 March 2023, the Group recognised revenue of RMB221.9 million for big data platform and solutions segment, for which a significant portion is related to bundled contracts.

The Group enters into bundled contracts with customers in which, apart from the provision of big data platform applications and solutions, the Group also provides related maintenance and upgrade services for a specific period after sale.

How our audit addressed the Key Audit Matter

Our procedures in relation to the judgements and estimates used in the recognition of revenue for bundled contracts in big data platform and solutions segment included:

- Obtained an understanding of management's internal control and process over revenue recognition for bundled contracts in big data platform and solutions segment and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty, complexity and subjectivity;
- Assessed the appropriateness of management's assessments on the identification of performance obligations based on the contractual agreements and our knowledge of the Group's business;

Independent Auditor's Report (Continued)

Key Audit Matter

Significant management's judgements were applied to identify the number of performance obligations and estimate the stand-alone selling price of each performance obligation in the bundled contracts. If the stand-alone selling price is not directly observable, it is estimated based on expected cost plus a reasonable margin.

Significant effort was spent auditing the revenue recognised for bundled contracts in big data platform and solutions segment due to the large volume of transactions, the significant judgements involved in the identification of performance obligations and the estimation of the stand-alone selling price of each performance obligation used in allocating the total transaction prices to each performance obligation of bundled contracts.

How our audit addressed the Key Audit Matter

- Assessed the reasonableness of management's judgements and estimates used to determine the stand-alone selling price of each performance obligation of the bundled contracts based on the Group's separate transactions in similar circumstances to similar customers, or the Group's expected cost plus a reasonable margin;
- Tested, on a sample basis, transaction prices by tracing to supporting documents such as contractual agreements, and allocation of total transaction prices to each performance obligation of bundled contracts; and
- Tested, on a sample basis, the revenue recognised for the year by tracing the transactions to supporting documents, such as contractual agreements, customers' acceptance reports, underlying invoices or evidence of cash receipts.

We found the judgements and estimates used in the revenue recognition for bundled contracts in big data platform and solutions segment to be supported by the available evidence.

Independent Auditor's Report (Continued)

Key Audit Matter

Expected credit losses assessment of trade receivables and contract assets

Refer to notes 3.1, 4(a), 5 and 21 to the consolidated financial statements.

As at 31 March 2023, the gross amount of the Group's trade receivables and contract assets amounted to RMB720.2 million. Management recognised provision for loss allowance of approximately RMB122.0 million on these trade receivables and contract assets as at 31 March 2023 based on the expected credit losses assessment of trade receivables and contract assets.

The Group applies the simplified approach to measure expected credit loss, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables and contract assets.

Allowance for impairment of trade receivables and contract assets reflected management's best estimate to determine the expected credit losses. For trade receivables and contract assets that do not share same risk characteristics with others, management assessed their expected credit losses on an individual basis. For trade receivables and contract assets that share same risk characteristics with others, management calculated the expected credit losses mainly using the roll rate model. The model first grouped the customers based on their different risk characteristics, and then calculated their respective historical credit losses rate. The model further incorporated forward-looking adjustments to reflect the management's forecasts of macroeconomic factors in different scenarios, such as Consumer Price Index, which affects the customers' ability to settle the receivables.

The expected credit losses assessment of trade receivables and contract assets was an area of focus for us given the subjectivity of significant management's judgements and the complexity of the model involved in assessing the expected credit losses.

How our audit addressed the Key Audit Matter

Our procedures in relation to the judgements and estimates used in the expected credit losses assessment of trade receivables and contract assets included:

- Obtained an understanding of management's internal control and process over the estimation of the expected credit losses on trade receivables and contract assets and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty, complexity and subjectivity;
- Understood management's rationale for distinguishing individual impaired and grouped impaired trade receivables and contract assets, and assessed the reasonableness based on the credit risk drivers;
- For individual impaired trade receivables and contract assets, evaluated the appropriateness of the judgements used by management based on the examination of the historical payment documentation or checking the financial position and creditworthiness of customers;
- For grouped impaired trade receivables and contract assets, (1) assessed the appropriateness of the expected credit loss provisioning methodology adopted by management based on our understanding on the Group's business and the credit risk characteristics of the trade receivables and contract assets; (2) checked, on a sample basis, the accuracy of the aging schedule of trade receivables and contract assets to sales invoices, cash receipts or other related supporting documents; and (3) tested the historical credit losses rate by considering the historical payment pattern, and assessed forward-looking information based on our understanding of the Group's business and industry and with reference to external macroeconomic data; and
- Tested the mathematical accuracy of the calculation of the expected credit losses.

We found the judgements and model used in the expected credit losses assessment of trade receivables and contract assets to be supported by the available evidence.

Independent Auditor's Report (Continued)

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yuen Kwok Sun.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong,
30 June 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 March	
		2023 RMB'000	2022 RMB'000
Revenue from contracts with customers	5	804,700	1,237,200
Cost of sales and services	5, 8	(530,170)	(837,755)
Gross profit		274,530	399,445
Selling and marketing expenses	8	(271,637)	(413,934)
Administrative expenses	8	(231,989)	(337,032)
Research and development expenses	8	(342,519)	(368,659)
Net impairment losses on financial assets and contract assets	3.1(b)(iii)	(61,953)	(48,798)
Impairment of non-financial assets	10	(3,287)	(12,938)
Other income	6	97,349	38,659
Other losses — net	7	(90,543)	(24,141)
Operating loss		(630,049)	(767,398)
Finance income		7,998	4,972
Finance costs		(2,611)	(4,213)
Finance income — net	11	5,387	759
Share of losses from investments in associates	13	(4,277)	(207)
Loss before income tax		(628,939)	(766,846)
Income tax (expense)/credit	14	(3,422)	486
Loss for the year		(632,361)	(766,360)
Loss is attributable to:			
Owners of the Company		(627,966)	(762,318)
Non-controlling interests		(4,395)	(4,042)
		(632,361)	(766,360)

Consolidated Statement of Comprehensive Income (Continued)

	Notes	Year ended 31 March	
		2023 RMB'000	2022 RMB'000
Other comprehensive income/(loss)			
<i>Item that will not be reclassified to profit or loss:</i>			
Currency translation differences		489,998	(203,439)
<i>Item that will be reclassified to profit or loss:</i>			
Currency translation differences		(189,942)	61,632
Other comprehensive income/(loss) for the year, net of tax		300,056	(141,807)
Total comprehensive loss for the year		(332,305)	(908,167)
Total comprehensive loss for the year is attributable to:			
Owners of the Company		(328,520)	(903,215)
Non-controlling interests		(3,785)	(4,952)
		(332,305)	(908,167)
Loss per share, basic and diluted (RMB)	15	(0.63)	(0.80)

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

CONSOLIDATED BALANCE SHEET

	Notes	As at 31 March	
		2023 RMB'000	2022 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	16	72,584	59,344
Right-of-use assets	17	11,249	43,381
Intangible assets	18	39,531	35,249
Deferred income tax assets	33	345	1,238
Investments accounted for using the equity method	13	5,282	9,915
Financial assets at fair value through profit or loss	19, 24	23,115	16,461
Pledged bank deposits	19, 25	1,262	—
Long-term investments measured at amortized cost	23	240,510	—
Restricted bank balance and deposits	19, 25	6,208	5,024
Total non-current assets		400,086	170,612
Current assets			
Inventories	22	3,733	5,736
Contract assets	5	123,706	158,749
Trade receivables	19, 21	474,498	513,244
Other financial assets at amortised cost	19, 20	81,843	70,656
Financial assets at fair value through profit or loss	19, 24	230,093	36,927
Pledged bank deposits	19, 25	2,077	—
Term deposits	19, 25	2,339,699	318,595
Cash and cash equivalents	19, 25	1,172,793	3,408,505
Other current assets	26	82,980	39,786
Total current assets		4,511,422	4,552,198
Total assets		4,911,508	4,722,810
Equity			
Equity attributable to owners of the Company			
Share capital	27	131	124
Treasury shares		(1)	(1)
Other reserves	28	12,948,250	12,227,727
Accumulated deficits	29	(8,866,016)	(8,238,050)
		4,082,364	3,989,800
Non-controlling interests		73,787	17,666
Total equity		4,156,151	4,007,466

Consolidated Balance Sheet (Continued)

	Notes	As at 31 March	
		2023 RMB'000	2022 RMB'000
Liabilities			
Non-current liabilities			
Lease liabilities	17, 19	4,590	25,987
Deferred income	32	79,761	77,774
Total non-current liabilities		84,351	103,761
Current liabilities			
Trade and other payables	19, 31	386,863	329,506
Deferred income	32	4,208	10,500
Salary and welfare payable		200,615	205,656
Contract liabilities	5	56,943	33,256
Current income tax liabilities		1,539	245
Lease liabilities	17, 19	9,538	26,178
Provisions		11,300	6,242
Total current liabilities		671,006	611,583
Total liabilities		755,357	715,344
Total equity and total liabilities		4,911,508	4,722,810

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

The financial statements on pages 148 to 247 were approved by the Board of Directors on 30 June 2023 and were signed on its behalf:

Gong Yingying

Director

Feng Xiaoying

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Attributable to owners of the Company				Sub-total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Accumulated deficits RMB'000			
Balance at 1 April 2022		124	(1)	12,227,727	(8,238,050)	3,989,800	17,666	4,007,466
Comprehensive loss								
Loss for the year		—	—	—	(627,966)	(627,966)	(4,395)	(632,361)
Currency translation differences		—	—	299,446	—	299,446	610	300,056
Total comprehensive loss for the year		—	—	299,446	(627,966)	(328,520)	(3,785)	(332,305)
Transactions with owners in their capacity as owners:								
Share-based compensation	30	—	—	99,035	—	99,035	—	99,035
Issuance of ordinary shares	27	2	—	(2)	—	—	—	—
Exercise of option and vest of Share Award Scheme	27	5	—	5,460	—	5,465	—	5,465
Disposal of minority interest of subsidiary	28	—	—	316,584	—	316,584	59,906	376,490
Total transactions with owners in their capacity as owners		7	—	421,077	—	421,084	59,906	480,990
Balance at 31 March 2023		131	(1)	12,948,250	(8,866,016)	4,082,364	73,787	4,156,151
Balance at 1 April 2021		116	(1)	12,205,187	(7,475,732)	4,729,570	22,618	4,752,188
Comprehensive loss								
Loss for the year		—	—	—	(762,318)	(762,318)	(4,042)	(766,360)
Currency translation differences		—	—	(140,897)	—	(140,897)	(910)	(141,807)
Total comprehensive loss for the year		—	—	(140,897)	(762,318)	(903,215)	(4,952)	(908,167)
Transactions with owners in their capacity as owners:								
Share-based compensation	30	—	—	178,227	—	178,227	—	178,227
Termination of share options issued to third party individuals	30(d)	—	—	(16,952)	—	(16,952)	—	(16,952)
Issuance of ordinary shares	27	1	—	(1)	—	—	—	—
Exercise of option and vest of Share Award Scheme	27	7	—	2,163	—	2,170	—	2,170
Total transactions with owners in their capacity as owners		8	—	163,437	—	163,445	—	163,445
Balance at 31 March 2022		124	(1)	12,227,727	(8,238,050)	3,989,800	17,666	4,007,466

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 March	
		2023 RMB'000	2022 RMB'000
Cash flows from operating activities			
Cash used in operations	34(a)	(361,176)	(613,491)
Interest received	11	7,998	4,972
Interest paid	11	(2,611)	(4,213)
Income tax paid		(1,224)	(1,944)
Net cash used in operating activities		(357,013)	(614,676)
Cash flows from investing activities			
Payments for investments in unlisted equity securities and venture capital fund	24	(23,115)	(14,556)
Proceeds from the redemption of wealth management products	24	2,312,232	10,435,870
Placement of term deposits and restricted bank balance and deposits		(3,620,733)	(318,595)
Withdrawals of term deposits and restricted bank balance and deposits		1,701,006	3,800,336
Payment for long-term investments measured at amortized cost	23	(234,833)	—
Payments for property, plant and equipment		(17,588)	(57,468)
Payments for acquisition of intangible assets		(3,591)	(11,331)
Payments for investments in wealth management products	24	(2,502,010)	(10,444,669)
Payments for investments in associates	13	(3,833)	(4,905)
Proceeds from disposal of investments accounted for using the equity method	13	2,592	—
Interest on term deposits and restricted bank balance and deposits received		49,614	1,817
Net cash (used in)/generated from investing activities		(2,340,259)	3,386,499
Cash flows from financing activities			
Proceeds from exercise of option		5,465	2,170
Proceeds from disposal of minority interest of subsidiary	28	376,491	—
Payments for termination of share options issued to third party individuals	30(d)	—	(16,952)
Repurchase of own equity interest	30(c)	—	(4,612)
Principal elements of lease payments	17(b)	(20,501)	(15,836)
Net cash generated from/(used in) financing activities		361,455	(35,230)
Net (decrease)/increase in cash and cash equivalents		(2,335,817)	2,736,593
Cash and cash equivalents at beginning of the year		3,408,505	739,846
Exchange effect on cash and cash equivalents		100,105	(67,934)
Cash and cash equivalents at end of the year		1,172,793	3,408,505

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 General information

Yidu Tech Inc. (the “Company”) was incorporated in the Cayman Islands on 9 December 2014 as an exempted company with limited liability under the Companies Act of the Cayman Islands (Cap. 22, Law 3 of 1961 as consolidated and revised). The address of the Company is at Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman KY1-1209, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together, the “Group”) are primarily engaged in the provision of the following services: i) big data platform and solutions, ii) life sciences solutions, iii) health management platform and solutions, and iv) others in the People’s Republic of China (“PRC”).

These financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Contractual arrangements

The Group mainly conducts its business through Tianjin Happy Life Technology Co., Ltd. (“Tianjin Happy Life”), Guizhou Yidu Cloud Technology Co., Ltd. (“Yidu Cloud Guizhou”) and Beijing Zhongshi Hanming Enterprise Co., Ltd. (“Beijing Zhongshi Hanming”) and their subsidiaries (“VIE companies”) due to regulatory restrictions on foreign ownership in the value-added telecommunication services in the PRC. The Group’s wholly-owned subsidiaries, Tianjin New Happy Life Technology Co., Ltd., Beijing Yiyi Cloud Technology Co., Ltd. and Tianjin Joyful Life Health Management Co., Ltd. (“WFOE companies”), have entered into contractual arrangements with Tianjin Happy Life, Yidu Cloud Guizhou and Beijing Zhongshi Hanming and its respective equity holders on 24 January 2017, 10 October 2018 and 18 August 2020, respectively.

