



2022
Annual Report
年度報告



医渡科技
YIDUTECH

Yidu Tech Inc.
醫渡科技有限公司

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

Stock code 股份代號: 2158



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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 (閔峻)
Ms. Zhang Shi (張實)

Non-Executive Director

Mr. Zeng Ming (曾鳴)
(appointed on 25 June 2021)
Ms. Gao Yongmei (高永梅)
(resigned on 26 September 2021)

Independent Non-Executive Directors

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

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

Joint Company Secretaries

Ms. Bai Rui
Ms. Li Ching Yi

Authorized Representatives

Ms. Yang Jing
Ms. Li Ching Yi

Headquarters

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

Principal Place of Business in Hong Kong

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

Registered Office

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

Auditor

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

Legal Advisers

As to Hong Kong and U.S. laws

Skadden, Arps, Slate, Meagher & Flom and affiliates
42/F, Edinburgh Tower, The Landmark
15 Queen's Road Central, Hong Kong

As to PRC law

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

As to Cayman Islands law

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

Compliance Adviser

Somerley Capital Limited
20th Floor, China Building
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

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

Principal Banks

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

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

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

Stock Code

2158

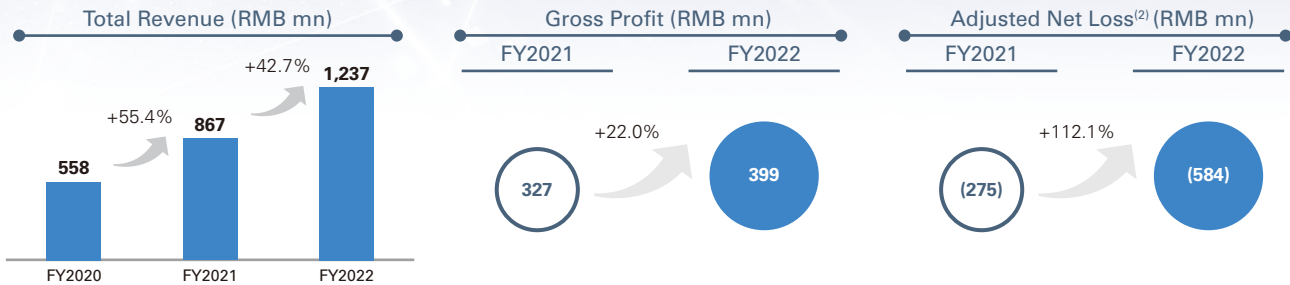
Company Website

www.yidutechgroup.com

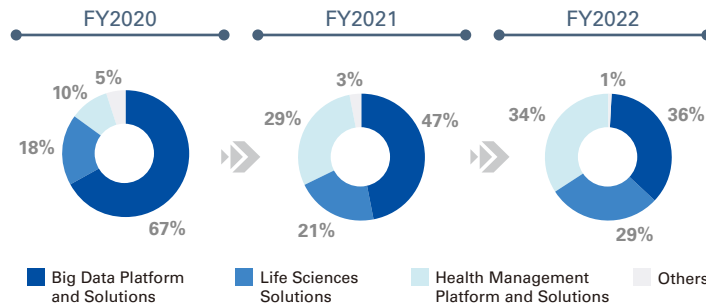
KEY FINANCIAL AND OPERATING DATA

FY2022⁽¹⁾ Highlights

Financial Performance



Balanced Revenue Mix



Market Shares⁽³⁾

Ranked No. 1 in terms of revenue in China's healthcare intelligence market and its segments



Operating Highlights Powered by Our YiduCore

1 Big Data Platform and Solutions



Number of top research hospitals increased from **76** to **82**



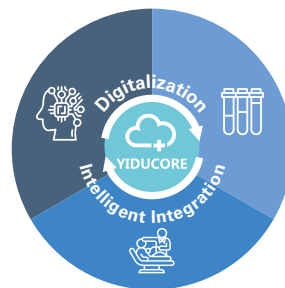
Number of regulators and policy makers covered increased from **19** to **26**



Covered all the **40** infectious diseases (as defined by China CDC)



Diseases covered by our disease registries increased from **50+** to **60**



3 Health Management Platform and Solutions



The number of active users increased from **5 million** to **12 million**

2 Life Sciences Solutions



Number of life science customers increased from **108** to **141**



130% revenue retention rate of core pharmaceutical, biotech and medical device company customers



Average Transaction Value increased **49%** YoY



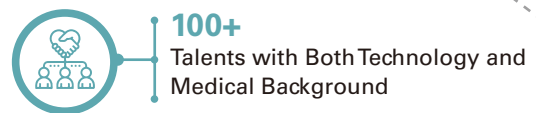
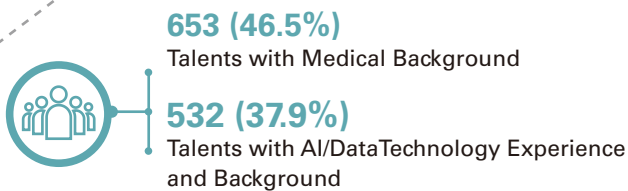
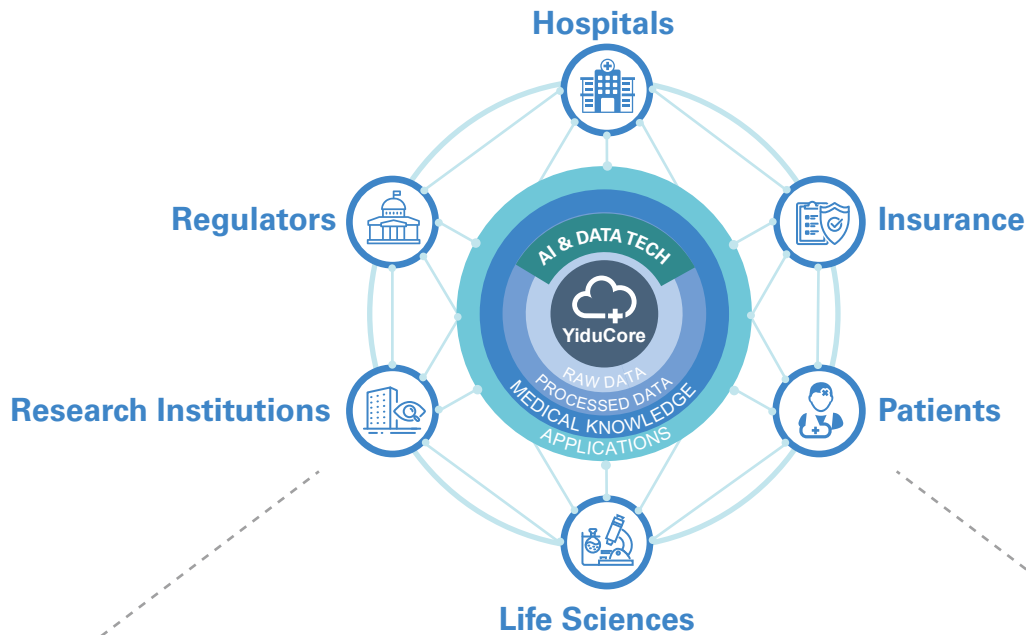
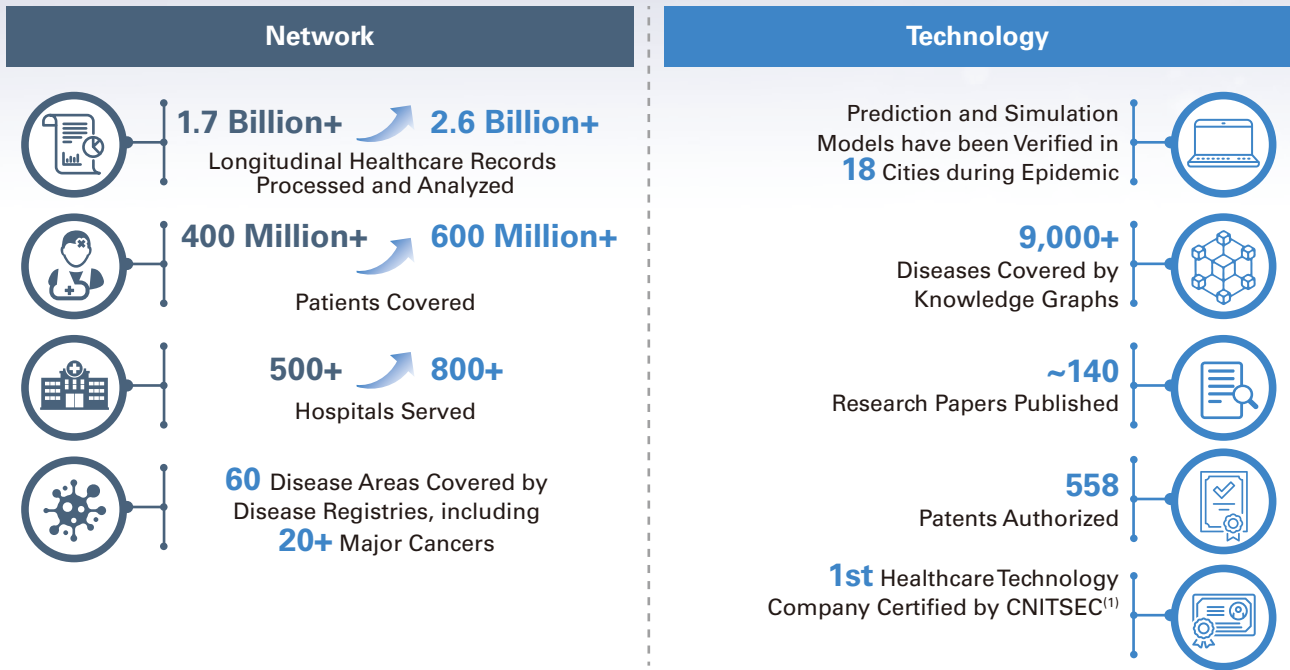
Served **16** out of Top20 MNC

