医渡云
YIDUCLOUD

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

2021
Annual Report
年度報告

医渡云

YIDUCLOUD

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CORPORATE INFORMATION

Executive Directors
Ms. Gong Yingying (宮盈盈)
(Chairlady and Chief Executive Officer)
Ms. Yang Jing (楊晶)
Dr. Yan Jun (閆峻)
Ms. Zhang Shi (張實)

Non-Executive Directors
Ms. Gao Yongmei (高永梅)
Mr. Zeng Ming (曾鳴)

Independent Non-Executive Directors
Dr. Ma Wei-Ying (馬維英)
Ms. Pan Rongrong (潘蓉容)
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. Bai Rui
Ms. Li Ching Yi

Authorized Representatives
Ms. Yang Jing
Ms. Li Ching Yi

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Certified Public Accountants and
Registered Public Interest Entity Auditor
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Central, Hong Kong

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15 Queen's Road Central, Hong Kong

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Compliance Adviser
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29 Queen's Road Central, 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
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Principal Banks
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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
2158

Company Website
www.yidutechgroup.com

KEY FINANCIAL AND OPERATING DATA

Highlights in FY2021

Financial Metrics

Total Revenue (RMB mm)

FY2020		FY2021
558	+55.4%	867

Gross Profit Margin

FY2020		FY2021
26.3%	+11.5 ppts	37.8%

Adjusted Net Loss[1] (RMB mm)

FY2020		FY2021
(322)	–14.7%	(275)

Numbers of Clients

Number of top research hospitals increased from **71** to **76**

Number of regulators and policy makers covered increased from **14** to **19**

Number of life sciences customers increased from **74** to **108**

The number of active users increased from **<30k** to **>5 million**

Customer Value

Diseases covered by our disease registries increased from **40+** to **50+**, including **20+** cancer types

More than **2x** increase in Average Transaction Value (ATV) of hospital clients

141% revenue retention rate of pharmaceutical, biotech and medical device company customers

(1) We define "adjusted net loss" as loss for the year and adding back (i) fair value changes of convertible redeemable preferred shares, (ii) fair value changes of convertible notes, (iii) fair value changes of warrants, (iv) share-based compensation expenses, and (v) listing expenses.

CHAIRLADY'S STATEMENT

Since the Group was founded seven years ago, every step of our progress has heavily relied on the continuous trust and support of all our investors. On behalf of the Group, I would like to express my sincere appreciation for your interest in us. Guided by our long-term goal of precision healthcare for all ("**green healthcare**"), we made significant strategic progress in the fiscal year 2021.

Firstly, we continued to reinforce our data intelligence infrastructure ("**YiduCore**") under more diversified use case scenarios.

YiduCore empowers the transformation of the healthcare industry by supporting the transition from an information-system-based infrastructure to a data-intelligence-based infrastructure. YiduCore also powers the development of our key businesses.

From the perspective of technological advancement, we continued to invest in the research and development, deployment, accumulation and model generalization of our capabilities in natural language processing, secure computing and medical knowledge graph under expanding use case scenarios. From the perspective of network expansion, we continued to enlarge our coverage of core hospitals and regions and leverage YiduCore to support them in use case scenarios that include hospital management, clinical research, diagnosis and treatment, and pandemic surveillance and response. By working with us, our customers can unlock the value of their data in a secure and compliant way to support real-time surveillance and decision support.

Secondly, we continued to translate high-quality disease models, accumulated within YiduCore, into precision diagnosis and treatment and efficient drug development.

The rich and expanding set of use case scenarios powered by YiduCore has enabled us to continue to attract leading principal investigators (PIs) to join our network. We support PIs to generate high-quality research output efficiently and work with them to leverage their knowledge and experience to continuously enhance the industry data standards. To date, we have developed more than 3,000 disease models covering more than 50 disease areas including 20 types of cancers. In one example, we developed a COVID-19 big data research platform for a renowned research hospital in Wuhan at the start of the pandemic and supported hospitals, doctors and relevant research institutes to conduct several COVID-19 related studies to provide effective support for evidence-based clinical diagnosis and treatment and drug development. These studies have been published in renowned journals and periodicals including The Lancet Oncology and Annals of Internal Medicine. In another example, we partnered with the Institute of Hematology, Chinese Academy of Medical Sciences to establish standards for lymphadenoma diseases in China.

In the future, we hope to inspire more PIs to initiate new ideas and uncover new insights on our AI-empowered platforms and partner with them to conduct high-quality real-world research efficiently to accelerate the advance medical research.

Thirdly, we continued to promote Real-World Evidence (RWE) to lay the foundation to make precision healthcare accessible to everyone.

High-quality, traceable and transparent data is a key input to precision healthcare.

The Guidance on "Real-World Evidence (RWE)-based Clinical Development Approval (Trial)" published by NMPA in 2020 has provided the industry a clearer understanding of the definition of RWE and its range of applications and cleared prior misconceptions. We are privileged to operate in China, a large market with a large population and high economic growth. Digitalization of healthcare systems in the past decade has generated massive amount of good data. In the next decade, the development of data-intelligence-driven research networks to convert these data to high-quality evidence will empower the efficient and effective integration of research, therapeutic development and clinical diagnosis and treatment processes, bring us one step closer towards precision healthcare accessible to everyone.

During the Reporting Period, we helped a traditional Chinese medicine company to obtain a new drug approval in accelerated time by substituting the traditional randomized controlled trial with a multi-center retrospective observational real-world study under the Guidance on Real-World Evidence (RWE)-based Clinical Development Approval (Trial) for drugs urgently needed in clinical settings. This was achieved through the generation of high-quality RWE powered by YiduCore. By significantly shortening the time for the drug approval, we made a difference to the patients who need the drug for their treatment.

We are still a very young company. We believe that "data intelligence, green healthcare" is the right direction. We will continue to strengthen our core technology and capability to cultivate the ecosystem. We will remain strongly committed to achieving our mission of "making value-based precision healthcare accessible to everyone".

Lastly, I would like to share some words that have constantly inspired me and my team.

"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, Chief Executive Officer and Founder

China
25 June 2021

Financial Highlights

	Year ended 31 March		
	2021	2020	Change (%)
	(RMB'000, except percentages)		
Revenue	**867,036**	558,083	55.4%
— Big Data Platform and Solutions	**401,884**	371,864	8.1%
— Life Sciences Solutions	**184,318**	102,793	79.3%
— Health Management Platform and Solutions	**252,129**	55,648	353.1%
— Others	**28,705**	27,778	3.3%
Gross profit	**327,336**	146,537	123.4%
Operating loss	**(453,286)**	(597,428)	-24.1%
Loss for the year	**(3,694,817)**	(1,511,428)	144.5%
Non-IFRS adjusted net loss[1]	**(275,079)**	(322,344)	-14.7%

(1) We define "adjusted net loss" as loss for the year and adding back (i) fair value changes of convertible redeemable preferred shares, (ii) fair value changes of convertible notes, (iii) fair value changes of warrants, (iv) share-based compensation expenses, and (v) listing expenses.

The Board did not recommend the distribution of a final dividend for the fiscal year ended 31 March 2021.

Business Review

The COVID-19 pandemic has brought enormous challenges and uncertainties to societies and economies across the globe, and highlighted the importance for precise public health management. As one of the first countries to successfully control the domestic spread of COVID-19 and the only major economy registering a positive growth in 2020, China is currently leading the investment in new healthcare infrastructure. The sector has huge growth potential driven by "Healthy China 2030" and the "14th Five Year Plan".

Fiscal year 2021 was an extraordinary period for us. As a leading company in the health technology sector, we responded to our social responsibility to leverage our state-of-the-art technology to support the fight against the pandemic. Within a short period of time, we developed a suite of pandemic response solutions to enable effective closed-loop pandemic monitoring and management for governments and medical institutions. On 15 January 2021, we successfully listed on the Stock Exchange and became the first public healthcare big data company in China. Our listing marked an important step towards more transparent and regulated corporate governance, and was a strong recognition of the persistent hard work and commitment of our staff and management.

For the fiscal year ended 31 March 2020, our business demonstrated strong growth momentum despite external pressure. During the Reporting Period, we continued to strengthen YiduCore, our data intelligence infrastructure, and ramped up efforts to expand new and complementary businesses built upon YiduCore with existing and new customers. Our total revenue amounted to RMB867 million, representing a year-on-year increase of 55.4%. Our gross profit margin was 37.8%, up 11.5 percentage points year-on-year. As of 31 March 2021, we have provided service solutions for 76 top research hospitals in China and 19 regulators and policy makers, an increase of five hospitals and five regulators and policy makers, as compared to the same period of last year. The number of life sciences customers that the Group served reached 108 as at 31 March 2021, an increase of 34 from 74 customers as at 31 March 2020.

YiduCore supports our customers and partners to unlock the value of health data to drive better outcomes by enabling the secured applicability of high-quality data in different use case scenarios. This has been made possible by our commitment to "data intelligence, green healthcare" and years of persistent investments.

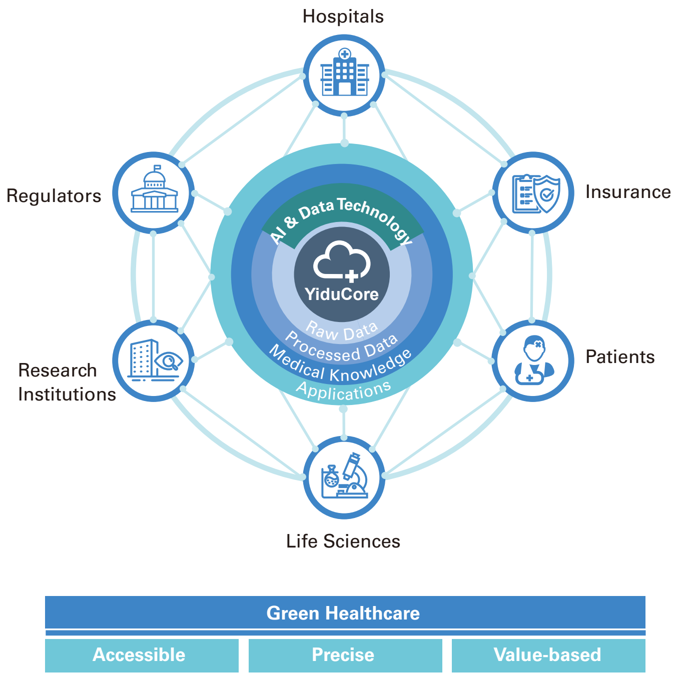
As we adhere to our mission "to make value-based precision healthcare accessible to everyone", we look forward to creating greater value for major participant[1] of the healthcare ecosystem and ultimately, delivering better services and outcomes for patients.

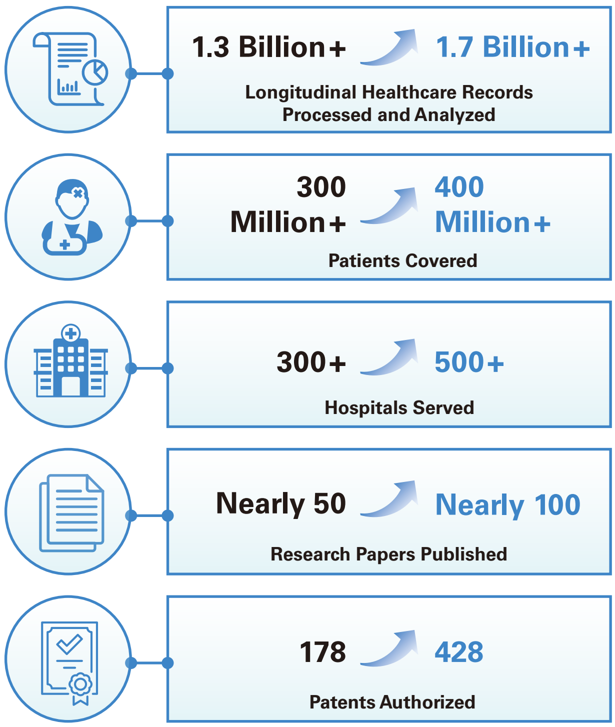
YiduCore

YiduCore, our data intelligence infrastructure represents our core capabilities that can be understood in terms of three layers. The first layer is our data processing capabilities which allow us to aggregate and convert the raw and scattered data on the information technology systems of hospitals and healthcare institutions into computable, structured and standardized data that can be analyzed with speed, accuracy and cost-efficiency. The second layer consists of our medical knowledge, insights and disease models that are continuously reinforced and expanded as they are applied to drive our data-analytics driven solutions for our customers in the 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 our ecosystem to achieve their target outcomes.

1 Major participants include physicians, researchers and hospitals, regulators and policy makers, pharmaceutical, biotech and medical device companies, and insurance companies.

Our YiduCore-Empowered Ecosystem





Big Data Platform and Solutions

The Big Data Platform and Solutions segment is our longest operating business segment. It mainly serves hospitals and other healthcare institutions, as well as regulators and policy makers. As the segment grows, it also serves to expand and solidify the foundation of our data intelligence infrastructure.

We have entered into agreements with hospitals and other healthcare institutions, pursuant to which we provide our big data platforms, data processing and application platform (DPAP) or the upgraded Eywa to help them aggregate the raw data scattered in their existing production systems and process them into standardized and structured data for research and clinical use. These platforms can further empower a wide range of applications and solutions to support medical research, clinical diagnosis and treatment and hospital operations management. We have further cooperated with top-grade hospitals and experts to establish disease registries and research networks. After obtaining proper authorizations, we can support them to conduct large scale clinical research with more refined disease data granularity.

We have also entered into agreements with regulators and policy makers to provide them big data platforms to aggregate and process multi-source heterogeneous data at municipal, regional and national levels, as well as applications and solutions to enable them to leverage these data accurately and securely for various use case scenarios, such as public health surveillance, pandemic response and population health management.

We implement a comprehensive and rigorous data privacy and security program to ensure the security, confidentiality, and integrity of data that we have been authorized to access and the stability and reliability of the services that we provide.

YiduCore has covered more than 500 hospitals in over 20 provinces, and cumulatively processed upon authorization over 1.7 billion healthcare records from over 400 million patients. Our collaboration with top-grade hospitals and experts also enables us to establish and enrich our disease labelling system for various disease areas. In addition, we continue to refine and qualify our real-world disease models by utilizing AI technologies, such as symbolic knowledge inference models and deep learning. To date, we have built disease registries covering over 50 disease areas to enable the production of research-grade evidence more efficiently and effectively. Nearly a hundred papers have been published based on our disease registries and big data platforms.

The value of our solutions is highly recognized by our customers and this is demonstrated by our ability to expand our engagement with them. After successfully launching the pandemic response platform for the Wuhan Municipal Government within seven days during the peak of the Pandemic in China, we continued to undertake subsequent platform construction contracts that have amounted to tens of millions in cumulative RMB value. Based on the COVID-19 disease registry that we developed for a renowned research hospital in Wuhan, also a national center for public health, we have helped more than 50 researchers to publish medical and AI papers, with the highest impact factor of over 30.

For the fiscal year ended 31 March 2021, this segment recorded a total revenue of RMB402 million, representing a year-on-year increase of 8.1%, and a gross profit margin of 45.1%, representing a year-on-year increase of 11.7 percentage points.

Life Sciences Solutions

Leveraging YiduCore and the network of top hospitals and experts accumulated through our Big Data Platform and Solutions segment, we incubated the Life Sciences Solutions segment in the second half of fiscal year 2018. We currently provide analytics-driven clinical development, real-world evidence (RWE)-based research and digital commercialization solutions in respect of the full life-cycle of a drug or a medical device from clinical development to post-market commercialization. We combine our deep understanding of diseases with the rich clinical experience of the team to help pharmaceutical, biotech, medical device companies, and other companies involved in the clinical development process to reduce the time and costs of drug and medical device development while enhancing regulatory approval and commercial success.

During the Reporting Period, we helped a traditional Chinese medicine company to obtain a new drug approval in accelerated time by substituting the traditional randomized controlled trial with a multi-center retrospective observational real-world study under the Guidance on Real-World Evidence (RWE)-based Clinical Development Approval (Trial) issued by the National Medical Products Administration (NMPA) for drugs urgently needed in clinical settings. This was achieved through the generation of high-quality real-world evidence powered by YiduCore. By significantly shortening the time for the drug approval, we made a difference to patients who need the drug for their treatment.

As of 31 March 2021, we have approximately 400 employees in our Life Sciences Solutions segment with an average of 7.8 years of relevant experience in clinical research, data science, epidemiology, biostatistics, medical informatics, artificial intelligence and others.

During the Reporting Period, the number of our customers grew rapidly, among which, the number of active customers increased from 74 as of 31 March 2020 to 108 as of 31 March 2021. Our core pharmaceutical, biotech and medical device company customers increased from 55 as of 31 March 2020 to 80 as of 31 March 2021. In addition, we served 15 out of the top 20 global pharmaceutical companies by revenue in 2020. While expanding the number of customers, we also actively enrich our solutions to enhance customer stickiness and expand the wallet share of our customers. During the Reporting Period, the overall revenue retention of all our customers was 124%, while the revenue retention for our core pharmaceutical, biotech and medical device company customers was 141%. For the fiscal year ended 31 March 2021, the Life Sciences Solutions segment recorded a total revenue of RMB184 million, representing a year-on-year increase of 79.3%, and a gross profit margin of 21.7%, representing an increase of 8.3 percentage points.

Health Management Platform and Solutions

Health Management Platform and Solutions segment is our latest segment with huge growth potential.

We provide one-stop research-driven personal health management services under the brand of "CausaHealth". By leveraging the medical knowledge accumulated in YiduCore and our capabilities to process and analyze multi-source and multi-type data efficiently and accurately, we are able to offer coordinated care that integrates treatment in traditional care settings with out-of-hospital care and lifestyle interventions that include nutrition, mental and physical activities, personalized to each individual. We empower doctors and other care providers on our platform to be more effective by providing them relevant insights and knowledge upon proper authorization, and convenient patient management tools. Research doctors can also use our platform and tools to conduct their research and follow-up with and manage their research participants more efficiently. This is our approach to achieving "patient-centered, outcome-oriented" care.

We recently launched the "CausaHealth Diabetes Program". Jointly developed with several reputable endocrinologists in China, this program aims to improve diabetes conditions while reducing medication reliance for pre-diabetes (impaired glucose tolerance) and type II diabetes patients. Our in-house team works closely with the external experts and accumulates the knowledge and experience gained in the form of guidelines and models for future replicability. We plan to cover additional chronic diseases over time and explore additional channels to offer our programs.

Within this segment, we also offer insurance technology and disease management solutions under the brand of "CausaCloud" to insurance companies and agencies. Leveraging our deep insights and knowledge powered by YiduCore, our solutions are aimed at facilitating insurance companies and agencies to develop innovative insurance products, enabling faster and more accurate insurance underwriting and expediting claim processing.

As of 31 March 2021, the number of paying users who made at least one purchase on our health management platform exceeded five million.

Business Outlook

To achieve our mission to make value-based precision healthcare accessible to everyone and further solidify our leadership, we intend to (i) continue to strengthen our data processing capabilities, (ii) deepen and broaden our knowledge and use cases by disease areas, (iii) expand customer base and deepen relationship with existing customers, (iv) explore opportunities in international markets and (v) further enrich our ecosystem through strategic partnerships, investments and acquisitions.

In respect of Big Data Platform and Solutions, we have a two-dimensional strategy. As part of our horizontal strategy, we will continue to enhance YiduCore by expanding our network of core hospitals and regions, and by enriching the use case scenarios of existing customers. As part of our vertical strategy, we will continue to optimise our disease graphs to generate research-grade insights and knowledge for each disease area.

In respect of Life Sciences Solutions, we will drive the development of our analytics-driven clinical development, real-world evidence (RWE)-based research and commercialization solutions in line with evolving regulations and policies. Based on YiduCore, which has paved a solid foundation for the generation of high-quality real-world evidence in China, we aim to facilitate the transformation of real-world study (RWS) from "good-to-have" to "must-have".

In respect of Health Management Platform and Solutions, we will continue to leverage our disease knowledge and expert network to enlarge our scope of chronic disease management to benefit more people with data-and outcome-driven "green healthcare".

Looking forward, we believe we are well positioned to serve as a leading player in the rapidly evolving healthcare technology industry. We will continue to introduce innovative data-analytics driven applications and solutions to capture the massive market opportunities in China and beyond, and to enable stakeholders in the ecosystem to derive more value from our data intelligence infrastructure.

Revenues

Our revenues increased by 55.4% from RMB558.1 million in the fiscal year ended 31 March 2020 to RMB867.0 million in the fiscal year ended 31 March 2021. The increase was primarily attributable to the increase in revenue realized from Life Sciences Solutions and Health Management Platform and Solutions segments.

Big Data Platform and Solutions. Revenue from Big Data Platform and Solutions increased by 8.1% from RMB371.9 million in the fiscal year ended 31 March 2020 to RMB401.9 million in the fiscal year ended 31 March 2021, primarily due to the increase in the number of active customers from 85 in the fiscal year ended 31 March 2020 to 95 in the fiscal year ended 31 March 2021 and increased revenue from overseas markets.

Life Sciences Solutions. Revenue from Life Sciences Solutions increased by 79.3% from RMB102.8 million in the fiscal year ended 31 March 2020 to RMB184.3 million in the fiscal year ended 31 March 2021, primarily due to the increase in the number of active customers from 74 in the fiscal year ended 31 March 2020 to 108 in the fiscal year ended 31 March 2021, and improved average revenue per active customer during the same periods.

Health Management Platform and Solutions. Revenue from Health Management Platform and Solutions increased by 353.1% from RMB55.6 million in the fiscal year ended 31 March 2020 to RMB252.1 million in the fiscal year ended 31 March 2021, primarily due to the revenue generated from platform solutions.

Others. Other revenue increased by 3.3% from RMB27.8 million in the fiscal year ended 31 March 2020 to RMB28.7 million in the fiscal year ended 31 March 2021.

Cost of Sales and Services

Our cost of sales and services increased by 31.1% from to RMB411.5 million in the fiscal year ended 31 March 2020 to RMB539.7 million in the fiscal year ended 31 March 2021. Share-based compensation expenses included in cost of sales and services were RMB10.6 million and RMB7.3 million in the fiscal years ended 31 March 2020 and 2021, respectively. The increase was caused by business expansion in Life Sciences Solutions and Health Management Platform and Solutions, partially offset by the decrease in cost of sales and services from Big Data Platform and Solutions segment in the fiscal year ended 31 March 2021.

Big Data Platform and Solutions. Cost of sales and services from Big Data Platform and Solutions segment decreased by 10.9% from RMB247.5 million in the fiscal year ended 31 March 2020 to RMB220.6 million in the fiscal year ended 31 March 2021, primarily due to (i) the decreased cost of sales from RMB158.9 million to RMB96.7 million; (ii) increase in employee benefits and expenses of employees engaging in the Big Data Platform and Solutions business from RMB67.0 million to RMB74.5 million, which included share-based compensation expenses of RMB3.3 million and RMB2.7 million in respective years; and (iii) increase in outsourcing service fee from RMB15.8 million to RMB43.5 million.

Life Sciences Solutions. Cost of sales and services from Life Sciences Solutions increased by 62.1% from RMB89.0 million in the fiscal year ended 31 March 2020 to RMB144.3 million in the fiscal year ended 31 March 2021, primarily due to increase in (i) employee benefits and expenses of employees engaging in the Life Sciences Solutions business from RMB57.0 million to RMB65.9 million, which included share-based compensation expenses of RMB7.1 million and RMB3.1 million in respective years; and (ii) increase in outsourcing service fee from RMB25.9 million to RMB71.6 million.

Health Management Platform and Solutions. Cost of sales and services from the Health Management Platform and Solutions segment increased by 211.8% from RMB47.9 million in the fiscal year ended 31 March 2020 to RMB149.5 million for the fiscal year ended 31 March 2021, primarily due to the increase in (i) cost of hardware and pharmaceutical products from RMB16.9 million to RMB81.9 million; and (ii) employee benefits and expenses of employees engaging in the Health Management Platform and Solutions business from RMB5.7 million to RMB31.6 million, which included share-based compensation expenses of RMB178,000 and RMB1.5 million in respective years.

Others. Other cost of sales and services decreased by 6.3% from RMB27.1 million in the fiscal year ended 31 March 2020 to RMB25.4 million in the fiscal year ended 31 March 2021.

Gross Profit and Gross Margin

As a result of the foregoing, our overall gross profit in the fiscal years ended 31 March 2020 and 31 March 2021 were RMB146.5 million and RMB327.3 million, respectively, and our overall gross margin was 26.3% and 37.8%, respectively. The increase of our overall gross margin was a result of margin expansion for each of our business segment.

Big Data Platform and Solutions. Our gross margin in Big Data Platform and Solutions increased from 33.4% in the fiscal year ended 31 March 2020 to 45.1% in the fiscal year ended 31 March 2021, primarily attributable to revenue mix shift from lower margin implementation revenue to higher margin solution and services revenue. Share-based compensation expenses had minimal impact on our gross margin in this business segment in the fiscal years ended 31 March 2020 and 2021.

Life Sciences Solutions. Our gross margin in Life Sciences Solutions increased from 13.4% in the fiscal year ended 31 March 2020 to 21.7% in the fiscal year ended 31 March 2021, primarily due to increased pricing power and higher utilization.

Health Management Platform and Solutions. Our gross margin in Health Management Platform and Solutions increased from 13.9% in the fiscal year ended 31 March 2020 to 40.7% in the fiscal year ended 31 March 2021, primarily driven by revenue stream shift to platform solutions.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 40.0% from RMB170.7 million in the fiscal year ended 31 March 2020 to RMB239.0 million in the fiscal year ended 31 March 2021, primarily attributable to increase in (i) employee benefits and expenses of employees engaging in selling and marketing function from RMB133.7 million to RMB159.9 million, which included share-based compensation of RMB28.8 million and RMB14.6 million in respective years; (ii) consulting and other professional fee from RMB1.8 million to RMB14.1 million; and (iii) promotion and advertising expenses targeting to promote brand awareness from RMB13.4 million to RMB39.7 million.

Selling and marketing expenses as a percentage of revenue declined from 30.6% in the fiscal year ended 31 March 2020 to 27.6% in the fiscal year ended 31 March 2021 as we grew our revenue at a much faster rate.

Administrative Expenses

Our administrative expenses remained relatively flat at RMB309.9 million in the fiscal year ended 31 March 2021 compared with RMB302.0 million in the fiscal year ended 31 March 2020. The increase in one-off listing expenses was offset by the decrease in shared-based compensation (warrants) during the year.

As a percentage of revenue, administrative expenses declined from 54.1% in the fiscal year ended 31 March 2020 to 35.7% in the fiscal year ended 31 March 2020 as our revenue grew at a much faster rate.

Research and Development Expenses

Our research and development expenses decreased from RMB263.7 million in the fiscal year ended 31 March 2020 to RMB221.9 million in the fiscal year ended 31 March 2021. The decrease in research and development expenses was primarily due to decreases in (i) employee benefit and expenses for employees engaging in research and development function from RMB217.9 million to RMB183.9 million, including share-based compensation of RMB36.8 million and RMB18.3 million in respective years, as we shifted our engineering teams to work on our epidemic response solutions for our regional customers due to urgency of the matter and recorded the related expenses as cost of sales and services associated with the provision of those solutions; and (ii) depreciation of property, plant and equipment from RMB14.8 million to RMB10.3 million. Research and development expenses as a percentage of revenue declined from 47.2% in the fiscal year ended 31 March 2020 to 25.6% in the fiscal year ended 31 March 2021 as our revenue significantly outgrew our research and development expenses.

Operating Loss

As a result of the foregoing, operating loss of the Group decreased from RMB597.4 million in the fiscal year ended 31 March 2020 to RMB453.3 million in the fiscal year ended 31 March 2021.

Fair Value Change of Convertible Redeemable Preferred Shares

Our fair value change of convertible redeemable preferred shares was a loss of RMB821.6 million in the fiscal year ended 31 March 2020 and a loss of RMB3,245.8 million in the fiscal year ended 31 March 2021, primarily due to change in fair value of equity interest of the Company.

Fair Value Change of Convertible Notes

Our fair value change of convertible notes was a loss of RMB102.4 million in the fiscal year ended 31 March 2020 and a loss of RMB24.2 million in the fiscal year ended 31 March 2021, primarily due to change in fair value of conversion right of the convertible notes.

Taxation

Income tax expenses of the Group increased from RMB533,000 in the fiscal year ended 31 March 2020 to RMB1,417,000 in fiscal year ended 31 March 2021.

Loss for the Year

As a result of the foregoing, our loss for the year increased by 144.5% from RMB1,511.4 million in the fiscal year ended 31 March 2020 to RMB3,694.8 million in the fiscal year ended 31 March 2021, primarily due to change in fair value of the convertible notes, convertible redeemable preferred shares and warrants.

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 (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 financing transactions. We believe that this measure provides useful information 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) fair value changes of convertible redeemable preferred shares, (ii) fair value changes of convertible notes, (iii) fair value changes of warrants, (iv) share-based compensation expenses and (v) listing expenses.

For the fiscal years ended 31 March 2020 and 2021, our adjusted net loss was RMB322.3 million and RMB275.1 million, respectively.

The following table set forth the reconciliations of our non-IFRS financial measure for the fiscal years ended 31 March 2020 and 2021 to the nearest measure prepared in accordance with IFRS.

	Year ended 31 March	
	2021	2020
	(RMB'000)	
Loss for the year	**(3,694,817)**	(1,511,428)
Add:		
Fair value changes of convertible redeemable preferred shares[1]	**3,245,785**	821,584
Fair value changes of convertible notes[2]	**24,192**	102,356
Fair value changes of warrants[3]	**(34,398)**	(9,063)
Share-based compensation expenses[4]	**134,655**	272,947
Listing expenses[5]	**49,504**	1,260
Non-IFRS adjusted net loss	**(275,079)**	(322,344)
Non-IFRS adjusted net loss margin (%)[6]	**(31.7)**	(57.8)

(1) Fair value changes of convertible redeemable preferred shares represent the gains or losses arising from change in fair value of our issued Series A, A-1, A-2, B and C convertible redeemable preferred shares, which was recognized as a financial liability at fair value change through profit or loss. Such changes are non-cash in nature and are not directly related to our operating activities.

(2) Fair value changes of convertible notes represent the gains or losses arising from change in fair value of our issued convertible notes, which was recognized as a financial liability at fair value change through profit or loss. Such changes are non-cash in nature and are not directly related to our operating activities.

(3) Fair value changes of warrants represent the gains or losses arising from change in fair value of the warrants we issued to our investors, which was recognized at fair value change through profit or loss. Such changes are non-cash in nature and are not directly related to our operating activities.

(4) 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.

(5) Listing expenses are non-recurring items in nature and commonly not included in similar non-IFRS financial measures.

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

Liquidity and Capital Resource

During the fiscal year ended 31 March 2021, we had funded our cash requirements principally from capital contribution from shareholders and financing through issuance and sales of convertible redeemable preferred shares in private placement transactions, as well as the proceeds of the Global Offering. We had cash and cash equivalents, term deposits, restricted bank balance and deposits of RMB724.7 million and RMB4,605.6 million as of 31 March 2020 and 2021, respectively.

Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5 per cent. or more of the Company's total assets as at 31 March 2021) during the fiscal year ended 31 March 2021.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies for the fiscal year ended 31 March 2021.

Pledge of Assets

As at 31 March 2021, the Group has no material pledge of assets.

Future Plans for Material Investments or Capital Asset

As at 31 March 2021, 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 is calculated as total liabilities which are considered as borrowings less cash and cash equivalents. As of 31 March 2021, the Group has a net cash position and the gearing ratio was not applicable, as compared with 102% as of 31 March 2020.