Pursuant to the series of contractual arrangements indicated above (collectively, the “Contractual Arrangements”), WFOE companies are able to:

- exercise effective financial and operational control over VIE companies;
- exercise equity holders’ voting rights of VIE companies;
- receive substantially all of the economic interest returns generated by VIE companies in consideration for the business support, technical and consulting services provided by WFOE companies;

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(i) Contractual arrangements (Continued)

- obtain an irrevocable and exclusive right to purchase all or part of equity interests in VIE companies from the respective equity holders at a minimum purchase price permitted under PRC laws and regulations. WFOE companies may exercise such options at any time until they have acquired all equity interests and/or all assets of VIE companies. In addition, VIE companies are not allowed to sell, transfer, or dispose of any assets, or make any distributions to their equity holders without prior consent of WFOE companies; and
- obtain a pledge over the entire equity interest of VIE companies from their equity holders as collateral security for payments of VIE companies due to WFOE companies and to secure performance of VIE companies' obligations under the Contractual Arrangements.

As a result of the Contractual Arrangements, the Group has rights to exercise power over the VIE companies, receives variable returns from its involvement in the VIE companies, has the ability to affect those returns through its power over the VIE companies and is considered to control the VIE companies. Consequently, the Company regards the VIE companies as controlled structured entities and consolidated the assets, liabilities and results of operations of the VIE companies in the consolidated financial statements of the Group.

Nevertheless, there are still uncertainties regarding the interpretation and application of current and future PRC laws and regulations. The directors of the Company, based on the advice of its legal counsel, consider that the use of Contractual Arrangements is currently enforceable in the PRC except for certain provisions and does not constitute a breach of the relevant laws and regulations.

(ii) Compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB").

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

(iii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(iv) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2022:

- IFRS 17 — Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2 — Disclosure of Accounting Policies
- Amendments to IAS 8 — Definition of Accounting Estimates
- Amendments to IAS 12 — Deferred Tax related to Assets and Liabilities from a Single Transaction
- Amendments to IAS 1 — Classification of Liabilities as Current or Non-current
- Annual improvements to IFRS standards 2018–2021

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

(v) New standards and interpretations not yet adopted

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

	Effective for annual periods beginning on or after
Amendment to IFRS 16 — Lease liability in a sale and leaseback	1 January 2024
Amendment to IAS 1 — Non-current Liabilities with Covenants	1 January 2024

The directors of the Company anticipate that the application of the above new standard, amendments and annual improvements will have no material impact on the Group's consolidated financial statements in the foreseeable future.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.2 Principles of consolidation and equity accounting

(i) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group (note 2.3).

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, statements of changes in equity and balance sheets respectively.

(ii) Associates

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

(iii) Equity method

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.9.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

(iv) Changes in ownership interests

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

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

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the: fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

The excess of the: consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.4 Separate financial statements

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

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

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The shareholders of the Company have appointed a board of director which assesses the financial performance and position of the Group, and makes strategic decisions. The Chief Operating Decision Maker ("CODM") who is responsible for making strategic decisions, allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer and the chief financial officer.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.6 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is United States Dollar ("US\$"). The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currencies. As the major operations of the Group are within the PRC, the Group determined to present the consolidated financial statements in RMB.

(ii) Transactions and balances

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

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

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

(iii) Group companies

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

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.6 Foreign currency translation (Continued)

(iii) Group companies (Continued)

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

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in associates or joint ventures that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.7 Property, plant and equipment

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

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

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

- Electronic equipment 3 years
- Office furniture 3 years
- Leasehold improvement 1–10 years

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment (Continued)

Leasehold improvement is depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.8 Intangible assets

(i) Goodwill

Goodwill is measured as described in note 2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 5).

(ii) License, technology and software

Separately acquired license, technology and software are shown at historical cost. License, technology and software acquired in a business combination are recognised at fair value at the acquisition date. They have the finite useful lives and are subsequently carried at cost less accumulated amortization and impairment losses.

(iii) Research and development

Research expenditure and development expenditure that do not meet below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.8 Intangible assets (Continued)

(iii) Research and development (Continued)

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

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

(iv) Amortization methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- | | |
|--------------|-------------|
| • License | 10–20 years |
| • Technology | 5 years |
| • Software | 3 years |

The licenses in intangible assets comprise insurance license and Goods Supply Practice (“GSP”) license, each has an estimated useful life of 20 years and 10 years, respectively (the “respective amortization periods”), which represent the time periods that the Group expects these assets will generate economic benefits to the Group’s Health Management Platform and Solutions business. Insurance license and GSP license each has a term of validity of 3 and 5 years, respectively, and is subject to certain administrative renewal at the relevant government authorities upon their expiries. The renewal criteria for each license are the same as the criteria when applying for these licenses. The Group assesses that the Group can continue to meet these criteria throughout the respective amortization periods and these licenses will be renewed upon their expiries. The GSP license has been fully impaired, please refer to note 18 for details.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.9 Impairment of non-financial assets

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

2.10 Investments and other financial assets

(i) Classification

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

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

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

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

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

(ii) Recognition and derecognition

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.10 Investments and other financial assets (Continued)

(iii) Measurement

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

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

Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.10 Investments and other financial assets (Continued)

(iv) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables, see note 21 for further details.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Inventories

Inventories mainly comprise hardware and pharmaceutical products. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 21 for further information about the Group's accounting for trade receivables and note 3.1 for a description of the Group's impairment policies.

2.14 Cash and cash equivalents

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.15 Term deposits, restricted bank balance and deposits

Term deposits represent short-term bank deposits with original maturities over three months. Restricted bank balance and deposits with initial terms over three months are deposited in an escrow account with bank for certain limited purposes. The term deposits and restricted bank balance and deposits are unsecured and carry fixed interest per annum for the years ended 31 March 2023 and 2022.

2.16 Share capital

Ordinary shares are classified as equity (note 27).

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

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Shares held by the Company's Employee Option Plan are disclosed as treasury shares and deducted from contributed equity.

2.17 Trade and other payables

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

2.18 Current and deferred income tax

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

(i) Current income tax

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.18 Current and deferred income tax (Continued)

(ii) Deferred income tax

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

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

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

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

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

2.19 Employee benefits

(i) Short-term obligations

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.19 Employee benefits (Continued)

(ii) Pension obligations

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(iii) Medical and other benefits

The Group makes monthly contributions for medical and other benefits to the local authorities in accordance with relevant local regulations for the employees. The Group's liability in respect of employee medical benefits is limited to the contributions payable in each period.

(iv) Housing benefits

The employees of the Group are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

2.20 Share-based compensation

Share-based compensation benefits are provided to employees via Share Option Schemes and Share Award Schemes.

The fair value of options and shares granted under the Company's Share Option Schemes and Share Award Schemes is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options and shares granted:

- Including any market performance conditions (for example, an entity's share price);
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. Share-based compensation expenses are recorded net of actual forfeitures during the service period requirement, such that expenses are recorded only for those share-based awards that are expected to ultimately vest. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.20 Share-based compensation (Continued)

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based compensation arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

For an award with a performance (i.e. Qualified Initial Public Offerings “QIPO” condition) and service condition that affects vesting, the performance and service condition is not considered in determining the award’s fair value on the grant date. Performance and service conditions should be considered when the Group is estimating the quantity of awards that will vest. The Group recognises compensation expenses for awards with performance conditions if and when the Group concludes that it is probable that the performance condition will be achieved, net of actual pre-vesting forfeitures over the requisite service period. The Group reassesses the probability of vesting at each reporting period for awards with performance conditions and adjusts compensation expenses based on its probability assessment, unless on certain situations, the Group may not be able to determine that it is probable that a performance condition will be satisfied until the event occurs.

The fair value of the liability for cash-settled transactions is re-measured at each reporting date and at the date of settlement. Any changes in fair value are recognised in profit or loss for the period. Equity-settled awards are not remeasured after the grant date.

2.21 Provisions

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

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

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.22 Revenue recognition

Revenues are recognised when, or as, the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the relevant regulations, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

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

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

The progress towards complete satisfaction of performance obligation, depending on the nature of the good and service to be transferred, is measured based on one of the following methods that best depicts the Group's performance in satisfying the performance obligation:

- direct measurements of the value of individual services transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation.

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

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

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.22 Revenue recognition (Continued)

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

The following is a description of the accounting policy for the principal revenue streams of the Group.

(a) Big data platform and solutions

Big data platform and solutions consists of the Company's flagship big data platform applications and other solutions services that are provided to their customers mainly hospitals, regulators and policy makers.

(i) Provision of bundled contracts

Big data platform applications and solutions consist primarily of the development and construction of big data platform in the healthcare industry, including the sales of hardware, development of software applications and the provision of other related services. The project-based big data platform applications and solutions are provided through integrating the hardware, software and other related services, all of which are highly interdependent and interrelated with each other and represent multiple inputs to a combined output (i.e. the integrated solution) that is transferred to the customer. Accordingly, the integrated solution is accounted for as a single performance obligation.

Revenue is generally recognised at a point in time when the integrated solution (comprises mainly hardware, software and other related services for a project) is delivered to the customer's designated place, inspected and accepted by the customer. For certain integrated solution contracts where the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment from the customer for its performance completed to date, the revenue is recognised over time. Based on the progress towards complete satisfaction of the contracts using input method which is determined as the proportion of the costs incurred for the work performed to date relative to the estimated total costs to complete the contract, to the extent that the amount can be measured reliably and its recovery is considered probable.

Input method requires the Group to make estimates of costs to complete its projects on an ongoing basis. Significant judgement is required to evaluate assumptions related to these estimates. The effect of revisions to estimates related to the transaction price or costs to complete a project are recorded in the period in which the estimate is revised.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.22 Revenue recognition (Continued)

(a) Big data platform and solutions (Continued)

(i) Provision of bundled contracts (Continued)

The Group also provides big data platform solution packages which consist of multiple applications and solutions to their customers. The multiple applications and solutions are regarded as a separate performance obligation. The transaction price is allocated to each application and solution included in the package based on their relative stand-alone selling prices. If the stand-alone selling price is not directly observable, the directors of the Company estimate the stand-alone selling price of each of the performance obligations based on the expected cost of satisfying each of the performance obligations (i.e. direct cost and staff costs incurred) plus an estimated reasonable margin for each of the performance obligations.

The revenue is recognised upon the individual performance obligation is rendered to customers.

(ii) Sales of stand-alone items: hardware, software or other service contract

The Group also provides hardware, software application or other solutions services separately. Revenue is recognised at a point in time when the stand-alone hardware, software application or other solutions service are delivered to the customer's designated place, inspected and accepted by the customer.

For the development of software applications provided in (i) and (ii), the Group also provides related maintenance and upgrade services for a specific period (normally 1–5 years after the customer's acceptance) after sale as stipulated in the same contract. These maintenance and upgrade services are provided to maintain and improve the effectiveness of the software application and therefore are accounted for as a separate performance obligation. Revenue from provision of maintenance and upgrade services is recognised over the service period.

A contract liability is recognised for advances from the customer in which revenue has not yet been recognised.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.22 Revenue recognition (Continued)

(b) Life sciences solutions

Life sciences solutions consist primarily of the provision of pharmaceutical development cooperation services and customized pharmaceutical research report to customers who are mainly pharmaceutical companies.

(i) *Pharmaceutical development cooperation services*

The performance obligation is satisfied over time as the output in the form of data collection and analysis documentation is made available for the customer to consume simultaneously over the course of the arrangement during the clinical trial. Accordingly, the Group recognises revenue over time using input method where the progress of the performance obligation is measured by the proportion of actual costs incurred to the total costs expected to complete the contract. Costs included in the measure of progress include direct labour and third-party costs (such as payments to investigators and other third-party expenditures).

(ii) *Customized pharmaceutical research report*

For the revenue derived from customized pharmaceutical research report, the Group recognises revenue over time using input method since the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment from the customer for performance completed to date. Progress on the performance obligation is measured by the proportion of actual costs incurred to the total costs expected to complete the contract. Costs included in the measure of progress include direct labour and third-party costs (such as payments to investigators and other third-party expenditures).

Input method requires the Group to make estimates of costs to complete its projects on an ongoing basis. Significant judgement is required to evaluate assumptions related to these estimates. The effect of revisions to estimates related to the transaction price or costs to complete a project are recorded in the period in which the estimate is revised.

A contract liability is recognised for advances from the customer in which revenue has not yet been recognised.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.22 Revenue recognition (Continued)

(c) Health management platform and solutions

Health management platform and solutions consist primarily of (i) the provision of health management platform application and solution services to insurance companies, (ii) distribution of insurance companies' products, (iii) sales of pharmaceutical products, and sales of related hardware and other services, (iv) deliver one-stop analytics-driven solutions and offer coordinated and personalized digital therapies that integrates traditional treatment with out-of-hospital care and lifestyle interventions.

(i) Provision of health management platform application and solution services to insurance companies

The Group provides health management platform application and solution packages which consist of multiple applications and services to their customers.

The packages are considered to consist of multiple elements of applications and solution services and are regarded as separate performance obligations. The transaction price is allocated to each item in the package based on their relative stand-alone selling prices. If a stand-alone selling price is not directly observable, the directors of the Company estimate the stand-alone selling price of each of the performance obligations based on the expected cost of satisfying each of the performance obligations (i.e. direct cost and staff costs incurred) plus an estimated reasonable margin for each of the performance obligations.

The revenue is recognised upon the individual performance obligation is rendered to customers.

(ii) Distribution of insurance companies' products

The Group sells insurance companies' products to individual consumer on a retail basis or to corporate customers for the benefit of their employees on a wholesale basis, as an agent through its insurance brokerage license. The insurance companies' products are offered to corporate customers through the sales team of the Group, and to individual customers through its own platform. The commission fees are generally charged based on a percentage of insurance premium or fee per transaction as agreed with the insurance companies.

(iii) Sales of pharmaceutical products

The Group primarily sells pharmaceutical products to third party pharmacies and individual customers. The Group recognises the pharmaceutical products revenue on a gross basis as the Group is acting as a principal in these transactions and is responsible for fulfilling the promise to provide specified goods. Pharmaceutical products revenue is recognised at the point of delivery of the products, net of discounts and return allowances.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.22 Revenue recognition (Continued)

(d) Others

Others consist primarily of sales of stand-alone computer hardware to customers.

Revenue is recognised at a point in time when the computer hardware is delivered to and accepted by the customer.

2.23 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

2.24 Leases

The Group leases buildings as lessee. Rental contracts are typically made for fixed periods of 2 to 40 years.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.24 Leases (Continued)

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

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

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

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

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security,
- If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.24 Leases (Continued)

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

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

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

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

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

2.25 Dividend distribution

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

2.26 Government grants

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

Government grants relating to costs are deferred and recognised in the other income over the period necessary to match them with the costs that they are intended to compensate.

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.27 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see note 7 below.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see note 11 below. Any other interest income is included in other income.

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

3 Financial risk management

3.1 Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currency of the Company, the subsidiaries operate in the PRC and the subsidiaries operate in the Brunei are US\$, RMB and Brunei Dollar ("BND"), respectively. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary.