(1) Fiscal year is defined as the year ended 31 March.

(2) 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.

(3) Frost & Sullivan Report.

Core Competence



Multi-Domain Team

(1) CNITSEC-The China Information Technology Security Evaluate Center is an authoritative security evaluation facility.



■ ■ ■ ■ ■ CHAIRLADY'S STATEMENT

The past year has been a challenging one for global capital markets. Despite the challenges presented by this, the Group remains committed to innovation, constantly developing solutions to aid digital transformation within the healthcare industry. Our progress has been marked by the continuous support and trust from all of our investors and on behalf of the Group, I would like to express my sincere appreciation for your confidence in us. Guided by our long-term goal of precision healthcare for all (“**green healthcare**”), we have continued to make significant strategic strides in the fiscal year 2022.

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

As a leading player in China's healthcare intelligence industry, with continual investments in R&D and the establishment of a multi-domain team, the Group continues to upgrade our healthcare intelligence infrastructure, YiduCore, to empower the transformation of the healthcare industry from an informatization to digitalization and intelligentization. We've made great endeavours to improve our core technology capabilities, especially through accumulation, model generalisation of deep learning, natural language processing, multi-party secure computing, and disease knowledge graphs based on rich and diversified scenarios. We attach great importance to data security and privacy protection, and our advanced technical architecture enables us to continually improve data security and compliance. During the Reporting Period, we obtained two evaluation certificates for multi-party secure computing and federated learning issued by the China Academy of Information and Communications Technology (CAICT).

In addition, we always adhere to independent innovation, our independently developed Medical Data Intelligence Platform and Disease Registry Intelligent Research Platform were certified by the China Information Technology Security Evaluation Center (CNITSEC) during the Reporting Period, setting a benchmark for the healthcare intelligence industry. As of 31 March 2022, the Group had 558 authorized patents, and was awarded the “China Patent Excellence Award” in April this year, achieving a breakthrough in national patent awards.

Network expansion to improve generation of high-quality research-grade evidence

Our expanding customer base has also enabled us to develop more application of use-case scenarios that have further helped to cement YiduCore, which in turn attracts more hospitals, leading principal investigators (PIs), pharmaceutical companies and researchers to join our ecosystem. Expanding our network of experts, disease research, and regions also enables our algorithms to accumulate and analyse greater amounts of valuable medical knowledge and clinical experience.

As of 31 March 2022, we had processed and analyzed more than 2.6 billion healthcare records from over 600 million patients, covering over 800 hospitals. Our disease knowledge graphs have covered more than 9,000 diseases and our disease registries have covered 60 disease areas, including more than 20 cancer types. We have assisted experts and institutions with the publication of 11 datasets, covering colorectal cancer, gastric cancer, ophthalmology, leukaemia and other diseases. An article in the *Nature Index China 2021 Supplement* published by the well-known journal *Nature*, pointed out that the Group's diversified healthcare solutions, based on artificial intelligence (AI) technology, are leading a new era of medical intelligence.

We are aiming to grow from strength to strength, with the hope of attracting more experts so that they can generate new insights and ideas for clinical medical research based on YiduCore. This will give rise to accelerating the medical research process while further driving network expansion.

Three areas of focus based on dimensions of disease

By leveraging our healthcare intelligence-driven real-world research network with high-quality research-grade evidence, we continue to widen our coverage of core hospitals, pharmaceutical companies and regions based on the dimensions of diseases. We continue to focus on three major areas, namely public health, research, and diagnosis and treatment.

In terms of public health, we have optimized resource allocation efficiency through technology, including large scale simulation. Based on a deep understanding of epidemiology and the transmission rules of infectious diseases, our advanced AI technologies and algorithms can cope with all of the 40 infectious diseases defined by the Chinese Centre for Disease Control and Prevention (China CDC). The effectiveness and accuracy of the Group's proprietary pandemic response and prediction algorithms have been validated in 18 cities. In addition, we also provided technical support and services for the COVID-19 response during the Beijing 2022 Winter Olympic and Paralympic Games. Furthermore, we have also partnered with Tsinghua University and the China CDC to develop an intelligent application to help manage major global outbreaks of infectious diseases.

In terms of clinical research, we are driving the development of precision diagnosis and treatment by improving research efficiency. All our real-world research application scenarios, from obtaining drug approval, peri-launch evidence support, label extensions all the way to post-marketing growth, have been validated. We assisted the Eye Hospital of Wenzhou Medical University in establishing the National Clinical Research Centre (NCRC), and fully supported the high-quality construction and development of the centre. Based on the network of hospitals and experts, our intelligent clinical trial solutions have served Phase III and IV clinical trials for several well-known pharmaceutical companies, which accelerated drug development and shortened the time it took for it to be available to patients. For example, we served a top MNC client in a phase III clinical trial of cardiovascular disease. We were able to reduce our screening failure rate by 60 percent whilst also doubling our enrolment efficiency, by leveraging the distribution of disease characteristics through data analysis, disassembling key inclusion and exclusion conditions with leading algorithms, and formulation of the patient screening and enrolment strategy through deep medical insight.

In terms of diagnosis and treatment, we remain patient-centric and outcome-based. We partnered with a leading physician at one of the top three hospitals in China to develop a model that helped to predict Candidaemia in ICU patients with New-Onset Systemic Inflammatory Response Syndrome. Compared with the traditional microbial-culture testing that generally takes days, this model was able to instantly identify patients at infection risk. Because of this, physicians are able to prioritise resources and provide timely treatment to patients in need, thereby reducing the mortality rate. We have also undertaken a number of national key R&D projects with top hospitals to support risk warning and proactive prevention in blood diseases and geriatric diseases. In response to the "14th Five-Year Plan" for National Clinical Specialty Capacity Building (《「十四五」國家臨床專科能力建設規劃》), and the "DRG/DIP Three-Year Action Plan" ("DRG/DIP三年行動計劃"), our intelligent solutions have helped healthcare institutions in improving their efficiency in coding management, medical record quality control, clinical decision support and patient follow-up, enhancing the efficient allocation of medical resources.