Foreign Exchange Exposure

During the fiscal year ended 31 March 2021, the Group mainly operated in China with most of the transactions settled in RMB. The functional currency of our Company and the subsidiaries and the consolidated affiliated entities that operate in China are U.S. dollar and RMB, respectively. Our management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities denominated in the currencies other than the respective functional currencies of our group entities. As at 31 March 2021, we had currency translation gain of RMB573.0 million, as compared with currency translation loss of RMB154.8 million as at 31 March 2020. We did not hedge against any fluctuation in foreign currency during the fiscal years ended 31 March 2020 and 2021.

Contingent Liabilities

As at 31 March 2021, we did not have any material contingent liabilities (as at 31 March 2020: nil).

Capital Commitment

As at 31 March 2021, capital commitment of the Group was RMB3,183,000 (as at 31 March 2020: RMB455,000), mainly for the purchase of equipment.

Employees and Remuneration

As at 31 March 2021, the Group had a total of 1,201 employees, 834 employees were based in Beijing, 146 employees were based in Shanghai and 221 employees were based in other offices in China and overseas. The following table sets forth the total number of employees by function as at 31 March 2021:

Function	Number of employees
Product Development and Technology	650
Medical Function	253
Sales and Marketing	115
General and Administrative	183
Total	**1,201**

Our people are our most valued assets. We are able to continue to attract the best talents across multiple domains due to their faith in the potential of YiduCore to transform healthcare. As of 31 March 2021, about 47% of our employees have clinical research experiences and medical background, about 38% have AI and technology experiences and background, with a year-on-year increase of 33.1% and 17.0%, respectively.

The total remuneration cost incurred by the Group for the fiscal year ended 31 March 2021 was RMB694.5 million, as compared to RMB679.3 million for the fiscal year ended 31 March 2020.

The Company also has adopted a post-IPO share award scheme and a post-IPO share option scheme.

Subsequent Event

As at the date of this report, 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 2021.

Directors

The Directors who held office during the Reporting Period and up to the date of this annual report are:

Executive Directors

Ms. Gong Yingying (宮盈盈) *(Chairlady and Chief Executive Officer)*
Ms. Yang Jing (楊晶)
Dr. Yan Jun (閆峻)
Ms. Zhang Shi (張實)

Non-executive Directors

Ms. Gao Yongmei (高永梅)
Mr. Zeng Ming (曾鳴)

Independent non-executive Directors

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

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 37 to 43 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 Stock Exchange on 15 January 2021.

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 pages 124 to 125 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 7 to 19 of this annual report. These discussions form part of this report of Directors.

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 the Prospectus and in this annual report, the Group has not entered into any non-exempt continuing connected transactions from the Listing Date to 31 March 2021. Details of related party transactions of the Group for the Reporting Period are disclosed in note 37 to the consolidated financial statements, 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 will expire 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.

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 RMB3,000 thousand and the actual transaction amount was RMB613 thousand.

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 is considered a "connected person" under the Listing Rules by virtue of it being a substantial Shareholder holding approximately 10.38% of the Shares. Pursuant to Rule 14A.25 of the Listing Rules, any transactions between the Company and Sunshine Insurance Group are considered connected transactions.

Contractual Arrangements

Background to the Contractual Arrangements

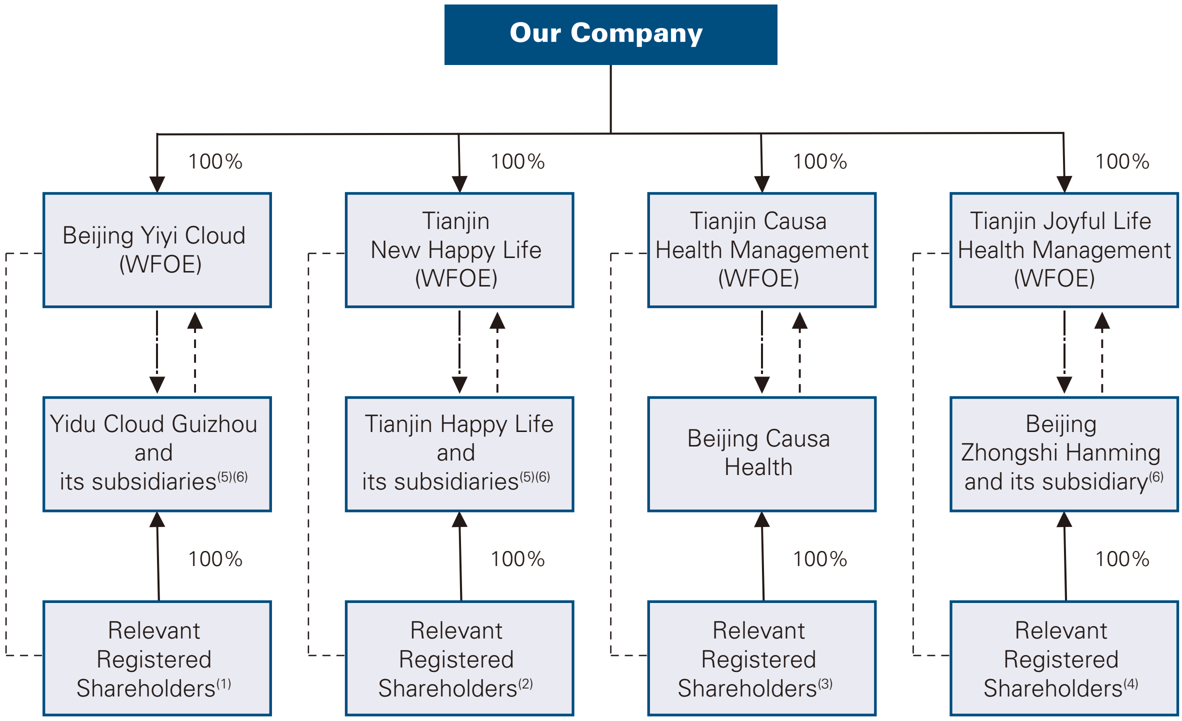
Our Consolidated Affiliated Entities are currently the Onshore Holdcos and their respective subsidiaries, which were all established under PRC laws. Our Company operates or may operate in industries which fall under Internet resource collaboration service or Internet information service, both being the 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 58.8% of our Group's total revenue (2020: 77.7%).

Based on the above and as set out int 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.

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 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 51% and Mr. Liang Yupeng as to 49%. Mr. Liang Yupeng is Vice President of our Health Management Platform and Solutions business. We consider Mr. Liang Yupeng suitable to act as a Registered Shareholder of Beijing Causa Health because of, among other considerations, his leadership of and contribution to our personal health management platform business ("**CausaHealth**") operated by Beijing Causa Health, his competence and his length of service and loyalty to our Group.

(4) During the Reporting Period, Beijing Zhongshi Hanming is owned by Mr. Li Wei as to 51% and Mr. Guo Xiaoyu as to 49%. Mr. Li Wei transferred his 51% equity interest in Beijing Zhongshi Hanming to Mr. He Zhi on 30 April 2021. Beijing Zhongshi Hanming is currently owned by Mr. He Zhi as to 51% and Mr. Guo Xiaoyu as to 49%. Mr. He Zhi and Mr. Guo Xiaoyu are Vice President and Senior Data Scientist of our Health Management Platform and Solutions business, respectively. 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 leadership of and contribution to our insurance technology and disease management solutions business ("**CausaCloud**") operated by Beijing Zhongshi Hanming, 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.

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 Agreement(s)**"), 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.

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.

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.

Waivers from the Stock Exchange

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.

Confirmation from Independent Non-Executive Directors

The Company's independent non-executive Directors have reviewed the Insurance Technology Services Framework Agreement and 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 Insurance Technology Services Framework Agreement and 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 period from the Listing Date to 31 March 2021;

(iv) the Insurance Technology Services Framework Agreement and Contractual Arrangements have been entered into in the ordinary and usual course of business of the Group;

(v) the Insurance Technology Services Framework Agreement and Contractual Arrangements have been entered into on normal commercial terms or better; and

(vi) the Insurance Technology Services Framework Agreement and 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

The auditor of the Company was engaged to report on the Group's continuing connected transactions (including the transactions carried out pursuant to the Contractual Arrangements) in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants, and confirms that:

(i) nothing has come to the auditor's attention that causes it to believe that the disclosed continuing connected transactions have not been approved by the Board.

(ii) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes it 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 the auditor's attention that causes it to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

(iv) nothing has come to the auditor's attention that causes it to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

(v) with respect to the Contractual Arrangements entered by the Group, nothing has come to the auditor's attention that causes it to believe that dividends or other distributions have been made by the consolidated affiliated entities to their registered equity holders which are not otherwise subsequently assigned or transferred to the Group.

A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

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 RMB102 million from our largest customer, representing 11.8% of our total revenue during the Reporting Period. During the same period, we generated revenue of RMB288.9 million in aggregate from our five largest customers combined, representing 33.3% 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 medicines. 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 RMB31.5 million, representing 5.5% of our total purchases during the Reporting Period. During the same period, the purchases we made from the five largest suppliers combined was RMB116.2 million, representing 20.2% 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 11 to the consolidated financial statements.

Property and Equipment

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 15 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 25 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 date of this annual report, 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 RMB6.1 million.

Debenture Issued

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

Equity-Linked Agreements

Save as disclosed in the section headed "Share Schemes" in this annual report, 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 2021. No shareholder has waived or agreed to waive any dividends for the fiscal year ended 31 March 2021.

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 2021, the Company does 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 128 and in note 26 and note 39 to the consolidated financial statements, respectively.

Loans and Borrowings

As at 31 March 2021, 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 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 non-executive Directors has entered into a letter of appointment with our Company for an initial term of three years from the Listing Date or the appointment date (as the case may be) 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 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 fiscal year ended 31 March 2021.

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 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.

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 29 to the consolidated financial statements and pages 93 to 100 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 40 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 RMB53.5 million (as set out in note 40 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.

Since the Listing Date, the Company has not changed its auditor.

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, Chief Executive Officer and Founder

China
25 June 2021

DIRECTORS AND SENIOR MANAGEMENT

Members of Our Board

Name	Age	Position	Date of appointment as Director
Gong Yingying[1]	37	Executive Director, Chief Executive Officer and Chairlady	9 December 2014
Yang Jing	42	Executive Director	14 August 2018
Yan Jun	42	Executive Director	16 August 2020
Zhang Shi	48	Executive Director	3 July 2020
Gao Yongmei	51	Non-executive Director	16 August 2020
Zeng Ming	51	Non-executive Director	25 June 2021
Ma Wei-Ying	53	Independent non-executive Director	15 January 2021
Pan Rongrong	43	Independent non-executive Director	15 January 2021
Zhang Linqi	57	Independent non-executive Director	15 January 2021

Note (1): Ms. Gong is also known by her alias name Gong Rujing (宮如璟).

Executive Directors

Ms. Gong Yingying (宮盈盈), aged 37, is an executive Director, the Chief Executive Officer, 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, a Senior Vice President in our senior management team and one of our Co-founders, is the spouse of Ms. Gong.

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.

Ms. Yang Jing (楊晶), aged 42, is an executive Director, President and the Chief Financial Officer of our Company. Ms. Yang was first appointed the Chief Financial Officer of our Company in September 2017 and was also appointed the President in January 2019. Ms. Yang oversees the finance, legal, marketing and human resources functions, business operational segments and the investing and financing activities of our Company.

Prior to joining our Group in September 2017, Ms. Yang worked at GIC from February 2011 to September 2017, with her last position as vice president. During her time at GIC, Ms. Yang led and participated in multiple private equity investment or exit projects primarily in the healthcare and financial services industries. Ms. Yang worked at Bain & Company as an associate consultant from July 2004 to December 2006, was promoted to senior associate consultant in January 2007 and worked as a consultant from October 2009 to March 2011, where she participated in a wide range of consulting projects advising clients from consumer goods, airline, healthcare, manufacturing and other industries.

Ms. Yang holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania awarded in May 2009 and a master's degree in international economics from Peking University awarded in June 2004. Ms. Yang received her bachelor's degree in international economics from Peking University in July 2002.

Dr. Yan Jun (閆峻), aged 42, 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, research and development of natural language processing and medical AI technologies and development and management of the technologies for our Big Data Platform and Solutions products.

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, information retrieval and internet advertising 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 80 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.

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. Zhang Shi (張實), aged 48, is an executive Director, Senior Vice President (Big Data Platform and Solutions) and Head of Government Affairs of our Company. Ms. Zhang leads and manages the Big Data Platform and Solutions business of our Group and oversees our communications and relations with governmental bodies. Since joining our Group in September 2017, Ms. Zhang has held various senior positions at Beijing Yiyi Cloud, including the chief executive officer since February 2020 and the chief operating officer between September 2017 and February 2020. Ms. Zhang has also served as the president of Yidu Cloud Guizhou since September 2017.

Prior to joining our Group, Ms. Zhang worked at Microsoft (China) Co., Ltd. in a variety of roles, including as supervisor of channels, general manager of several business divisions and the director of sales and government, from February 2006 to September 2017. Before joining Microsoft, Ms. Zhang worked as a client manager in the marketing teams at China HP Co., Ltd. from February 2004 to February 2006. Ms. Zhang worked at Dell (China) Co. Ltd. as a key account manager from October 1998 to March 2003, and at Hughes Network Systems, LLC in its Beijing office as a system engineer from October 1995 to October 1998.

Ms. Zhang received her bachelor's degree in electrical engineering from the Southwest Jiaotong University in July 1995.

Non-executive Directors

Ms. Gao Yongmei (高永梅), aged 51, is a non-executive Director of the Company. Ms. Gao has served as the vice president of Sunshine Life Insurance Corporation Limited since April 2017. Prior to joining Sunshine Life Insurance Corporation Limited, Ms. Gao worked at New China Life Insurance Co., Ltd. (Stock Exchange stock code: 1336; Shanghai Stock Exchange stock code: 601336) from October 2002 to November 2016 in a variety of roles, including as general manager of the Jilin branch.

Ms. Gao received her executive master of business administration degree from Peking University in January 2012 and her bachelor's degree in economics and management from Shaanxi Province Central Party School of the Communist Party of China in June 1995.

Mr. Zeng Ming (曾鳴), aged 51, was appointed as a non-executive Director of the Company with effect from 25 June 2021. Mr. Zeng was appointed as an independent non-executive director of Longfor Group Holdings Limited (Stock Exchange stock code: 960) on 3 June 2011. He is also the chairman of the remuneration committee of Longfor Group Holdings Limited. 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 53, was appointed as an independent non-executive Director, chairperson of the Remuneration Committee and members of the Audit Committee and Nomination Committee 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.

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 (潘蓉容), aged 43, was appointed as an independent non-executive Director and chairperson of the Audit Committee of our Company in January 2021. Ms. Pan has been the chief financial officer and a vice president of finance at SciClone Pharmaceuticals Group since September 2018. Ms. Pan has served as a joint company secretary for SciClone Pharmaceuticals (Holdings) Limited (賽生藥業控股有限公司) (Stock Exchange Stock code: 6600) 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 57, 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.

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

The senior management (other than our Executive Directors) of the Group comprises the following:

Name	Age	Position	Date of joining our Group
He Zhi	38	Chief Innovation Officer and Co-founder	December 2015
Xu Jiming	37	Senior Vice President (Life Sciences Solutions) and Co-founder	October 2015

See disclosure in "Directors and Senior Management – Executive directors" for the biographies of Ms. Gong, Ms. Yang Jing, Dr. Yan Jun and Ms. Zhang Shi.

Mr. He Zhi (何直), aged 38, is the Chief Innovation Officer and a Co-founder of our Company and is responsible for the innovation and technology development of our Company. Mr. He led the development of our hospital clinical research systems, all-digital solutions for clinical research, digital internet hospital solutions and other key systems and solutions of our Group. Before joining the Group in December 2015, Mr. He worked as a product director principally responsible for product development and commercialization in the *Tmall* big data platform and applications group at Alibaba Group from September 2012 to December 2014. Between July 2010 and August 2012, Mr. He co-founded Hangzhou Shuyun Technology Co., Ltd. (杭州數雲科技有限公司), a provider of big data enabled precision marketing software products and services, and served as its chief marketing officer and vice president, leading the product development and marketing of the company.

Mr. He received his master's degree in electronic communication and engineering in January 2009 and his bachelor's degree in material science and engineering in July 2004, both awarded by Tsinghua University.

Mr. Xu Jiming (徐濟銘), aged 37, is a Senior Vice President (Life Sciences Solutions) and Co-founder of our Company and leads and manages the Life Sciences Solutions business of our Company. Mr. Xu has served as the chief technology officer of Yidu Cloud Beijing since October 2015 and the chief executive officer of Tianjin Happy Life since March 2018. Mr. Xu has also served as the deputy director of the Tsinghua University — YiduCloud Intelligent Automated Medical System Joint Research Center since May 2018 and 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.

Mr. Xu has over ten years of experience in the fields of search engine technology, big data and AI. Before joining our 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.

Joint Company Secretaries

Ms. Bai Rui (白蕊), has been appointed as our joint company secretary with effect from 16 August 2020. Prior to joining our Company in May 2020, Ms. Bai practiced law with Davis Polk & Wardwell LLP as an associate between May 2018 and May 2020 and with Troutman Sanders LLP as an associate between February 2017 and March 2018. She worked in the capital markets groups at both law firms and advised companies, investment banks and financial sponsors on initial public offerings, including those on the Hong Kong Stock Exchange, corporate finance transactions and general corporate matters.

Ms. Bai received her juris doctor degree from the University of Iowa in August 2015 and her bachelor's degree in economics and finance from the University of Hong Kong in November 2011. Ms. Bai was admitted to the New York State bar in July 2016.

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 around ten years of professional experience in company secretarial field. She is currently a joint company secretary of Pop Mart International Group Limited (stock code: 9992) and the company secretary of China Fortune Financial Group Limited (stock code: 290), all companies are listed on the Hong Kong 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 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 fiscal year ended 31 March 2021 and as at the date of this annual report, 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. About the ESG Report

The Group is pleased to release the first Environmental, Social and Governance Report (the "**ESG Report**") to disclose the Group's environmental, social and governance ("**ESG**") performance.

Reporting Scope

The ESG Report covers the Reporting Period. Unless otherwise provided, the ESG Report covers the same scope as this annual report. The environmental key performance indicator ("**KPI**") data covers the Beijing head office of the Group, 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., 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), Jiangxi Zhengyuan Pharmaceutical Co., Ltd. (江西正源醫藥有限公司), Jiangsu Causa Grand Pharmacy Co., Ltd. (江蘇因數大藥房有限公司), Beijing Causa Health Technology Co., Ltd. (北京因數健康科技有限公司), Ningbo Century Kangtai Insurance Brokerage Co., Ltd. (寧波世紀康泰保險經紀有限公司), 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 ESG Report is compiled in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") set out in Appendix 27 to the Listing Rules. The ESG Report complies with the provisions of "comply or explain" under the ESG Reporting Guide.

Reporting Language

The ESG Report is available in two languages, Chinese and English. Should there be any inconsistency, the Chinese version shall prevail.

Report Approval

The ESG Report was reviewed and approved by the Board on 25 June 2021 for release.

Report Release

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

Report Feedback

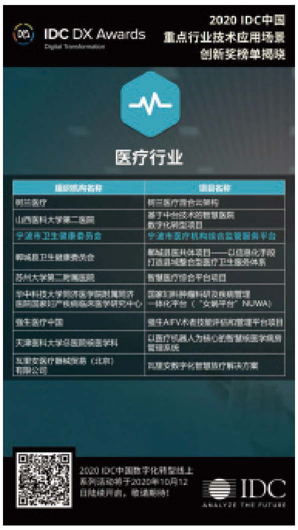
We highly value your feedback on the ESG Report. Should you have any questions or suggestions, please contact us through the following channels:

Address: 8/F Health Work, No. 9 Building of Huayuan North Road, Haidian District, Beijing, China
E-mail: ir@yiducloud.cn

2. Awards and Honors

With its innovation and outstanding performance in healthcare technology, many of the Company's brands have won numerous awards and gained much praise and high appreciation from different sectors in the society during the Reporting Period.

Name of Awards/Honors	Award Date	Awarding Agency
2020 Global InsurTech Innovation Competition Top Six (2020全球保險科技創新大賽前6強)	April 2020	The Digital Insurer
2020 Synced Machine Intelligence Awards 	June 2020	Synced Machine
2020 China InsurTech Top 100 (2020中國保險科技100強)	July 2020	INSLAB
2020 China's Digital Transformation TOP 100 (2020推動中國數字化轉型TOP 100)	July 2020	China Internet Weekly
Ranking 7th in 2020 Digital Infrastructure Top100	July 2020	Jointly issued by China Internet Weekly and eNet Research Centre

Name of Awards/Honors	Award Date	Awarding Agency
Ningbo Medical Institution Comprehensive Supervision Service Platform won the 2020 Medical Industry Technology Application Scenarios Innovation Awards for IDC China Digital Transformation  	September 2020	IDC China
2020 Outstanding Intelligent Innovation Award (2020傑出智能創新獎)	September 2020	China Financial Summit
2020 IDC China Fintech Top 50 (2020 IDC 中國 Fintech 50強)	November 2020	IDC Consulting
2020 InsurStar InsurTech Award TOP 25 (2020 InsurStar保險科技新鋭獎TOP 25)	December 2020	Insur View
2020 First Prize of the Global Insurtech Innovation and Entrepreneurship Competition (2020全球Insurtech創新創業大賽一等獎)	December 2020	Beijing Fintech Research Institute
2020 Fintech Innovation Award (2020年度金融科技創新獎)	December 2020	China Internet Weekly of Chinese Academy of Sciences

Name of Awards/Honors	Award Date	Awarding Agency
AI of China • 2020 Synced Machine Intelligence Awards — 30 Most Valuable AI Use Case within the industry of the Year 	January 2021	Synced Machine

3. Sustainable Development Management

The Company's mission is "to make value-based precision healthcare accessible to everyone". Guided by the mission, we have integrated the sustainable development concept into our business decision and daily operation. We have formulated policies, rules and management practices relating to sustainable development focusing on innovative Research & Development (R&D) and quality, responsible operation, talent care and training, contribution to society to improve people's livelihood and implementing green operations, to ensure continuous innovative R&D, high quality management, compliant operation, cultivation of outstanding talents, contribution to society and establishment of a green environment. The Board will take full responsibility for the sustainable development strategy and reporting and will monitor and ensure the implementation and execution of all sustainable development policies and rules.

3.1 Communication with Stakeholders

The Group attaches great importance to the close communication with stakeholders. We have built multiple communication channels for Shareholders, investors, governments, regulators, customers, employees, suppliers, business partners, communities/non-governmental organizations and other major stakeholders to keep close communication. We proactively collect and understand stakeholders' expectations of and requirements for the Group's actions regarding ESG, so as to continue to improve our ESG performance.

Stakeholders	Means of Communication
Shareholders/investors	• General meetings • Annual reports and interim reports • Corporate communication • Regular announcements • Official website
Governments and regulators	• Job meetings • Information distribution • Seminars
Customers	• Customer service centre • Daily operation/exchange • Telephone and e-mail
Employees	• Employee opinion survey • Staff communication conference • Work performance interview and appraisal

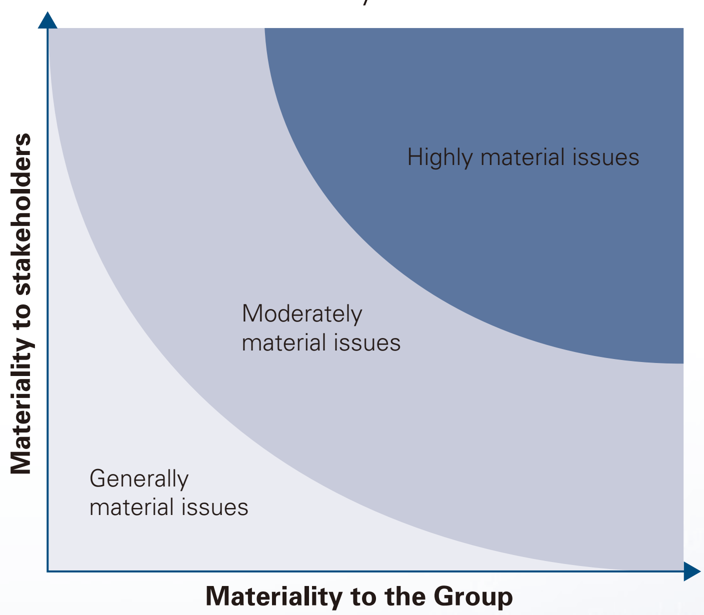
Stakeholders	Means of Communication
	• Staff activity • Seminar/workshop/symposium • Staff intranet • Publications (e.g. staff communication)
Suppliers and business partners	• Supplier management procedure • Supplier/contractor appraisal system • Site inspection
Communities/non-governmental organizations	• Public welfare activities • Seminar/symposium/workshop
Counterparts	• Strategic cooperation projects • Industry conference or forum
Media	• Results announcement • Press conference • Press release • Interview with senior management

3.2 Materiality Assessment

To further identify key areas of corporate practice and disclosure in ESG, and respond to the requirements of stakeholders, the Group conducted an analysis on material issues relating to ESG during the Reporting Period, to identify the most material sustainable development issues for the Group.

Considering the Group's business development objectives, actual operation strategies and situation, as well as our understanding of stakeholders' expectations of and ESG Reporting Guide through daily communication, we finally selected 22 important issues applicable to the Group covering ESG after conducting detailed analysis and making reference to the disclosure obligations set out under the ESG Reporting Guide and the materiality pool of the Sustainability Accounting Standards Board ("**SASB**"), including six highly material issues, seven moderately material issues and nine generally material issues. We have made important disclosure in the ESG Report based on such important issues, and take them into consideration when formulating ESG strategies and approaches.

Materiality Matrix



ESG Highly Material Issues	
1	Technological development and innovation
2	Product quality control
3	Compliant risk management
4	Protecting customer privacy and data security
5	Protecting and safeguarding intellectual property rights
6	Supporting epidemic prevention and control

ESG Moderately Material Issues	
7	Integrity and compliance in operation
8	Compliant employment
9	Employees' rights and benefits
10	Equality and diversity
11	Occupational health and safety
12	Employees' training and development
13	Commitment to social welfare

ESG Generally Material Issues	
14	Optimizing customer services
15	Sales convention and product labelling
16	Supply chain management
17	Participating in targeted poverty alleviation
18	Practicing green office
19	Energy consumption
20	Resource utilization
21	Emissions management
22	Responding to climate change

4. Innovative Research & Development and Quality

As a leading company in healthcare technology sector, the Company adheres to a pioneering and enterprising spirit, making value-based precision healthcare accessible to everyone. Meanwhile, we strictly control product quality, striving to deliver better products and services to customers.

4.1 Intelligent and Innovative Research & Development

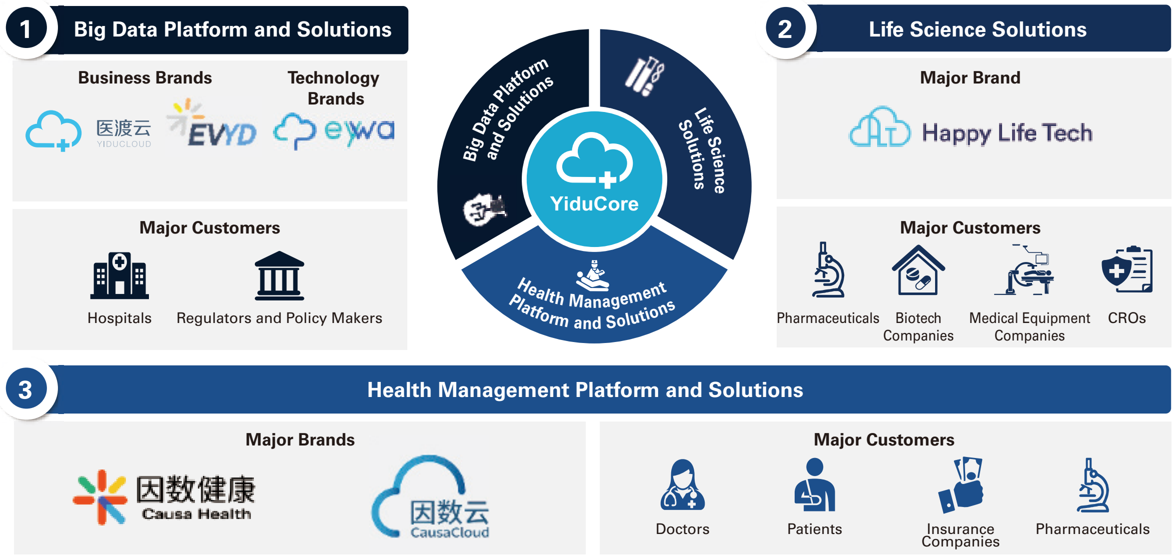
Adhering to its fundamental aspiration of "Green Healthcare", the Company invests in R&D and insists on innovation, devoting itself to "Healthy China 2030" and the development of healthcare technology.

Using the YiduCore as the engine to empower the intelligent healthcare ecology

We offer healthcare solutions built on big data and artificial intelligence (AI) and big data technologies. We provide data analysis-driven solutions for hospitals, pharmaceutical, biotech and medical device companies, research institute, insurance companies, doctors, patients, regulators and policy makers, enabling them to fully tap into the value of healthcare data elements and promoting the digital transformation of the industry.

YiduCore, our data intelligence infrastructure, can be divided into three layers. The first layer is our data processing capabilities which allow us to aggregate and convert the raw and scattered data on the information technology systems of hospitals in China into computable, structured and standardized data with speed, accuracy and cost-efficiency. The second layer consists of our medical knowledge, insights and disease models that are continuously reinforced and expanded as they are applied to drive our data-analytics driven solutions for our customers in various cases. The final layer is our scenario-specific operations and service capabilities that we develop on top of our data processing capabilities and medical knowledge to help our customers better realize the value of our solutions and our ecosystem to achieve their target outcomes.

Leveraging YiduCore, our intelligent "medical brain", we have developed a suite of analytics-driven healthcare solutions that serve the critical needs of our customers in the healthcare industry. We currently operate three major business segments: Big Data Platform and Solutions, Life Science Solutions, and Health Management Platform and Services.



Three Business Segments

Big Data Platform and Solutions

Big Data Platform and Solutions was launched in 2015. It is the segment with the longest operating history and consists of our big data platform offerings, including the data processing and application platform (DPAP) and its upgraded version Eywa, as well as other solutions to customers such as hospitals, regulators and policy makers. We offer DPAP/Eywa platforms and solutions for hospitals to empower them to leverage insights from their data in their core operations. Connected to hospitals' existing operating systems, the DPAP/Eywa platforms aggregate the raw data that reside in their systems and process them into structured and standardized data. These data platforms further empower a wide range of applications and solutions for hospitals, such as medical research, clinical diagnosis and treatment and hospital operation management. In addition, we work with top healthcare institutions and researchers to establish research networks and disease registries, enabling researchers within the network to conduct medical research using healthcare data of greater breadth and depth under proper authorization. We also help regulators and policy makers aggregate and process multi-source heterogeneous data at city, provincial and national levels, and allow them to utilize our solutions in multiple application scenarios, such as public health security, epidemic response and population health management.

Life Sciences Solutions

We provide analytics-driven clinical development, real-world evidence (RWE)-based research and digital commercialization solutions to pharmaceutical, biotech and medical device companies, as well as other companies involved in the clinical development process. Our Life Sciences Solutions serve our customers in their drug and medical device development and commercialization process. As part of our Life Sciences Solutions, we also offer software and technology platforms to pharmaceutical, biotech and medical device companies and contract research organizations (CROs) to enhance their clinical trial process.