The Group operates mainly in the PRC with most of the transactions settled in RMB. Management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the respective functional currencies of the Group's entities.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) *Cash flow and fair value interest rate risk*

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for the investment in a loan to a third-party with warrants to purchase their preferred shares which is classified as financial assets at fair value through profit or loss, cash and cash equivalents, pledged bank deposits, term deposits, restricted bank balance and deposits, details of which have been disclosed in notes 24 and 25.

(b) Credit risk

(i) *Risk management*

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, pledged bank deposits, term deposits, restricted bank balance and deposits and long-term investments measured at amortized cost placed with banks and financial institutions, as well as contract assets, trade receivables and other financial assets at amortised cost. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage this risk, deposits are mainly placed with state-owned financial institutions in the PRC and international financial institutions outside of the PRC. There has been no recent history of default in relation to these financial institutions.

(ii) *Impairment of financial assets*

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

- contract assets
- trade receivables
- other financial assets at amortised cost

While cash and cash equivalents, pledged bank deposits, term deposits, restricted bank balance and deposits with the maturity over three months and long-term investments measured at amortized cost are also subject to the impairment requirements of IFRS 9, the identified impairment loss was nil.

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

To measure the expected credit losses, contract assets and trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The expected loss rates are based on the historical credit losses rate and adjusted to incorporate forward-looking adjustments to reflect the management's forecasts of macroeconomic factors in different scenarios which affects the customers' ability to settle the receivables. The Group has identified economic policies, macroeconomic conditions, industry risks, probabilities of default and expected operating performance of the debtors in which it sells its services to be the most relevant factors, and accordingly adjusts the historical losses rates based on expected changes in these factors.

For other financial assets at amortised cost, management makes collective periodic assessments as well as individual assessment on the recoverability based on historical settlement records, experience and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other financial assets at amortised cost.

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

During the years ended 31 March 2023 and 2022, the following losses were recognised in profit or loss in relation to impaired financial assets:

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
Impairment losses		
Movement in loss allowance for trade receivables (note 21)	(55,619)	(41,881)
Movement in loss allowance for contract assets (note 5)	(5,383)	(5,429)
Movement in loss allowance for other financial assets at amortised cost (note 20)	(951)	(1,488)
Net impairment losses on financial assets	(61,953)	(48,798)

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate cash and cash equivalents, and term deposits.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 March 2023					
Trade and other payables (excluding tax payables)	376,691	—	—	—	376,691
Lease liabilities	9,999	953	542	39,630	51,124
	386,690	953	542	39,630	427,815
At 31 March 2022					
Trade and other payables (excluding tax payables)	317,138	—	—	—	317,138
Lease liabilities	27,945	17,714	576	37,551	83,786
	345,083	17,714	576	37,551	400,924

3.2 Capital management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.2 Capital management (Continued)

The Group monitors capital on basis of liability-to-asset ratio. This ratio is calculated as total liabilities divided by total assets. The liability-to-asset ratio of the Group as at 31 March 2023 and 2022 were as follow:

	As at 31 March	
	2023 RMB'000	2022 RMB'000
The liability-to-asset ratio	15%	15%

The Group monitors capital (including share capital and shares held for the Share Incentive Plans (note 30)) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. In the opinion of the directors of the Company, the Group's capital risk is low.

3.3 Fair value estimation

(a) Financial assets and liabilities

(i) Fair value hierarchy

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

Recurring fair value measurements As at 31 March 2023	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
Wealth management products	—	—	230,093	230,093
Investment in venture capital fund	—	—	23,115	23,115
Total financial assets	—	—	253,208	253,208

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

Recurring fair value measurements As at 31 March 2022	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
Wealth management products	—	—	25,000	25,000
Loan to a third party with warrants to purchase their preferred shares	—	—	11,927	11,927
Investment in unlisted equity securities	—	—	8,570	8,570
Investment in venture capital fund	—	—	7,891	7,891
Total financial assets	—	—	53,388	53,388

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for other financial instruments — discounted cash flow analysis.

For unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(ii) Valuation techniques used to determine fair values (Continued)

As at 31 March 2022, investments in venture capital fund are subject to the terms and conditions set forth in the offering prospectus of each fund. The fair value of the investments in venture capital fund are based primarily on the portion of the net asset value (“NAV”) reported by the fund that is attributable to the Group. The NAV is derived from the fair value of these fund at the reporting date of the Group (the vast majority of the financial assets reported by the fund are measured at fair value), and the Group understands and evaluates the valuations provided by the general partners of the fund and make necessary adjustments based on the results of the evaluation. The Group has not made any adjustments to the underlying values.

(iii) Valuation processes

The Group engages an independent valuer that performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The independent valuer communicates with finance team and the chief financial officer (“CFO”). Discussions of valuation processes and results are held between finance team, the CFO and the independent valuer on a periodical basis, in line with the Group’s reporting periods.

The main level 3 inputs used by the Group are derived and evaluated as follows:

Discount rates for financial assets are determined using a capital asset pricing model to calculate pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Credit risk factors specific to the Group (including assumptions about credit default rates) are derived from credit risk gradings determined by the Group’s internal credit risk management group. Expected revenue growth and profit margins factors for unlisted equity securities are estimated based on market information of comparable companies with similar business.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

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

	Wealth management products RMB'000	Loan to a third party with warrants to purchase their preferred shares RMB'000	Investment in unlisted equity securities RMB'000	Investment in venture capital fund RMB'000	Total RMB'000
Opening balance at 1 April 2022	25,000	11,927	8,570	7,891	53,388
Acquisitions	2,502,010	—	—	10,669	2,512,679
Redemption	(2,312,232)	—	—	—	(2,312,232)
Changes in fair value recognized in profit or loss	15,315	(11,927)	(9,241)	3,848	(2,005)
Currency translation differences	—	—	671	707	1,378
Closing balance at 31 March 2023	230,093	—	—	23,115	253,208
Opening balance at 1 April 2021	—	20,945	—	—	20,945
Acquisitions	10,444,669	—	8,570	7,891	10,461,130
Redemption	(10,435,870)	—	—	—	(10,435,870)
Changes in fair value recognized in profit or loss	16,201	(9,018)	—	—	7,183
Currency translation differences	—	—	—	—	—
Closing balance at 31 March 2022	25,000	11,927	8,570	7,891	53,388

Please refer to note 24 for details.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(iv) Fair value measurements using significant unobservable inputs (level 3) (Continued)

Description	Fair value		Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	As of 31 March			As of 31 March		
	2023	2022		2023	2022	
	RMB'000	RMB'000				
Financial assets at fair value through profit or loss — Wealth management products	230,093	25,000	Interest rate	1.65%–2.85%	1.65%–4.90%	The higher the interest rate, the higher the fair value
Financial assets at fair value through profit or loss — Investment in venture capital fund	23,115	7,891	NAV of the fund	/	/	The higher the NAV, the higher the fair value
Financial assets at fair value through profit or loss — Investment in unlisted equity securities (i)	—	8,570	/	/	/	/
Financial assets at fair value through profit or loss — Loan to a third party with warrants to purchase their preferred shares (ii)	—	11,927	Discount rate	/	25.0%	The higher the discount rate, the lower the fair value
			Risk-free interest rate	/	3.4%	The higher the risk-free rate, the lower the fair value
			Discount for lack of marketability ("DLOM")	/	25.0%	The higher the DLOM, the lower the fair value

- (i) On 6 September 2021, the Group, among other investors, entered into an Series A+ preferred shares investment agreement with Kidney Health Limited ("Kidney"), a Chronic Kidney Disease Whole Course Management Platform, for a subscription of approximately 2.7% of the total issued share capital of Kidney for a total consideration of US\$1.35 million. This transaction was completed on 8 October 2021. The Group has no right to appoint representative to the Board of Kidney, and therefore the Group concluded that they do not have significant influence over Kidney. The Group managed and evaluated the performance of the equity securities on a fair value basis.

As at 31 March 2023, with due consideration of business strategies and financial conditions of Kidney, the management estimates the fair value of the financial asset was close to zero.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(iv) Fair value measurements using significant unobservable inputs (level 3) (Continued)

- (ii) On 3 January 2020, a subsidiary of the Group, Guizhou Yidu Cloud Technology Co., Ltd. (“Yidu Cloud Guizhou”), entered into an agreement to grant a loan of RMB20 million to Nanjing Trifo Technology Co., Ltd. (“Nanjing Trifo”). The loan was secured by guarantee of Nanjing Trifo’s affiliates (including its ultimate parent company incorporated in Cayman, Trifo) and pledge of shares in Trifo indirectly held by Mr. Zhang (the founder of Trifo). The interest rate is 10% per annum and the loan matures in 18 months from the actual payment by Yidu Cloud Guizhou (“Term of Loan”). On 3 March 2022, Yidu Cloud Guizhou entered into a supplementary agreement with Nanjing Trifo and extended the loan maturity to June 2022.

On the same date, Yidu Cloud Guizhou, Nanjing Trifo and Nanjing Trifo’s affiliates entered into a Warrants Purchase Agreement, pursuant to which Trifo issued warrants to Yidu Cloud Guizhou or its designated party a right to purchase up to 762,776 newly issued Series C-4 preferred shares of Trifo (the “Warrants Shares”). Before the expiration of the loan, if Yidu Cloud Guizhou completed the governmental registration or filings with respect to its Outbound Direct Investment (“ODI Filings”) into Trifo, Nanjing Trifo should repay the loan to Yidu Cloud Guizhou with the interest waived by Yidu Cloud Guizhou and Yidu Cloud Guizhou will exercise the right to subscribe the Warrants Shares.

As at 31 March 2023, with due consideration of business strategies and financial conditions of Trifo, the management estimates the fair value of the financial asset was close to zero.

Fair value of financial assets at fair value through profit or loss — Wealth management products is affected by changes in the interest rate. If the interest rate had increased/decreased by 1% with all other variables held constant, the loss before income tax for the year ended 31 March 2023 would have been approximately RMB0.4 million (2022: RMB6 thousand) lower/higher.

If the fair values of financial assets at fair value through profit or loss — Investment in venture capital fund held by the Group had been 10% higher/lower, the loss before income tax for the year ended 31 March 2023 would have been approximately RMB2.3 million (2022: RMB0.8 million) lower/higher.

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended 31 March 2023 and 2022, except that certain financial liabilities were transferred out of level 3 of fair value hierarchy classifications.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

4 Critical estimates and judgements

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

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

(a) Impairment assessment of trade receivables and contract assets

The Group has used roll rate model to calculate Expected Credit Loss ("ECL") for the trade receivables and contract assets. The provision rates are based on internal credit ratings as groupings of various debtors that shared same credit risk characteristics. The roll rate model is based on the Group's historical default rates, taking into consideration forward-looking information that is reasonable and supportable, available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables and contract assets that do not share same risk characteristics with others, management assessed their ECL individually. The subjectivity of significant management's judgements and the complexity of the model are involved in assessing the ECL. The information about the ECL and the Group's trade receivables and contract assets is disclosed in note 21 and note 5.

(b) Fair value of financial assets at fair value through profit or loss

The fair value of financial assets that are not traded in an active market (for example, investment in venture capital fund) is determined by using valuation techniques. 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. Changes in these assumptions and estimates could materially affect the respective fair value of these investments.

(c) Revenue recognition

(i) Allocation of transaction price to performance obligations

Big data platform and solutions – Provision of bundled contracts and Health management platform and solutions – Provision of bundled contracts

When the bundled contracts exist in these principal revenue streams, the Group need to identify the number of performance obligations included in the bundled contracts, to estimate the stand-alone selling price of each performance obligation, and to allocate the total transaction prices from customers to each performance obligation of bundled contracts based on its relative stand-alone selling price. Management estimates the stand-alone selling price at contract inception mainly based on the Group's separate transactions in similar circumstances to similar customers. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a reasonable margin. The Group is required to exercise considerable judgement in relation to estimating the stand-alone selling price.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

4 Critical estimates and judgements (Continued)

(c) Revenue recognition (Continued)

(i) Allocation of transaction price to performance obligations (Continued)

Big data platform and solutions – Provision of bundled contracts and Health management platform and solutions – Provision of bundled contracts (Continued)

Significant assumptions and estimates have been made in identifying the number of performance obligations included in the bundled contracts and estimating the standalone selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates could materially impact the timing of revenue recognition.

(ii) Input method of revenue recognition

Big data platform and solutions – Provision of bundled contracts

For certain contracts that the Group provides a total solution of which, revenue is recognised over time since the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Such revenue is recognised based on the progress towards complete satisfaction in the contracts using input method which is determined as the proportion of the costs incurred for the work performed to date relative to the estimated total costs to complete the contract. Costs included in the measure of progress include direct labour and third-party costs.

Life sciences solutions – Pharmaceutical development cooperation services and Customized pharmaceutical research report

The Group recognises revenue over time using input method since 1) the Group provides services whereby its benefits are received and consumed simultaneously by the customer, or 2) the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment from the customer for the performance completed to date. Progress on the performance obligation is measured by the proportion of actual costs incurred to the total costs expected to complete the contract. Costs included in the measure of progress include direct labour and third-party costs.