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Chairlady's Statement (Continued)

Promotion of Real-World Evidence (RWE) as the foundation to make precision healthcare accessible to everyone

The promotion of RWE with traceable and highly transparent data is the key foundation of accessible precision healthcare. We were actively involved in the early prevention and treatment of chronic hepatitis B for residents of a city in southern China, helping to promote active management for them via an intelligent platform. We launched the Beijing Pu Hui Jian Kang Bao (北京普惠健康保), an insurance coverage policy aimed at increasing affordability for patients. With chronic diseases becoming more prevalent in society, we focus on treatment and the development of health management related digital therapies based on YiduCore, evidence-based medicine and traceable RWE. With higher levels of clinical evidence, our healthcare intelligence-driven real-world research network has further reinforced our complete business loop of “doctor, drug, insurance and patient”, which has helped to realise our mission of making precision healthcare accessible to everyone.

Leveraging artificial intelligence, big data and other innovative technologies, the essence of healthcare intelligence is to improve the quality and efficiency of research-grade evidence, while resolving efficiency issues in R&D and treatment, making medical care safer, better, and more accessible. Healthcare intelligence covers all the important scenarios of each stakeholder in the healthcare industry, from accelerating new drug development on the supply side to assisting doctors in clinical diagnosis and treatment, from empowering precise decision-making in public health to personalized proactive health management of many at every level. This has eventually helped build a value-based medical system which is exactly what the Group has been aiming for and what we have been working towards since our inception. We will continue to abide by our mission of “making value-based precision healthcare accessible to everyone”, and endeavour to further refine our operations, strengthening our capabilities in core technologies and ecological cultivation in the process, thus creating long-term value for our investors and our society at large.

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

Full of gratitude, and all the best to everyone.

Gong Yingying

Chairlady, Chief Executive Officer and Founder

China

24 June 2022

Financial Highlights

	Year ended 31 March		
	2022	2021	Change (%)
	(RMB'000, except percentages)		
Revenue	1,237,200	867,036	42.7%
— Big Data Platform and Solutions	444,891	401,884	10.7%
— Life Sciences Solutions	359,375	184,318	95.0%
— Health Management Platform and Solutions	424,941	252,129	68.5%
— Others	7,993	28,705	(72.2%)
Gross profit	399,445	327,336	22.0%
Operating loss	(767,398)	(453,286)	69.3%
Loss for the year	(766,360)	(3,694,817)	(79.3%)
Non-IFRS adjusted net loss ⁽¹⁾	(583,521)	(275,079)	112.1%

(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 2022.



Business Review (Continued)

Business Review

The COVID-19 pandemic spreading across the globe has resulted in enormous challenges and uncertainties to societies and economies. In the new norm precipitated by management of the pandemic, the value of the public health management model empowered by digital technologies and artificial intelligence has been further validated.

With the national strategy focusing on high-quality development driven by innovation, China has been continually investing in digital infrastructure to transform the healthcare industry. According to the “14th Five-Year Plan”, China’s digital economy is expected to account for 10% of GDP in 2025. This includes the huge growth potential in the healthcare intelligence industry.

To achieve healthy and sustainable growth, Chinese legislators have enacted several pieces of legislation, including the Data Security Law and Personal Information Protection Law, to encourage scientific and technological innovations, always with safety as the key consideration. We fully support these laws as they point out the direction for the healthcare intelligence industry. Such market-friendly policies and better regulated market conditions enable us to deepen our core technologies and capabilities, to achieve our vision of “green healthcare”.

As a leading company in the healthcare intelligence industry, we are at the forefront in terms of applying AI and big data technologies to empower the digital transformation of the healthcare industry along the entire supply chain for higher efficiency. We embrace our social responsibility by leveraging our state-of-the-art technology to combat the pandemic and meet the diverse needs of our customers in the entire healthcare ecosystem.

Our healthcare intelligence infrastructure YiduCore comprises algorithms and insightful medical knowledge that are continuously accumulated and rapidly iterated as we expand our use-case scenarios with proper authorization. As of 31 March 2022, YiduCore processed and analyzed more than 2.6 billion healthcare records from over 600 million patients, covering over 800 hospitals. Through our focused efforts, we have made significant breakthroughs in public health, research, and diagnosis and treatment scenarios.

According to the Frost & Sullivan Report, the market size of China’s healthcare intelligence industry is expected to exceed RMB1.1 trillion in 2030. As a leading company in this sector with state-of-the-art technology and deep insights, we achieved strong growth for FY2022 despite the challenging external environment.

Our total revenue for FY2022 reached RMB1,237.2 million, representing a year-on-year increase of 42.7%. As of 31 March 2022, we provided solutions for 82 top research hospitals in China and 26 regulators and policy makers, an increase of 6 hospitals and 7 regulators and policy makers respectively during the Reporting Period. The number of active life science customers that the Group served reached 141 as of 31 March 2022, an increase of 33 from 108 customers as of 31 March 2021. The number of active users who completed at least one transaction on our health management platform reached 12 million, more than doubled the approximately 5 million users as of 31 March 2021.

According to the Frost & Sullivan Report, we ranked No. 1 in terms of revenue in the medical institutions and regulators healthcare intelligence market, No. 1 in terms of revenue in the emerging healthcare intelligence market, and No. 1 in terms of revenue in the total healthcare intelligence market. Specifically, we have a 25.6% share of the emerging healthcare intelligence market.

We also have a strong focus on the environmental, social and governance (ESG) sector. We strive to promote people's well-being and public welfare through our innovative and advanced AI technology. Based on a deep understanding of epidemiology and transmission rules of infectious diseases, our advanced AI technologies and algorithms can cope with all of the 40 infectious diseases defined by the China CDC. With the combination of advanced algorithms and insight of infectious diseases, our public health management solutions are able to slow down the spread of infectious diseases and reduce the possibility of death while maintaining life normality. During the Reporting Period, we have abundant examples of assisting in slowing down the spread of COVID-19. In addition, the Real-World Data (RWD) Clinical Research Platform (Phase I) in Hainan Boao Lecheng that we constructed began trial operations in January 2022. Leveraging high quality RWE, the platform aims to accelerate approvals for urgently-needed drugs and devices that have not been registered in China. Through our AI technology, we empowered the Hui Min Bao products, a city-level supplementary insurance to the existing national social medical insurance, during the Reporting Period in terms of insurance coverage to increase the affordability for patients.

YiduCore, our intelligent "medical brain", supports our customers and partners in unlocking the value of health data to drive better outcomes by enabling the secure applicability of high-quality data in different use-case scenarios. This has been made possible by our commitment to "green healthcare" and years of continued investments.

Going forward, we will remain driven by our mission "to make value-based precision healthcare accessible to everyone", utilizing big data and AI technology to bring forth "green healthcare" and improve the welfare of the society.

YiduCore

YiduCore, our healthcare 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 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.



Business Review (Continued)

We have been committed, since day one, to research, development and independent innovation. We have continuously invested capital and resources to deepen our understanding of diseases while ensuring the security of our technical architecture as the foundation. As of 31 March 2022, the number of diseases covered by YiduCore's disease knowledge graphs had exceeded 9,000, an increase of more than 1,000 diseases compared to six months earlier. Based on YiduCore's modelling and technical capabilities, we have undertaken 6 national projects sponsored by central government authorities such as the Ministry of Science and Technology of China with partners including renowned hospitals, regulators and research universities. We independently developed the Medical Data Intelligence Platform and Disease Registry Intelligent Research Platform, which has been certified by the CNITSEC. This makes us the only healthcare technology company in China that has passed the authoritative national-level certification. We are also one of the only three healthcare technology companies in China that were certified by the CAICT for our secure multi-party computation and federated learning capabilities. All of the above-mentioned honors are recognition of our independent innovation and privacy protection abilities by the state and industry.