Health Management Platform and Solutions

We provide one-stop research-driven personal health management services under the brand of "CausaHealth". By leveraging the medical knowledge accumulated in YiduCore and our capabilities to process and analyze multi-source and multi-type data efficiently and accurately, we are able to offer coordinated care that integrates treatment in traditional care settings with out-of-hospital care and lifestyle interventions that include nutrition, mental and physical activities, personalized to each individual. We empower doctors and other care providers on our platform to be more effective by providing them relevant insights and knowledge upon proper authorization, and convenient patient management tools. Research doctors can also use our platform and tools to conduct their research and follow-up with and manage their research participants more efficiently. This is our approach to achieving "patient-centered, outcome-oriented" care.

Within this segment, we also offer insurance technology and disease management solutions under the brand of "CausaCloud" to insurance companies and agencies. Leveraging our deep insights and knowledge powered by YiduCore, our solutions are aimed at facilitating insurance companies and agencies to develop innovative insurance products, enabling faster and more accurate insurance underwriting and expediting claim processing.

4.2 Excellent Quality Control

Excellent product and service quality are the fundamentals of the Company to win the trust and support from customers. The three major businesses we operate, namely Big Data Platform and Solutions, Life Science Solutions and Health Management Platform and Solutions, are strictly supervised in terms of product and service quality.

Yidu Cloud (Beijing) Technology Co., Ltd., a company under the Group, is approved for Quality Management System Certification (GB/T 19001-2016/ISO 9001:2015), covering areas in healthcare technology sector.

Online services are provided in our various kinds of business. In order to continuously improve and ensure the stability of online services, we have formulated the "Online Service Stability Management Measures" and set up a stability management committee to guide and supervise the implementation of the stability-related systems and technologies by various teams of the Group. The aforementioned measures stipulate procedures for online incident handling, online incident review and improvement, and online operation, with an aim to improve online service quality.

- Online incident handling procedure: standardizing the handling process in order to address and restore online service quickly and appropriately in the event of online incidents;

- Online incident review and improvement procedure: standardizing incident review and improvement process, summing up experience and improvement work, which serve as important means to enhance the stability of online service; and

- Online operation: standardizing online operation procedure, improving stability and reliability of online service and reducing risks of online incident.

Quality Control of Healthcare Data Processing Capabilities

The backbone of our technology is our healthcare data processing capabilities. Healthcare data are generated, collected and stored in various information systems, and we need to aggregate, cleanse, structuralize and standardize these data for analytics through data engineering, natural language processing and other AI technologies. We aggregate data from different information systems as the basis of data processing, thereby forming a high-quality computable database.

To improve the completeness and accuracy of data for customers, YiduCore's data algorithm can automatically detect anomalies in the original data based on a comprehensive knowledge base for healthcare information. We fully comply with the national and industrial standards in healthcare data quality control, for example, the National Standard on Information Technology — Evaluation Indicators for Data Quality (GB/T 36344-2018). Besides, we have built a knowledge base consisting of thousands of quality control rules for processing healthcare data. By strictly and carefully applying the rules, we are able to automatically detect anomalies and generate data quality scores and reports, thereby monitoring and managing data quality during data processing.

Quality Assurance and Management System

We developed quality assurance and management systems to ensure the quality of our products and services. Types of quality assurance review include project review, supplier review and process review, etc. During the implementation of the review, the reviewer conducts the review in accordance with the review plan, contract agreement, etc., such as interviews with key personnel, review of ongoing procedures and processes, review records and data, and evaluation of facilities and equipment. If there are key findings during the review, the reviewer requires the reviewed party to conduct corrective and preventive action (CAPA) management within ten working days after the review report is released to prevent problems and ensure the quality of product and service.

During the Reporting Period, there is no cases of products needing to be recalled for safety or healthy reasons occurring in the Company.

Customer Service Quality

In addition to the quality assurance of products and services, we also attach importance to communication with customers and customer service experience, and strive to provide customers with high-quality customer service. We develop customer service standard operating procedures. According to different business categories, we formulate the corresponding operations and words of customer service in response to common problems of customers, and improve the service level of customer service personnel.

For complaint handling, we have also developed a standard operating procedure. After receiving complaints from all sides, our customer service staff listen patiently to the complaints of customers, calm their emotions, proactively resolve different problems encountered by customers, contact relevant colleagues for handling, keep detailed records, and feedback on the results of complaint handling to related departments. During the Reporting Period, we received a total of 24 complaints about products or services, all of which have been properly addressed.

5. Responsible Operation

Responsible operation is the cornerstone of the Company's success. We strive to improve our risk management level, adhere to standards of integrity and ethics, safeguard information security and customers' privacy, protect our own and others' intellectual property, and conduct sustainable supplier management, in order to achieve steady growth of our business.

5.1 Enhancing Risk Management

In order to improve the level of risk management and enhance our core competitiveness, we formulated Risk Assessment Management Method to standardize risk management work and facilitate the sustainable, steady and healthy development of the Company, in accordance with the Basic Standards for Internal Control within the Company, Listing Rules as well as related laws and regulations.

The management is the highest decision-making body 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 department and subsidiary examined the feasibility of risk responding strategy and management mechanism to be implemented, then submitted them to the audit department and management for review, and if necessary, to the Board for consideration and approval.

We conduct risk assessment mainly through goal setting, risk identification, risk analysis and evaluation, risk response, the supervision and improvement of risk management.

Goal setting

- Set goals, such as goals relating to compliance with laws and regulations, operation efficiency and effectiveness, and development strategy

Risk identification

- Based on the goals, identify internal and external factors which affect and hinder the realization of such goals
- Internal factors: policy and strategy, staff, process, technology base, etc.
- External factors: natural environment, legal environment, economic environment, etc.

Risk analysis and evaluation

- For the risks identified, analyse "likelihood" and "extent" of each risk with qualitative and quantitative methods
- Final risk rating is derived from two-dimensional chart of "likelihood" and "extent"
- For material risks, allocation of resources should be prioritized accordingly for better control

Risk response

- Develop reasonable and effective response strategy and management system based on the results of risk analysis, as well as the reason and tolerance of risks while balancing risks and return

Supervision and improvement of risk management

- Each department and subsidiary conducts inspection on its risk response and business process on a regular basis in order to identify defects and make timely improvements
- The audit department may inspect the implementation, outcome and effectiveness of risk response and control procedure, and make recommendation regarding the adjustment or improvement of the risk control system

5.2 Integrity and Compliance in Operation

Integrity is a core value of the Group. We conduct all business operations by upholding integrity as the policy to maintain the highest moral standard, endeavoring to conduct all business operations and build commercial relationship in a fair, faithful, lawful and compliant way.

Anti-bribery, Anti-corruption, Anti-fraud and Anti-Money Laundering

We strictly comply with the laws and regulations related to anti-bribery, anti-corruption, anti-fraud and anti-money laundering in the PRC, 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. We establish relevant systems, follow principles of responsible operation and strive to maintain the Group's reputation.

We formulated the Anti-Bribery & Anti-Corruption Policy, which prohibits our employees, customers, suppliers, agents and representatives of other companies from giving or accepting money, gifts or entertainment that may be regarded as bribery. The internal audit and compliance department will monitor the effectiveness and the implementation of this policy regularly and conduct regular examination on internal control system and process to combat bribery and corruption.

We formulated the Anti-Fraud Policy to promote a corporate culture of integrity and create an anti-fraud environment. To reduce the occurrence of fraud, we not only assess the risk of fraud and establish specific control process and mechanism, but also set up a standing anti-fraud department, which is supervised by the Board and the audit committee, to receive, investigate, report and address the whistle-blowing.

We formulated the Anti-Money Laundering Policy. For customers' identification, we ensure the authenticity, validity and completeness of customers' information to avoid conducting business with or achieving business cooperation with customers without clear identity, which controls illegal money-laundering behavior from the beginning. For large funds and suspicious transactions, we established specific process for transactions involving large funds to closely monitor suspected money-laundering transactions and any violations.

We provided new employees with training concerning anti-bribery, anti-corruption and anti-fraud to enhance their awareness of the code of conduct on anti-bribery, anti-corruption, anti-fraud and anti-money laundering. Anti-money laundering training was also provided to relevant personnel to help them to learn about the standards for identifying suspicious transactions and increase money-laundering related knowledge and capability.

We established Management System for Complaint, Whistle-blowing and Suggestion. Employees can report any immoral behaviors like fraud, corruption and bribery through telephone and email. The whistleblower's personal information will be treated confidentially. After receiving a report, the internal audit department under the standing anti-fraud department will make an assessment with other relevant personnel jointly and decide whether an investigation is needed. External experts may join in the investigation as the case may be. Once the investigation is completed, we will report the results to the concerned parties and submit them to relevant management.

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

Regulating Marketing and Promotion Activities

The Group strictly complies with the Advertising Law of the PRC and other laws and regulations related to marketing and promotion activities. We formulated Specifications on External Use and Review Process of Promotional Materials to strictly regulate the external use and review process of promotional materials and make sure that all promotional materials are used in accordance with laws and regulations. To ensure the accuracy of content, all promotional materials for external use shall be reviewed by the marketing department and the legal and compliance department before their external use, otherwise, any part of the promotional materials shall not be used externally in any way.

5.3 Information Security and Privacy

As a leading healthcare big data solutions provider, we attached high importance to information security and privacy. We are committed to safeguarding customers' information security and privacy and strictly complying with the laws and regulations related to information security of locations where we operate, including, but not limited to the PRC Cybersecurity Law, Information Security Technology — Personal Information Security Guidelines, the Measures for Cybersecurity Review, Administrative Measures for the Graded Protection of Information Security and Information Protection Policy of Brunei. During the Reporting Period, we did not violate any laws and regulations related to information security and privacy.

Yidu Cloud (Beijing) Technology Co., Ltd., one of our subsidiaries, has obtained various information security management system certificates, including Information Security Management System Certification (GB/T 22080-2016/ISO/IEC 27001:2013), Cloud Service Information Security Management System Certification (ISO/IEC 27017:2015), Personally Identifiable Information Security Management System Certification (ISO/IEC 27018:2014) and Information Technology Service Management System Certification (ISO/IEC 20000-1:2011), covering the design and development of healthcare big data platform, integration of healthcare big data information system, and information security management activities related to its operation and maintenance services.

We formulated Security Management System-Information Security Strategy, trying to effectively control security risk involved through establishing and improving the Group's various information security management systems, strengthening information security training and education for employees, and developing suitable information security risk control measures. We also formulated the Information Security Management Specification for Staff to regulate our employees and external partners' actions to protect our customers' information security, as well as the security of our business information and confidential information.

Refining Information Security Management Organization

- Establish information security committee, comprised of information security leading group, information security management team and information security implementation team, which is responsible for the overall information security work;
- Information security leading group is responsible for leading the overall information security work;
- Information security management team is mainly comprised of members from information security department, responsible for the implementation and evaluation of information security work; and
- Information security implementation team is comprised of the information security officer from each department, responsible for the implementation of daily work on information security.

Signing Confidentiality Agreement

- Employees shall sign a confidentiality agreement when they join our Company, and employees participating in an important project are required to sign its corresponding confidentiality agreement; and
- Before any third parties visit the information processing facilities of the Group, they must sign a confidentiality agreement, which specifies their rights to access information assets, the responsibilities they should bear and the consequences they should take arising from breach of duty.

Cybersecurity and System Security

- Monitor if the server terminal runs in safe model in real time. At present, the Company's server terminal has been equipped with security management and control software. The designated person will handle any abnormities and warnings;
- Server terminal will be scanned quarterly for security purpose. The identified problems will be followed up and handled by the designated person;
- Scan the network system for vulnerabilities regularly and fix identified security vulnerabilities in time; and
- Employees' computers and their actions are under our management and control. In case of any data leakage, we will intercept and give warning signals.

Data Security

- Approval and authorization must be obtained before accessing the data;
- Customer and project document data are stored separately in different storage facility according to customer and project, without sharing in storage facility; and
- Encryption and other protective measures are adopted to ensure the confidentiality of transmission and storage of system management data and important business data.

Information Security Training

- Provide all employees with regular security training, which includes safety policies, strategies, procedures, correct use of information processing facilities and safety awareness; and
- Conduct security examinations on a regular basis to ensure that all employees can recognize information security issues and matters, and perform their duties according to their respective security roles.

5.4 Protecting Intellectual Property Rights

As a company which attaches great importance to the R&D of innovative healthcare artificial intelligence, the Company acknowledges that protecting intellectual property rights is an important part of sustainable development strategy. During the Reporting Period, the Company had 860 registered patents in total, with 249 new patents. We strictly comply with the laws and regulations, such as the Patent Law of the PRC, the Copyright Law of the PRC and the Trademark Law of the PRC.

To protect the Group's intangible assets, we have formulated Management Regulations on Intellectual Property Rights and Management Regulations on Patents to strengthen the management of intellectual property rights, clarified the responsibilities for R&D of our technologies, the application for patent protection and the management of patent technologies, and regulated the use of patent technologies. We have actively encouraged employees to invent, which can facilitate our technological innovation and the formation of our own intellectual property rights, allowing us to make progress in production technology and increase the market competitiveness and economic benefits of the Company.

We are committed to protecting our own intellectual property rights. For any inventions and creations made in the development of new products and technologies, the study of new materials and techniques, as well as technical transformations that are eligible for patents, we will apply for patents in time to gain legal protection. If any infringement is found, we will inform relevant authorities promptly to conduct investigation and collect evidence, and request relevant administrative authorities for patent affairs to intervene or file a lawsuit in People's Court, where necessary, so as to protect our legitimate rights and interests and safeguard our intellectual property rights from being infringed. We respect and protect others' intellectual property rights. We will search and retrieve intellectual property rights from patent documents before conducting scientific and technological innovation, work creation and other activities involving intellectual property rights, to avoid repeated development or patent infringement disputes.

The Group has formulated the Academic Achievements Management System, standardizing the academic morality of all serving employees and persons engaged in academic activities in the name of the Company and its associates. In this way, we respect others and protect the Group's own academic achievements. Moreover, we have established an academic board, which is designed for the investigation and arbitration of academic morality issues. Our management will be responsible for reviewing the opinions of the academic board. If any academic morality problem is identified, we will take disciplinary action against the accused or propose handling advice on the scale of an organization. If the accused is innocent, we will instruct the academic board to publish the results of arbitration confirmation, so as to safeguard the academic reputation of the accused.

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

5.5 Sustainable Supplier Management

The Group established the Operating Regulation on Supplier Management and Selection Standard, and the Green Supply Chain Management System, which standardizes selection, evaluation, review and management of the suppliers, ensuring the quality of suppliers and reducing risks posed to environment and society by the supply chain, to achieve the sustainable development of green procurement and supply chain.

Supplier Selection

According to the procuring technology, function and service requirement and specifications as required by the procurement demand department, the relevant business department and procurement department can nominate new suppliers to the Supplier Qualification Evaluation Working Team. Such team is responsible for collecting information, review and evaluation of the nominated suppliers. To become qualified suppliers, all suppliers need to be reviewed and evaluated and approved by the Qualified Supplier Evaluation Committee. In selecting and evaluating suppliers, in addition to considering their company qualification, quality, reputation, capability of delivering products and services, and price level, we will also consider their performance in areas of environment and society, such as compliance with related policies, regulations and standard of national environmental protection, obtaining of the ISO management system certification (including quality, environment, occupational health, etc.), environmental performance, ensurance of no illegal employment, and provision of reasonable remunerations and workplace environment for their employees. Candidate suppliers are rated by the procurement project working team, and the procurement demand department will decide the final suppliers for procurement.

Follow-up Review of Supplier

We evaluate our suppliers on quality, delivery, price, service and others on a half-year basis, and conduct an overall evaluation annually. For our qualified suppliers, we will retain them in the list of qualified suppliers, and give priority to those suppliers with excellent performance ratings when procuring. We will give warnings to those suppliers with problems and negative ratings, and remove those unqualified suppliers with serious problems from the list.

Regular Contact and Review of Supplier

We regularly contact with and conduct site visits to suppliers included in the list of qualified suppliers to prevent any significant changes in suppliers that may lead to their failure to perform, hence effectively reducing suppliers' risks.

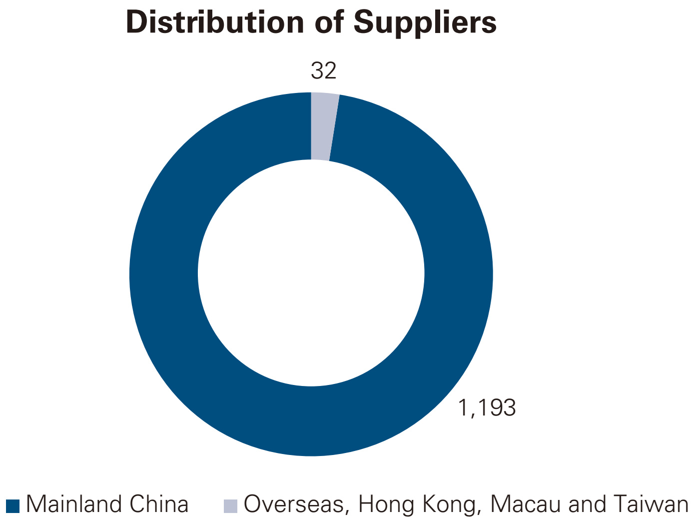
Achieving Green Procurement

The Group practices green procurement, uses environmentally-friendly products and service as far as possible. We require that the materials provided by suppliers and their production, logistics and storage processes should comply with corporate green procurement requirements. The products procured should use clean energy, which will help to reduce water resources, and avoid waste caused by excessive procurement.

Supplier Integrity Agreement

The Group requests the suppliers to enter the supplier integrity agreement with us, pursuant to which the suppliers are required to comply with our policies in relation to anti-bribery and anti-corruption, and undertake that all operations, services and activities under such agreement will be in full compliance with all laws and regulations applicable to our business operations.

During the Reporting Period, the Group has 1,225 suppliers in total, including 1,193 suppliers in Mainland China and 32 suppliers in overseas, Hong Kong, Macau and Taiwan, providing us with hardware, software, medical equipment, technical services, consumables and others.



6. Talent Care and Training

In accordance with the long-term development direction of the Group, the Group establishes human resources management policies as per national and local requirements, respects the basic rights and interests of our employees, continues to improve remunerations and benefits, occupational health and safety systems, provides diversified training to retain talents, in the development and expansion of a strong pipeline of talent to grow with the Company.

6.1 Protecting Employees' Rights and Interests

The Group strictly complies with the Labor Law of the PRC, the Labor Contract Law of the PRC and the Social Security Law of the PRC and other laws and regulations, and has established a series of internal human resources management system, including the Employee Handbook, the Recruitment Management System, the Rank Management System, the Attendance Management System and the Performance Management System. The Group revises, supplements and explains its own systems according to the actual operation management needs or employee feedbacks. Each of the employees in the Company is required to learn and understand each system, ensuring that we can implement talent management in an orderly manner, so that our employees can work in a culture of equality and integrated diversity to enable further development of the Group. During the Reporting Period, the Group has 1,201 employees in total. Other detailed data on employees' information is set out in Appendix I: KPI Data Table.

Recruitment and Promotion

The Group determines budgets for departmental staff according to annual strategic planning, and reports to the Standing Committee of the Group for review. We determine recruitment plans based on business planning and staffing budgets. Our Group continuously improves the talent recruitment system, diversifies recruitment channels to improve recruitment efficiency and suitability, encourages both external and internal referrals to recommend outstanding talents for the Company and provides referral incentives. We set up the External Referral Rules for candidates to have an opportunity to provide external referees when they are applying for senior positions or above. In addition, employees of the Group can recommend talents to join our family according to our Internal Referral Rules while following the principles of relative avoidance and confidentiality.

All recruitment criteria of the Group are based on the Recruitment Management System, which is based on the principles of fair competition and talent-position matching. Before the strict interview, assessment and evaluation process, candidates are required to pass identity verification first to ensure that they meet the minimum working age required by laws. For certain candidates to be hired for important positions, the Group will seek the consent of the candidates before conducting background checking, and consider the approval based on the results of the survey. During the Reporting Period, we did not have any cases of child labor or forced labor.

In order to develop and motivate outstanding talents, the Group provides annual regular promotion opportunities to employees annually. For individual employees with excellent performance or those who have made significant contributions to the Company, special annual promotion channels will be provided. Before employees submit their application for promotion, their basic qualifications, performance and ability should be reviewed by their departments and the human resources department if they meet the promotion standards. After reviewing, each qualification management committee and the standing committee will confirm by means of position review or offline review.

The Group has established the Performance Appraisal Management System to establish a fair, reasonable, serious and scientific performance management system. We develop reasonable strategic objectives, business plans, performance appraisals and performance improvement mechanisms to comprehensively enhance the effectiveness of individuals and the Group, striving to achieve continuous and cyclical rapid growth. All performance appraisals are based on four major principles of responsibility-result orientation, bilateral communication, fairness and objectivity, and dynamic adjustment. We conduct regular performance appraisals for employees on a quarterly basis, and the annual appraisal will be carried out together with that of the fourth quarter. At the end of each appraisal period, employees are required to submit a self-review and evaluation regarding the planned goals. Each party of the appraisal hereafter will conduct bilateral feedback and communication on the appraisal results, and such results will be approved by the relevant department. Meanwhile, we provide a performance complaint channel for employees, and employees who have any objections to the performance appraisal results can lodge their complaint within three working days after the date of results.

Four Major Principles of Performance Appraisal	Description
Responsibility-result orientation	Oriented by working attitudes and target results, we guide our employees to do the right things in the right way for pursuing work efficiency constantly.
Bilateral communication	In the process of performance plan setting, coaching, evaluating and applying, and improving, two-way communication with employees will be held in a timely, effective and standardized manner by managers.
Fairness and objectivity	We guarantee transparent system, fair process and justice results, while we will focus on record daily routine of our employees, conduct evaluation in various aspects, and add up evaluation information truly and effectively, providing evidences based on data and fact.
Dynamic adjustment	Performance appraisal management should remain dynamic and flexible. Performance criteria change with the movements to strategies and development plans of the Company and growth and job duties of management objects. Also, performance appraisal management should be beneficial to the development and growth of employees and the Company.

Remunerations and Dismissal

The Group's practices on entry salary, salary payment and salary adjustment are strictly implemented in accordance with internal policies. Our remunerations shall be adjusted appropriately as incentives according to budgets of each department and performance appraisal level of employees. Any unfair or unreasonable dismissal is prohibited. Therefore, the Group has established the Reward and Punishment System, which implements punishment based on different prohibited behaviors. 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.

Working Hours and Holidays

We implement an eight-hour day, five-day workweek according to the standard working hours system. The Group will implement flexible working hours according to the actual needs of each department, while the specific working hour system, working hours and shifts of special positions can be adjusted according to the legal provisions and the actual situation. The implementation of such specific plan should be reported to the human resources department for written approval. In addition to the basic paid annual leave and statutory holidays stipulated by the government, employees of the Group are entitled to additional leave such as wedding leave, maternity leave and paternity leave.

Equal Opportunity, Diversity and Anti-discrimination

The Group advocates equal and fair employment and prohibits any form of discrimination in employment. We tolerate no discrimination due to gender, age, nationality, colour, religion, physical disability and other factors by any way. We care about our employees' needs and listen to their opinions and suggestions. We have adopted multiple online and offline communication channels, such as corporate WeChat, internal live streaming, one-on-one conversations, and one-to-many meetings, from the Group to each business department to achieve efficient communication between employees and senior management.

6.2 Employee Care and Benefits

The Group has established a comprehensive welfare system to care about life and needs of our employees. In additional to following the social security policies in the PRC, we also contribute payments for social security such as pension, medical, unemployment, work injury insurance and housing fund for our employees, and we also purchase accident insurance and supplementary medical insurance for employees, and we will insure five immediate relatives with supplementary medical insurance. Furthermore, the Group also provides a number of special benefits to recruit outstanding talents.

Special benefit 1: training courses for children of employees at weekends
We offer "Yidu Cloud Children Training Course" for employees who need to work overtime at weekends and are unable to take care of their children, allowing them to handle work at weekends without worries.
Special benefit 2: vacation benefits
We provide vacation benefits for employees with performance rated excellent or above, one chance provided per year for the employees themselves or their families.
Special benefit 3: rental discounts
We offer rental discounts on specific rental platforms for employees who need house renting in Beijing.

Other benefits include nutritious meals, wedding gifts, red package of filial piety, team building funds, staff club, hair cutting and massage, fitness and stress releasing.

In addition, the Group has held abundant activities for employees in Beijing, Shanghai, Nanjing, Chongqing, Guiyang and other cities, in order to enhance the health index of employees, expand communication channels of employees, promote culture embracement of employees in different aspects. We set up various kinds of ball clubs, including football, basketball and badminton. These clubs hold activities regularly to promote communication between employees and help them to manage work-life balance. During the Reporting Period, the total attendance of all ball clubs' activities was 738.

In additional to sports clubs, we also set up clubs for singles and rap and street dance lovers, enabling our employees with different needs and hobbies to organize and participate in such activities. We also organize various great activities on special holidays, like Chinese traditional holidays, employees' birthdays, Chinese Doctor's Day, Teachers' Day, and Programmer's Day, to commit to enhancing the sense of belonging of our employees.

Basketball club activity

Football club activity

Singles club activity

Dumplings wrapping activity for Spring Festival

6.3 Employee Health and Safety

The Group attaches great importance to the health and safety of our employees. We strictly comply with the Occupational Disease Prevention and Control Law of the PRC, Emergency Response Law of the PRC, Production Safety Law of the PRC, Management Measures on Contingency Plans for Emergencies and other relevant laws and regulations. We provide free annual physical check-up for our employees to ensure their health. We fully implement the relevant laws and regulations of the PRC in respect of production safety via adhering to the principle of "people-oriented, prevention-oriented" to reduce the occurrence of production safety accidents. There were no work casualties during the Reporting Period.

We formulate Comprehensive Emergency Plan for Office Production Safety Accidents, through which we are able to take preventive measures to establish a sound, effective and rapid emergency response mechanism, thereby minimizing the loss caused by accidents. Combined with the emergency plan, we provide emergency guidelines, policies, emergency organization structure and related responsibilities, emergency actions, measures and guarantees and other basic requirements and procedures in respect of fire, electric shock, earthquake, fire emergency rescue, social safety incidents and public health and security emergencies and other emergencies. Our emergency response organization has different emergency response groups, which are responsible for implementing the basic principle of "prevention first, responsibility division, unified command". We not only formulate full management training program annually, but we also develop training plan for emergency response quarterly, including emergency rescue knowledge counseling, award-winning quiz, on-site operation of rescue equipment, self-rescue knowledge drill, etc. We also organize simulated emergency safety drills according to the actual situation, and make evaluations and summaries after the drills, striving to correct and remedy the defects that existed in the emergency rescue plan in a timely manner.

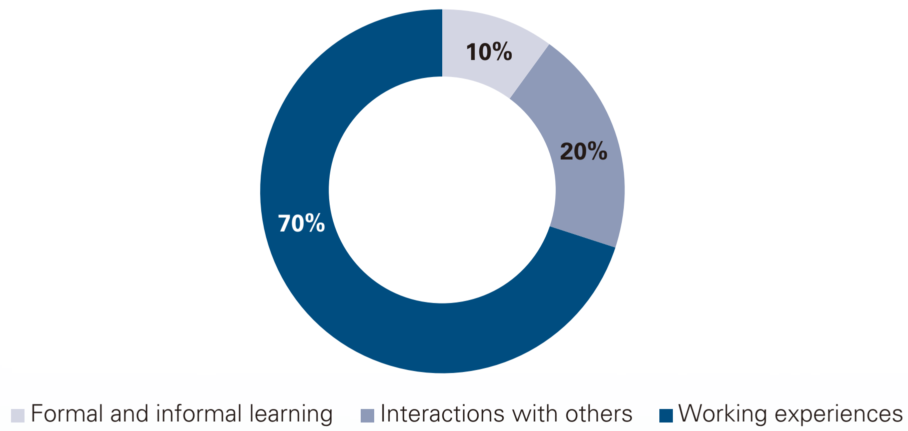
Emergency Evacuation Group	**The Wounded Rescue Group**	**Peripheral Control Group**	**Communication Group**
• Responsible for giving the post-accident and on-site evacuation instructions	• Responsible for transporting the wounded to safety zones	• Responsible for dividing the warning areas, setting up isolation zones and keeping on-site order	• Responsible for providing various materials, equipment and communication equipment for handling emergencies

Case: Set up an emergency plan and epidemic prevention group in response to the COVID-19 outbreak
At the beginning of 2020, the Group set up an emergency plan and epidemic prevention group in response to the emergency of suspected COVID-19 outbreak, and specially set up a WeChat group to facilitate each regional office responsible department to inform each other of emergency events. In response to the need, we immediately developed the "Prevention and Control Instructions" for the Group to make proper preparation for production resume as well as epidemic prevention and control, and all employees are required to comply with the implementation. Since February 2021, the Group has arranged cleaning personnel to conduct absolute disinfections for every corner in office areas on each floor on a daily basis by using electric sprayers, also, professional disinfections have been carried out regularly on each floor in the building. We are also well equipped with adequate anti-epidemic materials including masks and portable disinfectant, to provide the employees in need with emergency reserve. It is required by us that the assistant to each department shall check and monitor the body temperature every day for its people, record and report staff's daily health condition to administration department. We will take prompt measures by keeping follow up tracking and have each employee informed immediately once we detect employees of any abnormal health condition.

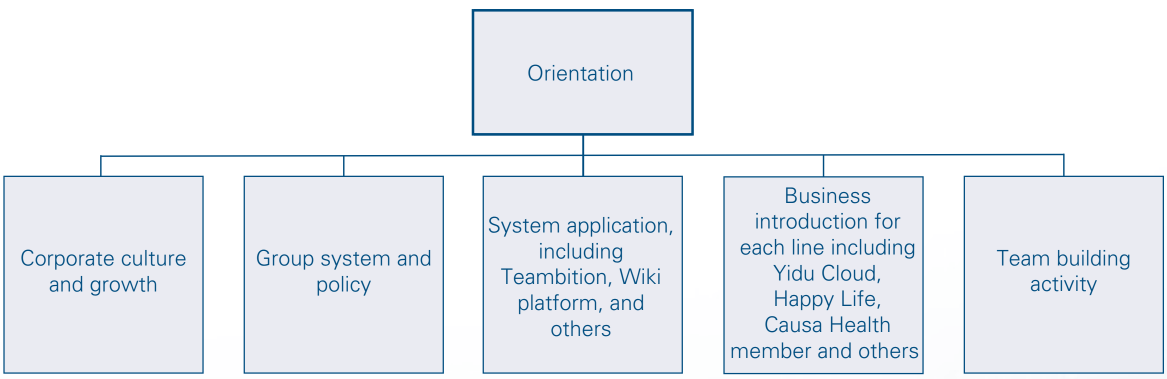
6.4 Focusing on Talent Development

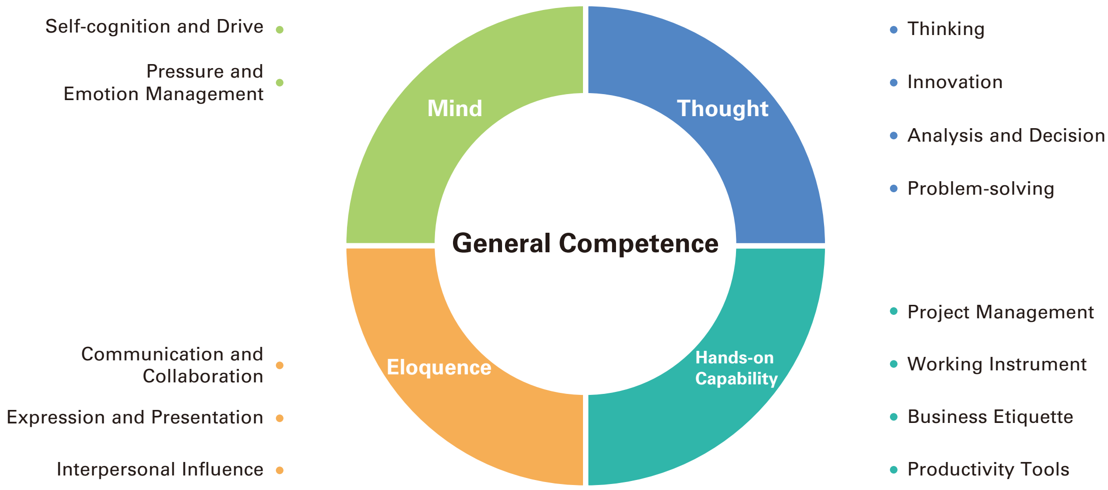
The Company advocates that the individual should follow the 10/20/70 principle in their learning, and attempt to gradually have a flexible application of knowledge and tools that one gained, to accumulate personal competence and experience. In respect of individual learning, 10% of the outcome is derived from targeted formal and informal learning, which is able to enlarge one's knowledge pool. For instance, face-to-face training, on-line training and reading. 20% of the outcome is resulted from the interactions with others, through which it can add a new standpoint into the Company, bring one more opportunity to improve self-cognition and pick up new skills. For example, guidance by one's superiors/mentors, development feedback, Dashixiong Project (大師兄項目), cross-border communication, visit to other companies, industry conference and others. 70% of the outcome is contributed to working experiences, for instance, targeted practice, rotation system, challenging project, cross-module project, expanded duty, action learning and others.