Input method requires the Group to make estimates of costs to complete its projects on an ongoing basis. Significant judgement is required to evaluate assumptions related to these estimates. The effect of revisions to estimates related to the transaction price or costs to complete a project are recorded in the period in which the estimate is revised.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

5 Segment information

(a) Disaggregation of revenue from contracts with customers

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the CODM. As a result of this evaluation, the Group determined that it has operating segments as follows:

- Big data platform and solutions
- Life sciences solutions
- Health management platform and solutions
- Others

CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment which is used by management as a basis for the purpose of resource allocation and assessment of segment performance. The selling and marketing expenses, administrative expenses and research and development expenses are not included in the measurement of the segments' performance. Net impairment losses on financial assets and contract assets, impairment of non-financial assets, other income, other losses — net, finance income/(costs) — net, shares of loss from investments in associates, and income tax (expense)/credit are also not allocated to individual operating segments. Revenues from external customers reported to CODM are measured as segment revenue, which is derived from the customers in each segment. Cost of sales and services primarily comprises cost for purchasing of hardware and software, cost of development services, salary and compensation expenses, and others. The segment information provided to CODM is measured in a manner consistent with that applied in these financial statements. There was no information on separate segment assets and segment liabilities provided to CODM, as CODM does not use such information to allocate resources to or evaluate the performance of the operating segments. The revenue segment information reported to CODM for the years ended 31 March 2023 and 2022 is as follows:

	Year ended 31 March 2023				
	Big data platform and solutions RMB'000	Life sciences solutions RMB'000	Health management platform and solutions RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers	221,863	252,884	329,953	—	804,700
Cost of sales and services	(125,997)	(208,647)	(195,526)	—	(530,170)
Gross profit	95,866	44,237	134,427	—	274,530

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

5 Segment information (Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

	Year ended 31 March 2022				Total RMB'000
	Big data platform and solutions RMB'000	Life sciences solutions RMB'000	Health management platform and solutions RMB'000	Others RMB'000	
Revenue from contracts with customers	444,891	359,375	424,941	7,993	1,237,200
Cost of sales and services	(252,284)	(270,757)	(307,257)	(7,457)	(837,755)
Gross profit	192,607	88,618	117,684	536	399,445

For the year ended 31 March 2023 and 2022, the geographical information on the total revenue is as follows:

	Year ended 31 March			
	2023		2022	
	RMB'000	%	RMB'000	%
Mainland China	622,241	77%	1,002,658	81%
Brunei	79,000	10%	181,106	15%
Rest of the world	103,459	13%	53,436	4%
	804,700	100%	1,237,200	100%

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC. For the years ended 31 March 2023 and 2022, the Group earns approximately 77% and 23%, 81% and 19% of total revenue from external customers located in the PRC and other countries, respectively. As at 31 March 2023 and 2022, majority of the non-current assets of the Group were located in the PRC and Cayman Islands.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

5 Segment information (Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Segment revenue		
— recognised over time	386,437	520,324
— recognised at a point in time	418,263	716,876
	804,700	1,237,200
Segment revenue		
— gross	687,626	1,130,716
— net	117,074	106,484
	804,700	1,237,200

The major customers which contributed more than 10% of the total revenue of the Group for the years ended 31 March 2023 and 2022 are listed as below:

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Percentage of revenue from the major customers to the total revenue of the Group		
Client A (Big data platform and solutions)	10%	15%
Client B (Health management platform and solutions)	11%	*

* represents that the amount of aggregate revenue from such customer is less than 10% of the total revenue for respective year.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

5 Segment information (Continued)

(b) Contract assets and contract liabilities

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

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Contract assets (i)		
Big data platform and solutions	25,606	34,447
Life sciences solutions	111,628	130,985
Health management and services	1,469	2,931
Less: allowance for impairment of contract assets	(14,997)	(9,614)
	123,706	158,749
Contract liabilities (ii)		
Big data platform and solutions	16,748	7,899
Life sciences solutions	36,002	22,238
Health management platform and solutions	4,193	3,119
	56,943	33,256

- (i) Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer. The decrease in the contract assets is mainly attributable to the decrease of sales of life sciences solutions segments and big data platform and solutions.
- (ii) Contract liabilities mainly arise from the advanced payments from customers of the i) big data platform and solutions, ii) life sciences solutions upon which the performance obligations have been established while the underlying services are yet to be provided.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

5 Segment information (Continued)

(c) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Big data platform and solutions	6,219	4,424
Life sciences solutions	10,818	9,541
Health management platform and solutions	2,531	3,153
Total	19,568	17,118

(d) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations as at 31 March 2023 and 2022:

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Big data platform and solutions	490,460	171,183
Life sciences solutions	305,347	406,420
Health management platform and solutions	120,657	50,727
Others	—	365
Total	916,464	628,695

Management expects that 43% and 74% of the transaction price allocated to the unsatisfied contracts as at 31 March 2023 and 2022 will be recognized as revenue within one year. The remaining 57% and 26% will be recognized over one year.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

5 Segment information (Continued)

(e) Impairment and risk exposure

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

On the basis as described in note 3.1(b), the loss allowance for contract assets as at 31 March 2023 and 2022 are determined as follows:

As at 31 March 2023 and 2022, the loss allowance of impaired contract assets is determined as follows:

	As at 31 March	
	2023	2022
	RMB'000	RMB'000
Expected loss rate	10.81%	5.71%
Gross carrying amount — contract assets	138,703	168,363
Loss allowance	14,997	9,614

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

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
At beginning of the year	9,614	4,185
Provision for impairment of contract assets	5,383	5,429
At end of the year	14,997	9,614

6 Other income

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
Government grants (i)	22,299	33,856
Interest income (ii)	70,765	542
Value added tax ("VAT") refund and VAT reduction	4,285	4,261
	97,349	38,659

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

6 Other income (Continued)

(i) Government grants

Government grants are funds for scientific and innovation research projects, awards for scientific and technological innovation enterprises and rent subsidies.

- (ii) Interest income is from long-term investments measured at amortised cost, pledged bank deposits, term deposits and restricted bank balance and deposits.

7 Other losses — net

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
Gains on disposal of right-of-use assets	(1,873)	(360)
Losses on disposal of investments accounted for using the equity method	1,119	—
Individual income tax refunds	(1,512)	(2,158)
Net foreign exchange losses	84,614	6,558
Net fair value losses/(gains) on financial assets at fair value through profit or loss (i)	2,005	(7,183)
Donation	539	19,865
Provision for legal claims	5,069	6,242
Other items	582	1,177
	90,543	24,141

- (i) Net fair value losses on financial assets at fair value through profit or loss consists of fair value changes of (a) loan to a third party with warrants to purchase their preferred shares; (b) investment in unlisted equity securities; (c) investment in venture capital fund; and (d) wealth management products (note 24).

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

8 Expenses by nature

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

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Employee benefits expenses (note 9)	777,702	982,500
Outsourcing services fee	184,059	225,955
Cost of sales	166,152	388,668
Consulting and other professional fee	80,378	92,689
Travelling, entertainment and general office expenses	63,520	105,873
Promotion and advertising expenses	34,349	77,667
Depreciation of property, plant and equipment (note 16)	24,033	21,529
Depreciation of right-of-use assets (note 17)	15,063	20,016
Labour dispatching	11,958	21,725
Amortization of intangible assets (note 18)	7,255	5,393
Auditors' remuneration	5,939	4,918
— Auditor of the Company	3,900	3,900
Taxes and surcharges	4,993	7,423
Other expenses	914	3,024
Total cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses	1,376,315	1,957,380

9 Employee benefits expenses

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Wages, salaries and bonuses	553,267	653,256
Pension costs — defined contribution plans (i)	45,802	44,886
Other social security costs	32,319	39,853
Housing benefits	34,618	38,362
Share-based compensation expenses (note 30)	99,035	182,839
Other employee welfare	12,661	23,304
	777,702	982,500

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

9 Employee benefits expenses (Continued)

- (i) Employees of the Group are required to participate in a defined contribution plan administrated and operated by the local municipal government. The Group contributes funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the plan to fund the retirement benefits of the employees.

The Group also provides an annuity plan to some senior employees, which is also a defined contribution plan.

The Group has no other material obligation for the payment of retirement benefits associated with these plans beyond the annual contributions described above.

(ii) Five highest paid individuals

The five individuals whose emoluments are the highest in the Group for the years ended 31 March 2023 and 2022 include 2 and 2 directors respectively whose emoluments are reflected in the analysis shown in note 41. The emoluments payable to the remaining 3 and 3 individuals are as follows:

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Wages and salaries	3,979	3,118
Bonuses	1,779	1,486
Pension costs — defined contribution plans	100	153
Other social security costs	123	57
Housing benefits	73	48
Share-based compensation expenses	16,905	27,818
	22,959	32,680

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

9 Employee benefits expenses (Continued)

(ii) Five highest paid individuals (Continued)

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

	Year ended 31 March	
	2023	2022
Emoluments bands:		
HK\$7,500,001 to HK\$8,000,000	1	—
HK\$8,500,001 to HK\$9,000,000	1	—
HK\$9,500,001 to HK\$10,000,000	1	—
HK\$10,500,001 to HK\$11,000,000	—	1
HK\$12,500,001 to HK\$13,000,000	—	1
HK\$16,000,001 to HK\$16,500,000	—	1
	3	3

During the years ended 31 March 2023 and 2022, no director or the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

10 Impairment of non-financial assets

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
Impairment losses charged on:		
Goodwill (note 18)	—	4,362
Intangible assets (note 18)	3,260	4,117
Inventories (note 22)	27	2,550
Prepayments (note 26)	—	1,909
	3,287	12,938

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

11 Finance income and costs

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Finance income		
Interest income on current deposits	7,998	4,972
Finance costs		
Interest expenses for lease liabilities	(2,611)	(4,213)
Finance income — net	5,387	759

12 Subsidiaries

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

Name	Country/ place and date of incorporation/ establishment	Principal activities and place of operation	Paid in capital	Ownership interest held by the Group as at 31 March		Ownership interest held by non-controlling interests	
				2023	2022	2023	2022
Directly held —							
Golden Panda Limited	Hong Kong/ 23 December 2014	Investment holding	US\$1	100.00%	100.00%	—	—
Bright Panda Limited	BVI/ 22 May 2020	Investment holding	—	100.00%	100.00%	—	—
Indirectly held —							
EVYD Technology Limited (“EVYD BVI”)	BVI/ 8 June 2020	Investment holding	US\$1,000	70.10%	90.10%	29.90%	9.90%
Nanjing Yiyi Cloud Big Data Technology Co., Ltd. (南京懿醫雲大數據科技有限公司)	PRC/ 31 August 2018	Computer technology R&D	RMB370,280,700	100.00%	100.00%	—	—
Beijing Yiyi Cloud Technology Co., Ltd. (北京懿醫雲科技有限公司) (“Beijing Yiyi Cloud”)	PRC/ 15 January 2015	Computer technology R&D	RMB923,555,836	100.00%	100.00%	—	—
Tianjin New Happy Life Technology Co., Ltd. (天津新開心生活科技有限公司)	PRC/ 28 May 2018	Medical technology development	RMB163,418,600	100.00%	100.00%	—	—
Shanghai Yizhi Medical Technology Co., Ltd. (上海懿智醫療科技有限公司)	PRC/ 21 January 2019	Medical technology development	RMB145,000,000	100.00%	100.00%	—	—
Nanjing Yiji Cloud Medical Data Research Institute Co., Ltd. (南京醫基雲醫療數據研究院有限公司)	PRC/ 27 September 2018	Medical technology development	RMB3,000,000	85.00%	85.00%	15.00%	15.00%

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

12 Subsidiaries (Continued)

Name	Country/ place and date of incorporation/ establishment	Principal activities and place of operation	Paid in capital	Ownership interest held by the Group as at		Ownership interest held by non-controlling interests	
				31 March		2023	2022
				2023	2022	2023	2022
Jiangxi Zhengyuan Medical Co., Ltd. (江西正源醫藥有限公司)	PRC/ 27 December 2018	Medical technology development	RMB5,000,000	100.00%	100.00%	—	—
EVYD Technology Sdn Bhd	Brunei/ 27 April 2020	Technology services	BND35	100.00%	100.00%	—	—
EVYD Research Private Limited	Singapore/ 9 October 2019	Technology services	US\$5,956,175	100.00%	100.00%	—	—
Beijing Xinwen Medical Certificate Technology Co., Ltd. (北京新文醫證科技有限公司)	PRC/ 10 October 2020	Technology services	RMB38,423,200	100.00%	100.00%	—	—
Tianjin Joyful Life Health Management Co., Ltd. (天津幸福生命健康管理有限公司)	PRC/ 3 August 2020	Computer technology R&D	—	100.00%	100.00%	—	—
Tianjin Joyful Life Technology Co., Ltd. (天津幸福生命科技有限公司) ("Tianjin Joyful Life")	PRC/ 7 November 2016	Computer technology R&D	RMB10,776,600	100.00%	100.00%	—	—
Ningbo Century Kangtai Technology Co., Ltd. (寧波世紀康泰科技有限公司)	PRC/ 20 February 2020	Technology services	—	100.00%	100.00%	—	—
Guizhou Yidu Cloud Technology Co., Ltd. (貴州醫渡雲技術有限公司) ("Yidu Cloud Guizhou")	PRC/ 10 July 2018	Computer technology R&D	RMB4,000,000	100.00%	100.00%	—	—
Beijing Zhongshi Hanming Enterprise Co., Ltd. (北京中世漢明實業有限公司) ("Beijing Zhongshi Hanming")	PRC/ 8 June 2010	Computer technology R&D	RMB33,500,000	100.00%	100.00%	—	—
Tianjin Happy Life Technology Co., Ltd. (天津開心生活科技有限公司) ("Tianjin Happy Life")	PRC/ 23 January 2017	Medical technology development	—	100.00%	100.00%	—	—
Yidu Cloud (Beijing) Technology Co., Ltd. (醫渡雲(北京)技術有限公司) ("Yidu Cloud Beijing")	PRC/ 3 February 2012	Computer technology R&D	RMB34,000,000	100.00%	100.00%	—	—
Yidu Cloud (Chongqing) Technology Co., Ltd. (醫渡雲(重慶)科技有限公司)	PRC/ 26 November 2018	Medical technology development	—	100.00%	100.00%	—	—
Xinhexin Technology (Beijing) Co., Ltd. (心核心科技(北京)有限公司) ("Xinhexin")	PRC/ 26 April 2018	Medical device sales	RMB8,800,000	85.00%	85.00%	15.00%	15.00%
Yidu Cloud (Guangzhou) Technology Co., Ltd. (醫渡雲(廣州)技術有限公司)	PRC/ 22 April 2019	Computer technology R&D	RMB30,000,000	100.00%	100.00%	—	—
Ningbo Century Kangtai Insurance Brokerage Co., Ltd. ("Century Kangtai") (寧波世紀康泰保險經紀有限公司)	PRC/ 3 July 2008	Insurance brokerage	RMB50,000,000	100.00%	100.00%	—	—

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

12 Subsidiaries (Continued)

Name	Country/ place and date of incorporation/ establishment	Principal activities and place of operation	Paid in capital	Ownership interest held by the Group as at 31 March		Ownership interest held by non-controlling interests	
				2023	2022	2023	2022
				Guizhou Gelin Meida Medical Research Co., Ltd. (貴州格林美達醫學研究有限公司)	PRC/ 27 June 2018	Medical technology development	RMB100,000
Tianjin Causa Health Management Co., Ltd. (天津幸福生命健康管理有限公司)	PRC/ 27 July 2020	Medical technology development	—	100.00%	100.00%	—	—
Beijing Causa Health Technology Co., Ltd. (北京因數健康科技有限公司)	PRC/ 12 April 2017	Medical technology development	RMB4,500,000	100.00%	100.00%	—	—
Sichuan Dada Pharmaceutical Co., Ltd. (四川達達醫藥有限公司)	PRC/ 31 May 2022	Medical technology development	RMB2,583,500	100.00%	100.00%	—	—

(a) As at 31 March 2023, the total non-controlling interests are RMB73,787 (2022: RMB17,666). No subsidiary has non-controlling interests that are material to the Group.

13 Investments accounted for using the equity method

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
At beginning of the year	9,915	5,217
Additions (a)	3,833	4,905
Share of losses from investments in associates (b(i))	(4,277)	(207)
Disposal of associates (b(ii))	(4,189)	—
At end of the year	5,282	9,915

(a) Additions

YD Capital I L.P.