The models and algorithms in YiduCore are standardized and extensible, and they can be assembled to form solutions that adapt to diverse needs and use-case scenarios of the healthcare industry. By generating objective, measurable and traceable results, the solutions enable more precise decisions that increase efficiency and reduce waste on the supply side. Powered by our accumulated disease knowledge graphs and logical knowledge base, our data quality model, for example, applies quality control algorithms and neural network algorithms to automatically detect the missing data and logical errors in diagnosis and treatment records, and corrects the errors detected in an intelligent manner. The model can be part of the diagnosis-related groups solutions provided to hospital clients. With the proper authorization, it can offer reliable evidence supporting assessments of disease type mix and improvements in hospital operational efficiency. It can also be used in the scenario of Hui Min Bao to enhance risk management and improve the sustainability of the insurance. During the Reporting Period, we processed over 10 million pieces of medical insurance data in Hui Min Bao services in a northern city of China with our intelligent algorithms, and the accuracy rate of pre-existing conditions identified by the algorithms exceeded 90%.

Leveraging YiduCore, the effectiveness and value of our analytics solutions have been proved in a variety of use-case scenarios.

- **Public Health**

Our comprehensive public health solutions provide large-scale simulation and prediction that can proactively assess risks, optimize resource allocation and enable efficient and dynamic decision-making. As of 31 March 2022, the effectiveness and accuracy of our pandemic response and prediction algorithms had been validated in 18 cities, reducing mortality rates while assisting economic growth. Our risk prediction and policy simulation models allowed one of the local authorities in Guangdong Province to effectively plot the outbreak curve and formulate a lockdown strategy accordingly. The plotted outbreak curve accurately predicted the actual evolution, with the variance falling within only 5 cases. In addition, we also provided technical support and services for COVID-19 response in the Beijing 2022 Winter Olympic and Paralympic Games. Furthermore, we are also working with partners including Tsinghua University and the China CDC to develop an intelligent application to cope with major global outbreaks of infectious diseases. The program has been listed as a “New Generation Artificial Intelligence” program by the Ministry of Science and Technology of China.

- **Research**

We increase the productivity of research-grade evidence generation and accelerate the delivery of affordable and high-quality care to patients in need. Nearly 1,000 research projects have been launched with our support. We also undertook the development of Real-World Data (RWD) Clinical Research Platform (Phase I) in Hainan Boao Lecheng, with tens of millions of contract value. The platform was put into trial operation in January 2022. It aims to promote the application of RWD and accelerate the approval of fast-track drugs and devices that are urgently needed in China for clinical purposes. It also facilitates researchers and regulators in generating and evaluating evidence of efficacy and safety in real-world clinical setting.

- **Diagnosis and Treatment**

We aim to fulfill our mission of making precision healthcare accessible for everyone by staying patient-centric and outcome-based. During the Reporting Period, we actively participated in the screening and managing of cancer, and early prevention and treatment of chronic hepatitis B in a city in Guangdong. By building an intelligent tumor risk prediction model, hospital intelligent follow-up platform, out of hospital patient management platform and other intelligent tools, we created a closed-loop of management from screening, diagnosis and treatment to follow-up, and thus promoted the health management of residents throughout their life cycle. We have completed the screening of over 100,000 residents in this city and advanced the process of follow-up visits of high-risk patients in an orderly manner.



Business Review (Continued)

Big Data Platform and Solutions (“BDPS”)

In the BDPS segment, we provide data intelligence platforms and data analytics-driven solutions to hospitals, other healthcare institutions, regulators and policy makers. Despite the negative impact of COVID-19, this segment still maintained solid growth in FY2022. During the Reporting Period, the revenue of this segment reached RMB444.9 million, an increase of 10.7% compared to the fiscal year ended 31 March 2021. The number of top-notch hospital clients increased by 6 to 82 in total, while the number of regulator and policy-maker clients grew by 7 to 26.

By installing our data intelligence platform upon proper authorization, hospitals, regulators and policy-makers can achieve more in-depth governance of their multi-source heterogeneous data and transform it into structured, standardized and high-quality data. We also provide data analytics-driven applications and solutions that unlock the value of healthcare data to help clients make precise and efficient decisions. According to the Frost & Sullivan Report, the total addressable market for medical institutions and regulators in the China’s healthcare intelligence industry is expected to reach RMB200 billion by 2030.

The applications and solutions we offer to hospitals focus on three use-case scenarios, namely research, clinical diagnosis and treatment, and hospital operations management. By using our disease registries and disease research networks, top hospitals and experts can accelerate the production of research-grade evidence and scale up their clinical research in a faster and safer manner. As of 31 March 2022, our disease registries had covered 60 disease areas. Nearly 140 papers on our disease registries and data intelligence platforms have been published in prestigious journals, including Nature Medicine and Lancet Oncology.

In providing hospitals with solutions and applications, we keep iterating real-world disease models by using symbolic knowledge inference models and AI technologies such as deep learning. We continue to deepen disease insights and engage top-grade hospitals and experts in our research network, thus empowering our Life Sciences Solutions segment and achieving synergy among different business segments. Some notable achievements are as follows:

- In the field of solid tumors, as of 31 March 2022, our disease registries have covered more than 20 cancer types, including 9 of the 10 most common cancers in China. The hospital/doctor networks we have built and the real-world disease insights we have gained in the field of solid tumors can empower the clinical development of drugs and medical devices as well as real-world studies.



- In terms of ophthalmology, we won a contract for the construction of the NCRC of the Eye Hospital of Wenzhou Medical University during the Reporting Period, with the contract value exceeding RMB10 million. As of 31 March 2022, we have partnered with top eye hospitals in North, East and South China. We continue to refine real-world disease insights and models to empower clinical evaluation of ophthalmic drugs and medical devices, and facilitate new technologies and new therapies in the clinical setting.
- In the area of hematologic disease, we have partnered with two of the country's only three hematologic disease NCRC hospitals in developing national disease registries and carrying out efficient clinical trials and cross-institutional RWE-based research. As of 31 March 2022, more than 20 clinical studies and trials have been supported by our NCRC hospitals, an increase of 6 over the first half of the fiscal year.

We processed and analyzed more abundant and diverse data for regulators and policy makers as part of our solutions for enhancing public health and regional population health. The COVID-19 pandemic has driven home to regulators the importance of public health management, and increased the funding available in this area. As the needs of our clients grew, the public health solutions that we offer also expanded from pandemic response to coping with all of the 40 infectious diseases defined by the China CDC. By analyzing fine and rich regional health data, regulators can explore health status, basic medical insurance burden and risk trends of the regional populations. With the analytical tools and simulation models we provide, regulators can develop corresponding policies and measures and, at the same time, manage and allocate healthcare resources more effectively. This also presents an opportunity for us to expand public health solutions to regional population health management. Our regional platforms and solutions can also help regulators integrate medical resources and research forces in the region, and accelerate the development and implementation of the healthcare industry ecology. During the Reporting Period, we won the bid for Tianjin Clinical Research Center Big Data Platform, with a contract value of RMB39 million.



Business Review (Continued)

Life Sciences Solutions (“LSS”)

Leveraging YiduCore and our network of top-grade hospitals and experts accumulated through our BDPS segment, we currently provide analytics-driven clinical development, 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 and other companies involved in the clinical development process to reduce the time and costs of drug and medical device development while enhancing commercial success.