10/20/70 Learning Principle for Individuals in the Company



The Group promotes the implementation of individual development plan, aiming for facilitating two-way communication, seeking for and integrating sources as well as offering support for employee's development. Our employees are required to formulate their own "Individual development plan" according to their own career plan and goal, combined with the Group's needs and the expectation from their superior leaders. We insist on offering systematic trainings to core talents based on our business demands. Through our talent training projects covering various types including orientation, general competence training, leadership training, we strive to provide a communication and sharing platform for employees from various ranks and positions for the purpose of fully enhancing the comprehensive strength of our team and supporting the continuous development of the Company and our employees in a healthy manner. We choose the professional in-house part-time instructors with rich experience in company management, business management, professional knowledge, technology and other aspects through a selection procedure, to share new information, knowledge, skills, work related tips and tricks with other employees in the Company. In additional, the Group has "T-Learning", a third-party online learning platform, containing six modules of course resources in the Internet industry, i,e, "industry insight, product refinement, technology research and development, design and application research, marketing, career development".





General Competence Training System

During the Reporting Period, the Company successfully improved the employees' knowledge level and professional skills via online and offline teaching models and multiple dimensions to have the Company and its employees experiencing joint promotion and development.

Training Project	Training Objective
Orientation	• Deepen the understanding of the culture and business of the Company to better fit into the Group; and • All new recruits shall attend orientation and the corresponding tests, the results of which linked to their probation and annual performance.
"Dashixiong Project" (「大師兄項目」)	• Assign a Dashixiong ("大師兄"), i.e. mentor, for each new employee, striving to help them rapidly adapted to respective positions by "teaching, assisting and guiding".

Training Project	Training Objective
"Energy Station" (「能量站」)	• Involve product knowledge, industry news, best practices, and expertise, in order to satisfy the employees' learning needs that was offered with continuous understanding of cross-departmental products/specialties/industries.
General Competence Training	• Combined with the Group's needs, the improvement in working efficiency and performance as purpose; and • Enrich the general competence in knowledge, psychology, skills and eloquence.
Professional Training	• Develop personalized professional skills for employees according to job requirements.
Leadership Training	• Arrange targetable leadership development courses to enhance leadership and management skills according to employees' career development stages.
SOP (Standard operation procedure) Training	• Relevant SOP training must be provided before performing relevant work.

7. Contribution to Society to Improve People's Livelihood

The Company actively practices corporate social responsibility and repay society while developing its business. During the Reporting Period, we continue to target precise poverty alleviation and purchase agricultural products from poverty-stricken counties in Guizhou.

Adhering to our originality of "naturality and kindness", we have always been actively participating in poverty alleviation activities. During the Reporting Period, we have been awarded the honorary title of "Loving Unit" by Guizhou Provincial Foundation for Poverty Alleviation to recognize our earnest efforts to poverty alleviation. In the future, we will keep practicing public charity to firmly perform our social responsibilities.

The Company has always been dedicated to charity. During the Reporting Period, we had denoted in total of over RMB6 million to various organizations including medical development and research centers, hospitals, education funds, medical biology development funds and research institutes in relation to artificial intelligence, making contribution to research development on medical projects, research on artificial intelligence, education, student assistances and youth development, etc.

As the Mid-Autumn Festival was approaching in 2020, the flood ravaged a large number of houses and farmland in Ziyun Miao and Buyi Autonomous County and its surrounding areas, the most poverty-stricken county in Guizhou, resulting in losses of approximately RMB100 million. In order to support the stricken areas, the Group purchased agricultural products hand made by local villagers with camellia, green tea and multiflora honey.

The marketing department of the Group is responsible for designing poverty alleviation themed gift boxes, canvas bags and postcards, and we sent the gift box of agricultural products to our partners as present.

In the Spring Festival of 2021, the Group continued its poverty alleviation action by purchasing green and high-quality agricultural products from Guizhou, with the expectation that green health and better healthcare can empower our nation's future to greater possibilities.

8. Implementing Green Operations

The Group attaches great importance to environmental protection and strictly abides by relevant environmental laws and regulations such as the Environmental Protection Law of the PRC, the Law of the PRC on Conserving Energy and the Law of the PRC on the Prevention and Control of Solid Waste Pollution. As a non-manufacturing company, we have a relatively slight impact on the environment and natural resources, which is mainly from energy consumption, water consumption, resources consumption, waste discharge and greenhouse gas emissions in the places where we operate[1]. We have been actively saving energy and reducing emissions, reducing water consumption and waste generation and conserving resources, so as to implement green operations. During the Reporting Period, the Group did not have any violations of laws and regulations related to waste gas and greenhouse gas emissions, discharge pollutant to water and land, and generation of hazardous and non-hazardous wastes. Detailed data information on environment is set out in Appendix I: KPI Data Table.

[1] Operation place mainly refers to office as well as warehouse.

8.1 Promoting Energy Conservation and Emission Reduction

The Group is committed to saving energy and reducing greenhouse gas emissions. The main source of our greenhouse gas emissions is electricity consumption. We have adopted a number of energy conservation measures to reduce greenhouse gas emissions and mitigate climate change. During the Reporting Period, as the Group did not have any fuel consumption from stationary sources and vehicles, we did not have any gas emissions from gaseous fuel consumption and vehicle.

Key Measures for Energy Saving and Emission Reducing
Air-conditioning System • Turn off the air-conditioning system when out of the office; • Adopt a water-cooled air-conditioning system; • Set the minimum indoor air-conditioning temperature in summer at 26 degrees Celsius; • Clean the filter screen and the fan coil unit regularly; and • Adopt central control and monitoring systems.
Lighting System • Turn off the lights when out of the office; • Divide the office into a number of different lighting areas that can be independently controlled by lighting switches; • Install motion sensors in places that are not frequently in use; and • Reduce the number of lights (if necessary).
Electronic Office Equipment • Turn off electronic equipment completely during non-working hours; • Set the computers to be automatic standby or in sleep mode when idle; • Use energy-efficient electronic equipment; • Use virtualized computer equipment to reduce power consumption and hardware installation; and • Integrate multiple servers into a single server of higher capacity.

8.2 Water Resources Management

The Group cherishes water resources and has taken various water conservation measures. Our office water is supplied by the municipal government, so the Group has no issue in sourcing water that is fit for purpose.

Key Measures for Water Saving

- Promote water conservation and post reminder signs in relevant washrooms;
- Be sure to firmly turn off the faucet after use;
- Use taps with water saving labels and infrared sensors;
- Use double flush toilets; and
- Take meter readings regularly to check for water leakage.

8.3 Waste and Resources Management

We actively reduce waste generation from the source. We will classify non-hazardous waste and hazardous waste and hand it over to qualified third parties for disposal.

Key Measures for Waste and Sources Management

- Reduce the use of disposable and non-recyclable products;
- Reuse envelopes, binders, file cards and other stationery supplies;
- Sort and collect items with recycling value, such as beverage bottles and cartons for recycling;
- Used toner cartridges or ink cartridges will be recycled by the supplier; and
- Use chargeable batteries instead of disposable batteries.

Key Measures for Paper Saving

- Use electronic office system and promote electronic documents to reduce paper consumption;
- Use recycling bins to recycle waste paper, and the used paper recycled will be used for the second time;
- Perform paper usage statistics on a regular basis to monitor paper consumption and take appropriate improvement measures;
- Default the computer and printer to double-sided printing mode; and
- Except for paper with confidential information, all recyclable waste paper is sent to waste paper recycling companies for recycling.

Appendix I: KPI Data Table

Environmental Performance[2]	Unit	2020
Greenhouse Gas Emissions[3]		
Total greenhouse gas emissions (Scope 1 and 2)[4]	tonne of CO_2e	405.69
Greenhouse Gas Emissions Intensity		
Greenhouse gas emissions intensity (area)	tonne of CO_2e/m^2	0.023
Greenhouse gas emissions intensity (person)	tonne of CO_2e/employee	0.36
Electricity Consumption[5]		
Total electricity consumption	kWh	648,322.00
Total electricity consumption intensity (area)	kWh/m^2	37.39
Total electricity consumption intensity (person)	kWh/employee	575.26
Water Consumption[5]		
Total water consumption	m^3	5,585.44
Total water consumption intensity (area)	m^3/m^2	0.32
Hazardous Waste[5]		
Generation of used computers	unit	50
Recycling of used computers	unit	50
Generation of used toner cartridges/ink boxes	unit	112
Recycling of used toner cartridges/ink boxes	unit	112
Generation of used batteries	unit	1,310
Recycling of used batteries	unit	1,310
Non-hazardous Waste[5]		
Generation of non-hazardous waste	kg	8,079.50
Non-hazardous waste intensity	kg/employee	7.17
Recycling of non-hazardous waste	kg	443.00
Packaging Material[5]		
Carton consumption	kg	793.13
Paper Consumption[5]		
Paper consumption	kg	2,271.82
Paper consumption intensity	kg/employee	2.02

2 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), Jiangxi Zhengyuan Pharmaceutical Co., Ltd. (江西正源醫藥有限公司), Jiangsu Causa Grand Pharmacy Co., Ltd. (江蘇因數大藥房有限公司), Beijing Causa Health Technology Co., Ltd. (北京因數健康科技有限公司), Ningbo Century Kangtai Insurance Brokerage Co., Ltd. (寧波世紀康泰保險經紀有限公司), Ningbo Century Kangtai Technology Co., Ltd. (寧波世紀康泰科技有限公司) and EVYD Technology Limited.

3 The calculation is made by reference to the Greenhouse Gas Protocol published by the World Resources Institute and the World Business Council for Sustainable Development.

4 The Total Greenhouse Gas Emissions include direct greenhouse gas emissions (Scope 1) that generated from the sources owned and controlled by the Group and indirect greenhouse gas emissions (Scope 2) that caused by electricity generation, heating and cooling. The indirect greenhouse gas emissions included the scope of above environmental data, excluding the operating office located in Brunei.

5 Data from certain subsidiaries were not covered within such time scope throughout the Reporting Period as those operating offices of such subsidiaries have not carried out businesses during the Reporting Period.

Social Performance[6]	Unit	2020
All employees[7]	person	1,201
Number of Employees[7] (by Gender)		
Female employees	person	608
Male employees	person	593
Number of Employees[7] (by Age Group)		
Aged below 30	person	387
Aged 30–50	person	809
Aged over 50	person	5
Number of Employees (by Employment Category)		
Short-term contract/part-time employees	person	265
Entry-level employees	person	1,100
Middle management	person	85
Senior management	person	16
Number of Employees[7] (by Geographical Region)		
Employees in North China	person	861
Employees in Northeast China	person	15
Employees in East China	person	215
Employees in Central China	person	29
Employees in Northwest China	person	7
Employees in South China	person	55
Employees in other regions	person	19
Employee Turnover Rate[8] (by Gender)		
Female employees	percentage	19.26
Male employees	percentage	25.60
Employee Turnover Rate[8] (by Age Group)		
Aged below 30	percentage	21.82
Aged 30–50	percentage	22.81
Aged over 50	percentage	28.57
Employee Turnover Rate[8] (by Geographical Region)		
Employees in North China	percentage	22.08
Employees in Northeast China	percentage	16.67
Employees in East China	percentage	25.09
Employees in Central China	percentage	17.14
Employees in Northwest China	percentage	12.50
Employees in South China	percentage	24.66
Employees in other regions	percentage	20.83

6 The scope of social data includes the entire group.
7 Excluding short-term contract/part-time employees.
8 Calculation method: number of staff turnover ÷ (number of staff turnover + number of staff at the end of the year) × 100%.

Social Performance[6]	Unit	2020
Percentage of Employees Trained (by Gender)		
Female employees	percentage	52.16
Male employees	percentage	47.84
Percentage of Employees Trained (by Employment Category)		
Short-term contract/part-time employees	percentage	19.90
Entry-level employees	percentage	73.39
Middle management	percentage	5.58
Senior management	percentage	1.13
Average Number of Training Hours Per Employee (by Gender)		
Female employees	hour	17.13
Male employees	hour	11.00
Average Number of Training Hours Per Employee (by Employment Category)		
Short-term contract/part-time employees	hour	2.66
Entry-level employees	hour	14.72
Middle management	hour	10.75
Senior management	hour	7.75
Occupational Health and Safety — Cases of Work-Related Casualties of Employees		
Work-related fatalities	person	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

Appendix II: Content Index of the ESG Reporting Guide

Indicator Content			Respective Section
A. Environmental Area			
A1: Emissions	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.	8. Implementing Green Operations
	A1.1	The types of emissions and respective emissions data.	Appendix I: KPI Data Table
	A1.2	Greenhouse gas emissions in total and intensity.	Appendix I: KPI Data Table
	A1.3	Total hazardous waste produced and intensity.	Appendix I: KPI Data Table
	A1.4	Total non-hazardous waste produced and intensity.	Appendix I: KPI Data Table
	A1.5	Description of measures to mitigate emissions and results achieved.	8. Implementing Green Operations
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	8.3 Waste and Resources Management
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	8. Implementing Green Operations
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	Appendix I: KPI Data Table
	A2.2	Water consumption in total and intensity.	Appendix I: KPI Data Table
	A2.3	Description of energy use efficiency initiatives and results achieved.	8.1 Promoting Energy Conservation and Emission Reduction
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	8.2 Water Resources Management
	A2.5	Total packaging material used for finished products and (if applicable) proportion of per unit produced.	Appendix I: KPI Data Table
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	8. Implementing Green Operations
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	8. Implementing Green Operations

Indicator Content			Respective Section
B. Social Area			
B1: Employment	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.	6.1 Protecting Employees' Rights and Interests 6.2 Employee Care and Benefits
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I: KPI Data Table
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: KPI Data Table
B2: Health and Safety	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 Employee Health and Safety
	B2.1	Number and rate of work-related fatalities.	6.3 Employee Health and Safety Appendix I: KPI Data Table
	B2.2	Lost days due to work injury.	Appendix I: KPI Data Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.3 Employee Health and Safety
B3: Development and training	General disclosure	Policy on improving employees' knowledge and skills in performing their duties. Describe training activities.	6.4 Focusing on Talent Development
	B3.1	The percentage of trained employees by gender and employee category (such as senior management, middle management, etc).	Appendix I: KPI Data Table
	B3.2	The average number of training hours completed by each employee by gender and category of the employee.	Appendix I: KPI Data Table

Indicator Content			Respective Section
B. Social Area			
B4: Labor standards	B4	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.	6.1 Protecting Employees' Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.1 Protecting Employees' Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Protecting Employees' Rights and Interests
B5: Supply Chain Management	General disclosure	Manage the environmental and social risk policies of the supply chain.	5.5 Sustainable Supplier Management
	B5.1	Number of suppliers by geographical region.	5.5 Sustainable Supplier Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.5 Sustainable Supplier Management
B6: Product Responsibility	General Disclosure	Product responsibility: 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.	5. Responsible Operation
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	We 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 Excellent Quality Control
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.4 Protecting Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	4.2 Excellent Quality Control
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Information Security and Privacy

Indicator Content			Respective Section
B. Social Area			
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: KPI Data Table
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5.2 Integrity and Compliance in Operation
B8: Community Investment	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.	7. Contribution to Society to Improve People's Livelihood
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sports).	7. Contribution to Society to Improve People's Livelihood
	B8.2	Resources contributed to the focus areas.	7. Contribution to Society to Improve People's Livelihood

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 2021, 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)]	416,221,675(L)[(3)]	44.99%
Yan Jun	Beneficial owner	Company	2,500,640(L)[(4)]	0.27%
Yang Jing	Beneficial owner	Company	8,000,640(L)[(5)]	0.86%
Zhang Shi	Beneficial owner	Company	14,624,205(L)[(6)]	1.58%

Notes:

(1) The calculation is based on the total number of 925,229,510 Shares in issue as at 31 March 2021.

(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. Ms. Gong is deemed to be interested in these Shares.

(4) 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.

(5) Represents Ms. Yang Jing's entitlement to receive up to 8,000,640 Shares pursuant to the exercise of options granted to her under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of those options.

(6) Represents Ms. Zhang Shi's entitlement to receive up to 14,624,205 Shares pursuant to the exercise of options granted to her under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of those options.

(7) The letter (L) denotes a long position in the Shares.

Save as disclosed above, as at 31 March 2021, 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 2021, 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 of Shares	Approximate % of interest[1]
Sweet Panda Limited[2]	Beneficial interest	398,888,890	43.11%
Sunshine Longevity Limited[3]	Beneficial interest	96,068,715	10.38%
Sunshine Life Insurance Corporation Limited[3]	Interest in a controlled corporation	96,068,715	10.38%
Sunshine Insurance Group Inc., Ltd.[3]	Interest in a controlled corporation	96,068,715	10.38%
Astonish Investment Pte. Ltd.[4]	Beneficial interest	60,068,295	6.49%
Apstar Investment Pte Ltd[4]	Interest in a controlled corporation	60,068,295	6.49%
GIC (Ventures) Pte. Ltd.[4]	Interest in a controlled corporation	60,068,295	6.49%
GIC Special Investments Private Limited[4]	Interest in a controlled corporation	60,068,295	6.49%
GIC Private Limited[4]	Interest in a controlled corporation	60,068,295	6.49%
Meddig International[5]	Beneficial interest	55,555,555	6.00%
BVCF III, L.P.[5]	Interest in a controlled corporation	55,555,555	6.00%
MSA China Fund I L.P.[6]	Beneficial interest	33,625,730	3.63%
Magic Stone Alternative Private Equity Fund GP, Ltd.[6]	Interest in a controlled corporation	33,625,730	3.63%

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate % of interest[(1)]
Magic Stone Hong Tao Alternative Fund, L.P.[(6)]	Beneficial interest	17,529,995	1.89%
Magic Stone Hong Tao Family Offices GP[(6)]	Interest in a controlled corporation	17,529,995	1.89%
MSA Management Holdings Pte. Ltd.[(6)]	Interest in a controlled corporation	51,155,725	5.53%
Ms. Zeng Yu[(6)]	Interest in a controlled corporation	51,155,725	5.53%

Notes:

(1) The calculation is based on the total number of 925,229,510 Shares in issue as at 31 March 2021.

(2) Sweet Panda Limited is wholly-owned by Ms. Gong.

(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.

(4) Astonish Investment Pte. Ltd. is wholly-owned by Apstar Investment Pte Ltd, which is in turn wholly-owned by GIC (Ventures) Pte. Ltd.. Astonish Investment Pte. Ltd. is managed by GIC Special Investments Private Limited, which is in turn wholly-owned by GIC Private Limited. Under the SFO, each of Apstar Investment Pte Ltd, GIC (Ventures) Pte. Ltd., GIC Special Investments Private Limited and GIC Private Limited is deemed to be interested in the Shares held by Astonish Investment Pte. Ltd.

(5) Meddig International is a non-wholly owned subsidiary of BVCF III, L.P.. Under the SFO, BVCF III, L.P. is deemed to be interested in the Shares held by Meddig International.

(6) MSA China Fund I L.P. (formerly named Magic Stone Alternative Private Equity Fund, L.P.) is managed by its general partner, Magic Stone Alternative Private Equity Fund GP, Ltd., and Magic Stone Hong Tao Alternative Fund, L.P. is managed by its general partner, Magic Stone Hong Tao Family Offices GP. Magic Stone Hong Tao Family Offices GP and Magic Stone Alternative Private Equity Fund GP, Ltd. are controlled by MSA Management Holding Pte. Ltd.. MSA Management Holding Pte. Ltd. is controlled by Ms. Zeng Yu. Under the SFO, (i) Magic Stone Alternative Private Equity Fund GP, Ltd. is deemed to be interested in Shares held by MSA China Fund I L.P.; (ii) Magic Stone Hong Tao Family Offices GP is deemed to be interested in the Shares held by Magic Stone Hong Tao Alternative Fund, L.P.; and (iii) each of MSA Management Holding Pte. Ltd. and Ms. Zeng Yu is deemed to be interested in the Shares held by MSA China Fund I L.P. and Magic Stone Hong Tao Alternative Fund, L.P.

Save as disclosed herein, as at 31 March 2021, 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). The Pre-IPO Share Option Plans are not share option schemes and are not subject to the provisions of Chapter 17 of the Listing Rules.

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 2021, the Company has granted options under the Pre-IPO Share Option Plans to 1,173 grantees (including Directors, senior management and other connected persons of the Company, external consultants, external grantee(s), grantee(s) who have been granted options to subscribe for five million Shares or more, and other employees of the Company). 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 paid by the grantees for the grant of options under the Pre-IPO Share Option Plans. As of 31 March 2021, no option has been exercised under the Pre-IPO Share Option Plans, 1,920 options were cancelled and 526,995 options lapsed under the Pre-IPO ESOP II.

The aggregate number of Shares underlying the outstanding options as at 31 March 2021 were 149,906,255 Shares, represents approximately 16.20% of the issued Shares.

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 of the outstanding options granted under the Pre-IPO ESOP I during the Reporting Period are as follows:

Name	Role	Date of Grant	Vesting Period[(1)]	Exercise Price (US$)	Outstanding as of the Listing Date	Exercised during the fiscal year ended 31 March 2021	Lapsed during the fiscal year ended 31 March 2021	Cancelled during the fiscal year ended 31 March 2021	Outstanding as of 31 March 2021
Directors and members of the senior management of the Company									
Zhang Shi	Executive Director, Senior Vice President, Head of Government Affairs	17 July 2017	4 years	0.018	10,000,000	—	0	0	10,000,000
Xu Jiming	Senior Vice President	24 August 2016	4 years	0.018	15,000,000	—	0	0	15,000,000
		1 December 2020	0 year	0.018	50,000	—	0	0	50,000
Connected persons of the Company									
Sun Zhe	N/A	24 August 2016	4 years	0.0028	20,000,000	—	0	0	20,000,000
External consultant, grantee who has been granted options to subscribe for five million Share or more, and the remaining grantees									
He Ke	External consultant	27 August 2015	4 years	0.018	1,250,000	—	0	0	1,250,000
Lv Dongchen[(2)]	Finance Vice President	24 August 2016	4 years	0.0028	15,000,000	—	0	0	15,000,000
		1 December 2020	4 years	0.018	1,489,735	—	0	0	1,489,735
Other 19 grantees	N/A	9 December 2014 to 1 December 2020	2–4 years	0.018–0.0028	5,543,600	—	0	0	5,543,600
Total	**24 grantees**				**68,333,335**	**–**	**0**	**0**	**68,333,335**

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 tenth 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) Lv Dongchen has been granted options under both the Pre-IPO Share Option Plans to subscribe for a total of 16,547,290 Shares (that is, over five million Shares).

Details of the outstanding options granted under the Pre-IPO ESOP II during the Reporting Period are as follows:

Name	Role	Date of Grant	Vesting Period[1]	Exercise Price (US$)	Outstanding as of the Listing Date	Exercised during the year ended 31 March 2021	Lapsed during the year ended 31 March 2021	Cancelled during year ended 31 March 2021	Outstanding as of 31 March 2021
Directors and members of the senior management of the Company									
Yan Jun	Executive Director, Chief Technology Officer	5 December 2017	4 years	0.018	750,000	—	0	0	750,000
		30 November 2018	4 years	0.018	750,000	—	0	0	750,000
		30 December 2019	4 years	0.018	416,745	—	0	0	416,745
		1 December 2020	4 years	0.018	583,255	—	0	0	583,255
		11 December 2020	1 year	0.018	640	—	0	0	640
Yang Jing	Executive Director, President, Chief Financial Officer	16 October 2017	4 years	0.018	8,000,000	—	0	0	8,000,000
		11 December 2020	1 year	0.018	640	—	0	0	640
Zhang Shi	Executive Director, Senior Vice President, Head of Government Affairs	17 July 2017	4 years	0.018	1,140,000	—	0	0	1,140,000
		12 October 2017	4 years	0.018	2,500,000	—	0	0	2,500,000
		31 December 2018	2 years	0.018	267,285	—	0	0	267,285
		23 May 2019	1 year	0.018	166,000	—	0	0	166,000
		30 December 2019	4 years	0.018	550,280	—	0	0	550,280
		11 December 2020	1 year	0.018	640	—	0	0	640
He Zhi	Chief Innovation Officer	24 August 2016	4 years	0.018	15,000,000	—	0	0	15,000,000
		30 December 2019	4 years	0.018	192,855	—	0	0	192,855
		11 December 2020	1 year	0.018	640	—	0	0	640
Xu Jiming	Senior Vice President	30 December 2019	4 years	0.018	2,282,145	—	0	0	2,282,145
		11 December 2020	1 year	0.018	640	—	0	0	640

Name	Role	Date of Grant	Vesting Period[1]	Exercise Price (US$)	Outstanding as of the Listing Date	Exercised during the year ended 31 March 2021	Lapsed during the year ended 31 March 2021	Cancelled during year ended 31 March 2021	Outstanding as of 31 March 2021
Connected persons of the Company									
Sun Zhe	N/A	11 December 2020	1 year	0.018	640	—	640	0	0
Liang Yupeng	N/A	10 July 2019	4 years	0.018	2,000,000	—	0	0	2,000,000
		30 December 2019	4 years	0.018	1,400,000	—	0	0	1,400,000
		11 December 2020	1 year	0.018	440	—	0	0	440
Li Wei	N/A	16 April 2018	4 years	0.018	400,000	—	0	0	400,000
		30 November 2018	4 years	0.018	400,000	—	0	0	400,000
		30 December 2019	4 years	0.018	43,340	—	0	0	43,340
		11 December 2020	1 year	0.018	440	—	0	0	440
Wei Yili	N/A	10 March 2017	4 years	0.018	20,000	—	0	0	20,000
		26 March 2018	4 years	0.018	5,000	—	0	0	5,000
		1 January 2019	4 years	0.018	6,000	—	0	0	6,000
		11 December 2020	1 year	0.018	640	—	0	0	640
External consultant, external grantee who is not an external consultant, grantee who has been granted options to subscribe for five million Share or more, and the remaining grantees									
Pei Xi	External consultant	31 May 2017	4 years	0.018	1,250,000	—	0	0	1,250,000
Wang Yongxiong	External consultant	1 October 2017	5 years	0.018	1,152,875	—	0	0	1,152,875
Zhang Xiaoming	External expert	1 December 2017	2 years	0.018	25,000	—	0	0	25,000
Wang Yufeng	External consultant	15 June 2018	2 years	0.018	12,500	—	0	0	12,500
Wei Bo	External consultant	1 September 2018	2 years	0.018	25,000	—	0	0	25,000
Tan Xiaosheng	External consultant	22 May 2020	4 years	0.018	250,000	—	0	0	250,000
Perfect Sword Limited	External consultant	2 June 2020	4 year	0.018	1,000,000	—	0	0	1,000,000
		5 June 2020	0 year	1.71844	1,163,845	—	0	0	1,163,845
Liu Yuqi	External consultant	1 April 2020	4 year	0.018	44,640	—	0	0	44,640
		15 April 2020	0 year	2.56	279,020	—	0	0	279,020
Zhuo Yunlong	External consultant	1 July 2020	1 year	0.018	13,400	—	0	0	13,400
Radek	External consultant	1 January 2020	4 years	0.018	27,970	—	0	0	27,970
		1 January 2021	4 years	0.018	18,220	—	0	0	18,220

Name	Role	Date of Grant	Vesting Period[1]	Exercise Price (US$)	Outstanding as of the Listing Date	Exercised during the year ended 31 March 2021	Lapsed during the year ended 31 March 2021	Cancelled during year ended 31 March 2021	Outstanding as of 31 March 2021
Zhang Ya-Qin	External consultant	10 July 2020	0 year	1.71844	581,925	—	0	0	581,925
Wang Xiuzhen	External consultant	10 October 2020	0 year	1.702	550,000	—	0	0	550,000
Wei Xiujuan	External consultant	10 October 2020	0 year	1.702	950,000	—	0	0	950,000
Wang He	External consultant	1 December 2020	0 year	0.018	18,500	—	0	0	18,500
Hao Tianyong	External consultant	7 March 2018	4 years	0.018	5,000	—	0	0	5,000
		2 September 2020	Until 30 December 2021	0.018	5,000	—	0	0	5,000
Tang Buzhou	External consultant	2 April 2018	2 years	0.018	5,000	—	0	0	5,000
Ding Lihua	External consultant	1 January 2020	2 years	0.018	150,000	—	0	0	150,000
Jiang Huimin	External consultant	1 October 2020	4 years	0.018	15,000	—	0	0	15,000
		1 November 2020	4 years	0.018	5,000	—	0	0	5,000
		11 December 2020	1 year	0.018	440	—	0	0	440
Wang Jingyuan	External consultant	2 November 2020	2 years	0.018	10,000	—	0	0	10,000
Lv Dongchen[2]	Finance Vice President	1 August 2017	4 years	0.018	2,500	—	0	0	2,500
		26 March 2018	4 years	0.018	2,500	—	0	0	2,500
		1 July 2020	1 year	0.018	10,000	—	0	0	10,000
		11 December 2020	1 year	0.018	640	—	0	0	640
		1 December 2020	4 years	0.018	41,915	—	0	0	41,915
Cyberland Investment Limited[3]	External grantee	21 August 2019	0 year	0.018	614,765	—	0	0	614,765
Other 1,143 grantees	N/A	1 October 2020 to 1 December 2020	2–4 years	0.018–0.0028	36,992,915	—	526,355	1,920	36,464,640
Total	**1,173 grantees**				**82,101,835**	**–**	**526,995**	**1,920**	**81,572,920**

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 tenth 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) Lv Dongchen has been granted options under both the Pre-IPO Share Option Plans to subscribe for a total of 16,547,290 Shares (that is, five million Shares or more).

(3) On 21 August 2019, the Group acquired 85% equity interest in Xinhexin Technology (Beijing) Co., Ltd., and, as part of the consideration, granted options to purchase 122,953 Class B ordinary shares with a par value of US$0.0001 each of the Company (or 614,765 Shares as adjusted following the Share Subdivision (as defined in the Prospectus)) to Cyberland Investment Limited, a nominee company of one of the vendors.

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 Post-IPO Share Award Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules.

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.

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.

As at the date of this annual report, no Shares had been granted or agreed to be granted under the Post-IPO Share Award Scheme.