On 28 October 2022, the Group entered into an investment agreement with other investors and subscribed for 40.00% equity interests of YD Capital I L.P. The cash equivalent to approximately RMB3.8 million was paid by the Group as at 31 March 2023.

Yiduyun Private Equity Fund Management (Beijing) Partnership (Limited Partnership)

On 4 March 2022, the Group entered into an investment agreement with other investors and subscribed for 49.00% equity interests of Yiduyun Private Equity Fund Management (Beijing) Partnership (Limited Partnership). The cash consideration equivalent to approximately RMB4.9 million was fully paid by the Group on 4 March 2022.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

13 Investments accounted for using the equity method (Continued)

(a) Additions (Continued)

Beijing Yiduyun Management Consulting Co., Ltd.

On 7 January 2022, the Group entered into an investment agreement with other investors and subscribed for 49.00% equity interests of Beijing Yiduyun Management Consulting Co., Ltd. The cash consideration equivalent to approximately RMB5 thousand was fully paid by the Group on 7 January 2022.

As of 31 March 2023, the above two companies have not carried out substantive business activities.

Since the Group has voting rights to their equity interests in the shareholders meeting, the Group is considered to have significant influence but not control over above entities.

- (b) Set out below are the associates of the Group as at 31 March 2023 and 2022. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	% of ownership interest as at		Nature of relationship	Measurement method	Carrying amount as at 31 March	
		2023	2022			2023	2022
		%	%			RMB'000	RMB'000
Beijing Zhongyan Baicao Testing and Certification Co., Ltd. ("Beijing Zhongyan Baicao") (北京中研百草檢測認證有限公司)	PRC	4.67%	4.67%	Associate	Equity method	1,444	1,299
Yiduyun Private Equity Fund Management (Beijing) Partnership (Limited Partnership)(醫渡雲私募基金管理(北京)合夥企業(有限合夥))(i)	PRC	49.00%	49.00%	Associate	Equity method	—	4,900
Guiyang Wudang Yiduyun Medical Healthcare Industry Investment Fund (Limited Partnership) ("Guiyang Wudang Yiduyun") (貴陽烏當醫渡雲醫療健康產業投資基金(有限合夥))(ii)	PRC	—	19.98%	Associate	Equity method	—	3,711
Beijing Yiduyun Management Consulting Co., Ltd. (北京醫渡雲管理諮詢有限公司)	PRC	49.00%	49.00%	Associate	Equity method	5	5
YD Capital I L.P.	Cayman Islands	40.00%	—	Associate	Equity method	3,833	—
Total equity account investments						5,282	9,915

- (i) The Group's share of loss of Yiduyun Private Equity Fund Management (Beijing) Partnership (Limited Partnership) and the amount of share of loss from investment in associates recognized already exceed the Group's investment in the associate. Therefore, the Group has not shared further loss of Yiduyun Private Equity Fund Management (Beijing) Partnership (Limited Partnership) and the related unrecognized share of loss amounted to approximately RMB2,384 for year ended 31 March 2023.
- (ii) On 19 August 2022, Guiyang Wudang Yiduyun Medical Healthcare Industry Investment Fund ("Guiyang Wudang Yiduyun"), an associate company completed its liquidation and deregistration. The Group received cash equivalent to approximately RMB2.6 million from Guiyang Wudang Yiduyun upon its liquidation.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

14 Income tax (expense)/credit

(a) Cayman Islands

The Company is incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to Cayman Islands income tax.

(b) Hong Kong Income Tax

Subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5% for assessable profits earned in Hong Kong before 1 April 2018. Starting from the financial year commencing on 1 April 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HK\$2 million and 16.5% for any assessable profits in excess of HK\$2 million.

(c) Singapore Income Tax

Singapore income tax rate is 17%. No Singapore profits tax was provided for as there was no estimated assessable profit that was subject to Singapore profits tax.

(d) Brunei Income Tax

EVYD Technology Sdn Bhd ("EVYD") is incorporated in Brunei and subject to Brunei income tax rate of 18.5%. The Brunei Economic Development Board granted EVYD an income tax exemption for a period of 5 years, which is effective from October 2020.

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

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

Beijing Yiyi Cloud and Yidu Cloud Beijing were qualified as "High and New Technology Enterprises" ("HNTEs") under the relevant PRC laws and regulations on 31 October 2018, and renewed this qualification on 25 October 2021. Accordingly, both entities were entitled to a preferential income tax rate of 15% during the calendar year from 2021 to 2023. This status is subject to a requirement that Beijing Yiyi Cloud and Yidu Cloud Beijing reapply for HNTEs status every three years.

(f) PRC Withholding Tax ("WHT")

According to the Corporate Income Tax ("CIT") Law, distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on treaties or arrangements between the PRC central government and governments of other countries or regions where the foreign investors are incorporated, upon the distribution of profits to overseas-incorporated immediate holding companies. During the years ended 31 March 2023 and 2022, no deferred income tax liability on WHT was accrued as at the end of each reporting period because the subsidiaries of the Group were cumulatively loss making.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

14 Income tax (expense)/credit (Continued)

(f) PRC Withholding Tax ("WHT") (Continued)

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Current tax	2,529	—
Deferred income tax expense/(credit) (note 33)	893	(486)
Income tax expense/(credit)	3,422	(486)

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

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Loss before income tax expense	(628,939)	(766,846)
Tax calculated at statutory tax rate of 25%	(157,235)	(191,712)
Tax effects of:		
Effect of preferential tax rates	45,676	32,695
Effect of different tax rates	4,123	9,397
Expenses not deductible for tax purposes	1,242	3,078
Research and development tax credit	(20,091)	(22,779)
Income not subject to tax	—	(870)
Tax losses and temporary differences for which no deferred income tax asset was recognised	140,645	177,459
Deferred income	(671)	531
Utilisation of previously unrecognised tax losses	(10,267)	(8,285)
	3,422	(486)
Unused tax losses for which no deferred income tax assets has been recognised for entities subject to the income tax rate of 25%	40,518	46,146
Unused tax losses for which no deferred income tax assets has been recognised for entities subject to the income tax rate of 15%	82,205	54,180
	122,723	100,326

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

14 Income tax (expense)/credit (Continued)

(f) PRC Withholding Tax ("WHT") (Continued)

The expiry dates of the unused tax losses as of the respective balance sheet dates are listed as below.

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Year ending 31 March 2023	—	5,901
Year ending 31 March 2024	65,001	93,884
Year ending 31 March 2025	106,921	107,892
Year ending 31 March 2026	128,461	129,816
Year ending 31 March 2027	184,765	328,872
Year ending 31 March 2028	381,155	235,721
Year ending 31 March 2029	318,285	318,285
Year ending 31 March 2030	259,053	259,053
Year ending 31 March 2031	205,500	205,500
Year ending 31 March 2032	353,544	353,544
Year ending 31 March 2033	548,031	—
	2,550,716	2,038,468

15 Loss per share

- (a) Basic loss per share for the years ended 31 March 2023 and 2022 are calculated by dividing the loss attributable to the Company's owners by the weighted average number of ordinary shares in issue during the years.

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

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Loss attributable to owners of the Company	(627,966)	(762,318)
Weighted average number of ordinary shares in issue ('000)	995,204	957,776
Basic loss per share (RMB yuan)	(0.63)	(0.80)

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

15 Loss per share (Continued)

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

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

16 Property, plant and equipment

	Electronic equipment RMB'000	Office furniture RMB'000	Leasehold improvement RMB'000	Total RMB'000
Cost:				
At 1 April 2022	104,781	2,910	43,838	151,529
Additions	14,523	285	23,426	38,234
Disposal	(2,516)	(72)	—	(2,588)
At 31 March 2023	116,788	3,123	67,264	187,175
Accumulated depreciation:				
At 1 April 2022	(74,498)	(1,909)	(15,778)	(92,185)
Depreciation	(15,054)	(562)	(8,417)	(24,033)
Disposal	1,584	43	—	1,627
At 31 March 2023	(87,968)	(2,428)	(24,195)	(114,591)
Net carrying amount:				
At 1 April 2022	30,283	1,001	28,060	59,344
At 31 March 2023	28,820	695	43,069	72,584

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

16 Property, plant and equipment (Continued)

	Electronic equipment RMB'000	Office furniture RMB'000	Leasehold improvement RMB'000	Total RMB'000
Cost:				
At 1 April 2021	83,703	3,704	14,021	101,428
Additions	24,143	16	29,817	53,976
Disposal	(3,065)	(810)	—	(3,875)
At 31 March 2022	104,781	2,910	43,838	151,529
Accumulated depreciation:				
At 1 April 2021	(62,652)	(2,107)	(8,454)	(73,213)
Depreciation	(13,825)	(380)	(7,324)	(21,529)
Disposal	1,979	578	—	2,557
At 31 March 2022	(74,498)	(1,909)	(15,778)	(92,185)
Net carrying amount:				
At 1 April 2021	21,051	1,597	5,567	28,215
At 31 March 2022	30,283	1,001	28,060	59,344

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

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Cost of sales and services	817	1,505
Administrative expenses	13,697	4,937
Research and development expenses	7,834	7,460
Selling and marketing expenses	1,685	7,627
	24,033	21,529

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

17 Leases

(a) Amounts recognised in the consolidated balance sheets

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Right-of-use assets (i)		
Buildings	11,249	43,381
Lease liabilities		
Current	9,538	26,178
Non-current	4,590	25,987
	14,128	52,165

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

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
Cost		
At beginning of the year	106,246	66,008
Additions	11,300	48,327
Lease expiration	—	(73)
Termination of lease contracts	(66,711)	(8,016)
At end of the year	50,835	106,246
Accumulated depreciation		
At beginning of the year	(62,865)	(44,649)
Depreciation charged for the year	(15,063)	(20,016)
Lease expiration	—	73
Termination of lease contracts	38,342	1,727
At end of the year	(39,586)	(62,865)
Net carrying amount		
At end of the year	11,249	43,381

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

17 Leases (Continued)

(b) Amounts recognised in the consolidated statements of comprehensive income

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
Depreciation charge of right-of-use assets	15,063	20,016
Interest expense	2,611	4,213
Expense relating to short-term leases	5,969	8,919

The total cash outflow for leases for the years ended 31 March 2023 and 2022 were approximately RMB29.1 million and RMB29.0 million respectively.

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
Principal elements of lease payments	(20,501)	(15,836)
Interest expense of leases payments	(2,611)	(4,213)
Short-term lease expenses	(5,969)	(8,919)
	(29,081)	(28,968)

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

18 Intangible assets

	Goodwill RMB'000	License RMB'000	Technology RMB'000	Software RMB'000	Total RMB'000
Cost:					
At 1 April 2022	4,362	33,451	3,900	13,359	55,072
Additions	—	3,162	—	11,640	14,802
Disposal	—	—	—	(8)	(8)
At 31 March 2023	4,362	36,613	3,900	24,991	69,866
Accumulated amortization:					
At 1 April 2022	(4,362)	(7,794)	(3,900)	(3,767)	(19,823)
Impairment (a)	—	(1,558)	—	(1,702)	(3,260)
Amortization	—	(1,674)	—	(5,581)	(7,255)
Disposal	—	—	—	3	3
At 31 March 2023	(4,362)	(11,026)	(3,900)	(11,047)	(30,335)
Net carrying amount:					
At 31 March 2022	—	25,657	—	9,592	35,249
At 31 March 2023	—	25,587	—	13,944	39,531

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

18 Intangible assets (Continued)

	Goodwill RMB'000	License RMB'000	Technology RMB'000	Software RMB'000	Total RMB'000
Cost:					
At 1 April 2021	4,362	33,451	3,900	3,964	45,677
Additions	—	—	—	10,074	10,074
Disposal	—	—	—	(679)	(679)
At 31 March 2022	4,362	33,451	3,900	13,359	55,072
Accumulated amortization:					
At 1 April 2021	—	(3,683)	(1,300)	(1,496)	(6,479)
Impairment (a)	(4,362)	(2,297)	(1,820)	—	(8,479)
Amortization	—	(1,814)	(780)	(2,799)	(5,393)
Disposal	—	—	—	528	528
At 31 March 2022	(4,362)	(7,794)	(3,900)	(3,767)	(19,823)
Net carrying amount:					
At 31 March 2021	4,362	29,768	2,600	2,468	39,198
At 31 March 2022	—	25,657	—	9,592	35,249

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

18 Intangible assets (Continued)

- (a) As of 31 March 2023, the Group plans to close the business of CausalHealth — Medical digital center and has made provisions for impairment of software amounted to RMB1.7 million.

As of 31 March 2023, the Group plans to close the business of Sichuan Dada Pharmaceutical Co., Ltd. and has made provisions for impairment of GSP license amounted to RMB1.6 million.

As of 31 March 2022, the Group plans to close the business of Xinhexin Technology (Beijing) Co., Ltd. (“Xinhexin”), the estimated recoverable amount of Xinhexin reduced to nil, the Group has made provisions for impairment of goodwill and technology amounted to RMB4.4 million and RMB1.8 million, respectively.

As of 31 March 2022, the Group plans to close the business of Jiangxi Zhengyuan Medical Co., Ltd., and has made provisions for impairment of GSP license amounted to RMB2.3 million.

- (b) Amortization expenses have been charged to profit or loss and presented in the consolidated statements of comprehensive income as follows:

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
Cost of sales and services	179	—
Administrative expenses	2,366	1,464
Research and development expenses	2,360	1,340
Selling and marketing expenses	2,350	2,589
	7,255	5,393

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

19 Financial instruments by category

	Note	As at 31 March	
		2023 RMB'000	2022 RMB'000
Financial assets			
Financial assets at amortised cost:			
Trade receivables	21	474,498	513,244
Other financial assets at amortised cost	20	81,843	70,656
Cash and cash equivalents	25	1,172,793	3,408,505
Pledged bank deposits	25	3,339	—
Term deposits	25	2,339,699	318,595
Restricted bank balance and deposits	25	6,208	5,024
Financial assets at fair value through profit or loss	24	253,208	53,388
		4,331,588	4,369,412
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables (excluding tax payables)	31	376,691	317,138
Lease liabilities	17	14,128	52,165
		390,819	369,303

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

20 Other financial assets at amortised cost

Other financial assets at amortised cost include the following:

	As at 31 March	
	2023	2022
	RMB'000	RMB'000
Deposits of share award scheme trusts (a)	26,449	24,434
Interests receivable	21,151	—
Rental, projects and other deposits	18,368	24,630
Payments on behalf of the third parties (b)	3,882	10,158
Prepayments for traveling and other expenses	2,335	2,199
Others	12,849	11,475
	85,034	72,896
Less: provision for impairment of other receivables (c)	(3,191)	(2,240)
	81,843	70,656

- (a) In November 2021, the Company entered into a Trust Deed constituting Yidu Tech Share Award Trust (the "Trust Deed") with Trident Trust Company (HK) Limited ("Trustee"). The Company and the Trustee established the Trust by the execution of the Trust Deed, and together with the adoption by the Company of the share award scheme rules, for the purpose of encouraging and facilitating the Trustee's purchase and holding, either directly or indirectly, of the shares of the Company, for the benefit of the eligible persons of the Group pursuant to the share award scheme rules and the Trust Deed. The balance represented that the Group from time to time at its sole discretion transferred, paid or credited sums of money to the Trustee for the acquisition of shares to be held on trust in accordance with the Trust Deed and the share award scheme rules.
- (b) In life sciences solutions segment, the Group's travelling and related expenses incurred by its employees that will be reimbursed by the customers as agreed in the contracts.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

20 Other financial assets at amortised cost (Continued)

(c) Impairment and risk exposure

All of the financial assets at amortised cost are denominated in RMB. As a result, there is no exposure to foreign currency risk.