During the Reporting Period, the segment’s revenue amounted to RMB359.4 million, up by 95.0% year-on-year. The gross profit margin was 24.7%, an increase of three percentage points year-on-year. Over the past year, the LSS segment maintained strong growth momentum, especially in the analytics-driven clinical development solutions. We have built strategic partnerships with multiple innovative biotech companies. During the Reporting Period, we signed a strategic agreement with Zhaoke Ophthalmology, a company specializing in ophthalmic drug innovation and development. This partnership led to a Phase III clinical trial of a drug pipeline for fundus lesions. The project is led by Professor Chen Youxin, Director of Ophthalmology at Peking Union Medical College Hospital, and the first advisory board meeting has been completed. In the field of solid tumors, we conducted a Phase IV clinical trial sponsored by a well-known innovative biotech company, with a contract value of over RMB10 million.

Our capabilities in generating high-quality RWE to empower life science clients to manage and optimize the entire product life-cycle, from obtaining drug approval, peri-launch evidence support, post-marketing growth, to label extension, have all been validated. During the Reporting Period, we conducted a comprehensive retrospective real-world study for a top 20 MNC client and obtained approval from the CDE (Center for Drug Evaluation, National Medical Products Administration) for label revision of the client’s antibiotic drug. The approved revision has reduced the drug’s complexity of use. Furthermore, with our expertise in prospective real-world study, we conducted a post-marketing safety and efficacy commitment study on a new drug for blood disease sponsored by an innovative pharmaceutical company.

As we empower an increasing number of projects of all types, we have earned a good reputation in the life science industry, which is evidenced by our ability to engage a variety of clients. During the Reporting Period, our active clients grew from 108 to 141 and our core pharmaceutical, biotech and medical device company customers increased from 80 to 107. The overall revenue retention rate for all our clients was 122%, while the revenue retention of our core pharmaceutical, biotech and medical device clients was 130%. Among our top 20 clients, there are 8 international pharmaceutical companies and 13 listed companies.

We are building a team of professionals with rich experience and cross-domain expertise. As of 31 March 2022, we have approximately 500 employees in our Life Sciences Solutions segment with an average of 8 years of relevant experience in clinical research, data science, epidemiology, biostatistics, medical informatics, AI and others. While we continue to grow our team, we are also working to improve operational efficiency by using self-developed tools to algorithmize the accumulated medical experience, which was reflected in the increase in the gross profit margin.

Health Management Platform and Solutions (“HMPS”)

Our HMPS segment continued to experience huge growth. During the Reporting Period, the revenue of this segment recorded a year-on-year increase of 68.5%.

In order to realize our mission of making value-based precision healthcare accessible to everyone, we offer innovative insurance technology and solutions to insurance companies, agencies and related regulators and policy makers within this segment. Leveraging our data processing capability and medical insights powered by YiduCore, our solutions aim at enabling our customers to design and develop innovative insurance products, facilitating faster and more accurate insurance underwriting and expediting claim processing. During the Reporting Period, we continued to increase our market penetration of the Hui Min Bao business. As of 31 March 2022, we have served 1 province and 9 cities, for a total of 22 cities, including Jiangsu province (including 13 prefecture-level cities), Beijing, Ningbo, Chongqing and Hefei, most of which are among China’s top 50 cities in terms of GDP in 2021. We served as the main operating platform, providing product design, user acquisition, promotion, customer services and claim management for Beijing Pu Hui Jian Kang Bao that was innovated in terms of insurance coverage to increase affordability for patients. Beijing Pu Hui Jian Kang Bao includes 75 urgently-needed drugs and devices that are available at Hainan Boao Lecheng but have not been registered in China. The high quality user base and large scale user operation enable us to increase user traffic from Hui Min Bao and improve our brand awareness among the general population, as well as explore further opportunities in public health.

We also deliver integrated healthcare solutions by leveraging technology capabilities and medical knowledge powered by YiduCore. We provide AI-empowered and one-stop analytics-driven solutions with coordinated and personalized care that integrates traditional treatment with out-of-hospital care and lifestyle interventions. For the “CausaHealth Diabetes Program”, we established and verified the quantitative models of reducing glycosylated hemoglobin (HbA1c, the gold diagnosis standard for diabetes treatment) through AI-driven automated patient management, and achieved an average reduction of HbA1c by approximately 1% under a twelve-week intervention. With the maturity of the solution, we plan to expand coverage regionally to benefit more people.

As of 31 March 2022, the number of active users who completed at least one transaction during the Reporting Period on our health management platform reached 12 million.



Business Review (Continued)

Business outlook

To achieve our mission to make value-based precision healthcare accessible to everyone and further solidify our leadership in the healthcare intelligence industry, we will continue to (i) deepen and broaden our knowledge and use-cases by disease areas, (ii) strengthen our data processing and AI capabilities to further increase our productivity, (iii) improve customer penetration and synergy among the business sectors by leveraging YiduCore's knowledge, (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 will continue to strengthen our two-pronged strategy. Horizontally, we will strengthen YiduCore by (i) expanding our network of hospitals and regions, (ii) enriching the use-case scenarios of existing customers, and (iii) investing in core technology capabilities such as secure computation and explainable, computable modeled knowledge graphs to enhance the functionality, reliability and usability of our products. Vertically, we will continue to deepen and optimize our insights and knowledge within each disease area by enabling multi-site research to be carried out in our network.

In respect of Life Sciences Solutions, we will continue to accelerate the generation of research-grade evidence and drive the development of our one-stop solutions from analytics-driven clinical development to post-market commercialization in line with evolving regulations and policies. We will continue to focus on (i) generation and application of real-world evidence in various scenarios, (ii) diseases we excelled at in clinical development, (iii) enlargement and preservation of our customer base with high quality, and (iv) improvement in our operational efficiency.

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

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



MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues increased by 42.7% from RMB867.0 million in the fiscal year ended 31 March 2021 to RMB1,237.2 million in the fiscal year ended 31 March 2022. The increase was primarily attributable to the increase in revenue realized from Life Science Solutions and Health Management Platform and Solutions segments.

Big Data Platform and Solutions. Revenue from Big Data Platform and Solutions increased by 10.7% from RMB401.9 million in the fiscal year ended 31 March 2021 to RMB444.9 million in the fiscal year ended 31 March 2022, primarily due to the increased number of active customers.

Life Sciences Solutions. Revenue from Life Sciences Solutions increased by 95.0% from RMB184.3 million in the fiscal year ended 31 March 2021 to RMB359.4 million in the fiscal year ended 31 March 2022, primarily due to the increased number of active customers 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 68.5% from RMB252.1 million in the fiscal year ended 31 March 2021 to RMB424.9 million in the fiscal year ended 31 March 2022, primarily due to the growth of insurance services and platform solutions of CausaHealth.

Others. Other revenue decreased by 72.2% from RMB28.7 million in the fiscal year ended 31 March 2021 to RMB8.0 million in the fiscal year ended 31 March 2022.

Cost of Sales and Services

Our cost of sales and services increased by 55.2% from RMB539.7 million in the fiscal year ended 31 March 2021 to RMB837.8 million in the fiscal year ended 31 March 2022. Share-based compensation expenses included in cost of sales and services were RMB7.3 million and RMB13.2 million in the fiscal years ended 31 March 2021 and 2022 respectively. The increase was caused by business expansion in Life Sciences Solutions and Health Management Platform and Solutions in the fiscal year ended 31 March 2022.

Big Data Platform and Solutions. Cost of sales and services from Big Data Platform and Solutions segment increased by 14.4% from RMB220.6 million in the fiscal year ended 31 March 2021 to RMB252.3 million in the fiscal year ended 31 March 2022, primarily due to (i) the increased cost of software and hardware as well as outsourcing service fee from RMB140.2 million to RMB169.5 million; (ii) increase in employee benefits and expenses of employees engaging in the Big Data Platform and Solutions business from RMB74.5 million to RMB77.4 million, which included share-based compensation expenses of RMB2.7 million and RMB7.0 million in the respective years.