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

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 nine 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 and any other schemes is 90,176,201, being no more than 10% of the Shares in issue on the Listing Date (the "**Option Scheme Mandate Limit**"). Options which have lapsed in accordance with the terms of the rules of the Post-IPO Share Option Scheme (or any other share option schemes of our Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of our Company at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time (the "**Option Scheme Limit**"). No options may be granted under any schemes of our Company (or its subsidiaries) if this will result in the Option Scheme Limit being exceeded.

The Option Scheme Mandate Limit may be refreshed at any time by obtaining prior approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the refreshed Option Scheme Mandate Limit as refreshed cannot exceed 10% of the Shares in issue as at the date of such approval. Options previously granted under the Post-IPO Share Option Scheme and any other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Option Scheme Mandate Limit.

Our Company may also grant options in excess of the Option Scheme Mandate Limit, provided such grant is to specifically identified selected participant and is first approved by Shareholders in general meeting.

Unless approved by our Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of our Company to each selected participant (including both exercised and outstanding options) in any 12 month period shall not exceed 1% of the total number of Shares in issue.

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.

As at the date of this annual report, no options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Post-IPO Share Option Scheme and therefore the total number of Shares available for grant under the Post-IPO Share Option Scheme was 90,176,201 Shares, representing 9.75% of the issued share capital of the Company.

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

Purchase, Sale or Redemption of the Company's Listed Securities

Other than the Global Offering, 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 since the Listing Date and up to the date of this annual report.

Use of Proceeds from Listing

The shares of the Company were listed on the Main Board of the Stock Exchange on 15 January 2021. The net proceeds from the Global Offering (following the full exercise of the Over-allotment Option, as defined in the Prospectus, was approximately HK$4.6 billion (the "**Net Proceeds**"), after deducting the underwriting commissions and offering expenses paid or payable, which will be gradually utilized for the purposes as set out in the Prospectus.

- approximately 35% of the Net Proceeds is expected to be used in the next 24 to 36 months for continuous effort to strengthen our core capabilities, including data processing technology and machine learning algorithms, and enhance our ability to deliver solutions responsive to our customers' needs. Specifically, we will continue to: (i) enhance federated learning capabilities and the research and implementation of information encryption technology, conduct joint research with universities such as Tsinghua University, and conduct technical cooperation with other technology companies; (ii) expand model knowledge graphs, which differ from traditional knowledge graphs, and are a set of concepts and technologies accumulated from our long-term work that are important in healthcare big data applications; (iii) construct basic NLP technology and invest resources to train the unique models in the healthcare field, including software and hardware, and continue to improve algorithms and strengthen the ability of basic structural standardization; and (iv) develop AI capabilities that are close to our business, including automated model building and knowledge discovery that empower doctors' scientific research capabilities, intelligent health files and patient condition labels that empower doctors' diagnosis and treatment. We will continue to attract and retain the best minds in the fields of AI and data science, experienced professionals with deep understanding of the healthcare industry and also top talents with strong knowledge in the healthcare domain. We will continue to improve and maintain our computing power. We also plan on expanding our cooperation with the world's leading technology companies, universities and research centers, leveraging their advanced technologies and know-hows to facilitate our innovation, further strengthen our data processing capabilities and AI technology and shorten the development cycle of our solutions.

- approximately 35% of the Net Proceeds is expected to fund our business operations and further our business expansion in the next 24 to 36 months, including developing new applications and solutions for our existing and new markets and selling and marketing of such new applications and solutions in our existing or new markets. New markets that we currently plan to expand into include Southeast Asia, including Brunei and Singapore, and we plan to tap into these new markets through first providing our Big Data Platform and Solutions to medical institutions and regulator and policy maker customers. Some of our existing applications and solutions could be upgraded into an international version, including expanding our natural language processing capabilities to cover multiple languages and customizing our health management platform and solutions to accommodate different medical systems in various countries. In lieu of feasibility studies, we plan to promote and explore these new projects on a pilot basis and talk to potential customers in small-scale business teams. We will leverage our robust customer base and continue to deepen our long-term relationship with, and increase the spending by, existing customers, such as seeking to generate recurring revenues and drive purchases of additional services and solutions.

- approximately 20% of the Net Proceeds is expected to be used for further enrich our ecosystem through strategic partnerships, investments and acquisitions. To complement our organic growth strategy, we will continue to enrich our ecosystem by selectively pursuing suitable strategic partnerships, investments and acquisitions in China and the international markets we plan to expand into, such as (i) businesses that possess cutting-edge technologies such as machine learning, big data analytics and other technologies related to our business that would allow us to enhance our data intelligence infrastructure; (ii) businesses with proven monetization models in the healthcare big data solutions market that synergize with our plans to broaden our service offerings; and (iii) companies that operate healthcare apps or social communities with meaningful user bases that would allow us to attract new participants to our ecosystem. We currently intend to make investments in targets located in China or Southeast Asian countries. We may invest in digital health companies, health management service providers, health content providers and strategic ecosystem providers that can operate on our big data platform or health management platform and can enrich our offerings to our customers. Our Directors believe that there are a sufficient number of potential targets as many digital health companies, health management service providers and health content providers exist both in China or overseas.

- approximately 10% of the Net Proceeds is expected to be used for working capital and general corporate purposes.

As at 31 March 2021, the Company had not utilized the Net Proceeds from the Global Offering. The Company will utilise the Net Proceeds of the Global Offering in accordance with the intended purposes as set out in the Prospectus.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the period from the Listing Date to 31 March 2021.

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.

Since the shares of the Company were listed on the Main Board of the Stock Exchange on 15 January 2021, the Company has adopted the principles and code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules and complied with the applicable code provisions throughout the period from the Listing Date to the date of this annual report, save for deviations from code provisions A.1.1, A.2.1 and E.1.5 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.

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.

Board Composition

As at the date of this annual report, the Board currently comprises nine Directors, consisting of four executive Directors, two non-executive Directors and three independent non-executive Directors. The current members of the Board of the Company are listed as follows:

Executive Directors
Ms. Gong Yingying *(Chairady and Chief Executive Officer)*
Ms. Yang Jing
Dr. Yan Jun
Ms. Zhang Shi

Non-executive Directors
Ms. Gao Yongmei
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 is set out in the section headed "Directors and Senior Management" of this annual report.

Save as disclosed in the Prospectus and 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 A.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.

The Board believes that this structure does not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of nine Directors, and the Board believes there is sufficient check and balance on the Board; (ii) Ms. Gong and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of the Company and will make decisions of the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Group. Moreover, the overall strategic and other key business, financial and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels. Finally, as Ms. Gong is our principal founder, the Board believes that vesting the roles of both chairlady and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairlady and chief executive officer is necessary.

Independent Non-executive Directors

During the period from the Listing Date to the date of this annual report, 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 date of this annual report.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date or the appointment date (as the case may be) until the third annual general meeting of the Company after the Listing Date, whichever is sooner, and are subject to termination in accordance with their respective terms and conditions of the services contracts.

Each of the non-executive Directors has entered into a letter of appointment with our Company for an initial term of three years from the Listing Date or the appointment date (as the case may be) 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 letter of appointments.

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 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 appointment letters.

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. A retiring Director shall retain office until the close of the meeting at which he/she retires and shall be eligible for re-election thereat.

Pursuant to Article 16.2 of the Articles of Association, any person appointed by the Board as a Director either to fill a casual 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 that meeting.

Accordingly, Ms. Gong, Ms. Yang Jing, Dr. Yan Jun, Ms. Zhang Shi (all are the executive Directors), Ms. Gao Yongmei and Mr. Zeng Ming (both are the non-executive Directors), Dr. Ma Wei-Ying, Ms. Pan Rongrong and Prof. Zhang Linqi (all are the independent non-executive Directors) 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.

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.

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	√	√
Ms. Yang Jing	√	√
Dr. Yan Jun	√	√
Ms. Zhang Shi	√	√
Non-executive Directors		
Ms. Gao Yongmei	√	√
Mr. Zeng Ming*	N/A	N/A
Independent non-executive Directors		
Dr. Ma Wei-Ying	√	√
Ms. Pan Rongrong	√	√
Prof. Zhang Linqi	√	√

* Mr. Zeng Ming was appointed as a non-executive Director with effect from 25 June 2021.

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.

Audit Committee

As at the date of this annual report, 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 2021. 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 period from the Listing Date and up to 31 March 2021, 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 period from the Listing Date to 31 March 2021.

Remuneration Committee

As at the date of this annual report, 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. 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.

During the period from the Listing Date and up to 31 March 2021, the remuneration committee held one meeting, during which matters such as the remuneration packages of the Directors and senior management, and the increment of remuneration of Directors and senior management for the year ending 31 March 2022 were discussed.

Pursuant to paragraph B.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
RMB3,000,000 to RMB5,000,000	1
RMB5,000,001 to RMB6,000,000	2
RMB8,000,001 to RMB9,000,000	2
RMB15,000,000 to RMB17,000,000	1
Total	**6**

Nomination Committee

As at the date of this annual report, the nomination committee comprises three members, including one executive Director, namely Ms. Gong and two independent non-executive Directors, namely Dr. Ma Wei-Ying and Prof. Zhang Linqi. Ms. Gong 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 period from the Listing Date and up to 31 March 2021, the nomination committee held one meeting 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 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.

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 has also adopted the nomination policy (the "**Nomination Policy**") which sets out the nomination procedures for selecting candidates for election as Directors. 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 Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the Corporate Governance Code.

During the period from the Listing Date to the date of this annual report, 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

Pursuant to code provision A.1.1 of the Corporate Governance Code, Board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication. As the Company was only listed on the Stock Exchange on 15 January 2021, only one Board meeting was held during the period from the Listing Date to 31 March 2021. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision A.1.1 of the Corporate Governance Code.

Code provision A.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 period from the Listing Date and up to 31 March 2021, the Chairlady held one meeting with the independent non-executive directors without the presence of other directors.

The attendance records of each Director at the Board and Board committee meetings of the Company held during the period from the Listing Date to 31 March 2021 are set out below:

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

Note: According to Article 12.1 of the Articles of Association, an annual general meeting of the Company shall be held in each year other than the year of the Company's adoption of the Articles of Association. As the Articles of Association effective on the Listing Date was adopted by a special resolution passed on 28 December 2020, no annual general meeting was held during the period from the Listing Date to 31 March 2021.

* Mr. Zeng Ming was appointed as a non-executive Director with effect from 25 June 2021.

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.

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 the 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.

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 2021, and considered that such systems are effective and adequate. The annual review also covered the financial reporting, internal audit function, adequacy of resources, staff qualifications and experiences, as well as the adequacy of training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

Whistleblowing Policy

The Company has adopted arrangement to facilitate employees and other stakeholders to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters.

The audit committee of the Company shall review such arrangement regularly 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 E.1.5 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 for the period from the Listing Date up to the date of this annual report.

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 for the period from the Listing Date up to the date of this annual report.

Directors' Responsibility in Respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the fiscal year ended 31 March 2021.

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 of the Company, PricewaterhouseCoopers, in respect of audit services and non-audit services for the Reporting Period is set out below:

Category of services	Fee paid/payable RMB'000
Audit services	3,600
Non-audit services	—
Total	**3,600**

Joint Company Secretaries

Ms. Bai Rui ("**Ms. Bai**") and Ms. Li Ching Yi ("**Ms. Li**") are the joint company secretaries of the Company.

Ms. Bai has been appointed as our joint company secretary with effect from 16 August 2020. Prior to joining our Company in May 2020, Ms. Bai practiced law with Davis Polk & Wardwell LLP as an associate between May 2018 and May 2020 and with Troutman Sanders LLP as an associate between February 2017 and March 2018. She worked in the capital markets groups at both law firms and advised companies, investment banks and financial sponsors on initial public offerings, including those on the Hong Kong Stock Exchange, corporate finance transactions and general corporate matters. Ms. Bai received her juris doctor degree from the University of Iowa in August 2015 and her bachelor's degree in economics and finance from the University of Hong Kong in November 2011. Ms. Bai was admitted to the New York State bar in July 2016.

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 around ten 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 Institute of Chartered Secretaries. Ms. Li has assisted on the company secretarial matters of the Company and has closely communicated with Ms. Bai.

During the Reporting Period, each of Ms. Bai 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.

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.

Base 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
China
(For the attention of the Board of Directors)

Email: ir@yiducloud.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 28 December 2020, which has been effective from the Listing Date. During the period from the Listing Date to the date of this annual report, 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 124 to 243, which comprise:

- the consolidated balance sheet as at 31 March 2021;
- 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 a summary of significant accounting policies.

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 2021, 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.

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.

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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	How our audit addressed the Key Audit Matter
Revenue recognition for bundled contracts in big data platform and solutions segment Refer to notes 2.25, 4(d) and 5 to the consolidated financial statements. During the year ended 31 March 2021, the Group recognised revenue of RMB401.9 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. 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.	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; • 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; or by confirming the transaction amounts with the customers directly. 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
Expected credit losses assessment of trade receivables and contract assets Refer to notes 3.1, 4(a), 5 and 20 to the consolidated financial statements. As at 31 March 2021, the gross amount of the Group's trade receivables and contract assets amounted to RMB465.1 million. Management recognised provision for loss allowance of approximately RMB48.0 million on these trade receivables and contract assets as at 31 March 2021 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 recalculated 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 Gross Domestic Product, 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.	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.

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.

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.

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,
25 June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	As at 31 March 2021 RMB'000	2020 RMB'000
Revenue from contracts with customers	5	**867,036**	558,083
Cost of sales and services	5, 8	**(539,700)**	(411,546)
Gross profit		**327,336**	146,537
Selling and marketing expenses	8	**(239,014)**	(170,702)
Administrative expenses	8	**(309,933)**	(301,990)
Research and development expenses	8	**(221,855)**	(263,683)
Net impairment losses on financial assets and contract assets	3.1(b)(iii)	**(15,578)**	(22,725)
Other income	6	**30,134**	11,419
Other (losses)/gains — net	7	**(24,376)**	3,716
Operating loss		**(453,286)**	(597,428)
Finance income		**601**	5,496
Finance costs		**(3,293)**	(4,199)
Finance (costs)/income — net	10	**(2,692)**	1,297
Share of (loss)/profit from investments in associates	12	**(1,843)**	113
Fair value changes of convertible redeemable preferred shares	28	**(3,245,785)**	(821,584)
Fair value changes of convertible notes	32	**(24,192)**	(102,356)
Fair value changes of warrants		**34,398**	9,063
Loss before income tax		**(3,693,400)**	(1,510,895)
Income tax expense	13	**(1,417)**	(533)
Loss for the year		**(3,694,817)**	(1,511,428)
Loss is attributable to:			
Owners of the Company		**(3,700,287)**	(1,509,878)
Non-controlling interests		**5,470**	(1,550)
		(3,694,817)	(1,511,428)

	Note	As at 31 March 2021 RMB'000	 2020 RMB'000
Other comprehensive income/(loss)			
Item that will not be reclassified to profit or loss:			
Currency translation differences		**470,537**	(93,751)
Fair value changes of convertible redeemable preferred shares due to own credit risk		**(6,762)**	(9,564)
Fair value changes of convertible notes due to own credit risk		**–**	1,110
Item that will be reclassified to profit or loss:			
Currency translation differences		**102,481**	(61,097)
Other comprehensive income/(loss) for the year, net of tax		**566,256**	(163,302)
Total comprehensive loss for the year		**(3,128,561)**	(1,674,730)
Total comprehensive loss for the year is attributable to:			
Owners of the Company		**(3,132,948)**	(1,673,180)
Non-controlling interests		**4,387**	(1,550)
		(3,128,561)	(1,674,730)
Loss per share, basic and diluted *(RMB)*	14	**(7.24)**	(3.74)

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

CONSOLIDATED BALANCE SHEET

	Note	As at 31 March 2021 RMB'000	As at 31 March 2020 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**28,215**	32,945
Right-of-use assets	16	**21,359**	35,689
Intangible assets	17	**39,198**	39,067
Deferred income tax assets	33	**752**	225
Investments accounted for using the equity method	12	**5,217**	10,206
Financial assets at fair value through profit or loss	18, 22	**—**	20,840
Pledged bank deposits	23	**—**	585
Restricted bank balance and deposits	18, 23	**5,008**	4,000
Total non-current assets		**99,749**	143,557
Current assets			
Inventories	21	**31,761**	67,496
Contract assets	5	**51,440**	8,766
Trade receivables	18, 20	**365,641**	287,271
Other financial assets at amortised cost	18, 19	**27,043**	19,050
Financial assets at fair value through profit or loss	18, 22	**20,945**	—
Pledged bank deposits	18, 23	**1,268**	10,740
Term deposits	18, 23	**3,860,723**	—
Restricted bank balance and deposits	18, 23	**—**	1,000
Cash and cash equivalents	18, 23	**739,846**	719,721
Other current assets	24	**51,478**	45,628
Total current assets		**5,150,145**	1,159,672
Total assets		**5,249,894**	1,303,229
Equity			
Equity attributable to owners of the Company			
Share capital	25	**116**	49
Treasury shares		**(1)**	(1)
Other reserves	26	**12,205,187**	25,860
Accumulated deficits	27	**(7,475,732)**	(3,751,406)
		4,729,570	(3,725,498)
Non-controlling interests		**22,618**	(766)
Total equity		**4,752,188**	(3,726,264)

	Note	As at 31 March 2021 RMB'000	2020 RMB'000
Liabilities			
Non-current liabilities			
Convertible redeemable preferred shares	18, 28	**—**	1,053,173
Convertible notes	18, 32	**—**	486,392
Lease liabilities	16, 18	**6,909**	21,494
Deferred income	31	**76,213**	62,279
Total non-current liabilities		**83,122**	1,623,338
Current liabilities			
Convertible redeemable preferred shares	18, 28	**—**	2,952,075
Warrants	28	**—**	35,426
Trade and other payables	18, 30	**176,616**	187,086
Deferred income	31	**10,628**	—
Salary and welfare payable		**184,451**	122,585
Contract liabilities	5	**21,179**	93,805
Current income tax liabilities		**2,189**	234
Lease liabilities	16, 18	**19,521**	14,944
Total current liabilities		**414,584**	3,406,155
Total liabilities		**497,706**	5,029,493
Total equity and total liabilities		**5,249,894**	1,303,229

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

The financial statements on pages 124 to 243 were approved by the Board of Directors on 25 June 2021 and were signed on its behalf:

Gong Yingying
Director

Yang Jing
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company						
		Share capital	Treasury shares	Other reserves	Accumulated deficits	Sub-total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2020		**49**	**(1)**	**25,860**	**(3,751,406)**	**(3,725,498)**	**(766)**	**(3,726,264)**
Comprehensive loss								
Loss for the year		**–**	**–**	**–**	**(3,700,287)**	**(3,700,287)**	**5,470**	**(3,694,817)**
Fair value changes of convertible redeemable preferred shares due to own credit risk	28	**–**	**–**	**(6,762)**	**–**	**(6,762)**	**–**	**(6,762)**
Currency translation differences		**–**	**–**	**574,101**	**–**	**574,101**	**(1,083)**	**573,018**
Total comprehensive income/(loss) for the year		**–**	**–**	**567,339**	**(3,700,287)**	**(3,132,948)**	**4,387**	**(3,128,561)**
Transactions with owners in their capacity as owners:								
Conversion of convertible redeemable preferred shares to ordinary shares	28	**44**	**–**	**7,480,737**	**–**	**7,480,781**	**–**	**7,480,781**
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs		**23**	**–**	**3,774,964**	**–**	**3,774,987**	**–**	**3,774,987**
Capital injection from non-controlling interests		**–**	**–**	**155,958**	**–**	**155,958**	**18,997**	**174,955**
Share-based compensation	29	**–**	**–**	**129,277**	**–**	**129,277**	**–**	**129,277**
Purchasing of the Company's options from third parties		**–**	**–**	**42,927**	**–**	**42,927**	**–**	**42,927**
Transfer from other comprehensive loss into retained earnings	28	**–**	**–**	**24,039**	**(24,039)**	**–**	**–**	**–**
Modification of the consideration of business combination and derecognition of financial liability upon the completion of initial public offering	7(ii)	**–**	**–**	**4,086**	**–**	**4,086**	**–**	**4,086**
Total transactions with owners in their capacity as owners		**67**	**–**	**11,611,988**	**(24,039)**	**11,588,016**	**18,997**	**11,607,013**
Balance at 31 March 2021		**116**	**(1)**	**12,205,187**	**(7,475,732)**	**4,729,570**	**22,618**	**4,752,188**
Balance at 1 April 2019		49	(1)	(36,652)	(2,241,528)	(2,278,132)	348	(2,277,784)
Comprehensive loss								
Loss for the year		—	—	—	(1,509,878)	(1,509,878)	(1,550)	(1,511,428)
Fair value changes of convertible redeemable preferred shares due to own credit risk	28	—	—	(9,564)	—	(9,564)	—	(9,564)
Fair value changes of convertible notes due to own credit risk	32	—	—	1,110	—	1,110	—	1,110
Currency translation differences		—	—	(154,848)	—	(154,848)	—	(154,848)
Total comprehensive loss for the year		—	—	(163,302)	(1,509,878)	(1,673,180)	(1,550)	(1,674,730)
Transactions with owners in their capacity as owners:								
Share-based compensation	29	—	—	220,228	—	220,228	—	220,228
Consideration for business combination	36	—	—	5,586	—	5,586	—	5,586
Acquisition of a subsidiary	36	—	—	—	—	—	436	436
Total transactions with owners in their capacity as owners		—	—	225,814	—	225,814	436	226,250
Balance at 31 March 2020		49	(1)	25,860	(3,751,406)	(3,725,498)	(766)	(3,726,264)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	As at 31 March 2021 RMB'000	 2020 RMB'000
Cash flows from operating activities			
Cash used in operations	34(a)	**(328,986)**	(358,361)
Interest received	10	**601**	5,496
Interest paid	10	**(3,293)**	(4,199)
Income tax paid		**—**	(3,490)
Net cash used in operating activities		**(331,678)**	(360,554)
Cash flows from investing activities			
Payments for investments in wealth management products	22	**—**	(1,994,975)
Proceeds from wealth management products	22	**—**	2,131,042
Placement of term deposits and restricted bank balance and deposits		**(3,865,723)**	(1,000)
Withdrawals of term deposits and restricted bank balance and deposits		**5,000**	68,335
Payments for property, plant and equipment		**(14,289)**	(28,812)
Payments for acquisition of intangible assets		**(4,759)**	(2,730)
Loan advanced to a third party with warrants option	22	**—**	(20,000)
Payments for investments in associates	12	**—**	(9,100)
Payment for acquisition of a subsidiary, net of cash acquired	36	**—**	(1,151)
Proceeds from disposal of investments in associates		**5,100**	—
Interest on term deposits and restricted bank balance and deposits received		**483**	559
Net cash (used in)/generated from investing activities		**(3,874,188)**	142,168

	Note	As at 31 March **2021** **RMB'000**	 2020 RMB'000
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares relating to the initial public offering		**3,809,572**	—
Payments for listing expenses		**(31,492)**	—
Proceeds from issuance of convertible redeemable preferred shares	28	**282,397**	619,995
Proceeds from issuance of share options	29(d)	**42,927**	—
Repurchase of own equity interest	29(c)	**(5,245)**	—
Principal elements of lease payments	16(b)	**(14,412)**	(16,653)
Capital injection from non-controlling interests		**174,955**	—
Net cash generated from financing activities		**4,258,702**	603,342
Net increase in cash and cash equivalents		**52,836**	384,956
Cash and cash equivalents at beginning of the year		**719,721**	305,864
Exchange effect on cash and cash equivalents		**(32,711)**	28,901
Cash and cash equivalents at end of the year		**739,846**	719,721

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

1 General information

Yidu Tech Inc. (formerly known as "Happy Life Tech Inc." or "Yidu 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").

This financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

On 15 January 2021, the Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and made an offering of 156,450,000 ordinary shares (excluding any ordinary shares issued pursuant to the exercise of the over-allotment option) at a price of Hong Kong Dollar ("HK$") 26.3 per share. Additionally, the Company issued and allotted 23,467,500 ordinary shares on 10 February 2021 pursuant to the full exercise of the over-allotment option as disclosed in the announcement of the Company dated 7 February 2021. The gross proceeds received by the Company was approximately HK$4,731,830,250 (equivalent to approximately RMB3,942,750,000) (note 25). All convertible redeemable preferred shares were converted into ordinary shares upon the completion of initial public offering ("IPO") on 15 January 2021 (note 28).

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.

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(i) Contractual arrangements (Continued)

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;
- 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.

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(ii) Compliance with IFRS

The consolidated financial statements of the Group has 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, convertible redeemable preferred shares, convertible notes and warrants which are carried at fair value.

(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 2020:

- Definition of Material — Amendments to IAS 1 and IAS 8
- Definition of a Business — Amendments to IFRS 3
- Interest Rate Benchmark Reform — Amendments to IFRS 9, IAS 39 and IFRS 7, and
- Revised Conceptual Framework for Financial Reporting

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.

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(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
Amendments to IAS 37 — Onerous contract — Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 16 — Property, plant and equipment: Proceeds before Intended Use	1 January 2022
Amendments to IFRS 3 — Reference to the Conceptual Framework	1 January 2022
Annual improvements to IFRS standards 2018–2020	1 January 2022
IFRS 17 — Insurance Contracts	1 January 2023
Amendments to IAS 1 — Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The 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.

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).

2 Summary of significant accounting policies (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

(i) Subsidiaries (Continued)

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.

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 or 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.

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.

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 gains/(losses).

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 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

2 Summary of significant accounting policies (Continued)

2.6 Foreign currency translation (Continued)

(iii) Group companies (Continued)

- 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.

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 and impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2 Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment (Continued)

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 — 1–3 years

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 (if any). Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2 Summary of significant accounting policies (Continued)

2.8 Intangible assets (Continued)

(i) Goodwill (Continued)

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 (if any).

(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.

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.

2 Summary of significant accounting policies (Continued)

2.8 Intangible assets (Continued)

(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 intangible assets of licenses 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, specifically the internet insurance and internet hospital business, respectively. 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.

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 Summary of significant accounting policies (Continued)

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.

(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.

2 Summary of significant accounting policies (Continued)

2.10 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

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 profit or loss and presented within 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.

(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 20 for further details.

2 Summary of significant accounting policies (Continued)

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 20 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.

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 2021 and 2020.

2 Summary of significant accounting policies (Continued)

2.16 Shares capital

Ordinary shares are classified as equity (note 25).

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. The amounts are unsecured and are usually paid within 180 days of recognition. 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 Convertible redeemable preferred shares

The Company has issued Series A, A-1, A-2, B and C convertible redeemable preferred shares to a group of investors. The Group designated the convertible redeemable preferred shares as financial liabilities at fair value through profit or loss. They are initially recognised at fair value. Any directly attributable transaction costs are recognised as finance costs in profit or loss. Subsequent to initial recognition, the convertible redeemable preferred shares are carried at fair value with changes in fair value recognised in profit or loss, except for the portion attributable to credit risk change that should be charged to other comprehensive income. The convertible redeemable preferred shares are classified as non-current liabilities if the convertible redeemable preferred shares holders cannot demand the Company to redeem the convertible redeemable preferred shares for at least 12 months after the end of the reporting period.

2.19 Convertible notes

The Company issued certain series of convertible notes to one of the existing investors. The convertible notes holder (the "Holder") has the right to require the Company to redeem all of the convertible notes (plus any accrued and unpaid interest of these convertible notes) held by the Holder at certain redemption events or convert those convertible notes into the Company's preferred shares at certain conversion price, which are out of the control of the Company.

2 Summary of significant accounting policies (Continued)

2.19 Convertible notes (Continued)

The convertible notes issued to the Holder are accounted for in their entirety at fair value through profit or loss, with fair value changes recognised in profit or loss and presented as "fair value changes of convertible notes" in the consolidated statements of comprehensive income, except for the portion attributable to credit risk change that should be charged to other comprehensive income. Accordingly, the embedded conversion features do not require future evaluation, bifurcation, and separate accounting as embedded derivatives as the change in fair value of embedded features are reflected in the change in fair value in the compound instrument under such "whole instrument" approach. The convertible notes are classified as non-current liabilities unless the Company has an obligation to settle the liability within 12 months after the end of the reporting period.

2.20 Warrants

The Company records warrants for convertible redeemable preferred shares issued to investors as cash-settled share-based compensation. The initial fair value is measured at the grant date of warrants and the expense are recorded immediately upon the grant date as the warrants are vested and can be exercised during certain period after grant. The fair value of the warrants for cash-settled transaction is remeasured at each reporting date and at the date of settlement. Any changes in fair value of warrants are recognised in profit or loss. Upon exercise of the warrants, the share-based compensation are settled with preferred shares and accounted for as financial liabilities measured at fair value (note 2.18).

2.21 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 and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and 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.

2 Summary of significant accounting policies (Continued)

2.21 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. 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.

2.22 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.

2 Summary of significant accounting policies (Continued)

2.22 Employee benefits (Continued)

(ii) Pension obligations

The Group has only defined contribution plan in which 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.

2.23 Share-based compensation

Share-based compensation benefits are provided to employees via the Company's Employee Option Plan.

Employee options

The fair value of options granted under the Company's Employee Option Plan 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 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.

2 Summary of significant accounting policies (Continued)

2.23 Share-based compensation (Continued)

Employee options (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.

2.24 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.

2 Summary of significant accounting policies (Continued)

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

- provides all 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.

2 Summary of significant accounting policies (Continued)

2.25 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.

2 Summary of significant accounting policies (Continued)

2.25 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, medical devices and supplies or other service contract

The Group also provides hardware, software application, medical devices and supplies or other solutions services separately. Revenue is recognised at a point in time when the stand-alone hardware, software application, medical devices and supplies 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.

(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.

2 Summary of significant accounting policies (Continued)

2.25 Revenue recognition (Continued)

(b) Life sciences solutions (Continued)

(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.

(c) Health management platform and solutions

Health management platform and solutions consist primarily of (i) the provision of health management platform applications 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.

(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.

2 Summary of significant accounting policies (Continued)

2.25 Revenue recognition (Continued)

(c) Health management platform and solutions (Continued)

(i) Provision of health management platform application and solution services to insurance companies (Continued)

The packages are considered to consist of multiple elements of application 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.

(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 Summary of significant accounting policies (Continued)

2.26 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.

2.27 Leases

(a) The Group leases buildings as lessee. Rental contracts are typically made for fixed periods of 2 to 10 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.

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,

2 Summary of significant accounting policies (Continued)

2.27 Leases (Continued)

(a) (Continued)

- 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.

2 Summary of significant accounting policies (Continued)

2.27 Leases (Continued)

(a) (Continued)

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.

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.

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

The Group leases various offices premises. 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.

2 Summary of significant accounting policies (Continued)

2.28 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.

2.29 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 profit or loss 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 current liabilities and are credited to consolidated statements of comprehensive income on a straight-line basis over the expected lives of the related assets.

2.30 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 10 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 and the subsidiaries operate in the PRC are US$ and RMB, 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.

(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 22 and 23.

(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 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.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

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 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, trade receivables and other financial assets at amortised cost.

To measure the expected credit losses, contract assets, trade receivables and other financial assets at amortised cost 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 Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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, such as Gross Domestic Product ("GDP"), 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.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

For other financial assets at amortised cost, management makes 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 2021 and 2020, the following losses were recognised in profit or loss in relation to impaired financial assets:

	Year ended 31 March	
	2021	2020
	RMB'000	RMB'000
Impairment losses		
Movement in loss allowance for trade receivables (note 20)	**(11,730)**	(22,532)
Movement in loss allowance for contract assets (note 5)	**(3,848)**	(193)
Net impairment losses on financial assets	**(15,578)**	(22,725)

(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.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

At 31 March 2021

	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
Trade and other payables (excluding tax payables)	**168,604**	**—**	**—**	**—**	**168,604**
Lease liabilities	**19,779**	**7,282**	**235**	**—**	**27,296**
	188,383	**7,282**	**235**	**—**	**195,900**

At 31 March 2020

	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
Trade and other payables (excluding tax payables)	178,088	—	—	—	178,088
Convertible redeemable preferred shares	1,200,774	—	1,547,474	—	2,748,248
Convertible notes	—	—	427,520	—	427,520
Lease liabilities	19,707	17,327	11,467	3,225	51,726
	1,398,569	17,327	1,986,461	3,225	3,405,582

3 Financial risk management (Continued)

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.