On the basis as described in note 3.1(b), the loss allowance for other financial assets at amortised cost as at 31 March 2023 and 2022 are determined as follows:

- (i) As at 31 March 2023, the loss allowance of individually impaired other financial assets at amortised cost is determined as follows:

Individual	Other financial assets at amortised cost	Expected credit loss rate	Loss allowance	Reason
Other financial assets at amortised cost	3,191	100%	3,191	The likelihood of recovery is low

- (ii) As at 31 March 2022, the loss allowance of individually impaired other financial assets at amortised cost is determined as follows:

Individual	Other financial assets at amortised cost	Expected credit loss rate	Loss allowance	Reason
Other financial assets at amortised cost	2,240	100%	2,240	The likelihood of recovery is low

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

21 Trade receivables

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Trade receivables from contracts with customers		
— Third parties	581,506	597,186
— Related parties (note 38)	—	1,787
Less: allowance for impairment of trade receivables	(107,008)	(85,729)
	474,498	513,244

- (a) The credit terms given to trade customers are determined on an individual basis with normal credit period mainly around 180 days. The aging analysis of the trade receivables based on invoice date is as follows:

	As at 31 March	
	2023 RMB'000	2022 RMB'000
— Up to 3 months	239,847	376,413
— 3 to 6 months	17,520	26,118
— 6 months to 1 year	93,067	87,308
— 1-2 years	178,274	45,746
— Over 2 years	52,798	63,388
	581,506	598,973
Less: allowance for impairment of trade receivables	(107,008)	(85,729)
Total	474,498	513,244

(b) **Fair values of trade receivables**

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

21 Trade receivables (Continued)

(c) Impairment and risk exposure

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

On the basis as described in note 3.1(b), the loss allowance for trade receivables as at 31 March 2023 and 2022 is determined as follows:

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

At 31 March 2023 Individual	Trade receivables	Expected credit loss rate	Loss allowance	Reason
Trade receivables	44,894	100%	44,894	The likelihood of recovery is low

For trade receivables that share same risk characteristics with others:

	Current	No more than 1 year past due	1 year to 2 years past due	More than 2 years past due	Total
At 31 March 2023					
Expected loss rate	3.5%	5.4%	20.3%	53.7%	11.6%
Gross carrying amount					
— trade receivables	256,058	86,476	167,163	26,915	536,612
Loss allowance	9,019	4,670	33,985	14,440	62,114

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

At 31 March 2022 Individual	Trade receivables	Expected credit loss rate	Loss allowance	Reason
Trade receivables	52,216	100%	52,216	The likelihood of recovery is low

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

21 Trade receivables (Continued)

(c) Impairment and risk exposure (Continued)

For trade receivables that share same risk characteristics with others:

	Current	No more than 1 year past due	1 year to 2 years past due	More than 2 years past due	Total
At 31 March 2022					
Expected loss rate	3.5%	3.6%	16.3%	51.5%	6.1%
Gross carrying amount					
— trade receivables	401,043	87,236	39,474	19,004	546,757
Loss allowance	14,173	3,112	6,447	9,781	33,513

(d) The movements on the provision for impairment of trade receivables are as follows:

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
At beginning of the year	(85,729)	(43,848)
Provision for impairment of trade receivables	(55,619)	(41,881)
Write off of trade receivables	34,340	—
At end of the year	(107,008)	(85,729)

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

22 Inventories

	As at 31 March	
	2023	2022
	RMB'000	RMB'000
Purchased goods — at cost	6,310	8,286
Less: provisions for impairment (note 10)	(2,577)	(2,550)
	3,733	5,736

(i) **Amounts recognized in profit or loss**

Inventories recognized as cost of sales and services during the years ended 31 March 2023 and 2022 amounted to approximately RMB166.2 million and RMB388.7 million, respectively.

23 Long-term investments measured at amortised cost

	As at 31 March	
	2023	2022
	RMB'000	RMB'000
Fixed rate notes	240,510	—

Long-term investments measured at amortised cost are investments of fixed rate notes issued by Goldman Sachs Finance Corp International Ltd with a maturity of two years, where the contractual cash flows are solely payments of principal and interests.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

24 Financial assets at fair value through profit or loss

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

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

- Debt investments that do not qualify for measurement at amortised cost (see note 20 above)
- Investment in unlisted equity securities and venture capital fund for which the Company has not elected to recognize fair value gains and losses through OCI.

Financial assets mandatorily measured at FVPL include the following:

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Non-current assets		
Investment in unlisted equity securities (i)	—	8,570
Investment in venture capital fund (ii)	23,115	7,891
	23,115	16,461
Current assets		
Investment in wealth management products (iii)	230,093	25,000
Loan to a third party with warrants to purchase their preferred shares (iv)	—	11,927
	230,093	36,927

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

24 Financial assets at fair value through profit or loss (Continued)

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

- (i) Please refer to note 3.3(a)(iv) for details.
- (ii) On 12 May 2021, the Company entered into an subscription agreement with Bits x Bites Growth Fund I, L.P. for a subscription of US\$1.5 million in this venture capital fund, of which the remaining US\$0.15 million will be paid in 2023 and 2024.

On 11 May 2022, the Company entered into an subscription agreement with TruMed Health Innovation Fund LP for a subscription of US\$3 million in this venture capital fund, of which the remaining US\$1.73 million will be paid by 2028.

- (iii) The wealth management products (“WMP”) of the Group as at 31 March 2023 were purchased from local banks in China. The WMP were principal protected with maturity within 3 months. The expected interest rate of WMP was 1.65%–2.85% per annum and interest will be paid on the maturity date.
- (iv) Please refer to note 3.3(a)(iv) for details.

(b) Amounts recognised in profit or loss

During the years, the following (losses)/gains were recognised in profit or loss:

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
Fair value changes on investments in wealth management products	15,315	16,201
Fair value changes on loan to a third party with warrants to purchase their preferred shares	(11,927)	(9,018)
Fair value changes on investment in unlisted equity securities	(9,241)	—
Fair value changes on investment in venture capital fund	3,848	—
	(2,005)	7,183

(c) Risk exposure and fair value measurements

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

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

25 Cash and bank balances

(a) Cash and cash equivalents

	As at 31 March	
	2023	2022
	RMB'000	RMB'000
Bank balances, term deposits, pledged bank deposits and restricted bank balance and deposits	3,522,039	3,732,124
Less:	(2,349,246)	(323,619)
Term deposits	(2,339,699)	(318,595)
Pledged bank deposits	(3,339)	—
Restricted bank balance and deposits with initial terms over three months*	(6,208)	(5,024)
Cash and cash equivalents	1,172,793	3,408,505

* Restricted bank balance and deposits included i) deposits in an escrow account with China CITIC Bank Ningbo Branch according to a percentage of the registered capital of Century Kangtai for the operation of insurance brokerage business; ii) deposits in a legally frozen account with China CITIC Bank Beijing Branch according to the litigation.

The directors of the Company considered that the carrying amount of the term deposits, pledged bank deposits and restricted bank balance and deposits with initial terms over three months approximated to their fair value as at 31 March 2023 and 2022.

The weighted average effective interest rate of the term deposits and restricted bank balance and deposits of the Group for the years ended 31 March 2023 and 2022 are 4.65% and 2.12% respectively.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

25 Cash and bank balances (Continued)

(a) Cash and cash equivalents (Continued)

Bank balances, term deposits, pledged bank deposits and restricted bank balance and deposits of the Group are denominated in the following currencies:

	As at 31 March	
	2023 RMB'000	2022 RMB'000
US\$	2,527,296	2,554,151
RMB	904,732	699,577
HK\$	86,577	373,678
SGD (Singapore Dollar)	2,829	25,540
BND	605	79,178
Total	3,522,039	3,732,124

(b) Pledged bank deposits

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Non-current assets	1,262	—
Current assets	2,077	—
Total	3,339	—

Pledged bank deposits represent deposits pledged to banks to obtain letters of guarantees for the fulfilment of certain contracts.

Pledged bank deposits of the Group are all denominated in RMB and carried interests at market rates at 0.3% as at 31 March 2023.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

26 Other current assets

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Prepayment :		
Prepaid cloud storage and other service fee	54,795	10,612
Advance payments to suppliers for inventories	1,974	3,736
Others	2,157	1,685
Deductible input VAT	25,963	25,662
Less: provision for impairment of prepayment (note 10)	(1,909)	(1,909)
	82,980	39,786

27 Share capital

	Number of shares	Share capital US\$'000	Share capital RMB'000
Issued:			
At 1 April 2021	925,229,510	19	116
Newly issued ordinary shares	9,828,835	—	1
Exercise of option vesting	52,082,695	1	7
At 31 March 2022	987,141,040	20	124
At 1 April 2022	987,141,040	20	124
Newly issued ordinary shares	12,536,037	—	2
Exercise of option vesting	35,880,708	1	5
At 31 March 2023	1,035,557,785	21	131

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

28 Other reserves

	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Share premium RMB'000	Other reserves RMB'000	Total RMB'000
At 1 April 2022	426,565	251,418	11,368,269	181,475	12,227,727
Share-based compensation (note 30)	99,035	—	—	—	99,035
Exercise of option vesting	(32,229)	—	37,689	—	5,460
Vesting of Post-IPO Share Award Scheme	(117,887)	—	117,887	—	—
Issuance of ordinary shares	(2)	—	—	—	(2)
Disposal of minority interest of subsidiary (i)	—	—	316,584	—	316,584
Currency translation differences	—	299,446	—	—	299,446
At 31 March 2023	375,482	550,864	11,840,429	181,475	12,948,250

(i) **Disposal of minority interest of subsidiary**

On 21 December 2022, the Group and Yaqut Sdn Bhd, an investment holding company incorporated under the laws of Brunei and beneficially owned by the Brunei Investment Agency, entered into the Sale and Purchase Agreement whereby Yaqut Sdn Bhd agreed to acquire 20% of the issued shares of EVYD BVI at a consideration of US\$55 million. Upon completion of the agreement, the Group and Yaqut Sdn Bhd respectively hold 70.1% and 29.9% of the issued shares of EVYD BVI. It is expected that Yaqut Sdn Bhd's global networks will better empower the further growth of the Company. As the Company will continue to indirectly hold 70.1% shares of EVYD BVI after the disposal, and hence it will continue to be the controlling shareholder of EVYD BVI after the disposal.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

28 Other reserves (Continued)

	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Share premium RMB'000	Other reserves RMB'000	Total RMB'000
At 1 April 2021	358,744	392,315	11,255,701	198,427	12,205,187
Share-based compensation (note 30)	178,227	—	—	—	178,227
Exercise of option vesting	(110,405)	—	112,568	—	2,163
Issuance of ordinary shares	(1)	—	—	—	(1)
Termination of share options issued to third party individuals (note 30(d))	—	—	—	(16,952)	(16,952)
Currency translation differences	—	(140,897)	—	—	(140,897)
At 31 March 2022	426,565	251,418	11,368,269	181,475	12,227,727

29 Accumulated deficits

	Year ended 31 March	
	2023 RMB'000	2022 RMB'000
At beginning of the year	8,238,050	7,475,732
Net loss for the year	627,966	762,318
At end of the year	8,866,016	8,238,050

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

30 Share-based compensation

(a) Share Option Scheme

Share Option Scheme includes Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme.

Pre-IPO Share Option Plans

The establishment of the Company's Share Incentive Plans (Plan A and Plan B) (the "Share Incentive Plans") were approved by shareholders in March 2015. The Share Incentive Plans are designed to provide long-term incentives for employees, directors and consultants. Under the Share Incentive Plans, participants are granted options which only vest if certain service and performance condition ("QIPO condition") are met. Participation in the Share Incentive Plans is at the board's discretion, and no individual has a contractual right to participate in the Share Incentive Plans or to receive any guaranteed benefits. The Share Incentive Plans are valid and effective for 10 or 20 years from the grant date. Sweet Panda Limited holds 83,333,335 shares after taking into account the effect of the Share Subdivision under Plan A, in which 68,333,335 shares have been surrendered to incentive pool. The shareholders of the Company reserved 83,333,335 shares after taking into account the effect of the Share Subdivision under Plan B for incentive pool. The Company grants options of Plan A to those employees who joined the Group before 1 January 2015, and for rest of employees, they will be granted options under Plan B.

Subject to the participants continuing to be a service provider, majority of these options will be vested over two, four or five years upon fulfilling the service and performance conditions ("QIPO condition") prescribed in the share option agreement and the Share Incentive Plans.

The share options shall be subject to different vesting schedules of one, two, four or five years from the vesting commencement date, subject to the participant continuing to be an employee through each vesting date. For vesting schedule of one or two years, the granted share options are vested on the first or second anniversary of the vesting commencement date. For vesting schedule of four years, i) 25% of the granted share options are vested on each anniversary from the vesting commencement date; or ii) 50% of the granted share options are vested on the second anniversary from the vesting commencement date and 25% and 25% of granted share options are vested on the same day in the following two subsequent years, respectively. For vesting schedule as five years, 20% of the granted share options are vested on each anniversary from the vesting commencement date.

Post-IPO Share Option Scheme

Pursuant to the resolution of the Shareholders on 28 December 2020, the shareholders of the Company approved the adoption of the Post-IPO Share Option Scheme to grant options to the Group's employees. The number of new shares issued under the Post-IPO Share Option Scheme will be no more than 90,176,201 shares, being no more than 10% of the shares in issue on the date the shares commence trading on the Stock Exchange. The vesting period of the Post-IPO Share Option Scheme is 2 or 4 years subject to employees' continuous service to the Company. During the year ended 31 March 2023, the Company granted 18,979,900 options to its employees under Post-IPO Share Option Scheme.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

30 Share-based compensation (Continued)

(a) Share Option Scheme (Continued)

Movements in the number of share options granted to employees are as follows:

	Year ended 31 March			
	2023		2022	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
At beginning of the year	US\$0.301	96,321,362	US\$0.056	149,656,075
Granted during the year	US\$0.614	18,979,900	US\$4.443	4,842,450
Exercised during the year	US\$0.022	(35,880,708)	US\$0.017	(51,874,030)
Forfeited during the year	US\$1.198	(9,581,375)	US\$0.010	(6,303,133)
At end of the year	US\$0.406	69,839,179	US\$0.301	96,321,362

No options expired during the years covered by the above tables.