Management Discussion and Analysis (Continued)

Life Sciences Solutions. Cost of sales and services from Life Sciences Solutions increased by 87.7% from RMB144.3 million in the fiscal year ended 31 March 2021 to RMB270.8 million in the fiscal year ended 31 March 2022, primarily due to the increase in (i) employee benefits and expenses of employees engaging in the Life Science Solutions business from RMB65.9 million to RMB100.4 million, which included share-based compensation expenses of RMB3.1 million and RMB2.7 million in the respective years, and (ii) outsourcing service fee from RMB71.6 million to RMB160.7 million.

Health Management Platform and Solutions. Cost of sales and services from the Health Management Platform and Solutions segment increased by 105.6% from RMB149.5 million in the fiscal year ended 31 March 2021 to RMB307.3 million for the fiscal year ended 31 March 2022, primarily due to increase in cost of pharmaceutical products and services from RMB114.7 million to RMB275.4 million.

Others. Other cost of sales and services decreased by 70.5% from RMB25.4 million in the fiscal year ended 31 March 2021 to RMB7.5 million in the fiscal year ended 31 March 2022.

Gross profit and gross margin

As a result of the foregoing, our overall gross profit in the fiscal years ended 31 March 2021 and 31 March 2022 were RMB327.3 million and RMB399.4 million, and our overall gross margin was 37.8% and 32.3% respectively.

Big Data Platform and Solutions. Our gross margin in Big Data Platform and Solutions decreased from 45.1% in the fiscal year ended 31 March 2021 to 43.3% in the fiscal year ended 31 March 2022, primarily attributable to revenue mix shift.

Life Sciences Solutions. Our gross margin in Life Sciences Solutions increased from 21.7% in the fiscal year ended 31 March 2021 to 24.7% in the fiscal year ended 31 March 2022, primarily due to increased pricing power and higher utilization.

Health Management Platform and Solutions. Our gross margin in Health Management Platform and Solutions decreased from 40.7% in the fiscal year ended 31 March 2021 to 27.7% in the fiscal year ended 31 March 2022, primarily driven by product mix shift.

Selling and marketing expenses

Our selling and marketing expenses increased by 73.2% from RMB239.0 million in the fiscal year ended 31 March 2021 to RMB413.9 million in the fiscal year ended 31 March 2022, primarily attributable to increase in (i) employee benefits and expenses of employees engaging in selling and marketing function from RMB159.9 million to RMB234.7 million, which included share-based compensation of RMB14.6 million and RMB27.9 million in respective years; (ii) consulting and other professional fee from RMB14.1 million to RMB16.8 million; and (iii) business development, promotion and advertising expenses targeting to promote the Group's brand awareness and insurance services from RMB39.7 million to RMB105.9 million.

Selling and marketing expenses as a percentage of revenue increased from 27.6% in the fiscal year ended 31 March 2021 to 33.5% in the fiscal year ended 31 March 2022 as a result of the foregoing reasons.

Administrative expenses

Our administrative expenses increased by 8.7% from RMB309.9 million in the fiscal year ended 31 March 2021 to RMB337.0 million in the fiscal year ended 31 March 2022, primarily attributable to increase in employee benefits and expenses of employees engaging in administrative function from RMB188.8 million to RMB249.3 million, which included share-based compensation of RMB94.4 million and RMB99.5 million in the respective years. This increase was partially offset by the saving of one-off listing expenses.

As a percentage of revenue, administrative expenses declined from 35.7% in the fiscal year ended 31 March 2021 to 27.2% in the fiscal year ended 31 March 2022 as our revenue grew at a faster rate.

Research and development expenses

Our research and development expenses increased by 66.2% from RMB221.9 million in the fiscal year ended 31 March 2021 to RMB368.7 million in the fiscal year ended 31 March 2022. The increase in research and development expenses was primarily due to the increase in (i) employee benefit and expenses for employees engaging in research and development function from RMB183.9 million to RMB292.4 million, including share-based compensation of RMB18.3 million to RMB42.2 million in the respective years, and (ii) consulting and other professional fee from RMB17.9 million to RMB32.9 million.

Research and development expenses as a percentage of revenue increased from 25.6% in the fiscal year ended 31 March 2021 to 29.8% in the fiscal year ended 31 March 2022 as a result of the foregoing reasons.



Management Discussion and Analysis (Continued)

Operating loss

As a result of the foregoing, operating loss of the Group increased from RMB453.3 million in the fiscal year ended 31 March 2021 to RMB767.4 million in the fiscal year ended 31 March 2022.

Fair value change of convertible redeemable preferred shares

Our fair value change of convertible redeemable preferred shares was a loss of RMB3,245.8 million and nil in the fiscal year ended 31 March 2021 and 2022 respectively.

Fair value change of convertible notes

Our fair value change of convertible notes was a loss of RMB24.2 million and nil in the fiscal year ended 31 March 2021 and 2022 respectively.

Fair value changes of warrants

Our fair value change of warrants was a gain of RMB34.4 million and nil in the fiscal year ended 31 March 2021 and 2022 respectively.

Taxation

Income tax expenses of the Group decreased from RMB1,417 thousand in the fiscal year ended 31 March 2021 to RMB(486) thousand in fiscal year ended 31 March 2022.

Loss for the year

As a result of the foregoing, our loss for the year decreased by 79.3% from RMB3,694.8 million in the fiscal year ended 31 March 2021 to RMB766.4 million in the fiscal year ended 31 March 2022, primarily due to the conversion of convertible redeemable preferred shares and convertible notes upon successful initial public offering.

Non-IFRS Measure — Adjusted Net Loss

To supplement our consolidated financial statements which are presented in accordance with 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 investment 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 2021 and 2022, our adjusted net loss was RMB275.1 million and RMB583.5 million, respectively.

The following table set forth the reconciliations of our non-IFRS financial measure for the fiscal years ended 31 March 2021 and 2022 to the nearest measure prepared in accordance with IFRS.

	Year ended 31 March	
	2022	2021
	(RMB'000)	
Loss for the year	(766,360)	(3,694,817)
Add:		
Fair value changes of convertible redeemable preferred shares ⁽¹⁾	—	3,245,785
Fair value changes of convertible notes ⁽²⁾	—	24,192
Fair value changes of warrants ⁽³⁾	—	(34,398)
Share-based compensation expenses ⁽⁴⁾	182,839	134,655
Listing expenses ⁽⁵⁾	—	49,504
Non-IFRS adjusted net loss	(583,521)	(275,079)
Non-IFRS adjusted net loss margin (%)⁽⁶⁾	(47.2)	(31.7)

(1) The non-IFRS adjustments are non-recurring in nature. 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.



Management Discussion and Analysis (Continued)

Liquidity and capital resource

During the fiscal year ended 31 March 2022, we had funded our cash requirements principally from capital contribution from shareholders and financing through issuance and sales of convertible redeemable preferred shares and convertible notes in private placement transactions. We had cash and cash equivalents, term deposits, restricted bank balance and deposits of RMB4,605.6 million and RMB3,732.1 million as of 31 March 2021 and 2022 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% or more of the Company's total assets as at 31 March 2022) during the fiscal year ended 31 March 2022.

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 2022.

Pledge of assets

As at 31 March 2022, the Group had no material pledge of assets.

Future plans for material investments or capital asset

As at 31 March 2022, the Group did not have detailed future plans for material investments or capital assets.

Gearing ratio

The Group monitors capital on basis of the gearing ratio, which is calculated as net debt divided by deficits on total equity. Net debt calculated as total liabilities which are considered as borrowings less cash and cash equivalents. As of 31 March 2022, the Group has a net cash position and the gearing ratio was not applicable.

Foreign exchange exposure

During the year ended 31 March 2022, the Group mainly operated in China with most of the transactions settled in Renminbi. The functional currency of our Company, the subsidiaries and the consolidated affiliated entities that operate in the PRC, and the subsidiary operate in the Brunei are U.S. dollar, Renminbi and Brunei dollar, respectively. 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. For the year ended 31 March 2021 and 2022, we had net foreign exchange losses of RMB16.6 million and RMB6.6 million respectively. We did not hedge against any fluctuation in foreign currency during the fiscal years ended 31 March 2021 and 2022.