The Group monitors capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt calculated as total liabilities which are considered as borrowings less cash and cash equivalents. As of 31 March 2021 and 2020 and the gearing ratio of the Group is as follow:

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Net cash/(debt) (note 34(b))	**713,416**	(3,808,357)
Total equity/(deficits on total equity)	**4,752,188**	(3,726,264)
Gearing ratio	**N/A**	102%

The Group's gearing ratio was not applicable as of 31 March 2021.

The Group monitors capital (including share capital and shares held for the Share Incentive Plans (note 29)) 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 Financial risk management (Continued)

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 of 31 March 2021**	**Level 1** **RMB'000**	**Level 2** **RMB'000**	**Level 3** **RMB'000**	**Total** **RMB'000**
Financial assets				
Loan to a third party with warrants to purchase their preferred shares	**—**	**—**	**20,945**	**20,945**
Total financial assets	**—**	**—**	**20,945**	**20,945**

Recurring fair value measurements **As of 31 March 2020**	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Loan to a third party with warrants to purchase their preferred shares	—	—	20,840	20,840
Total financial assets	—	—	20,840	20,840
Financial liabilities				
Convertible redeemable preferred shares	—	—	4,005,248	4,005,248
Convertible notes	—	—	486,392	486,392
Total financial liabilities	—	—	4,491,640	4,491,640

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.

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(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.

(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 and financial liabilities are determined using a capital asset pricing model to calculate discount 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.

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)

	Financial assets at fair value through profit or loss RMB'000	Convertible redeemable preferred shares RMB'000	Convertible notes RMB'000
Opening balance at 1 April 2020	**20,840**	**4,005,248**	**486,392**
Acquisitions	**—**	**282,397**	**—**
Conversion of convertible notes to convertible redeemable preferred shares	**—**	**509,742**	**(509,742)**
Changes in fair value recognised in profit or loss	**105**	**3,245,785**	**24,192**
Changes in fair value recognised in other comprehensive loss	**—**	**6,762**	**—**
Currency translation differences	**—**	**(569,153)**	**(842)**
Conversion of convertible redeemable preferred shares to ordinary shares	**—**	**(7,480,781)**	**—**
Closing balance at 31 March 2021	**20,945**	**—**	**—**
Opening balance at 1 April 2019	134,715	2,395,644	364,215
Acquisitions	2,014,975	619,995	—
Redemption	(2,131,042)	—	—
Changes in fair value recognised in profit or loss	2,192	821,584	102,356
Changes in fair value recognised in other comprehensive loss	—	9,564	(1,110)
Currency translation differences	—	158,461	20,931
Closing balance at 31 March 2020	20,840	4,005,248	486,392

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		
	2021	2020		**2021**	2020	
	RMB'000	RMB'000				
Financial assets at fair value through profit or loss — Loan to a third party with warrants to purchase their preferred shares			Discount rate	**25.0%**	25.0%	The higher the discount rate, the lower the fair value
			Risk-free interest rate	**3.7%**	3.3%	The higher the risk-free rate, the lower the fair value
	20,945	20,840	Discount for lack of marketability ("DLOM")	**25.0%**	25.0%	The higher the DLOM, the lower the fair value
			Discount rate	**N/A**	16.0%~16.5%	The higher the discount rate, the lower the fair value
			Risk-free interest rate	**N/A**	0.6%~1.8%	The higher the risk-free rate, the lower the fair value
Convertible redeemable preferred shares	**–**	4,005,248	Volatility	**N/A**	34.0%~45.0%	The higher the expected volatility, the higher the fair value
			Discount for lack of marketability ("DLOM")	**N/A**	10.0%~15.0%	The higher the DLOM, the lower the fair value
Convertible notes	**–**	486,392	Discount rate	**N/A**	16.0%	The higher the discount rate, the lower the fair value

If the fair values of financial assets at fair value through profit or loss — Loan to a third party with warrants to purchase their preferred shares held by the Group had been 10% higher/lower, the loss before income tax for the year ended 31 March 2021 and 2020 would have been approximately RMB2.1 million lower/higher and RMB2.1 million lower/higher, respectively.

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)

Fair value of convertible redeemable preferred shares is affected by changes in the Company's equity value. If the Company's equity value had increased/decreased by 10% with all other variables held constant, the loss before income tax for the year ended 31 March 2020 would have been RMB343.0/338.9 million higher/lower. There would be no impact for the year ended 31 March 2021, as the convertible redeemable preferred shares had been transferred out of level 3 of fair value hierarchy classifications due to the conversion to ordinary shares as the result of the initial public offering of the Company.

Fair value of convertible notes is affected by changes in the discount rate. If the discount rate had increased/decreased by 1% with all other variables held constant, the loss before income tax for the year ended 31 March 2020 would have been approximately RMB0.9/1.0 million lower/higher respectively. There would be no impact for the year ended 31 March 2021, as the convertible notes had been transferred out of level 3 of fair value hierarchy classifications due to the conversion to convertible redeemable preferred shares, refer to note 32 for details.

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended 31 March 2021 and 2020, except that certain financial liabilities were transferred out of level 3 of fair value hierarchy classifications.

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 20 and note 5.

4 Critical estimates and judgements (Continued)

(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, the loan to a third party with warrants to purchase their preferred shares) 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) Fair value of convertible redeemable preferred shares, convertible notes and warrants

As disclosed in notes 28, 32 and 2.20, the fair value of convertible redeemable preferred shares, convertible notes and warrants at the dates of issue and balance sheet dates were determined based on the valuation performed by an independent valuer, using valuation techniques. The Group uses its judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow to determine the business value of the Group, followed by option pricing models to determine the fair value of convertible redeemable preferred shares, convertible notes and warrants, which involved the use of significant accounting estimates and judgements.

All the convertible notes had been converted into convertible redeemable preferred shares on 30 April 2020 (note 32). All the warrants had been exercised to purchase convertible redeemable preferred shares on 3 July 2020 (note 28) or expired during the year ended 31 March 2021. All convertible redeemable preferred shares had been converted into ordinary shares upon the IPO on 15 January 2021 (note 28).

(d) 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.

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.

4 Critical estimates and judgements (Continued)

(d) Revenue recognition (Continued)

(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.

(e) Recognition of share-based compensation expenses

As mentioned in note 2.23, the equity-settled options were granted to the employees. The directors have used the option pricing models to determine the total fair value of the options granted to employees, which is to be expensed over the vesting period. Significant estimate on key assumptions, such as discount rate, risk-free interest rate, expected volatility and discount for lack of marketability, is required to be made by the directors in applying the option pricing models. As the awards granted in equity-settled share-based compensation plan are conditional on a QIPO. The directors have estimated the QIPO's probability and QIPO date when they calculated share-based compensation expenses at each reporting period end. Since QIPO condition is considered as vesting condition, the entity also needs to consider when QIPO is probable. If the service period under the service condition ends before QIPO, then the vesting period will end on QIPO date; if the service period under the service condition ends after QIPO, then the vesting period will end according to the service conditions.

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, other income, other (losses)/gains — net, finance (costs)/income — net, shares of (loss)/profit from investments in associates, fair value changes of convertible redeemable preferred shares, fair value changes of convertible notes, fair value changes of warrants and income tax expenses 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 2021 and 2020 is as follows:

5 Segment information (Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

	Year ended 31 March 2021				
	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	**401,884**	**184,318**	**252,129**	**28,705**	**867,036**
Cost of sales and services	**(220,581)**	**(144,267)**	**(149,461)**	**(25,391)**	**(539,700)**
Gross profit	**181,303**	**40,051**	**102,668**	**3,314**	**327,336**

	Year ended 31 March 2020				
	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	371,864	102,793	55,648	27,778	558,083
Cost of sales and services	(247,506)	(89,017)	(47,937)	(27,086)	(411,546)
Gross profit	124,358	13,776	7,711	692	146,537

For the years ended 31 March 2021 and 2020, the revenue from contracts with customers in the big data platform and solutions segment included sales of medical devices and other COVID-19 prevention supplies of RMB76.8 million and RMB47.7 million relating to the Group's epidemic response solutions, respectively.

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC. For the years ended 31 March 2021 and 2020, the Group earns approximately 81% and 19%, 85% and 15% of total revenue from external customers located in the PRC and other countries, respectively. As at 31 March 2021 and 2020, substantially all of the non-current assets of the Group were located in the PRC.

5 Segment information (Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

	Year ended 31 March	
	2021 RMB'000	2020 RMB'000
Segment revenue		
— recognised over time	**324,342**	180,189
— recognised at a point in time	**542,694**	377,894
	867,036	558,083
Segment revenue		
— gross	**803,891**	544,818
— net	**63,145**	13,265
	867,036	558,083

The major customers which contributed more than 10% of the total revenue of the Group for the years ended 31 March 2021 and 2020 are listed as below:

	Year ended 31 March	
	2021 RMB'000	2020 RMB'000
Percentage of revenue from the major customers to the total revenue of the Group		
Client A (Big data platform and solutions)	**12%**	*
Client B (Big data platform and solutions)	*****	22%

* The amount of aggregate revenue from such customer is less than 10% of the total revenue for the respective year.

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	
	2021	2020
	RMB'000	RMB'000
Contract assets (i)		
Big data platform and solutions	**14,207**	603
Life sciences solutions	**41,418**	8,500
Less: allowance for impairment of contract assets	**(4,185)**	(337)
	51,440	8,766
Contract liabilities (ii)		
Big data platform and solutions	**4,531**	82,374
Life sciences solutions	**11,450**	6,562
Health management platform and solutions	**5,198**	3,991
Others	**—**	878
	21,179	93,805

(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 increase in the contract assets is mainly attributable to the significant increase of sales of big data platform and solutions and life sciences solutions segments.

(ii) Contract liabilities mainly arise from the advanced payments from customers of the i) big data platform and solutions, ii) life sciences solutions, and iii) health management platform and solutions segments upon which the performance obligations have been established while the underlying services are yet to be provided.

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	
	2021	2020
	RMB'000	RMB'000
Big data platform and solutions	**79,734**	36,218
Life sciences solutions	**4,386**	2,953
Health management platform and solutions	**3,560**	221
Others	**878**	—
Total	**88,558**	39,392

(d) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations as at 31 March 2021 and 2020:

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Big data platform and solutions	**149,234**	177,319
Life sciences solutions	**245,496**	85,775
Health management platform and solutions	**18,930**	3,779
Others	**—**	2,925
Total	**413,660**	269,798

Management expects that 84% and 85% of the transaction price allocated to the unsatisfied contracts as at 31 March 2021 and 2020 will be recognised as revenue within one year. The remaining 16% and 15% will be recognised over one year.

(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.

5 Segment information (Continued)

(e) Impairment and risk exposure (Continued)

On the basis as described in note 3.1(b), the loss allowance for contract assets as at 31 March 2021 and 2020 are determined as follows:

As at 31 March 2021 and 2020, the loss allowance of impaired contract assets is determined as follows:

	As at 31 March	
	2021 **RMB'000**	2020 RMB'000
Expected loss rate	**7.52%**	3.7%
Gross carrying amount — contract assets	**55,625**	9,103
Loss allowance	**4,185**	337

The movements on the provision for impairment of contract assets are as follows:

	Year ended 31 March	
	2021 **RMB'000**	2020 RMB'000
At beginning of the year	**337**	144
Provision for impairment of contract assets	**3,848**	193
At end of the year	**4,185**	337

6 Other income

	Year ended 31 March	
	2021	2020
	RMB'000	RMB'000
Government grants (i)	**24,123**	5,830
Value added tax ("VAT") refund and VAT reduction	**3,397**	3,175
Rent concessions (ii)	**848**	1,843
Interest income (iii)	**1,766**	571
	30,134	11,419

(i) Government grants

Government grants are mainly funds for scientific and innovation research projects and awards for scientific and technological innovation enterprises.

(ii) The Group recognised the reduction in lease payments that arose from COVID-19 pandemic as other income.

(iii) Interest income is from pledged bank deposits, term deposits and restricted bank balance and deposits.

7 Other (losses)/gains — net

	Year ended 31 March	
	2021	2020
	RMB'000	RMB'000
Net gain on disposal of associates	**1,054**	—
Net fair value gains on financial assets at fair value through profit or loss (i)	**105**	2,192
Net fair value losses on financial liabilities at fair value through profit or loss (ii)	**(4,952)**	—
Net foreign exchange (losses)/gains	**(16,587)**	2,411
Donation	**(6,095)**	—
Other items	**2,099**	(887)
	(24,376)	3,716

(i) Net fair value gains on financial assets at fair value through profit or loss consists of fair value changes of (a) wealth management products; and (b) a loan to a third party with warrants to purchase their preferred shares (note 22).

7 Other (losses)/gains — net (Continued)

(ii) On 21 August 2019, the Group acquired 85% equity interest in Xinhexin Technology (Beijing) Co., Ltd. ("Xinhexin") through the issuance of 122,953 options of the Company from the Share Incentive Plans (note 29) and cash consideration of RMB1,250,000. Xinhexin engages in sales and development of healthcare devices in the PRC. The fair value of 122,953 options issued as part of the consideration was based on valuation performed by independent valuer. Such options were vested immediately but subject to QIPO condition prescribed in the share option agreement and the Share Incentive Plans (note 29).

On 21 July 2020, the Company entered into a supplemental agreement with the seller of Xinhexin that if the Company does not complete its IPO within ten years since the date of acquisition agreement, the Company should pay the seller RMB4.0 million (or equivalent US$ amount) and grant certain numbers of ordinary shares of the Company (equivalent to RMB4.0 million ordinary shares calculated by then fair value per share) to the seller. Accordingly, the Group recognised a financial liability on the date of the supplemental agreement and remeasured it at each reporting date. Upon the completion of IPO, the Group derecognised the financial liability and recorded as equity (other reserves).

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	
	2021	2020
	RMB'000	RMB'000
Employee benefits expenses (note 9)	**694,476**	679,341
Cost of sales	**204,139**	201,074
Outsourcing services fee	**147,881**	68,407
Consulting and other professional fee	**64,425**	46,519
Listing expenses	**49,504**	1,260
Travelling, entertainment and general office expenses	**40,659**	38,903
Promotion and advertising expenses	**39,723**	13,359
Labour dispatching	**17,076**	7,741
Depreciation of property, plant and equipment (note 15)	**17,055**	19,217
Depreciation of right-of-use assets (note 16)	**15,835**	15,103
Taxes and surcharges	**4,699**	3,519
Amortization of intangible assets (note 17)	**3,530**	2,437
Auditors' remuneration		
— Audit services	**3,243**	1,270
Share-based compensation expenses — warrants	**—**	43,461
Other expenses	**8,257**	6,310
Total cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses	**1,310,502**	1,147,921

9 Employee benefits expenses

	Year ended 31 March	
	2021	2020
	RMB'000	RMB'000
Wages, salaries and bonuses	**470,707**	360,654
Pension costs — defined contribution plans (i)	**24,237**	31,287
Other social security costs	**21,920**	19,427
Housing benefits	**30,062**	26,452
Share-based compensation expenses (note 29)	**134,655**	229,486
Other employee welfare	**12,895**	12,035
	694,476	679,341

(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 decrease of pension costs was mainly derived from certain exemptions from contributions to the defined contribution retirement scheme by the local government in response to the outbreak of COVID-19.

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 2021 and 2020 include 1 and 3 directors respectively whose emoluments are reflected in the analysis shown in note 40. The emoluments payable to the remaining 4 and 2 individuals are as follows:

	Year ended 31 March	
	2021	2020
	RMB'000	RMB'000
Wages, salaries and bonuses	**6,386**	2,129
Pension costs — defined contribution plans	**111**	71
Other social security costs	**100**	44
Housing benefits	**99**	56
Share-based compensation expenses	**36,453**	49,071
	43,149	51,371

9 Employee benefits expenses (Continued)

(ii) Five highest paid individuals (Continued)

The emoluments of the 4, 2 individuals fell within the following bands:

	Year ended 31 March	
	2021	2020
Emoluments bands:		
HK$9,500,001 to HK$10,000,000	**1**	—
HK$10,500,001 to HK$11,000,000	**1**	—
HK$11,500,001 to HK$12,000,000	**1**	—
HK$17,000,001 to HK$17,500,000	**1**	—
HK$26,000,001 to HK$26,500,000	**—**	1
HK$31,500,001 to HK$32,000,000	**—**	1
	4	2

During the years ended 31 March 2021 and 2020, 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 Finance income and costs

	Year ended 31 March	
	2021 RMB'000	2020 RMB'000
Finance income		
Interest income on current deposits	**601**	5,496
Finance costs		
Interest expenses for lease liabilities	**(3,293)**	(4,199)
Finance (costs)/income — net	**(2,692)**	1,297

(Expressed in RMB unless otherwise indicated)

11 Subsidiaries

The Group's principal subsidiaries at 31 March 2021 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	
				2021	2020	**2021**	2020
Directly held –							
Golden Panda Limited	Hong Kong/ 23 December 2014	Investment holding	HK$1	**100.00%**	100.00%	**–**	—
EVYD Technology Limited	BVI/8 June 2020	Investment holding	US$99	**90.10%**	—	**9.9%**	—
Bright Panda Limited	BVI/22 May 2020	Investment holding	—	**100.00%**	—	**–**	—
Indirectly held by Golden Panda Limited							
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	RMB139,137,600	**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	RMB471,638,836	**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	RMB41,200,400	**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	RMB15,000,000	**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%
Jiangxi Zhengyuan Medical Co., Ltd. (江西正源醫藥有限公司) (note 17)	PRC/27 December 2018	Medical technology development	RMB5,000,000	**100.00%**	—	**–**	—
Indirectly held by EVYD Technology Limited							
EVYD Technology Sdn Bhd	Brunei/27 April 2020	Technology services	—	**100.00%**	—	**–**	—

(Expressed in RMB unless otherwise indicated)

11 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	
				2021	2020	**2021**	2020
Indirectly held by Bright Panda Limited							
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%**	—	**–**	—
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	RMB10,000,000	**100.00%**	100.00%	**–**	—
Indirectly controlled by the Company pursuant to the Contractual Agreements –							
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	—	**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%	**–**	—
Direct subsidiaries of Yidu Cloud Guizhou –							
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%	**–**	—

11 Subsidiaries (Continued)

Name	Country/place and date of incorporation/ establishment	Principal activities and place of operation	Issued/ Paid in capital	Ownership interest held by the Group as at 31 March		Ownership interest held by non-controlling interests	
				2021	2020	**2021**	2020
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	RMB50,000,000	**100.00%**	100.00%	**–**	—
Direct subsidiary of Beijing Zhongshi Hanming –							
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%	**–**	—
Direct subsidiary of Tianjin Happy Life –							
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	**100.00%**	100.00%	**–**	—

(a) As at 31 March 2021, the total non-controlling interests are RMB22,618 (31 March 2020: -RMB766). No subsidiary has non-controlling interests that are material to the Group.

12 Investments accounted for using the equity method

	Year ended 31 March	
	2021 **RMB'000**	2020 RMB'000
At beginning of the year	**10,206**	993
Additions (a)	**900**	9,100
Share of (loss)/profit from investment in associates	**(1,843)**	113
Disposal of associates (b)	**(4,046)**	—
At end of the year	**5,217**	10,206

12 Investments accounted for using the equity method (Continued)

(a) Additions

Beijing Causa Insurance Assessment Co., Ltd. ("Beijing Causa Insurance")

Beijing Causa Insurance was a subsidiary of the Group previously. On 11 September 2020 (the "Disposal date"), the Group entered into an agreement with certain individuals to dispose 53% of the interest of Beijing Causa Insurance, thus, Beijing Causa Insurance became an associate of the Group. The carrying value of the investment in Beijing Causa Insurance is RMB900 thousands as at the Disposal date. Further, the Group picked up the related share of losses of Beijing Causa Insurance from the Disposal date to 31 March 2021, which resulted its carrying value of the investment as nil as at 31 March 2021.

Guiyang Wudang Yiduyun

On 4 April 2019, the Group entered into an investment agreement with Guiyang Wudang Yiduyun Medical Healthcare Industry Investment Fund (Limited Partnership ("Guiyang Wudang Yiduyun") and the Group subscribed for 19.98% equity interests of Guiyang Wudang Yiduyun. The cash consideration equivalent to approximately RMB4.0 million was fully paid by the Group on 30 April 2019.

Hangzhou Qijing

In August 2019, the Group entered into the shareholders' agreement with other investors and subscribed for 51% equity interests of Hangzhou Qijing Technology Co., Ltd. ("Hangzhou Qijing"). The cash consideration equivalent to approximately RMB5.1 million was fully paid by the Group on 31 October 2019.

Since the Group has appointed two members in the investment decision committee of Guiyang Wudang Yiduyun and three members in the BoD of Hangzhou Qijing, the Group is considered to have significant influence but not control over above entities.

12 Investments accounted for using the equity method (Continued)

(b) Set out below are the associates of the Group as at 31 March 2021 and 2020. 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 31 March		Nature of relationship	Measurement method	Carrying amount as at 31 March	
		2021	2020			**2021**	2020
		%	%			**RMB'000**	RMB'000
Shanghai Geping Information Technology Co., Ltd. ("Shanghai Geping") (上海格平信息科技有限公司) (i)	PRC	**4.78%**	4.78%	Associate	Equity method	**–**	—
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	**1,214**	1,100
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))	PRC	**19.98%**	19.98%	Associate	Equity method	**4,003**	4,000
Hangzhou Qijing Technology Co., Ltd. ("Hangzhou Qijing") (杭州祺鯨科技有限公司) (ii)	PRC	**–**	51.00%	Associate	Equity method	**–**	5,106
Beijing Causa Insurance Assessment Co., Ltd. (北京因數保險公估有限公司) (note 12(a))	PRC	**45.00%**	98.00%	Associate	Equity method	**–**	—
Total equity account investments						**5,217**	10,206

(i) The Group calculates the amount of impairment as the difference between the recoverable amount of Shanghai Geping and its carrying value and recognised the impairment loss amount of approximately RMB9.2 million in the consolidated statement of comprehensive income for the year ended 31 March 2018. As at 31 March 2021 and 2020, the carrying value of the investment of Shanghai Geping is nil.

The Group's share of loss of Shanghai Geping and the amount of impairment loss recognised already exceed the Group's investment in the associate. Therefore, the Group has not shared further losses of Shanghai Geping and the related unrecognised share of losses are not significant to the Group's consolidated financial statements as at 31 March 2021 and 2020.

(ii) In November 2020, Yidu Cloud Beijing entered into a share transfer agreement with three third party investors, pursuant to which Yidu Cloud Beijing transferred all of its 51% interests of Hangzhou Qijing to these third party investors, with a consideration of RMB5.1 million. This transaction was completed in December 2020.

13 Income tax expense

(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.

On 31 October 2018, Beijing Yiyi Cloud and Yidu Cloud Beijing were qualified as "High and New Technology Enterprises" ("HNTEs") under the relevant PRC laws and regulations. Accordingly, both entities were entitled to a preferential income tax rate of 15% during the calendar year 2020. 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 the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies. During the years ended 31 March 2021 and 2020, no deferred income tax liability on WHT was accrued as at the end of each reporting period because the subsidiaries of the Group were loss making in these years.

13 Income tax expense (Continued)

(f) PRC Withholding Tax ("WHT") (Continued)

	Year ended 31 March	
	2021	2020
	RMB'000	RMB'000
Current tax	**1,944**	472
Deferred income tax (note 33)	**(527)**	61
Income tax expense	**1,417**	533

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	
	2021	2020
	RMB'000	RMB'000
Loss before income tax expense	**(3,693,400)**	(1,510,895)
Tax calculated at statuary tax rate of 25%	**(923,350)**	(377,724)
Tax effects of:		
Expenses not deductible for tax purposes	**2,949**	2,285
Research and development tax credit	**(18,387)**	(20,966)
Income not subject to tax	**(11,265)**	(8,728)
Tax losses and temporary differences for which no deferred income tax asset was recognised	**97,302**	117,026
Deferred income	**3,781**	5,250
Effect of preferential tax rates	**23,458**	34,950
Effect of different tax rates	**832,897**	248,440
Utilisation of previously unrecognised tax losses	**(5,968)**	—
	1,417	533
Unused tax losses for which no deferred income tax assets has been recognised for entities subject to the income tax rate of 25%	**37,714**	30,765
Unused tax losses for which no deferred income tax assets has been recognised for entities subject to the income tax rate of 15%	**30,825**	38,858
	68,539	69,623

13 Income tax expense (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	
	2021 RMB'000	2020 RMB'000
Year ended 31 March 2021	**–**	1,995
Year ending 31 March 2022	**3,621**	4,031
Year ending 31 March 2023	**9,507**	10,022
Year ending 31 March 2024	**95,516**	104,133
Year ending 31 March 2025	**108,730**	123,060
Year ending 31 March 2026	**189,827**	38,970
Year ending 31 March 2027	**137,061**	137,061
Year ending 31 March 2028	**235,721**	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**	—
	1,562,821	1,232,331

14 Loss per share

(a) Basic loss per share for the years ended 31 March 2021 and 2020 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	
	2021 RMB'000	2020 RMB'000
Loss attributable to owners of the Company	**(3,700,287)**	(1,509,878)
Weighted average number of ordinary shares in issue ('000) (i)	**510,770**	403,889
Basic loss per share (RMB yuan) (i)	**(7.24)**	(3.74)

(i) Weighted average number of ordinary shares in issue and basic loss per share were calculated taken into account the effect of the Share Subdivision (c).

14 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 2021 and 2020, 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 2021 and 2020 are same as basic loss per share for the respective years.

(c) On 28 December 2020, the Company carried out a share subdivision (the "Share Subdivision") pursuant to which each share in the then issued and unissued share capital was split into five shares of the corresponding class with a par value of US$0.00002 each Share Subdivision. Following the Share Subdivision, the weighted average number of ordinary shares for the purpose of basic and diluted earnings per share has been retrospectively adjusted.

(d) On 15 January 2021, the Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and made an offering of 156,450,000 ordinary shares (excluding any ordinary shares issued pursuant to the exercise of the over-allotment option) at a price of Hong Kong Dollar ("HK$") 26.3 per share. Additionally, the Company issued and allotted 23,467,500 ordinary shares on 10 February 2021 pursuant to the full exercise of the over-allotment option as disclosed in the announcement of the Company dated 7 February 2021. The gross proceeds received by the Company was approximately HK$4,731,830,250 (equivalent to approximately RMB3,942,750,000) (note 25). All convertible redeemable preferred shares were converted into ordinary shares upon the completion of initial public offering ("IPO") on 15 January 2021 (note 28).

(e) Upon the completion of IPO, each issued convertible redeemable preferred share was converted into one ordinary share by re-designation and reclassification of every convertible redeemable preferred share in issue as an ordinary share on a one for one basis and all convertible redeemable preferred shares were re-designated and reclassified as ordinary shares. As a result, the financial liabilities for convertible redeemable preferred shares were derecognised and recorded as share capital and share premium.

15 Property, plant and equipment

	Electronic equipment RMB'000	Office furniture RMB'000	Leasehold improvement RMB'000	Total RMB'000
Cost:				
At 1 April 2020	77,095	2,504	9,611	89,210
Additions	3,002	5,392	4,410	12,804
Disposal	(54)	(532)	—	(586)
At 31 March 2021	80,043	7,364	14,021	101,428
Accumulated depreciation:				
At 1 April 2020	(48,949)	(1,284)	(6,032)	(56,265)
Depreciation	(8,782)	(5,851)	(2,422)	(17,055)
Disposal	14	93	—	107
At 31 March 2021	(57,717)	(7,042)	(8,454)	(73,213)
Net carrying amount:				
At 1 April 2020	28,146	1,220	3,579	32,945
At 31 March 2021	22,326	322	5,567	28,215

15 Property, plant and equipment (Continued)

	Electronic equipment RMB'000	Office furniture RMB'000	Leasehold improvement RMB'000	Total RMB'000
Cost:				
At 1 April 2019	58,615	1,613	5,771	65,999
Additions	20,820	891	3,840	25,551
Disposal	(2,340)	—	—	(2,340)
At 31 March 2020	77,095	2,504	9,611	89,210
Accumulated depreciation:				
At 1 April 2019	(34,527)	(773)	(3,941)	(39,241)
Depreciation	(16,615)	(511)	(2,091)	(19,217)
Disposal	2,193	—	—	2,193
At 31 March 2020	(48,949)	(1,284)	(6,032)	(56,265)
Net carrying amount:				
At 1 April 2019	24,088	840	1,830	26,758
At 31 March 2020	28,146	1,220	3,579	32,945

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

	Year ended 31 March	
	2021 RMB'000	2020 RMB'000
Cost of sales and services	**1,935**	969
Administrative expenses	**4,066**	3,135
Research and development expenses	**10,252**	14,830
Selling and marketing expenses	**802**	283
	17,055	19,217

16 Leases

(a) Amounts recognised in the consolidated balance sheets

	As at 31 March	
	2021 RMB'000	2020 RMB'000
Right-of-use assets (i)		
Buildings	**21,359**	35,689
Lease liabilities		
Current	**19,521**	14,944
Non-current	**6,909**	21,494
	26,430	36,438

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

	Year ended 31 March	
	2021 RMB'000	2020 RMB'000
Cost		
At beginning of the year	**69,220**	48,295
Additions	**5,078**	28,231
Lease expiration	**(3,545)**	(5,176)
Termination of lease contracts	**(4,745)**	(2,130)
At end of the year	**66,008**	69,220
Accumulated depreciation		
At beginning of the year	**(33,531)**	(24,847)
Depreciation charged for the year	**(15,835)**	(15,103)
Lease expiration	**3,545**	5,176
Termination of lease contracts	**1,172**	1,243
At end of the year	**(44,649)**	(33,531)
Net carrying amount		
At end of the year	**21,359**	35,689

16 Leases (Continued)

(b) Amounts recognised in the consolidated statements of comprehensive income

	Year ended 31 March	
	2021	2020
	RMB'000	RMB'000
Depreciation charge of right-of-use assets	**15,835**	15,103
Interest expense	**3,293**	4,199
Expense relating to short-term leases	**3,386**	265

The total cash outflow for leases for the years ended 31 March 2021 and 2020 were approximately RMB21.1 million and RMB21.1 million respectively.