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

Grant date	Expiry date	Exercise price	Number of share options	
			31 March 2023	31 March 2022
2014	2024	US\$ 0.0028	150,000	1,258,000
2015	2025 or 2035	US\$ 0.0028 or 0.018	820,755	1,684,755
2016	2026	US\$ 0.018	20,689,345	36,551,605
2017	2027	US\$ 0.018	11,936,250	25,102,675
2018	2028	US\$ 0.018	4,474,445	6,313,400
2019	2029	US\$ 0.018	8,836,535	10,708,895
2020	2030	US\$ 0.018	6,530,172	10,427,662
2021	2031	US\$ 0.018 or 4.438	2,337,452	4,274,370
2022	2032	US\$ 0.615 or 1.126	14,064,225	—
Total			69,839,179	96,321,362

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

30 Share-based compensation (Continued)

(a) Share Option Scheme (Continued)

The Company has used Binomial option-pricing model to determine the fair value of the share options as at the grant date for the year ended 31 March 2023. Key assumptions for the year ended 31 March 2023 are set as below:

	As at 31 March 2023		As at 31 March 2022
Grant date	10 October 2022	22 April 2022	29 July 2021
Fair value per ordinary share	HK\$4.33	HK\$8.43	HK\$33.90
Exercise price	HK\$4.80	HK\$8.83	HK\$34.52
Risk-free interest rate	3.7%	3.0%	0.9%
Dividend yield	—	—	—
Volatility	48%	48%	44%
Expected terms	10 years	10 years	10 years

The total expenses recognised in profit or loss in respect of the share-based compensation under for the Share Incentive Plans are disclosed in note 9.

The weighted average remaining contractual life of share options outstanding as at 31 March 2022 and 31 March 2023 is 5.33 year and 5.66 year, respectively.

(b) Post-IPO Share Award Scheme

Pursuant to the resolution of the Shareholders on 28 December 2020, the Post-IPO Share Award Scheme was conditionally adopted to align the interests of eligible persons with those of the Group and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group. An award granted under the Post-IPO Share Award Scheme may be vested in the form of award shares or the actual selling price of the award shares in cash, as the board of directors of the Company may determine in accordance with the related rules. The aggregate number of Shares underlying all grants made pursuant to the Post-IPO Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme) will not exceed 45,088,100 Shares without Shareholders' approval subject to an annual limit of 3% of the total number of issued Shares at the relevant time.

(i) Grant of the shares under the Post-IPO Share Award Scheme during the year ended 31 March 2023

On 1 April 2022, 1 July 2022, 1 October 2022, and 1 January 2023, 178,600, 4,195,500, 10,108,700 and 55,300 shares were granted to employees, respectively. Totally 14,538,100 shares were granted during the year ended 31 March 2023.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

30 Share-based compensation (Continued)

(b) Post-IPO Share Award Scheme (Continued)

(ii) Fair value of shares under the Post-IPO Share Award Scheme

The fair value of shares granted on 1 April 2022 was assessed to approximate to the market price of the grant date at the amount of HK\$9.69 each (equivalent to RMB1,403,267 in total).

The fair value of shares granted on 1 July 2022 was assessed to approximate to the market price of the grant date at the amount of HK\$9.36 each (equivalent to RMB33,461,079 in total).

The fair value of shares granted on 1 October 2022 was assessed to approximate to the market price of the grant date at the amount of HK\$4.82 each (equivalent to RMB44,067,875 in total).

The fair value of shares granted on 1 January 2023 was assessed to approximate to the market price of the grant date at the amount of HK\$6.10 each (equivalent to RMB300,193 in total).

Movements in the number of shares granted and the respective weighted average grant date fair value are as follows:

	Number of shares under Post-IPO Share Award Scheme	Weighted average fair value per shares (HK\$)
As at 1 April 2022 (Audited)	7,802,690	32.41
Granted during the period	14,538,100	6.20
Vested during the period	(3,611,957)	18.62
Forfeited during the period	(4,482,449)	22.07
As at 31 March 2023 (Audited)	14,246,384	27.44

- (c) The Group has repurchased the options from certain employees of the Company. These repurchased share-based awards constitute a modification from equity-settled awards to cash settled awards. The Group has recognised a liability in connection with the cash-settled awards at the amount as determined based on the fair value of the equity-settled awards derecognised as of the modification date, with a corresponding debit to equity for the same amount (i.e. the repurchase of vested equity instruments is accounted for as a deduction from equity). The Group re-measures the liability at the date of change and at each subsequent reporting date, and recognises any additional expense from increases in the liability. The Group has determined that no valid expectation for the Company to settle remaining share-based awards in cash is created, therefore all the remaining share-based awards are classified as equity-settled awards.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

30 Share-based compensation (Continued)

(d) On 15 April 2020, the Company entered into an Option Subscription Agreement with a third party individual whereby the third party individual acquired 55,804 options at US\$12.80 per share for a total cash consideration of US\$714,291.20. These options (before Share Subdivision) were issued under Plan B and immediately vested on the grant date. The exercise price for these options was nil, and the expiration date of the options is 15 April 2030.

On 5 June 2020, the Company entered into an Option Subscription Agreement with a third party individual whereby the third party individual acquired 232,769 options (before Share Subdivision) at US\$8.5922 per share for a total cash consideration of US\$2,000,000. These options were issued under Plan B and immediately vested on the grant date. The exercise price for these options was nil, and the expiration date of the options is 5 June 2030. As of 31 March 2022, all these options have been exercised.

On 10 July 2020, the Company entered into an Option Subscription Agreement with a third party individual pursuant to which the third party individual acquired 116,385 options (before Share Subdivision) at US\$8.5922 per share for a total cash consideration of US\$1,000,000. These options were issued under Plan B and immediately vested on the grant date. The exercise price for these options was nil, and the expiration date of the options is 10 July 2030. As of 31 March 2022, all these options have been exercised.

On 10 October 2020, the Company entered into Option Subscription Agreements with a third party individuals, pursuant to which the third party individuals acquired 300,000 options (before Share Subdivision) at US\$8.51 per share for a total cash consideration of US\$2,553,000. These options were issued under Plan B and immediately vested on the grant date. The exercise price for these options was nil, and the expiration date of the options is 10 October 2030. On 17 March 2022, the Company entered into Option Termination Agreements with the third party individuals, pursuant to which the 300,000 options were terminated. As of 31 March 2022, the Company has repaid the cash consideration of US\$2,553,000 to them.

In no event may the option be exercised prior to the IPO of the Company or after the expiration date. The third party individuals should exercise the option before it expires or terminates.

The subscribed price of options is greater than the fair values on grant dates. Therefore, the Company credited the fund received from subscription to equity — other reserves.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

31 Trade and other payables

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Trade payables (iii)	160,426	210,604
Tax payables	10,172	12,368
Other payables:		
— Payables for consulting and other service fee	45,266	36,209
— Insurance premium collection payables (ii)	130,673	24,680
— Payables for repurchase of options (note 30 (c))	10,747	9,928
— Accrual for marketing and sales promotion expenses	6,469	8,228
— Payables for purchase of fixed assets	1,953	9,015
— Reimbursement payable to employees	7,370	7,182
— Payables for leasehold improvement	5,698	870
— Amounts due to related parties	—	66
— Payables for investment in venture capital fund	—	1,904
— Others	8,089	8,452
	386,863	329,506

- (i) The carrying amounts of trade and other payables are considered to be approximated to their fair values, due to their short-term nature.
- (ii) Insurance premium collection payables are insurance premiums collected on behalf of insurance companies but not yet remitted as at 31 March 2023.
- (iii) Aging analysis of the trade payables based on invoice date at the end of each reporting period are as follows:

	As at 31 March	
	2023 RMB'000	2022 RMB'000
— Up to 3 months	55,009	173,919
— 3 to 6 months	5,955	2,449
— 6 months to 1 year	28,441	23,450
— 1 to 2 years	69,306	9,383
— 2 to 3 years	1,317	1,403
— over 3 years	398	—
	160,426	210,604

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

32 Deferred income

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Deferred government grants	83,969	88,274
Less: amounts to be realised within the next 12 months	(4,208)	(10,500)
Non-current	79,761	77,774

Deferred government grants received but yet to recognise in other income amounted to approximately of RMB84.0 million and RMB88.3 million respectively, as at 31 March 2023 and 2022. These government grants are mainly for funding research and development expenditures undertaken by the Group.

33 Deferred income tax assets and liabilities

(a) The analysis of deferred income tax assets and deferred income tax liabilities (prior to any offset pursuant to net-off provisions) is as follows:

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Deferred income tax assets:		
— Deferred income tax assets to be recovered after more than 12 months	252	3,430
— Deferred income tax assets to be recovered within 12 months	1,574	3,818
	1,826	7,248
Deferred income tax liabilities:		
— Deferred income tax liabilities to be settled after more than 12 months	(145)	(3,229)
— Deferred income tax liabilities to be settled within 12 months	(1,336)	(2,781)
	(1,481)	(6,010)
	345	1,238

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

33 Deferred income tax assets and liabilities (Continued)

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

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
At beginning of the year	1,238	752
(Charged)/credited to income tax expense (note 14)	(893)	486
At end of the year	345	1,238

(c) The gross movements in deferred income tax assets and deferred income tax liabilities during the years are as follows:

	Deferred income tax assets — right-of-use assets RMB'000	Deferred income tax assets — business combination RMB'000	Deferred income tax liabilities — right-of-use assets RMB'000	Deferred income tax liabilities — business combination RMB'000	Total RMB'000
As at 1 April 2022	7,248	—	(6,010)	—	1,238
(Charged)/credited to profit or loss	(5,422)	—	4,529	—	(893)
As at 31 March 2023	1,826	—	(1,481)	—	345
	Deferred income tax assets — right-of-use assets RMB'000	Deferred income tax assets — business combination RMB'000	Deferred income tax liabilities — right-of-use assets RMB'000	Deferred income tax liabilities — business combination RMB'000	Total RMB'000
As at 1 April 2021	4,156	650	(3,404)	(650)	752
Credited/(charged) to profit or loss	3,092	(650)	(2,606)	650	486
As at 31 March 2022	7,248	—	(6,010)	—	1,238

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

34 Cash flow information

(a) Cash used in operations

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

	Notes	Year ended 31 March	
		2023 RMB'000	2022 RMB'000
Loss before income tax :		(628,939)	(766,846)
Adjustments for:			
Depreciation and amortization	8	46,351	46,938
Impairment of non-financial assets	10	3,287	12,938
Share-based compensation	30	99,035	182,839
Other income — interest on term deposits and restricted bank balance and deposits	6	(70,765)	(542)
Losses on disposal of property, plant and equipment, right of use and intangible assets		499	1,002
Share of loss of associates	13	4,277	207
Net fair value losses/(gains) on financial assets at fair value through profit or loss	7	2,005	(7,183)
Net impairment losses on financial assets recognised in profit or loss	3.1	61,953	48,798
Finance income — net	11	(5,387)	(759)
Exchange losses	7	84,614	6,558
The operating cash flows before movements in working capital		(403,070)	(476,050)
Change in working capital :			
— Pledged bank deposits		(3,339)	—
— Inventories		1,976	23,475
— Other current assets		(44,498)	14,532
— Trade receivables		(7,411)	(192,350)
— Contract assets		29,660	(112,738)
— Other financial assets at amortised cost		9,013	(46,376)
— Trade and other payables		35,800	135,059
— Salary and welfare payable		(5,041)	21,205
— Contract liabilities		23,687	12,077
— Provisions		5,058	6,242
— Income tax liabilities		1,294	—
— Deferred income		(4,305)	1,433
Cash used in operations		(361,176)	(613,491)

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

34 Cash flow information (Continued)

(b) Net debt reconciliation

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Cash and cash equivalents	1,172,793	3,408,505
Lease liabilities	(14,128)	(52,165)
Net cash	1,158,665	3,356,340
Cash and liquid investments	1,172,793	3,408,505
Gross debt	(14,128)	(52,165)
Net cash	1,158,665	3,356,340

	Leases RMB'000	Cash and cash equivalents RMB'000	Total RMB'000
Net debt as at 1 April 2022	(52,165)	3,408,505	3,356,340
Cash flows	20,501	(2,335,817)	(2,315,316)
Deduction of lease liabilities	20,147	—	20,147
Foreign exchange adjustments	—	100,105	100,105
Finance costs recognised	(2,611)	—	(2,611)
Net debt as at 31 March 2023	(14,128)	1,172,793	1,158,665
Net debt as at 1 April 2021	(26,430)	739,846	713,416
Cash flows	15,836	2,736,593	2,752,429
Additions of lease liabilities	(37,358)	—	(37,358)
Foreign exchange adjustments	—	(67,934)	(67,934)
Finance costs recognised	(4,213)	—	(4,213)
Net debt as at 31 March 2022	(52,165)	3,408,505	3,356,340

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

34 Cash flow information (Continued)

(c) Non-cash investing and financing activities

	Notes	As at 31 March	
		2023 RMB'000	2022 RMB'000
Acquisition of right of use	17	11,300	48,327
Share-based compensation	9	99,035	182,839

35 Contingencies

The Group did not have any material contingent liabilities as of 31 March 2023 and 2022.

36 Dividend

No dividend has been paid or declared by the Company or the companies now comprising the Group during the years ended 31 March 2023 and 2022.

37 Commitments

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Property, plant and equipment	2,332	2,267

(b) Lease commitments

The Group's future aggregate minimum lease payments due under short-term leases for office rental (which are exempted from recognizing the related right-of-use assets and lease liabilities) are as follows:

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Within 1 year	4,027	3,961

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

37 Commitments (Continued)

(c) Investment commitments

Significant Investment expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Investment accounted for using the equity method	271,035	—
Investment in venture capital fund	12,944	1,904
	283,979	1,904

38 Related party transactions

Save as those disclosed in the other notes, the following significant transactions were carried out between the Group and its related parties during the year. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. The Group's pricing policies of the transactions with related parties are determined on the basis of mutual negotiations between the relevant parties.