Contingent liabilities

As at 31 March 2022, we did not have any material contingent liabilities (as at 31 March 2021: nil).

Capital commitment

As at 31 March 2022, capital commitment of the Group was RMB2,267 thousand (as at 31 March 2021: RMB3,183 thousand), mainly for the purchase of equipment.

Employees and remuneration

As at 31 March 2022, the Group had a total of 1,405 employees, with 820 employees based in Beijing, 217 employees in Shanghai and 368 employees in other offices in China and overseas. The following table sets forth the total number of employees by function as at 31 March 2022:

Function	Number of employees
Product Development and Technology	708
Medical Function	355
Sales and Marketing	143
General and Administrative	199
Total	1,405

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 at 31 March 2022, about 46.5% of our employees have clinical research experiences and medical background, and about 37.9% have AI and technology experiences and background. The total remuneration cost incurred by the Group for the fiscal year ended 31 March 2022 was RMB982.5 million, as compared to RMB694.5 million for the fiscal year ended 31 March 2021. The Company has also adopted a post-IPO share award scheme and a post-IPO share option scheme.

Subsequent event

As at the date of this annual 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 2022.

Directors

The Directors who held office during the fiscal year ended 31 March 2022 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 (閔峻)

Ms. Zhang Shi (張實)

Non-executive Director

Mr. Zeng Ming (曾鳴)⁽¹⁾

Ms. Gao Yongmei (高永梅)⁽²⁾

Independent non-executive Directors

Dr. Ma Wei-Ying (馬維英)

Ms. Pan Rongrong (潘蓉蓉)

Prof. Zhang Linqi (張林琦)

Notes

(1) Mr. Zeng Ming was appointed as a non-executive Director on 25 June 2021.

(2) Ms. Gao Yongmei resigned as a non-executive Director on 26 September 2021.

Biographical details of the Directors are set out in the section headed “Directors and Senior Management” on pages 43 to 49 of this annual report.

General information

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

Principal activities

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

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

Results

The results of the Group for the Reporting Period are set out in the consolidated statement of comprehensive income on page 144 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 9 to 25 of this annual report. These discussions form part of this report of Directors. Events affecting the Company that have occurred since the end of the fiscal year are set out in "Subsequent event" in "Management Discussion and Analysis".

Principal risks and uncertainties

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

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

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

Environmental policies and performance

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



Report of Directors (Continued)

Compliance with relevant laws and regulations

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

Continuing connected transactions

Save as disclosed in this annual report, the Group has not entered into any non-exempt continuing connected transactions from the Listing Date to 31 March 2022. Details of related party transactions of the Group for the Reporting Period are disclosed in note 38 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 commenced 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

The annual cap was RMB4,000,000 and the actual transaction amount for the period from 1 April 2021 until 25 August 2021 (the date on which Sunshine Insurance Group ceased to be a connected person of the Company) was RMB1,311,230. Please refer to the paragraph headed “Listing Rules implications” below for further details.

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 reasonable and no less favourable than those the Group charges to other independent third party customers and (ii) it is in the interests of the Company and the Shareholders as a whole.

Listing Rules implications

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

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



Report of Directors (Continued)

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.

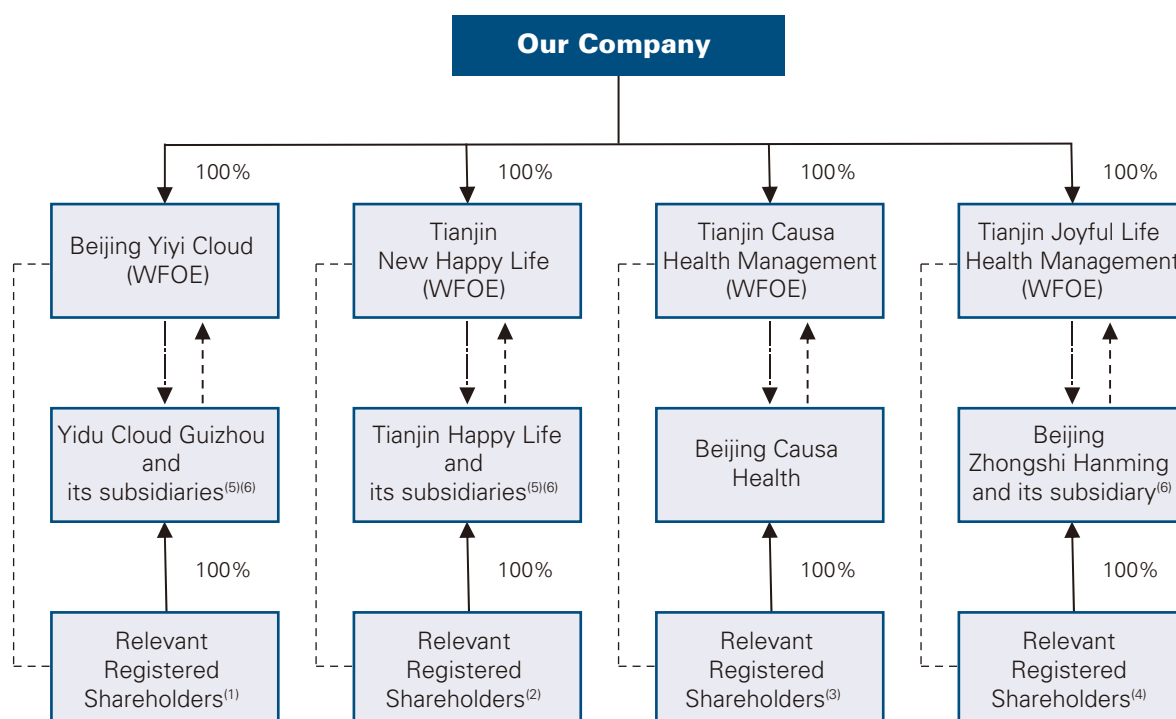
In order to comply with such laws, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the Contractual Arrangements entered into on 18 August 2020. Hence, we do not directly own 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 59.5% of our Group’s total revenue (2021: 58.8%). The total assets of the Consolidated Affiliated Entities accounted for 17.7% of our Group’s total assets (2021: 10.9%).

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

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



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



Notes:

- (1) Yidu Cloud Guizhou is owned by Ms. Gong Yingying as to 99% and Ms. Zhang Shi as to 1%.
- (2) Tianjin Happy Life is owned by Mr. Xu Jiming as to 99% and Mr. Hao Yiming as to 1%.
- (3) Beijing Causa Health is owned by Mr. He Zhi as to 99% and Mr. San Zhiyuan as to 1%. We consider Mr. San Zhiyuan suitable to act as a Registered Shareholder of Beijing Causa Health because of, among other considerations, his competence and his length of service and loyalty to our Group.
- (4) Beijing Zhongshi Hanming is owned by Mr. He Zhi as to 51% and Mr. Guo Xiaoyu as to 49%. 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.



Report of Directors (Continued)

- (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.



Report of Directors (Continued)

Exclusive Call Option Agreements

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

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

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

Equity Pledge Agreements

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

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

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

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

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.

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.



Report of Directors (Continued)

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.

Waiver from the Stock Exchange and annual review

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

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

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

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 Reporting Period;
- (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



Report of Directors (Continued)

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

Major customers

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

During the Reporting Period, we generated revenue of RMB185.7 million from our largest customer, representing 15.0% of our total revenue during the Reporting Period. During the same period, we generated revenue of RMB356.7 million in aggregate from our five largest customers combined, representing 28.8% of our total revenue.

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

Major suppliers

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

During the Reporting Period, the purchases we made from the largest supplier was RMB53.8 million, representing 5.7% of our total purchases during the Reporting Period. During the same period, the purchases we made from the five largest suppliers combined was RMB183.2 million, representing 19.2% 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 12 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 16 to the consolidated financial statements.