	Year ended 31 March	
	2021	2020
	RMB'000	RMB'000
Principal elements of lease payments	**(14,412)**	(16,653)
Interest expense of leases payments	**(3,293)**	(4,199)
Short-term lease expenses	**(3,386)**	(265)
	(21,091)	(21,117)

17 Intangible assets

	Goodwill RMB'000	License RMB'000	Technology RMB'000	Software RMB'000	Total RMB'000
Cost:					
At 1 April 2020	**4,362**	**32,240**	**3,900**	**1,699**	**42,201**
Additions (a)	**—**	**2,795**	**—**	**2,265**	**5,060**
Disposal	**—**	**(1,584)**	**—**	**—**	**(1,584)**
At 31 March 2021	**4,362**	**33,451**	**3,900**	**3,964**	**45,677**
Accumulated amortization					
At 1 April 2020	**—**	**(2,061)**	**(520)**	**(553)**	**(3,134)**
Amortization	**—**	**(1,807)**	**(780)**	**(943)**	**(3,530)**
Disposal	**—**	**185**	**—**	**—**	**185**
At 31 March 2021	**—**	**(3,683)**	**(1,300)**	**(1,496)**	**(6,479)**
Net carrying amount:					
At 31 March 2020	**4,362**	**30,179**	**3,380**	**1,146**	**39,067**
At 31 March 2021	**4,362**	**29,768**	**2,600**	**2,468**	**39,198**

	Goodwill RMB'000	License RMB'000	Technology RMB'000	Software RMB'000	Total RMB'000
Cost:					
At 1 April 2019	—	32,240	—	659	32,899
Business combination (b)	4,362	—	3,900	—	8,262
Additions	—	—	—	1,040	1,040
At 31 March 2020	4,362	32,240	3,900	1,699	42,201
Accumulated amortization					
At 1 April 2019	—	(449)	—	(248)	(697)
Amortization	—	(1,612)	(520)	(305)	(2,437)
At 31 March 2020	—	(2,061)	(520)	(553)	(3,134)
Net carrying amount:					
At 31 March 2019	—	31,791	—	411	32,202
At 31 March 2020	4,362	30,179	3,380	1,146	39,067

17 Intangible assets (Continued)

(a) Major additions during the year ended 31 March 2021

In May 2020, the Group acquired the entire 100% equity interest of Jiangxi Zhengyuan Pharmaceutical Co., Ltd. ("Jiangxi Zhengyuan" 江西正源醫藥有限公司) at a total consideration of approximately RMB8.0 million. At the acquisition date, the majority of assets owned by Jiangxi Zhengyuan include a Good Supply Practice ("GSP") license and certain amounts of cash and cash equivalents. The addition to intangible assets for the year ended 31 March 2021 represents the consideration for acquiring the aforesaid GSP license of approximately RMB2.8 million. The acquisition of Jiangxi Zhengyuan did not qualify for a "Business combination" as the Company in substance acquired the underlying assets which did not constitute a business.

(b) Business combination during the year ended 31 March 2020

This was mainly due to the acquisition of Xinhexin on 21 August 2019. Xinhexin engages in sales and development of healthcare devices in the PRC. Please refer to note 36 for details.

(c) Impairment tests for goodwill

Goodwill arose from the acquisition of a subsidiary through business combinations as below:

	Xinhexin RMB'000
At 31 March 2021 and 2020	
Goodwill	4,362

As at 31 March 2021 and 2020, the carrying amount of goodwill was allocated to a Cash Generating Unit ("CGU") related to the business of Xinhexin. The recoverable amount of the CGU was determined based on value-in-use calculations which required the use of assumptions. The calculations used cash flow projections based on financial budgets approved by management of the Group covering a six-year period. A period longer than five years can be used projections if it is justifiable, and the management of the Group used a six-year period, which takes into account the length of the post projection period for the cash flow forecast will be perpetuity, and this shall be achieved by identifying a 'steady state' set of assumptions for the cash flows in the last year of the forecasts and applying a terminal value multiple to those cash flows. Given the Group expects to maintain an extended high growth rate over a period longer than 5 years, management of the Group considers that Xinhexin's business is expected to reach a steady and stable terminal growth state likely after a six-year period, with a terminal growth rate of 3% as of 31 March 2021 and 2020, respectively. For the years ended 31 March 2021 and 2020, cash flows for the six-year period were extrapolated using the estimated annual revenue growth rate of 20% and 36%. Pre-tax discount rate of 25% and 25% were used to reflect market assessments of time value and the specific risks relating to the industry in which the Group operated. The financial projection was determined by the management of the Group based on its expectation for market development.

17 Intangible assets (Continued)

(c) Impairment tests for goodwill (Continued)

Based on the result of the impairment reviews of goodwill, the estimated recoverable amount exceeded its carrying amount by approximately RMB8.7 million and RMB13.8 million as of 31 March 2021 and 31 March 2020, respectively. The management of the Group has not identified that a reasonable possible change in any of the key assumptions that could cause the carrying amount to exceed the recoverable amount.

The Group has performed a sensitivity analysis on key assumptions used in management's impairment test of goodwill. Had the estimated annual revenue growth rate during the forecast period been 1% lower, the estimated recoverable amount exceeding its carrying amount would decrease to RMB6.9 million and RMB10.3 million as of 31 March 2021 and 2020, respectively. Reasonably possible changes in key assumptions would not lead to impairment as of 31 March 2021 and 2020, respectively.

(d) Amortization expenses have been charged to profit or loss and presented in the consolidated statements of comprehensive income as follows:

	Year ended 31 March	
	2021 RMB'000	2020 RMB'000
Administrative expenses	**856**	305
Research and development expenses	**780**	520
Selling and marketing expenses	**1,894**	1,612
	3,530	2,437

18 Financial instruments by category

	Note	As at 31 March	
		2021	2020
		RMB'000	RMB'000
Financial assets			
Financial assets at amortised cost:			
Trade receivables	20	**365,641**	287,271
Other financial assets at amortised cost	19	**27,043**	19,050
Cash and cash equivalents	23	**739,846**	719,721
Pledged bank deposits	23	**1,268**	11,325
Term deposits	23	**3,860,723**	—
Restricted bank balance and deposits	23	**5,008**	5,000
Financial assets at fair value through profit or loss	22	**20,945**	20,840
		5,020,474	1,063,207
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables (excluding tax payables)	30	**168,604**	178,088
Lease liabilities	16	**26,430**	36,438
Financial liabilities at fair value through profit or loss:			
Convertible redeemable preferred shares	28	**—**	4,005,248
Convertible notes	32	**—**	486,392
		195,034	4,706,166

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.

19 Other financial assets at amortised cost

Other financial assets at amortised cost include the following:

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Payments on behalf of the third parties (a)	**6,197**	—
Deposits (b)	**11,882**	10,250
Loans to third parties (c)	**752**	4,752
Advances to staff	**3,617**	3,768
Interests receivable	**1,275**	—
Others	**4,072**	1,032
	27,795	19,802
Less: provision for impairment of other receivables (d)	**(752)**	(752)
	27,043	19,050

(a) 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.

(b) Deposits consists primarily of security deposits for rental and projects.

(c) Loans to third parties

(i) *Geping Loan*
On 7 December 2015, the Group granted a RMB10.0 million loan to Geping mHealth Hong Kong Limited ("Geping") ("Geping Loan") for its general business operations. This loan was originally for a term of one year, unsecured and non-interest bearing. On 7 December 2016, the Group entered into an agreement to extend the expiry date to 6 December 2017. Pursuant to these agreements and series of amendment letters of repayments, the Geping Loan shall be fully repaid before 20 July 2017. Geping had repaid around RMB9.2 million to the Group in April 2017. The Group made full impairment losses for the rest of the Geping Loan after assessment of its collectability as at 31 March 2021 and 2020.

(ii) On 30 December 2019, the Group granted a loan of RMB4.0 million to a third party for its general business operations. This loan was pledged by an asset from a designated person of this third party and non-interest bearing. This loan was for a term of one year and repayable on 31 July 2020. This loan was subsequently fully repaid in July 2020.

19 Other financial assets at amortised cost (Continued)

(d) 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 2021 and 2020 are determined as follows:

(i) As at 31 March 2021, the loss allowance of individually impaired other financial assets at amortised cost is determined as follows:

Individual	**Loans to third parties**	**Expected credit loss rate**	**Loss allowance**	**Reason**
Other financial assets at amortised cost	**752**	**100%**	**752**	**The likelihood of recovery is low**

(ii) As at 31 March 2020, the loss allowance of individually impaired other financial assets at amortised cost is determined as follows:

Individual	Loans to third parties	Expected credit loss rate	Loss allowance	Reason
Other financial assets at amortised cost	752	100%	752	The likelihood of recovery is low

Except for the loans to third parties, the loss allowance for other categories of other financial assets at amortised cost as at 31 March 2021 and 2020 is nil and nil, respectively.

20 Trade receivables

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Trade receivables from contracts with customers		
— Third parties	**402,183**	310,713
— Related parties	**7,306**	8,676
Less: allowance for impairment of trade receivables	**(43,848)**	(32,118)
	365,641	287,271

(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	
	2021	2020
	RMB'000	RMB'000
— Up to 3 months	**262,524**	91,673
— 3 to 6 months	**23,163**	189,550
— 6 months to 1 year	**46,712**	10,405
— 1–2 years	**60,183**	15,784
— Over 2 years	**16,907**	11,977
	409,489	319,389
Less: allowance for impairment of trade receivables	**(43,848)**	(32,118)
Total	**365,641**	287,271

(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.

(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.

(Expressed in RMB unless otherwise indicated)

20 Trade receivables (Continued)

(c) Impairment and risk exposure (Continued)

On the basis as described in note 3.1(b), the loss allowance for trade receivables as at 31 March 2021 and 2020 is determined as follows:

For trade receivables that do not share same risk characteristics with others:

At 31 March 2021 Individual	Trade receivables	Expected credit loss rate	Loss allowance	Reason
Trade receivables	15,310	100%	15,310	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 2021					
Expected loss rate	3.6%	7.7%	21.4%	47.8%	7.2%
Gross carrying amount — trade receivables	285,488	46,712	56,255	5,724	394,179
Loss allowance	10,159	3,607	12,035	2,737	28,538

For trade receivables that do not share same risk characteristics with others:

At 31 March 2020 Individual	Trade receivables	Expected credit loss rate	Loss allowance	Reason
Trade receivables	11,179	100%	11,179	The likelihood of recovery is low

20 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 2020					
Expected loss rate	3.7%	10.1%	18.2%	43.6%	6.8%
Gross carrying amount — trade receivables	183,385	108,242	15,785	798	308,210
Loss allowance	6,824	10,890	2,877	348	20,939

(d) The movements on the provision for impairment of trade receivables are as follows:

	Year ended 31 March	
	2021 RMB'000	2020 RMB'000
At beginning of the year	**(32,118)**	(9,586)
Provision for impairment of trade receivables	**(11,730)**	(22,532)
At end of the year	**(43,848)**	(32,118)

21 Inventories

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Purchased goods — at cost	**31,761**	67,496
Less: allowance for impairment of inventories	**—**	—
	31,761	67,496

(i) Amounts recognised in profit or loss

Inventories recognised as cost of sales and services during the years ended 31 March 2021 and 2020 amounted to approximately RMB204.1 million and RMB201.1 million, respectively.

(ii) As of 31 March 2021 and 2020, the inventory for big data platform and solutions segment included certain medical devices and other COVID-19 prevention supplies of nil and RMB49.4 million relating to the Group's epidemic response solutions, respectively.

22 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 19 above)

Financial assets mandatorily measured at FVPL include the following:

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Non-current assets		
Loan to a third party with warrants to purchase their preferred shares (i)	**—**	20,840
Current assets		
Loan to a third party with warrants to purchase their preferred shares (i)	**20,945**	—

22 Financial assets at fair value through profit or loss (Continued)

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

(i) 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 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 2021, loan to a third party with warrants to purchase their preferred shares was reclassified from non-current assets to current assets.

Key valuation assumptions used to determine the fair value of the loan to a third party with warrants to purchase their preferred shares are as follows:

	As at 31 March 2021	As at 31 March 2020
Discount rate	**25.0%**	25.0%
Risk-free interest rate	**3.7%**	3.3%
Discount for lack of marketability ("DLOM")	**25.0%**	25.0%

(b) Amounts recognised in profit or loss

During the years, the following gains were recognised in profit or loss:

	Year ended 31 March	
	2021 RMB'000	2020 RMB'000
Fair value gains on investments in wealth management products	**–**	1,352
Fair value gains on loan to a third party with warrants to purchase their preferred shares	**105**	840
	105	2,192

22 Financial assets at fair value through profit or loss (Continued)

(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.

23 Cash and bank balances

(a) Cash and cash equivalents

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Bank balances, term deposits and restricted bank balance and deposits	**4,605,577**	724,721
Less:	**(3,865,731)**	(5,000)
Term deposits	**(3,860,723)**	—
Restricted bank balance and deposits with original maturities over three months but less than one year*	**—**	(1,000)
Restricted bank balance and deposits with original maturities over one year*	**(5,008)**	(4,000)
Cash and cash equivalents	**739,846**	719,721

* Restricted bank balance and deposits are deposited 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.

The directors of the Company considered that the carrying amount of the term deposits and restricted bank balance and deposits with initial terms of over three months approximated to their fair value as at 31 March 2021 and 2020.

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 2021 and 2020 are 0.27% and 2.75% respectively.

23 Cash and bank balances (Continued)

(a) Cash and cash equivalents (Continued)

Bank balances, term deposits and restricted bank balance and deposits of the Group are denominated in the following currencies:

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
US$	**652,685**	628,722
HK$	**3,868,429**	90
BND (Brunei Dollar)	**695**	—
RMB	**83,768**	95,909
Total	**4,605,577**	724,721

(b) Pledged bank deposits

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Non-current assets	**—**	585
Current assets	**1,268**	10,740
Total	**1,268**	11,325

Pledged bank deposits represent deposits pledged to banks to obtain letters of guarantees issued to customers for the fulfilment of project requirements as stated in certain contracts. Pledged bank deposits with maturities over one year as of the respective balance sheet dates were classified as non-current assets.

Pledged bank deposits of the Group are all denominated in RMB and carried interests at market rates at 0.3% and 0.3% as at 31 March 2021 and 2020 respectively.

24 Other current assets

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Prepayment:		
Advance payments to suppliers for inventories	**8,342**	19,370
Prepaid cloud storage and other service fee	**15,638**	7,818
Business insurance for employees	**2,076**	1,701
Others	**2,835**	900
Deductible input VAT	**22,587**	15,839
	51,478	45,628

25 Share capital

	Number of shares	Share capital US$'000	Share capital RMB'000
Issued:			
At 1 April 2019	403,888,890	8	49
Addition	—	—	—
At 31 March 2020	403,888,890	8	49
At 1 April 2020 (note 14 (c))	**403,888,890**	**8**	**49**
Newly issued ordinary shares (note 14 (d))	**179,917,500**	**4**	**23**
Conversion of convertible redeemable preferred shares to ordinary shares (note 14 (e))	**341,423,120**	**7**	**44**
At 31 March 2021	**925,229,510**	**19**	**116**

26 Other reserves

	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 2020	**229,467**	**(181,786)**	**(17,277)**	**–**	**(4,544)**	**25,860**
Conversion of convertible redeemable preferred shares to ordinary shares	–	–	–	7,480,737	–	7,480,737
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	–	–	–	3,774,964	–	3,774,964
Currency translation differences	–	574,101	–	–	–	574,101
Capital injection from non-controlling interests	–	–	–	–	155,958	155,958
Share-based compensation (note 29)	129,277	–	–	–	–	129,277
Purchasing of the Company's options from third parties (note 29(d))	–	–	–	–	42,927	42,927
Transfer from other comprehensive loss into retained earnings (note 28)	–	–	24,039	–	–	24,039
Modification of the consideration of business combination and derecognition of financial liability upon the completion of initial public offering	–	–	–	–	4,086	4,086
Fair value change of convertible redeemable preferred shares due to own credit risk	–	–	(6,762)	–	–	(6,762)
At 31 March 2021	**358,744**	**392,315**	**–**	**11,255,701**	**198,427**	**12,205,187**

26 Other reserves (Continued)

	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 2019	3,653	(26,938)	(8,823)	—	(4,544)	(36,652)
Fair value change of convertible redeemable preferred shares due to own credit risk	—	—	(9,564)	—	—	(9,564)
Fair value change of convertible notes due to own credit risk	—	—	1,110	—	—	1,110
Share-based compensation (note 29)	220,228		—	—	—	220,228
Consideration for business combination (note 36)	5,586	—	—	—	—	5,586
Currency translation differences	—	(154,848)	—	—	—	(154,848)
At 31 March 2020	229,467	(181,786)	(17,277)	—	(4,544)	25,860

27 Accumulated deficits

	Year ended 31 March	
	2021 RMB'000	2020 RMB'000
At beginning of the year	**3,751,406**	2,241,528
Net loss for the year	**3,700,287**	1,509,878
Transfer from other comprehensive loss into retained earnings (note 28)	**24,039**	—
At end of the year	**7,475,732**	3,751,406

28 Convertible redeemable preferred shares

Since the date of incorporation, the Company has completed several rounds of financing by issuing convertible redeemable preferred shares. Details are as follows:

Series of preferred shares	Date of issuance	Total number of shares issue (before Share Subdivision)	Consideration per share	Total consideration	Total consideration (RMB equivalent at the issue date)	As at 31 March 2021	As at 31 March 2020
			US$	US$'000	RMB'000	RMB'000	RMB'000
Series A*							
— Tranche 1	16 March 2015	5,555,555	0.9	5,000	30,807	–	328,276
— Tranche 2	16 March 2015	11,111,111	0.9	10,000	61,268	–	656,553
Subtotal		16,666,666		15,000	92,075	–	984,829
Series A-1	21 July 2015	6,725,146	2.23	15,000	95,349	–	414,064
Series A-2	31 March 2016	19,213,743	2.9739	57,140	374,454	–	1,211,568
Subtotal		25,938,889		72,140	469,803	–	1,625,632
Series B							
— Tranche 1	29 January 2018	1,024,778	9.76	10,000	63,267	–	85,458
— Tranche 2	5 February 2018	3,074,334	9.76	30,000	189,216	–	256,156
— Tranche 3	14 August 2018	5,123,889	9.76	50,000	344,470	–	404,664
Subtotal		9,223,001		90,000	596,953	–	746,278

28 Convertible redeemable preferred shares (Continued)

Series of preferred shares	Date of issuance	Total number of shares issue (before Share Subdivision)	Consideration per share	Total consideration	Total consideration (RMB equivalent at the issue date)	As at 31 March 2021	As at 31 March 2020
			US$	US$'000	RMB'000	RMB'000	RMB'000
Series C							
— Tranche 1	21 June 2019	2,444,095	12.2745	30,000	205,416	–	216,978
— Tranche 2	21 June 2019	2,444,095	12.2745	30,000	205,509	–	216,978
— Tranche 3	30 December 2019	2,444,094	12.2745	30,000	209,070	–	214,553
— Tranche 4	26 June 2020	814,698	12.2745	10,000	70,555	–	—
— Tranche 5	2 July 2020	814,698	12.2745	10,000	70,566	–	—
— Tranche 6	3 July 2020	1,629,397	12.2745	20,000	141,276	–	—
Subtotal		10,591,077		130,000	902,392	–	648,509
Series C — Conversion from convertible notes (note 32)	30 April 2020	5,864,991	9.8196	57,592	407,721	–	—
Total		68,284,624		364,732	2,468,944	–	4,005,248

* On 16 March 2015, the Company entered into a share purchase agreement with Magic Stone Hong Tao Alternative Fund L.P. ("Magic Stone") and Meddig International pursuant to which, the Company issued 5,555,555 and 11,111,111 Series A preferred shares at a price of US$0.9 per share with total cash consideration of US$5.0 million and US$10.0 million, respectively.

On 29 December 2017, Magic Stone entered into a share purchase agreement pursuant to which Sweet Panda Limited purchased and Magic Stone sold 2,049,556 Series A preferred shares of the Company for an aggregate consideration of US$10,000,000. On 22 January 2018, Astonish Investment Pte. Ltd. purchased from Sweet Panda Limited 2,049,556 Series A preferred shares of the Company for an aggregate purchase price of US$10,000,000.

28 Convertible redeemable preferred shares (Continued)

The key terms of the convertible redeemable preferred shares are as follows:

(a) Redemption rights

The shareholders of preferred shares may give a written notice to the Company at any time or from time to time requesting redemption of all or part of their preferred shares under specific conditions as provided in the Article of Association. The redemption price of each share to be redeemed shall equal to (x) the sum of (A) one hundred percent (100%) of the issue price for each series, (B) a compound interest rate of eight (8%) to twelve percent (12%) per annum, for each year such preferred shares was outstanding measured from the issue date with respect to such preferred shares held by certain investors through the date of redemption thereof (calculated on a pro rata basis in case of a partial year), plus (C) all declared but unpaid dividends thereon up to the date of actual payment of such redemption price, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations or mergers.

From Series A, Series A-1, and Series A-2, the Company shall repurchase all of the preferred shares, at any time after the earlier of:

(i) the failure by the Company to complete a QIPO within thirty six (36) months following 29 January 2018;

(ii) the occurrence of a material breach by any of the group companies, the founders or founders' companies of any of their respective representations, warrants, covenants, agreements or undertakings as set out in the relevant agreements and such group companies, the founders or founders' companies fail to cure such material breach within thirty (30) days after the occurrence of such material breach.

From Series B and Series C, the Company shall repurchase all of the preferred shares, at any time after the earlier of:

(i) the occurrence of a material breach by any of the group companies, the founders or founders' companies of any of their respective representations, warrants, covenants, agreements or undertakings as set out in the relevant agreements and such group companies, the founders or founders' companies fail to cure such material breach within thirty (30) days after the occurrence of such material breach;

(ii) Series B redemption of Astonish Investment Pte. Ltd.: the failure by the Company to complete a QIPO within thirty six (36) months following 29 January 2018;

Series B redemption of Leader Investment Corporation: the failure by the Company to complete a QIPO within sixty (60) months following 14 August 2018;

Series C: the failure by the Company to complete a QIPO within sixty (60) months following the closing date of each of the subscriptions from those investors;

28 Convertible redeemable preferred shares (Continued)

(a) Redemption rights (continued)

(iii) the occurrence of a change of control event without the prior approval of certain preferred shares investors;

(iv) the occurrence of a default or event of default, in any material aspects, for any borrowings of the Company or any of its subsidiaries or affiliates;

(v) a final judgement or judgements for the payment of money aggregating in excess of US$10,000,000 are rendered against any group companies or any of its subsidiaries;

(vi) any material breach or non-enforceability of any documents to which a group companies are a party and the Company fails to cure such material breach or non-enforceability within thirty (30) business days upon occurrence of such material breach or non-enforceability;

(vii) there has been any substantial change in the applicable laws, rules, regulations, or judicial decisions (with respect to non-PRC jurisdictions) and judicial interpretations issued by the PRC supreme court that does not allow or materially restricts the Company to effectively control the PRC companies, or to recognise and receive substantially all the economic benefit of the PRC companies' business and operations, or to consolidate the financials of the PRC companies through the contractual arrangement under the documents;

(viii) any voluntary or involuntary bankruptcy and any moratorium or nationalization in respect of all or a substantial part of the business of the group companies, or

(ix) a request being made by any preferred shares holders for any buy-back of preferred shares.

Shareholder Agreement has been amended in August 2020 regarding to the clauses:

(i) For the redemption of Series A, Series A-1, and Series A-2: on or before the fourth anniversary of 29 January 2018, no Qualified IPO has occurred.

(ii) Series B redemption of Astonish Investment Pte. Ltd.: the failure by the Company to complete a QIPO on or before the fourth anniversary of 29 January 2018;

(iii) The redemption rights shall terminate immediately upon the Company's filing of a listing application for a QIPO, provided that if the Company has not completed such QIPO, the redemption rights shall be automatically restored. Provided that if the redemption rights are restored, and the Company thereafter re-files a listing application for a QIPO, the redemption rights will again terminate immediately upon any subsequent filings and will be subject to restoration in accordance with the preceding sentence.

28 Convertible redeemable preferred shares (Continued)

(b) Liquidation preferences

In the event of the occurrence of any:

(i) (A) the closing of any consolidation, amalgamation, scheme of arrangement or merger of any group company with or into any other person or other reorganization or change of control in which the existing members or shareholders of such group company, immediately prior to such consolidation, amalgamation, merger, change of control, scheme of arrangement or reorganization own less than fifty percent (50%) of such group company's or the surviving entity's voting power or outstanding share capital in the aggregate immediately after the closing of such consolidation, merger, change of control, amalgamation, scheme of arrangement or reorganization, or (B) the closing of any transaction or series of related transactions in which in excess of fifty percent (50%) of such group company's voting power or outstanding share capital is transferred to a person or group of persons who do not hold more than fifty percent (50%) of the voting power or outstanding share capital prior to such closing, and after such closing, such person or group of persons would hold more than fifty percent (50%) of the such group company or surviving entity's voting power or outstanding share capital; for avoidance of doubt, the foregoing shall apply to a group company that is not the Company only if the related transaction has the effect of disposing all or substantially all of the share capital, assets or businesses of the Company (on a consolidated basis); or

(ii) the closing of a sale, transfer, lease or other disposition of all or substantially all of the assets or business of the Company (on a consolidated basis) (or any series of related transactions resulting in such sale, transfer, lease or other disposition of all or substantially all of the assets or business of the Company (on a consolidated basis)), including the exclusive licensing of all or substantially all of the Company's intellectual properties (on a consolidated basis) to a third party; or

(iii) the termination of (by operation of law or otherwise), material breach of or making any material amendments to, any of the contractual control agreements, including but not limited to any documents to which a group companies are a party provided that the foregoing shall either (x) have the effect of either disposing of all or substantially all of the share capital, assets or business of the PRC Companies or (y) no longer allow or materially restricts the Company's ability to effectively control the PRC Companies, or to recognise and receive substantially all the economic benefit of the PRC Companies' business and operations, or to consolidate the financials of the PRC Companies through the contractual arrangement under the any documents to which a group companies are a party, in each case, without the written consent required; or

(iv) a liquidation, winding up or dissolution of the Company and/or all or substantially all of the business of the Company and its subsidiaries (taken as a group);

28 Convertible redeemable preferred shares (Continued)

(b) Liquidation preferences (Continued)

then all assets and funds of the Company legally available for distribution to the shareholders (after satisfaction of all applicable tax obligations and creditors' claims and claims that may be preferred by applicable Law) shall be distributed to the shareholders as follows:

Each holder of preferred shares shall be entitled to receive for each series of preferred shares it holds on the preferential basis, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of other series of preferred shares and ordinary shares or any other class or series of shares by reason of their ownership of such shares, the amount equal to 120% of the respective applicable issue price plus all declared but unpaid dividends on such respective preferred shares, by the following order: (1) Series C; (2) Series B; (3) Series A-2; (4) Series A-1; (5) Series A.

If the assets and funds available for distribution shall be insufficient to permit the payment to such holders of the full preferred preference amount, then the entire assets and funds legally available for distribution to the holders of the preferred shares, by the following order: (1) Series C; (2) Series B; (3) Series A-2; (4) Series A-1; (5) Series A.

If there are any assets or funds remaining after the aggregate preference amount have been distributed or paid in full to the applicable holders of the respective preferred shares mentioned above, the remaining assets and funds available for distribution to members shall be distributed rateably among all members according to the relative number of class B ordinary shares held by such member on an as converted basis. All issued and outstanding employee shares shall also be counted in when conducting the calculation and distribution.

(c) Voting rights

Each preferred shares has voting rights equivalent to the number of ordinary shares into which such preferred shares could be then convertible.

(d) Conversion rights

Unless converted earlier pursuant to the provisions with respect to automatic conversion as set out below, preferred shares shall be convertible, at the option of the holder thereof, at any time into such number of fully paid and non-assessable ordinary shares at an initial conversion ratio of 1:1, and thereafter shall be subject to adjustment and readjustment from time to time as hereinafter provided.

28 Convertible redeemable preferred shares (Continued)

(d) Conversion rights (Continued)

Each preferred shares shall automatically be converted into class B ordinary shares at the then effective relevant conversion price upon (A) the closing of a QIPO or (B) the written consent of the holders of at least seventy five percent (75%) of the then outstanding Series A preferred shares for conversion of Series A preferred shares or (C) the written consent of the holders of at least seventy five percent (75%) of the then outstanding Series A-1 preferred shares for conversion of Series A-1 preferred shares, or (D) the written consent of the holders of at least seventy five percent (75%) of the then outstanding Series A-2 preferred shares for conversion of Series A-2 preferred shares; (E) the written consent of the holders of at least seventy five percent (75%) of the then outstanding Series B preferred shares for conversion of Series B preferred shares; or (F) the written consent of the holders of at least fifty percent (50%) of the then outstanding Series C preferred shares for conversion of Series C preferred shares. In the event of the automatic conversion of the preferred shares pursuant to the foregoing clause (A), the persons entitled to receive the class B ordinary shares issuable upon such conversion of preferred shares shall not be deemed to have converted such preferred shares until immediately prior to the closing of the QIPO. The definition of QIPO is as follows: (A) with respect to all preferred shareholders except holders of Series C preferred shares, a public offering on a recognised share exchange, with (i) an implied pre-offering valuation of US$2.31 billion or more if the public offering occurs after the first anniversary of 29 January 2018, but on or before the second anniversary of 29 January 2018; (ii) an implied pre-offering valuation of US$2.65 billion or more if the public offering occurs after the second anniversary of 29 January 2018, but on or before the fourth anniversary of 29 January 2018, and (B) with respect to holders of Series C preferred shares only, a public offering on a recognised share exchange, with (i) gross proceeds to the Company of not less than 10.00% of the implied pre-offering valuation of the Company and (ii) an implied pre-offering valuation of the Company not less than an amount denominated in US$ that results in an internal rate of return for the holders of Series C preferred shares of at least 20% per annum for each Series C preferred shares, without regard for discounts pursuant to lock-up restrictions, restrictions on free marketability, and other restrictions on transfer; for avoidance of any ambiguity, for purposes of determining the QIPO with respect to Series C preferred shares held by Astonish Investment Pte. Ltd. ("GIC"), the cost for each Series C preferred shares acquired by GIC shall be calculated based on a per share price of US$9.8196 (as adjusted for any recapitalization, whether pursuant to a bonus share issue, consolidation and/or subdivision of Shares, reclassification or conversion of Shares or otherwise) and GIC's investment with respect to such Series C preferred shares shall be deemed to be consummated on 30 April 2020.

(e) Dividends rights

The directors of the Company may declare dividends and distributions on ordinary shares and preferred shares in issue and authorize payment of the dividends or distributions out of the assets of the Company lawfully available therefor. No dividend or distribution shall be paid except out of the realized or unrealized profits of the Company, or out of the share premium account or as otherwise permitted by the statute.

28 Convertible redeemable preferred shares (Continued)

(e) Dividends rights (Continued)

If a dividend or other distribution is declared, paid or set aside, each holders of the Series C, Series B, Series A-2, Series A-1 and Series A preferred shares shall be entitled to receive non-cumulative dividends declared by the Company, by the following order: (1) Series C; (2) Series B; (3) Series A-2; (4) Series A-1; (5) Series A.

No dividend or distribution, whether in cash, in property, or in shares of the capital of the Company, shall be declared, paid, set aside or made with respect to the ordinary shares at any time unless all accrued but unpaid dividends on the preferred shares have been paid in full.

The preferred shares are denominated in US$ and the Group does not bifurcate any embedded derivatives from the host instruments and designated the entire instruments as convertible redeemable preferred shares with the changes in the fair value recognised in profit or loss.

No dividend was paid to the holders of preferred shares during the year ended 31 March 2021 and 2020.

Movements of convertible redeemable preferred shares during the years ended 31 March 2021 and 2020 are:

	RMB'000
At 1 April 2020	**4,005,248**
Issuance of Series C convertible redeemable preferred shares (note (e)(iii))	**282,397**
Conversion of convertible notes to convertible redeemable preferred shares	**509,742**
Changes in fair value recognised in profit or loss	**3,245,785**
Changes in fair value recognised in other comprehensive loss	**6,762**
Currency translation differences — recognised in equity	**(569,153)**
Conversion of convertible redeemable preferred shares to ordinary shares	**(7,480,781)**
At 31 March 2021	**—**
At 1 April 2019	2,395,644
Issuance of Series C convertible redeemable preferred shares (note (e)(iii))	619,995
Changes in fair value recognised in profit or loss	821,584
Changes in fair value recognised in other comprehensive loss	9,564
Currency translation differences — recognised in equity	158,461
At 31 March 2020	4,005,248

28 Convertible redeemable preferred shares (Continued)

(e) Dividends rights (Continued)

(i) On 29 January 2018 and 5 February 2018, the Company entered into a share purchase agreement with Astonish Investment Pte. Ltd. and pursuant to which, the Company issued 1,024,778 and 3,074,334 Series B preferred shares at a price of US$9.76 per share with total cash consideration of US$40,000,000 (equivalent of approximately RMB252.5 million). 1,024,778 and 3,074,334 Series B preferred shares were fully issued and paid up on 29 January 2018 and 6 February 2018, respectively.