(a) Names and relationships with related parties

Name of related parties	Relationship with the Company
Sunshine Insurance Group Inc., Ltd. (together with its subsidiaries, the "Sunshine Insurance Group")	Having significant influence over the Company (Became third party since 26 August 2021)
Nanjing Yikang Technology Co., Ltd.	A company controlled by key management personnel
Beijing Causa Insurance Assessment Co., Ltd.	The Group's associate since September 2020 (Became a subsidiary since 14 March 2023)
Mr. Liang Yupeng	Director of a subsidiary of the Company(resigned from 26 January 2022)

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

38 Related party transactions (Continued)

(b) Significant transactions with related parties

(i) Provision of insurance brokerage or big data platform applications services

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
Sunshine Insurance Group Inc., Ltd.	N/A	1,311

(ii) Subscription of interest in a fund

On 28 October 2022, the Group subscribed for 40.00% equity interests of YD Capital I L.P. ("the fund") (note 13). The General Partner of the fund is Causa Capital Investment Limited, which owned as to 60.00% by Mr. Liang Yupeng. As of 31 March 2023, the Group contributed US\$557.7 thousand equivalent to approximately RMB3.8 million to the fund.

(c) Year ended balances with related parties

	As at 31 March	
	2023	2022
	RMB'000	RMB'000
Amount due from related parties — trade		
Beijing Causa Insurance Assessment Co., Ltd.	N/A	1,787
Amount due to related parties — non-trade		
Nanjing Yikang Technology Co., Ltd.	—	66

(d) Key management personnel compensation

Key management includes directors and senior officers. The compensations paid or payable to key management for employee services are shown below:

	Year ended 31 March	
	2023	2022
	RMB'000	RMB'000
Wages, salaries and bonuses	11,124	12,935
Pension costs — defined contribution plans	249	275
Other social security costs	171	170
Housing benefits	181	200
Share-based compensation	(270)	30,365
	11,455	43,945

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

39 Events occurring after the reporting period

Contribution to YD Capital I L.P.

On 10 May 2023, the Group made a cash contribution of US\$4.4 million (equivalent to approximately RMB30.5 million) to YD Capital I L.P. in according with the investment agreement dated 28 October 2022 (note 13).

40 Balance sheet and reserve movement of the Company

(a) Balance sheet of the Company

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Assets		
Non-current assets		
Long-term investments measured at amortized cost	240,510	—
Investments in subsidiaries	975,055	838,115
Financial assets at fair value through profit or loss	11,634	16,461
Total non-current assets	1,227,199	854,576
Current assets		
Other financial assets at amortised cost	3,730,544	2,334,712
Term deposits	2,252,613	318,595
Cash and cash equivalents	91,787	2,828,563
Other current assets	542	222
Total current assets	6,075,486	5,482,092
Total assets	7,302,685	6,336,668
Equity		
Equity attributable to owners of the Company		
Share capital	131	124
Treasury shares	(1)	(1)
Other reserves	12,567,363	11,972,872
Accumulated deficits	(5,297,613)	(5,694,451)
Total equity	7,269,880	6,278,544

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

40 Balance sheet and reserve movement of the Company (Continued)

(a) Balance sheet of the Company (Continued)

	As at 31 March	
	2023 RMB'000	2022 RMB'000
Liabilities		
Current liabilities		
Trade and other payables	32,805	58,124
Total current liabilities	32,805	58,124
Total liabilities	32,805	58,124
Total equity and total liabilities	7,302,685	6,336,668

The balance sheet of the Company was approved by the Board of Directors on 30 June 2023 and was signed on its behalf:

Gong Yingying

Director

Feng Xiaoying

Director

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

40 Balance sheet and reserve movement of the Company (Continued)

(b) Reserve movement of the Company

	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Other Comprehensive Income reserve RMB'000	Share premium RMB'000	Other reserves RMB'000	Total RMB'000
At 1 April 2022	426,565	156,521	—	11,368,269	21,517	11,972,872
Issuance of ordinary shares	(2)	—	—	—	—	(2)
Share-based compensation (note 30)	99,035	—	—	—	—	99,035
Exercise of option vesting	(32,229)	—	—	37,689	—	5,460
Vesting of Post-IPO Share Award Scheme	(117,887)	—	—	117,887	—	—
Currency translation differences	—	489,998	—	—	—	489,998
At 31 March 2023	375,482	646,519	—	11,523,845	21,517	12,567,363

	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Other Comprehensive Income reserve RMB'000	Share premium RMB'000	Other reserves RMB'000	Total RMB'000
At 1 April 2021	358,744	359,960	—	11,255,701	38,469	12,012,874
Issuance of ordinary shares	(1)	—	—	—	—	(1)
Share-based compensation (note 30)	178,227	—	—	—	—	178,227
Exercise of option vesting	(110,405)	—	—	112,568	—	2,163
Termination of share options issued to third party individuals (note 30(d))	—	—	—	—	(16,952)	(16,952)
Currency translation differences	—	(203,439)	—	—	—	(203,439)
At 31 March 2022	426,565	156,521	—	11,368,269	21,517	11,972,872

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

41 Benefits and interests of directors

(a) Directors' emoluments

The remuneration of every director and the chief executive officer for the year ended 31 March 2023 was set out below:

	Notes	Wages, salaries and bonuses RMB'000	Pension costs — defined contribution plans RMB'000	Other social security costs RMB'000	Housing benefits RMB'000	Share-based compensation expenses (f) RMB'000	Total RMB'000
For the year ended 31 March 2023							
Executive directors							
Ms. Gong Yingying	(ii)	693	—	—	—	—	693
Mr. Xu Jiming	(iii)	497	11	6	8	724	1,246
Mr. Yan Jun	(iv)	2,681	61	37	45	(982)	1,842
Ms. Feng Xiaoying	(v)	668	3	17	—	1,028	1,716
Ms. Yang Jing	(vi)	1,321	46	28	33	(33)	1,395
Ms. Zhang Shi	(vii)	1,464	35	21	25	(4,964)	(3,419)
Mr. Zeng Ming	(viii)	160	—	—	—	1,963	2,123
Mr. Ma Weiyong	(ix)	160	—	—	—	—	160
Ms. Pan Rongrong	(x)	160	—	—	—	—	160
Mr. Zhang Linqi	(xi)	160	—	—	—	—	160
		7,964	156	109	111	(2,264)	6,076

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

41 Benefits and interests of directors (Continued)

(a) Directors' emoluments (Continued)

The remuneration of every director and the chief executive officer for the year ended 31 March 2022 was set out below:

	Notes	Wages, salaries and bonuses RMB'000	Pension costs — defined contribution plans RMB'000	Other social security costs RMB'000	Housing benefits RMB'000	Share-based compensation expenses (f) RMB'000	Total RMB'000
For the year ended 31 March 2022							
Executive directors							
Ms. Gong Yingying	(ii)	2,110	—	—	—	—	2,110
Ms. Yang Jing	(vi)	2,100	55	34	40	477	2,706
Mr. Yan Jun	(iv)	2,112	55	34	40	9,804	12,045
Ms. Zhang Shi	(vii)	2,110	55	34	40	8,024	10,263
Mr. Zhang Linqi	(xi)	160	—	—	—	—	160
Ms. Pan Rongrong	(x)	160	—	—	—	—	160
Mr. Ma Weiyang	(ix)	160	—	—	—	—	160
Ms. Gao Yongmei	(xii)	72	—	—	—	—	72
Mr. Zeng Ming	(viii)	123	—	—	—	3,451	3,574
		9,107	165	102	120	21,756	31,250

- (i) The emoluments of these directors were paid by owners of the Group.
- (ii) Ms. Gong Yingying was appointed as a director with effect from 9 December 2014.
- (iii) Mr. Xu Jiming was appointed as a director with effect from 1 February 2023.
- (iv) Mr. Yan Jun was appointed as a director with effect from 16 August 2020.
- (v) Ms. Feng Xiaoying was appointed as a director with effect from 1 February 2023.
- (vi) Ms. Yang Jing was appointed as a director with effect from 14 August 2018 to 1 February 2023.
- (vii) Ms. Zhang Shi was appointed as a director with effect from 3 July 2020 to 1 February 2023.
- (viii) Mr. Zeng Ming was appointed as a director with effect from 25 June 2021.
- (ix) Mr. Ma Weiyang was appointed as a director with effect from 15 January 2021.
- (x) Ms. Pan Rongrong was appointed as a director with effect from 15 January 2021.
- (xi) Mr. Zhang Linqi was appointed as a director with effect from 15 January 2021.
- (xii) Ms. Gao Yongmei was appointed as a director with effect from 16 August 2020 to 26 September 2021.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

41 Benefits and interests of directors (Continued)

(b) Directors' retirement and termination benefits

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

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

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

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

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

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

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

(f) Certain batches of shares and options granted to these directors in prior years have been forfeited due to not meeting vesting conditions. The management has accordingly reversed related share-based compensation expenses, which led to a negative figures of share-based compensation expenses this year.

FINANCIAL SUMMARY

Condensed consolidated statement of comprehensive income

	Years ended 31 March				
	2023	2022	2021	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	804,700	1,237,200	867,036	558,083	102,013
Gross profit	274,530	399,445	327,336	146,537	5,713
Operating loss	(630,049)	(767,398)	(453,286)	(597,428)	(432,207)
Loss before income tax	(628,939)	(766,846)	(3,693,400)	(1,510,895)	(933,121)
Loss for the year	(632,361)	(766,360)	(3,694,817)	(1,511,428)	(933,690)

Condensed consolidated balance sheet

	As at 31 March				
	2023	2022	2021	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	400,086	170,612	99,749	143,557	88,879
Current assets	4,511,422	4,552,198	5,150,145	1,159,672	677,755
Total assets	4,911,508	4,722,810	5,249,894	1,303,229	766,634
Non-current liabilities	84,351	103,761	83,122	1,623,338	2,807,924
Current liabilities	671,006	611,583	414,584	3,406,155	236,494
Total liabilities	755,357	715,344	497,706	5,029,493	3,044,418
Total equity	4,156,151	4,007,466	4,752,188	(3,726,264)	(2,277,784)

DEFINITIONS

“Articles of Association”	the articles of association of the Company
“associate”	has the meaning ascribed to it under the Listing Rules
“ATC”	Anatomical Therapeutic Chemical
“Beijing Causa Health”	Beijing Causa Health Technology Co., Ltd.* (北京因數健康科技有限公司), a limited liability company established under the laws of the PRC on April 9, 2015 and a Consolidated Affiliated Entity of our Company
“Beijing Yiyi Cloud”	Beijing Yiyi Cloud Technology Co., Ltd.* (北京懿醫雲科技有限公司), a limited liability company established under the laws of the PRC on 15 January 2015 and an indirect wholly-owned subsidiary of our Company
“Beijing Zhongshi Hanming”	Beijing Zhongshi Hanming Enterprise Co., Ltd.* (北京中世漢明實業有限公司), a limited liability company established under the laws of the PRC on 8 June 2010 and a Consolidated Affiliated Entity of our Company
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China and for the purposes of this annual report only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, or “the Company”	Yidu Tech Inc. (醫渡科技有限公司) (formerly known as “Yidu Inc.” and “Happy Life Tech Inc.”), a company with limited liability incorporated in the Cayman Islands on 9 December 2014
“Consolidated Affiliated Entity(ies)”	entities we control through the Contractual Arrangements, namely our Onshore Holdcos and their respective subsidiaries
“Contractual Arrangement(s)”	the series of contractual arrangements entered into between the WFOEs, the Onshore Holdcos and the Registered Shareholders (as applicable), as detailed in the section headed “Contractual arrangements”
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Ms. Gong and Sweet Panda Limited
“Corporate Governance Code” or “the CG Code”	the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules, as amended, supplemented or otherwise modified from time to time

Definitions (Continued)

“Director(s)”	the director(s) of our Company
“Global Offering”	the Hong Kong Public Offering and the International Offering as defined and described in the Prospectus
“Group”, “we” or “us”	the Company, its subsidiaries, and the Consolidated Affiliated Entities from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ICD”	International Classification of Diseases
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Latest Practicable Date”	20 July 2023, being the latest practicable date prior to the printing of this annual report for ascertaining certain information contained herein
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	15 January 2021, the date on which the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“MeSH”	Medical Subject Headings
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
“Ms. Gong”	Ms. Gong Yingying, our founder, executive Director, Chairlady and our Controlling Shareholder
“Onshore Holdcos”	Yidu Cloud Guizhou, Tianjin Happy Life, Beijing Causa Health and Beijing Zhongshi Hanming

Definitions (Continued)

“Post-IPO Share Award Scheme”	the post-IPO share award scheme approved and adopted by our Company on 28 December 2020 with effect from Listing
“Post-IPO Share Option Scheme”	the post-IPO share option scheme approved and adopted by our Company on 28 December 2020 with effect from Listing
“PRC Legal Adviser”	Han Kun Law Offices, our legal adviser on PRC law
“Pre-IPO Share Option Plans”	the two pre-IPO share option plans adopted by the Company on 16 March 2015 as amended from time to time
“Prospectus”	the prospectus of the Company dated 31 December 2020
“Registered Shareholders”	the registered shareholders of the Onshore Holdcos
“Reporting Period”	the fiscal year ended 31 March 2023
“RMB”	Renminbi, the lawful currency of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	Ordinary share(s) in the share capital of our Company, currently with a par value of US\$0.00002 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto in section 15 of the Companies Ordinance
“Tianjin Causa Health Management”	Tianjin Causa Health Management Co., Ltd.* (天津因數健康管理有限公司), a limited liability company established under the laws of the PRC on 27 July 2020 and an indirect wholly-owned subsidiary of our Company
“Tianjin Happy Life”	Tianjin Happy Life Technology Co., Ltd.* (天津開心生活科技有限公司), a limited liability company established under the laws of the PRC on 23 January 2017 and a Consolidated Affiliated Entity of our Company
“Tianjin Joyful Life”	Tianjin Joyful Life Technology Co., Ltd.* (天津幸福生命科技有限公司), a limited liability company established under the laws of the PRC on 7 November 2016 and an indirect wholly-owned subsidiary of our Company

Definitions (Continued)

“Tianjin Joyful Life Health Management”	Tianjin Joyful Life Health Management Co., Ltd.* (天津幸福生命健康管理有限公司), a limited liability company established under the laws of the PRC on 3 August 2020 and an indirect wholly-owned subsidiary of our Company
“Tianjin New Happy Life”	Tianjin New Happy Life Technology Co., Ltd.* (天津新開心生活科技有限公司), a limited liability company established under the laws of the PRC on 28 May 2018 and an indirect wholly-owned subsidiary of our Company
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“WFOE(s)”	Beijing Yiyi Cloud, Tianjin New Happy Life, Tianjin Causa Health Management and Tianjin Joyful Life Health Management
“Yidu Cloud Beijing”	Yidu Cloud (Beijing) Technology Co., Ltd.* (醫渡雲(北京)技術有限公司), a limited liability company established under the laws of the PRC on 3 February 2012 and a Consolidated Affiliated Entity of our Company
“Yidu Cloud Guizhou”	Guizhou Yidu Cloud Technology Co., Ltd.* (貴州醫渡雲技術有限公司), a limited liability company established under the laws of the PRC on 10 July 2018 and a Consolidated Affiliated Entity of our Company
“%”	per cent



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