(ii) On 14 August 2018, the Company entered into a share purchase agreement with Leader Investment Corporation and pursuant to which, the Company issued 5,123,889 Series B preferred shares at a price of US$9.76 per share with total cash consideration of US$50,000,000 (equivalent of approximately RMB344.5 million). 5,123,889 Series B preferred shares were fully issued and paid up on 18 August 2018.

(iii) On 21 June 2019, the Company entered into a share purchase agreement with Image Frame Investment (HK) Limited and pursuant to which, the Company issued 2,444,095 Series C preferred shares at a price of US$12.2745 per share with total cash consideration of US$30,000,000 (equivalent of approximately RMB205.5 million). 2,444,095 Series C preferred shares were fully issued and paid up on 22 June 2019.

On 21 June 2019, the Company entered into a share purchase agreement with Parallel Solar Investment Limited, and pursuant to which, the Company issued 2,444,095 Series C preferred shares at a price of US$12.2745 per share with total cash consideration of US$30,000,000 (equivalent of approximately RMB205.5 million). 2,444,095 Series C preferred shares were fully issued and paid up on 24 June 2019.

In conjunction with Series C convertible redeemable preferred shares, warrants were granted to Image Frame Investment (HK) Limited and Parallel Solar Investment Limited on 30 May 2019 for a cash consideration of US$12.2745 per share to purchase up to 1,629,397 and 1,629,397 Series C convertible redeemable preferred shares of the Company, respectively. As of 31 March 2020, the carrying value (representing the fair value) of these warrants amounted to approximately RMB35.4 million. Image Frame Investment (HK) Limited has exercised its warrants to subscribe 1,629,397 Series C convertible redeemable preferred shares of the Company at a cash consideration of US$20.0 million on 3 July 2020. Parallel Solar Investment Limited waived its right to exercise its warrant.

On 30 December 2019, the Company entered into a share purchase agreement with the Yaqut Sdn Bhd and pursuant to which, the Company issued 2,444,094 Series C preferred shares at a price of US$12.2745 per share with total cash consideration of US$30,000,000 (equivalent of approximately RMB209.0 million). 2,444,094 Series C preferred shares were fully issued and paid up on 7 January 2020.

(Expressed in RMB unless otherwise indicated)

28 Convertible redeemable preferred shares (Continued)

(e) Dividends rights (Continued)

On 18 October 2019, the Company entered into a share purchase agreement with the Guiyang Industrial & Commercial Investment Group Co., Ltd. and pursuant to which, the Company issued 1,629,396 Series C preferred shares at a price of US$12.2745 per share with total cash consideration of US$20.0 million. 1,629,396 Series C preferred shares were fully issued and paid up on 26 June 2020 and 2 July 2020, respectively (equivalent to approximately RMB141.1 million).

Losses on the changes in fair value of convertible redeemable preferred shares of approximately RMB3,245.8 million and RMB821.6 million are recognised in profit or loss during the years ended 31 March 2021 and 2020 respectively. In addition, losses on the changes in fair value of convertible redeemable preferred shares for the years ended 31 March 2021 and 2020 of approximately RMB6.8 million and RMB9.6 million which are attributable to changes in the credit risk of the related instruments, are recognised in other comprehensive income for the respective years.

The Group applied the discounted cash flow method to determine the underlying equity value of the Company and adopted option pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares. Key assumptions used to determine the fair value of convertible redeemable preferred shares are as follows:

	As at 31 March 2020
Discount rate	16.0%–16.5%
Risk-free interest rate	0.6%–1.8%
Volatility	34.0%–45.0%
Discount for lack of marketability ("DLOM")	10%–15%

Discount rate was estimated by weighted average cost of capital of each valuation date. The Group estimated the risk-free interest rate used in the equity allocation based on the market yield of Hong Kong Sovereign Curve matured at time close to the timing as of valuation date. Volatility was estimated based on the historical share price movement of the comparable companies for the period of time close to the expected time to exercise. The DLOM was estimated based on the option pricing method. Under the option pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount.

All convertible redeemable preferred shares were converted into ordinary shares upon the completion of IPO on 15 January 2021. Also the cumulative loss recognised in other comprehensive income related to the convertible redeemable preferred shares and convertible notes due to changes of fair value in the liability's credit risk of RMB24.0 million was transferred from other reserves to accumulated losses upon IPO. The fair value of each of convertible redeemable preferred share on the conversion date is the offer price (HK$26.3) in the Global Offering.

29 Share-based compensation

(a) 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 as detailed in note 14(c) under Plan A, in which 68,333,335 shares have been surrendered to incentive pool; 83,333,335 shares after taking into account the effect of the Share Subdivision as detailed in note 14(c) under Plan B are reserved for incentive pool by the shareholders of the Company. 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.

The Group did not recognise share-based compensation expenses in profit or loss until the year ended 31 March 2020, because the Group assessed and concluded that it was not probable that the achievement of the performance condition (i.e. QIPO) would be met during prior years.

(Expressed in RMB unless otherwise indicated)

29 Share-based compensation (Continued)

(a) (Continued)

Movements in the number of share options granted to employees are as follows:

	Year ended 31 March			
	2021		2020	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options*
At beginning of the year	**US$0.014**	**137,513,755**	US$0.014	127,456,620
Granted during the year	**US$0.357**	**18,280,825**	US$0.018	14,404,385
Forfeited during the year	**US$0.087**	**(6,138,505)**	US$0.018	(4,347,250)
At end of the year	**US$0.056**	**149,656,075**	US$0.014	137,513,755

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:

			Number of share options*	
Grant date	**Expiry date**	**Exercise price**	**31 March 2021**	31 March 2020
2014	2024	US$0.0028	**17,000,000**	17,000,000
2015	2025	US$0.0028 or 0.018	**57,475,000**	57,475,000
2016	2026	US$0.018	**10,195,000**	10,301,250
2017	2027	US$0.018	**27,573,875**	28,032,625
2018	2028	US$0.018	**7,188,335**	9,005,035
2019	2029	US$0.018	**12,602,980**	15,161,020
2020	2030	US$0.018	**17,602,665**	538,825
2021	2031	US$0.018	**18,220**	—
		Total	**149,656,075**	137,513,755

* Number of share options as at 31 March 2020 were calculated taken into account the effect of the Share Subdivision as detailed in note 14(c).

(Expressed in RMB unless otherwise indicated)

29 Share-based compensation (Continued)

(a) (Continued)

The Company has used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted equity allocation model to determine the fair value of the underlying ordinary share. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the Company with best estimate. Based on fair value of the underlying ordinary share, the Company have used Binomial option-pricing model to determine the fair value of the share options as at the grant date. Key assumptions are set as below:

	As at 31 March	
	2021	2020
Discount rate	**15.5%–16.5%**	16.0%–16.5%
Risk-free interest rate	**0.4%–0.5%**	0.6%–1.7%
Volatility	**41%–42%**	38%–41%

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 remaining contractual life of share options outstanding as at 31 March 2021 and 2020 is 0.68 years and 1.27 years respectively.

(b) On 17 December 2017, the Company changed its capital structure to re-designate its ordinary shares into Class A ordinary shares and Class B ordinary shares. Ms. Gong, the Company's founder, executive director and chairlady of the Board of Directors holds Class A ordinary shares through her British Virgin Islands ("BVI") company and each Class A ordinary share carries twenty (20) votes at meetings of shareholders. Upon further transfer of Class A ordinary shares by Ms. Gong to anyone, such Class A ordinary shares will automatically convert into an equal number of Class B ordinary shares.

The grant of the super voting right was authorized by the Board of Directors on 17 December 2017. There are no additional vesting conditions attached to the grant. Accordingly, the Company recognised the incremental value of RMB3.7 million of Class A ordinary shares in general and administrative expenses as share-based compensation on the grant date.

(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 as 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.

29 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.

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.

On 10 October 2020, the Company entered into an Option Subscription Agreement with a third party individual pursuant to which the third party individual 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.

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.

(e) On 28 December 2020, the shareholders of the Company approved the adoption of the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme to grant options and awards 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. 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. As of 31 March 2021, the Company did not grant any option or share under Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme.

30 Trade and other payables

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Trade payables (ii)	**85,875**	115,146
Tax payables	**8,012**	8,998
Other payables:		
— Payables for repurchase of options (note 29 (c))	**35,253**	37,870
— Payables for professional service fee	**37,129**	10,743
— Amounts due to related parties	**66**	8,500
— Others	**10,281**	5,829
	176,616	187,086

(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) Aging analysis of the trade payables based on invoice date at the end of each reporting period are as follows:

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
— Up to 3 months	**56,222**	36,604
— 3 to 6 months	**16,120**	68,731
— 6 months to 1 year	**3,395**	8,805
— 1 to 2 years	**10,138**	1,006
	85,875	115,146

31 Deferred income

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Deferred government grants	**86,841**	62,279
Less: amounts to be realised within the next 12 months	**(10,628)**	—
Non-current	**76,213**	62,279

Deferred government grants received but yet to recognise in other income amounted to approximately of RMB86.8 million and RMB62.3 million respectively, as at 31 March 2021 and 2020. These government grants are mainly for funding research and development expenditures undertaken by the Group.

32 Convertible notes

The Company issued six convertible notes for US$30 million (US$5 million for each) (equivalent to approximately RMB188.6 million in aggregate) on 7 April 2017 to one of existing investors (the "Holder"). These convertible notes will mature on the earlier date (the "Maturity Date") of either (i) 6 April 2022, or convert to convertible redeemable preferred shares (ii) upon the date of consummation of a QIPO. The interest rate is either (i) at redemption or repayment: the interest at the rate of 15% per annum; or (ii) at conversion: the interest rate adjusted to 30% per annum, computed on a simple interest basis.

These notes are convertible into preferred shares of the Company, at the option of the Holder, or automatic conversion upon the IPO auditor commencing work. The Company prepays these convertible notes upon the receipt of the written consent of the Holder or in the Maturity Date.

The initial per share conversion price shall be equal to the product of 80% multiplied by (i) in the event of a conversion, a price per share mutually agreed by the Company and the Holder in writing, or (ii) in the event of a conversion upon or after a next financing round but before the consummation of an IPO, the per share issuance price of the senior equities as at the conversion date. The Holder shall have the right, but not obligation, to convert all but not less all the then outstanding principal amount (plus any accrued and unpaid interest of these convertible notes) into such number of fully paid and non-assessable most senior series of equity security of the Company existing at the time of exercise of the conversion right.

32 Convertible notes (Continued)

The convertible notes are presented in the balance sheet as follows:

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Convertible notes issued, at fair value	**–**	486,392

On 30 April 2020, the Holder exercised the option to convert US$30.0 million in aggregate principal amount of its convertible notes of the Company (together with interest accrued but unpaid, approximately US$57.6 million in aggregate) into 5,864,991 Series C convertible redeemable preferred shares (before Share Subdivision) of the Company in accordance with the terms of the convertible notes based on a per share price of 80% of US$12.2745 (i.e. US$9.8196) as the conversion price.

Movements of convertible notes during the years ended 31 March 2021 and 2020 refer to note 3.3.

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	
	2021	2020
	RMB'000	RMB'000
Deferred income tax assets:		
— Deferred income tax assets to be recovered after more than 12 months	**1,559**	3,907
— Deferred income tax assets to be recovered within 12 months	**3,247**	3,066
	4,806	6,973
Deferred income tax liabilities:		
— Deferred income tax liabilities to be settled after more than 12 months	**(1,989)**	(3,950)
— Deferred income tax liabilities to be settled within 12 months	**(2,065)**	(2,798)
	(4,054)	(6,748)
	752	225

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	
	2021	2020
	RMB'000	RMB'000
At beginning of the year	**225**	286
Credited to income tax expense/(charged) (note 13)	**527**	(61)
At end of the year	**752**	225

(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	**Deferred income tax assets-business combination**	**Deferred income tax liabilities-right-of-use assets**	**Deferred income tax liabilities-business combination**	**Total**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
As at 1 April 2020	**5,998**	**975**	**(5,903)**	**(845)**	**225**
(Charged)/credited to profit or loss	**(1,842)**	**(325)**	**2,499**	**195**	**527**
As at 31 March 2021	**4,156**	**650**	**(3,404)**	**(650)**	**752**

	Deferred income tax assets-right-of-use assets	Deferred income tax assets-business combination	Deferred income tax liabilities-right-of-use assets	Deferred income tax liabilities-business combination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 April 2019	4,284	—	(3,998)	—	286
Acquisition of a subsidiary (note 36)	—	975	—	(975)	—
Credited/(charged) to profit or loss	1,714	—	(1,905)	130	(61)
As at 31 March 2020	5,998	975	(5,903)	(845)	225

34 Cash flow information

(a) Cash used in operations

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

	Note	Year ended 31 March 2021 RMB'000	2020 RMB'000
Loss before income tax:		**(3,693,400)**	(1,510,895)
Adjustments for:			
Depreciation and amortization	8	**36,420**	36,757
Net gains on disposal of associates		**1,054**	—
Share-based compensation	29	**134,655**	272,947
Other income — interest on term deposits and restricted bank balance and deposits	6	**(1,766)**	(559)
Fair value change of convertible redeemable preferred shares	28	**3,245,785**	821,584
Fair value change of convertible notes		**24,192**	102,356
Fair value change of warrants		**(34,398)**	(9,063)
Losses on disposal of property, plant and equipment		**479**	147
Share of loss/(profits) of associates	12	**1,843**	(113)
Net fair value gains on financial assets at fair value through profit or loss	7	**(105)**	(2,192)
Net impairment losses on financial assets recognised in profit or loss	3.1	**15,578**	22,725
Finance costs/(income) — net	10	**2,692**	(1,297)
Exchange losses/(gains)	7	**16,587**	(2,411)
The operating cash flows before movements in working capital		**(250,384)**	(270,014)
Change in working capital:			
— Pledged bank deposits		**10,057**	(4,402)
— Inventories		**35,735**	(40,106)
— Other current assets		**(4,461)**	(11,731)
— Trade receivables		**(88,682)**	(241,923)
— Contract assets		**(46,522)**	(6,093)
— Other financial assets at amortised cost		**(5,699)**	18,818
— Trade and other payables		**7,168**	97,968
— Salary and welfare payable		**61,866**	29,188
— Contract liabilities		**(72,626)**	44,903
— Deferred income		**24,562**	25,031
Cash used in operations		**(328,986)**	(358,361)

34 Cash flow information (Continued)

(b) Net debt reconciliation

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Cash and cash equivalents	**739,846**	719,721
Convertible redeemable preferred shares	**—**	(4,005,248)
Convertible notes	**—**	(486,392)
Lease liabilities	**(26,430)**	(36,438)
Net cash/(debt)	**713,416**	(3,808,357)
Cash and liquid investments	**739,846**	719,721
Gross debt	**(26,430)**	(4,528,078)
Net cash/(debt)	**713,416**	(3,808,357)

34 Cash flow information (Continued)

(b) Net debt reconciliation (Continued)

	Liabilities from financing activities			Other assets		
	Leases RMB'000	Convertible notes RMB'000	Convertible redeemable preferred shares RMB'000	Cash and cash equivalents RMB'000	Liquid investments RMB'000	Total RMB'000
Net debt as at 1 April 2020	**(36,438)**	**(486,392)**	**(4,005,248)**	**719,721**	**—**	**(3,808,357)**
Cash flows	**14,412**	**—**	**(282,397)**	**52,836**	**—**	**(215,149)**
Changes in fair value	**—**	**(24,192)**	**(3,252,547)**	**—**	**—**	**(3,276,739)**
Additions of lease liabilities	**(7,697)**	**—**	**—**	**—**	**—**	**(7,697)**
Foreign exchange adjustments	**—**	**842**	**569,153**	**(32,711)**	**—**	**537,284**
Finance costs recognised	**3,293**	**—**	**—**	**—**	**—**	**3,293**
Conversion of convertible notes to convertible redeemable preferred shares	**—**	**509,742**	**(509,742)**	**—**	**—**	**—**
Conversion of convertible redeemable preferred shares to ordinary shares	**—**	**—**	**7,480,781**	**—**	**—**	**7,480,781**
Net debt as at 31 March 2021	**(26,430)**	**—**	**—**	**739,846**	**—**	**713,416**
Net debt as at 1 April 2019	(25,747)	(364,215)	(2,395,644)	305,864	134,715	(2,345,027)
Cash flows	16,653	—	(619,995)	384,956	(136,067)	(354,453)
Changes in fair value	—	(101,246)	(831,148)	—	1,352	(931,042)
Additions of lease liabilities	(31,543)	—	—	—	—	(31,543)
Foreign exchange adjustments	—	(20,931)	(158,461)	28,901	—	(150,491)
Finance costs recognised	4,199	—	—	—	—	4,199
Net debt as at 31 March 2020	(36,438)	(486,392)	(4,005,248)	719,721	—	(3,808,357)

34 Cash flow information (Continued)

(c) Non-cash investing and financing activities

	Note	As at 31 March 2021 RMB'000	2020 RMB'000
Settlement of a business combination through the issue of options	36	**—**	5,586
Conversion of convertible notes to convertible redeemable preferred shares	32	**509,742**	—
Conversion of convertible redeemable preferred shares to ordinary shares	28	**7,480,781**	—

35 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 2021 RMB'000	2020 RMB'000
Property, plant and equipment	**3,183**	455

(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 2021 RMB'000	2020 RMB'000
Within 1 year	**6,811**	78

36 Business combination

(a) Summary of acquisition

On 21 August 2019, the Group acquired 85% equity interest in Xinhexin through the issuance of 122,953 options of the Company from the Share Incentive Plans and cash consideration of RMB1,250,000. Xinhexin engages in sales and development of healthcare devices in the PRC. The fair value of 122,953 options issued as part of the consideration was based on valuation performed by a third-party valuer. Such options were vested immediately but subject to QIPO condition prescribed in the share option agreement and the Share Incentive Plans (note 29). Please refer to note 7(ii) for more details.

The goodwill of approximately RMB4.4 million from the business combination is attributable to the acquisition of sales network and the diversification to the business development expected to be deriving from combining with the existing operations of the Group. None of the goodwill recognised is expected to be deductible for income tax purposes. The following table summarizes the consideration paid for Xinhexin acquisition, the fair value of assets and acquired liabilities assumed at the acquisition.

	Xinhexin **RMB'000**
Consideration	
— Cash consideration	1,250
— Fair value of the Company's options	5,586
Total purchased consideration	6,836

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value **RMB'000**
Property, plant and equipment	54
Intangible assets	3,900
Inventories	196
Other current assets	33
Other financial assets at amortised	545
Trade receivables	6
Cash and cash equivalents	99
Deferred income tax assets	975
Trade and other payables	(1,923)
Deferred income tax liabilities	(975)
Net identifiable assets acquired	2,910
Add: Goodwill	4,362
Less: Non-controlling interests	(436)
Net assets acquired	6,836

36 Business combination (Continued)

(b) Revenue and profit contribution

The impact of the revenue and profit contribution from Xinhexin is immaterial for the year ended 31 March 2020.

(c) Purchase consideration — cash outflow

	31 March 2020 RMB'000
Outflow of cash to acquire the subsidiary, net of cash acquired	
Cash consideration	1,250
Less: Cash and cash equivalents acquired	(99)
Net outflow of cash — investing activities	1,151

37 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**
Anhui Jiufang Pharmacy Co., Ltd.	A company significantly influenced by the controlling shareholder of the Company
Sunshine Insurance Group Inc., Ltd. (together with its subsidiaries, the "Sunshine Insurance Group")	Having significant influence over the Company
Beijing Huixu Jinxin Investment Management Co., Ltd.	A company controlled by key management personnel
Beijing Huixu Jintong Investment Centre (Limited Partnership)	A company controlled by key management personnel
Nanjing Yikang Technology Co., Ltd.	A company controlled by key management personnel
Nanjing Yirui Technology Co., Ltd.	A company controlled by key management personnel
Beijing Causa Insurance Assessment Co., Ltd.	The Group's associate since September 2020 (previously, a subsidiary of the Group) (note 12)

37 Related party transactions (Continued)

(b) Significant transactions with related parties

	Year ended 31 March	
	2021	2020
	RMB'000	RMB'000
Provision of insurance brokerage or big data platform applications services		
Sunshine Insurance Group Inc., Ltd.	**613**	1,275
Anhui Jiufang Pharmacy Co., Ltd.	**—**	7,242
	613	8,517
Purchase of consulting services		
Beijing Huixu Jinxin Investment Management Co., Ltd.	**1,290**	1,800
Nanjing Yikang Technology Co., Ltd.	**190**	210
Nanjing Yirui Technology Co., Ltd.	**—**	200
	1,480	2,210

(c) Year ended balances with related parties

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Amount due from related party — trade		
Anhui Jiufang Pharmacy Co., Ltd.	**5,428**	8,541
Sunshine Insurance Group Inc., Ltd.	**91**	135
Beijing Causa Insurance Assessment Co., Ltd.	**1,787**	—
	7,306	8,676
Amount due to related parties — non-trade		
Nanjing Yikang Technology Co., Ltd.	**66**	—
Beijing Huixu Jintong Investment Centre (Limited Partnership)	**—**	8,500
	66	8,500

37 Related party transactions (Continued)

(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	
	2021	2020
	RMB'000	RMB'000
Wages, salaries and bonuses	**16,842**	10,351
Pension costs — defined contribution plans	**240**	279
Other social security costs	**189**	175
Housing benefits	**229**	226
Share-based compensation	**36,041**	126,597
	53,541	137,628

38 Events occurring after the reporting period

COVID-19

An outbreak of COVID-19 was first reported in December 2019 and has rapidly spread around the world. The Group's financial position and operation results in 2020 have been affected by the spread of COVID-19. Although China gradually controlled the spread of COVID-19 during the year ended 31 March 2021, the extent to which COVID-19 impacts the Group's financial position and operation results in the following years will depend on future developments with respect to the pandemic, including the impact on the Group's customers and target customer groups, new information concerning the global severity of and actions taken to contain the outbreak, which are highly uncertain and unpredictable.

39 Balance sheet and reserve movement of the Company

(a) Balance sheet of the Company

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Investments in subsidiaries	**670,796**	566,640
Total non-current assets	**670,796**	566,640
Current assets		
Other financial assets at amortised cost	**1,552,280**	1,288,210
Term deposits	**3,860,723**	—
Cash and cash equivalents	**295,485**	438,053
Other current assets	**1,380**	258
Total current assets	**5,709,868**	1,726,521
Total assets	**6,380,664**	2,293,161
EQUITY		
Equity attributable to owners of the Company		
Share capital	**116**	49
Treasury shares	**(1)**	(1)
Other reserves	**12,012,874**	93,069
Accumulated deficits	**(5,694,556)**	(2,376,950)
Total equity	**6,318,433**	(2,283,833)
LIABILITIES		
Non-current liabilities		
Convertible redeemable preferred shares	**—**	1,053,173
Convertible notes	**—**	486,392
Total non-current liabilities	**—**	1,539,565

39 Balance sheet and reserve movement of the Company (Continued)

(a) Balance sheet of the Company (Continued)

	As at 31 March	
	2021	2020
	RMB'000	RMB'000
Current liabilities		
Convertible redeemable preferred shares	**–**	2,952,075
Warrants	**–**	35,426
Trade and other payables	**62,231**	49,928
Total current liabilities	**62,231**	3,037,429
Total liabilities	**62,231**	4,576,994
Total equity and total liabilities	**6,380,664**	2,293,161

The balance sheet of the Company was approved by the Board of Directors on 25 June 2021 and was signed on its behalf:

Gong Yingying
Director

Yang Jing
Director

39 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 2020	229,467	(110,577)	(17,277)	—	(8,544)	93,069
Conversion of convertible redeemable preferred shares to ordinary shares	—	—	—	7,480,737	—	7,480,737
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	—	—	—	3,774,964	—	3,774,964
Currency translation differences	—	470,537	—	—	—	470,537
Share-based compensation (note 29)	129,277	—	—	—	—	129,277
Purchasing of the Company's options from third parties (note 29(d))	—	—	—	—	42,927	42,927
Transfer from other comprehensive loss into retained earnings (note 28)	—	—	24,039	—	—	24,039
Modification of the consideration of business combination and derecognition of financial liability upon the completion of initial public offering	—	—	—	—	4,086	4,086
Fair value change of convertible redeemable preferred shares due to own credit risk	—	—	(6,762)	—	—	(6,762)
At 31 March 2021	358,744	359,960	—	11,255,701	38,469	12,012,874

39 Balance sheet and reserve movement of the Company (Continued)

(b) Reserve movement of the Company (Continued)

	Share-based compensation reserve	Currency translation differences	Other Comprehensive Income reserve	Share premium	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2019	3,653	(16,826)	(8,823)	—	(8,544)	(30,540)
Fair value change of convertible redeemable preferred shares due to own credit risk	—	—	(9,564)	—	—	(9,564)
Fair value change of convertible notes due to own credit risk	—	—	1,110	—	—	1,110
Share-based compensation (note 29)	220,228	—	—	—	—	220,228
Consideration for business combination (note 36)	5,586	—	—	—	—	5,586
Currency translation differences	—	(93,751)	—	—	—	(93,751)
At 31 March 2020	229,467	(110,577)	(17,277)	—	(8,544)	93,069

40 Benefits and interests of directors

(a) Directors' emoluments

The remuneration of every director and the chief executive officer for the year ended 31 March 2021 was set out below:

	Note	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 RMB'000	Total RMB'000
For the year ended 31 March 2021							
Executive directors							
Ms. Gong Yingying	(ii)	3,685	—	—	—	—	3,685
Mr. Sun Zhe	(iii)	1,329	35	24	30	4,076	5,494
Mr. Xu Jiming	(iv)	1,875	13	33	40	14,598	16,559
Mr. He Zhi	(v)	1,019	48	33	40	4,410	5,550
Ms. Yang Jing	(vi)	3,524	48	33	39	2,067	5,711
Mr. Li Yi	(vii)	—	—	—	—	—	—
Ms. Zeng Yu	(viii)	—	—	—	—	—	—
Ms. Sun Xiaoning	(ix)	—	—	—	—	—	—
Mr. Min Xiangqiang	(x)	—	—	—	—	—	—
Mr. Wu Jian'an	(xi)	—	—	—	—	—	—
Mr. Yan Jun	(xii)	2,833	48	33	40	5,160	8,114
Ms. Zhang Shi	(xiii)	2,417	48	33	40	5,730	8,268
Mr. Zhang Linqi	(xiv)	40	—	—	—	—	40
Ms. Pan Rongrong	(xv)	40	—	—	—	—	40
Mr. Ma Weiying	(xvi)	40	—	—	—	—	40
Ms. Gao Yongmei	(xvii)	40	—	—	—	—	40
		16,842	240	189	229	36,041	53,541

40 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 2020 was set out below:

	Note	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 RMB'000	Total RMB'000
For the year ended 31 March 2020							
Executive directors							
Ms. Gong Yingying	(ii)	1,846	—	—	—	—	1,846
Mr. Sun Zhe	(iii)	1,395	46	29	38	31,422	32,930
Mr. Xu Jiming	(iv)	1,242	46	29	38	24,374	25,729
Mr. He Zhi	(v)	842	46	29	38	21,635	22,590
Ms. Yang Jing	(vi)	1,154	46	29	38	18,540	19,807
Mr. Li Yi	(vii)	—	—	—	—	—	—
Ms. Zeng Yu	(viii)	—	—	—	—	—	—
Ms. Sun Xiaoning	(ix)	—	—	—	—	—	—
Mr. Min Xiangqiang	(x)	—	—	—	—	—	—
Mr. Wu Jian'an	(xi)	—	—	—	—	—	—
		6,479	184	116	152	95,971	102,902

(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. Sun Zhe was appointed as a director with effect from 16 March 2015 to 3 July 2020.

(iv) Mr. Xu Jiming was appointed as a director with effect from 31 March 2016 to 30 December 2020.

(v) Mr. He Zhi was appointed as a director with effect from 31 March 2016 to 16 August 2020.

(vi) Ms. Yang Jing was appointed as a director with effect from 14 August 2018.

(vii) Mr. Li Yi was appointed as a director with effect from 16 March 2015 to 30 December 2020.

40 Benefits and interests of directors (Continued)

(a) Directors' emoluments (Continued)

(viii) Ms. Zeng Yu was appointed as a director with effect from 21 July 2015 to 30 December 2020.

(ix) Ms. Sun Xiaoning was appointed as a director with effect from 7 April 2017 to 30 December 2020.

(x) Mr. Min Xiangqiang was appointed as a director with effect from 31 December 2017 to 3 July 2020.

(xi) Mr. Wu Jian'an was appointed as a director with effect from 11 January 2019 to 30 December 2020.

(xii) Mr. Yan Jun was appointed as a director with effect from 16 August 2020.

(xiii) Ms. Zhang Shi was appointed as a director with effect from 3 July 2020.

(xiv) Mr. Zhang Linqi was appointed as a director with effect from 15 January 2021.

(xv) Ms. Pan Rongrong was appointed as a director with effect from 15 January 2021.

(xvi) Mr. Ma Weiying was appointed as a director with effect from 15 January 2021.

(xvii) Ms. Gao Yongmei was appointed as a director with effect from 16 August 2020.

(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 2021 and 2020.

(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 2021 and 2020.

(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 2021 and 2020.

(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 2021 and 2020.

41 Contingencies

The Group did not have any material contingent liabilities as of 31 March 2021 and 2020.

42 Dividend

No dividend has been paid or declared by the Company or the companies now comprising the Group during the years ended 31 March 2021 and 2020.

FINANCIAL SUMMARY

Condensed consolidated statements of comprehensive income

	Years ended 31 March			
	2021	2020	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**867,036**	558,083	102,013	22,727
Gross (loss)/profit	**327,336**	146,537	5,713	(934)
Operating loss	**(453,286)**	(597,428)	(432,207)	(252,346)
Loss before income tax	**(3,693,400)**	(1,510,895)	(933,121)	(978,342)
Loss for the year	**(3,694,817)**	(1,511,428)	(933,690)	(978,368)

Condensed consolidated balance sheets

	As at 31 March			
	2021	2020	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	**99,749**	143,557	88,879	61,128
Current assets	**5,150,145**	1,159,672	677,755	591,715
Total assets	**5,249,894**	1,303,229	766,634	652,843
Non-current liabilities	**83,122**	1,623,338	2,807,924	1,811,402
Current liabilities	**414,584**	3,406,155	236,494	86,717
Total liabilities	**497,706**	5,029,493	3,044,418	1,898,119
Total equity	**4,752,188**	(3,726,264)	(2,277,784)	(1,245,276)

DEFINITIONS

"Articles of Association"	the articles of association of our Company, as amended from time to time
"associate"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"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"	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
"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
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"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
"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, chief executive officer, Chairlady and our Controlling Shareholder
"Nomination Committee"	the Nomination Committee of the Board
"NMPA"	The National Medical Products Administration of China

"Onshore Holdcos"	Yidu Cloud Guizhou, Tianjin Happy Life, Beijing Causa Health and Beijing Zhongshi Hanming
"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
"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
"Remuneration Committee"	the remuneration committee of the Board
"Registered Shareholders"	the registered shareholders of the Onshore Holdcos
"Reporting Period"	the fiscal year ended 31 March 2021
"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
"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	Ordinary share(s) in the share capital of our Company, currently with a par value of US$0.00002 each
"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
"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

* The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this annual report are translations from their Chinese names and are for identification purposes only.

医渡云
YIDUCLOUD