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

Share capital and shares issued

Details of movements in the share capital of the Company for the Reporting Period are set out in note 26 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 RMB19.9 million.



Report of Directors (Continued)

Debenture issued

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

Equity-linked agreements

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

Dividend

The Board does not recommend the distribution of any final dividend for the fiscal year ended 31 March 2022. No shareholder has waived or agreed to waive any dividends for the fiscal year ended 31 March 2022.

Permitted indemnity

Pursuant to the Articles of Association of the Company 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 2022, the Company did 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 148 and in note 27 and note 40 to the consolidated financial statements, respectively.

Loans and borrowings

As at 31 March 2022, the Company did not have any bank loans and borrowings.

Directors’ service contracts

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

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

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

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

Directors interests in transactions, arrangements or contracts of significance

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

Emoluments of Directors and the five highest paid individuals

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the Company has established the remuneration committee of the Company 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 30 to the consolidated financial statements and pages 111 and 120 under “Other Information” in this annual report.

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

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

For the Reporting Period, the aggregate amount of remuneration (including wages, salaries, bonuses, defined contribution plans, other social security costs, housing benefits and share-based compensation expenses) for our Directors was approximately RMB27.8 million (as set out in note 41 to the consolidated financial statements).



Report of Directors (Continued)

Directors' interests in competing business

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

Contracts with controlling shareholders

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

Management contracts

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

Auditor

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

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

Continuing disclosure obligations pursuant to the Listing Rules

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

Directors' rights to acquire shares or debentures

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

By order of the Board

Gong Yingying

Chairlady, Chief Executive Officer and Founder

China

24 June 2022

DIRECTORS AND SENIOR MANAGEMENT



Members of our Board

Name	Age	Position	Date of appointment as Director
Gong Yingying ⁽¹⁾	38	Executive Director, Chief Executive Officer and Chairlady	9 December 2014
Yang Jing	43	Executive Director	14 August 2018
Yan Jun	43	Executive Director	16 August 2020
Zhang Shi	49	Executive Director	3 July 2020
Gao Yongmei ⁽²⁾	52	Non-executive Director	16 August 2020
Zeng Ming	52	Non-executive Director	25 June 2021
Ma Wei-Ying	54	Independent non-executive Director	15 January 2021
Pan Rongrong	44	Independent non-executive Director	15 January 2021
Zhang Linqi	58	Independent non-executive Director	15 January 2021

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

(2): Ms. Gao resigned as a non-executive director on 26 September 2021.

Executive Directors

Ms. Gong Yingying (宮盈盈), aged 38, 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.



Directors and Senior Management (Continued)

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 43, is an executive Director, President and the Chief Financial Officer of our Company. Ms. Yang was first appointed as the Chief Financial Officer of our Company in September 2017 and was also appointed as 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 (閔峻), aged 43, 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 49, 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 as the chief executive officer since February 2020 and as 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 Director

Mr. Zeng Ming (曾鳴), aged 52, has been 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.



Directors and Senior Management (Continued)

Independent non-executive Directors

Dr. Ma Wei-Ying (馬維英), aged 54, was appointed as an independent non-executive Director, chairperson of the remuneration committee and members of the audit committee and nomination committee of our Company in January 2021. Dr. Ma has served as a vice president and the head of the AI Laboratory at ByteDance between February 2017 and August 2020, where he is responsible for the fundamental research and technology development in the fields of, among others, machine learning, computer vision, speech and audio processing, natural language processing and personalized recommendation and search engine. Before joining ByteDance, Dr. Ma worked at Microsoft Research Asia (“**MSRA**”) from April 2001 to February 2017 as the assistant managing director. At MSRA, Dr. Ma led the research groups in various areas, including AI, machine learning, natural language computing and web search and data mining. Prior to joining MSRA, Dr. Ma worked as a software design engineer in the internet information technology department at the Hewlett-Packard Labs in Palo Alto, California, the United States, from April 1998 to April 2001 in the fields of multimedia content analysis and adaptation. From October 2007 to December 2019, Dr. Ma also served as a guest professor in computer science at National Taiwan University. Since October 2020, Dr. Ma also served as an IEEE Fellow and ACM Distinguished Scientist at Institute for AI Industry Research, Tsinghua University.

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

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

Ms. Pan Rongrong (潘蓉蓉), aged 44, 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 58, 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	39	Chief Innovation Officer and Co-founder	December 2015
Xu Jiming	38	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.



Directors and Senior Management (Continued)

Mr. He Zhi (何直), aged 39, 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 38, 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 over 10 years of professional experience in company secretarial field. She is currently a joint company secretary of Pop Mart International Group Limited (Stock Exchange stock code: 9992) and Acotec Scientific Holdings Limited (Stock Exchange stock code 6669), and the company secretary of China Fortune Financial Group Limited (Stock Exchange 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 Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries). She obtained a bachelor's degree in social sciences in October 2011 from Lingnan University in Hong Kong and a master's degree in professional accounting and corporate governance in July 2015 from City University of Hong Kong.

Changes to directors' information

Save as disclosed in this annual report, during the Reporting Period and as at the 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.



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1. About the Report

The Report is the second Environmental, Social and Governance Report (“**Report**” or “**ESG Report**”) issued by the Group, which aims to disclose the environmental, social and governance performance of the Group for FY2022 in a transparent and open manner in response to the attentions and expectations of various industry participants regarding the sustainable development management of the Group.

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. (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.

Reporting Standard

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



■ ■ ■ ■ ■
Environmental, Social and Governance Report (Continued)

Materiality:	The Report has identified and disclosed the process of the material environmental, social and governance factors with its selection criteria, as well as the process and results of the participation of industry participants.
Quantitativeness:	The explanations relevant to statistical standards, methodologies, assumptions, and/or calculation tools used for greenhouse gas emissions, as well as the source of conversion factors, are described in the Report.
Balance:	The Report presents the Group's performance for FY2022 in an impartial manner to avoid the possibility of selection, omission or presentation formats that may inappropriately influence the decision or judgment of the reader.
Consistency:	The statistical methods used for the data disclosed in the Report are consistent. Any changes will be clearly explained in the Report.

Reporting Language

The Report is available in two languages, Chinese and English.

Report Approval

The Report was reviewed and approved by the Board on 24 June 2022 for release.

Report Release

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

Report Feedback

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

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

E-mail: ir@yiducloud.cn

2. Awards and Honors

The Group promotes the intelligent transformation and high-quality sustainable development of the healthcare industry by actively developing advance technologies such as AI, big data technology and cloud computing. In FY2022, we have been recognized and praised by a number of different domestic and international institutions, and received numerous awards.

Name of Awards/Honors	Award Date	Awarding Agency
Ranking 7th among the 2020 Artificial Intelligence Enterprises Top 100 (2020年度人工智能企業百強排名第七)	April 2021	China Internet Weekly of Chinese Academy of Sciences
2020–2021 Future Healthcare VB100 Pengcheng Awards Best-Performing Public Companies Top 15 (2020–2021未來醫療100強·澎澄獎年度風雲企業Top 15)	April 2021	VBDATA.CN, VCBeat Research
2020 National Healthcare Artificial Intelligence Innovation Award (2020全國醫療人工智能創新獎)	April 2021	National Institute of Hospital Administration, NHC
Insurance Innovation Case Award (保險創新案例獎)	April 2021	People's Daily Online, health.people.cn, Insurance and Development Research Center of National Institution for Finance & Development (國家金融與發展實驗室保險與發展研究中心)
2021 Chinese R&D CRO Enterprises Top 20 (2021中國研發CRO企業20強)	September 2021	Summit for China Pharmaceutical R&D Innovation, www.yaozh.com, China Pharmaceuticals
2021 Extraordinary Investment Value Companies (2021非凡投資價值公司)	October 2021	China Investment Network
China Brand Innovation Cases (中國品牌創新案例)	November 2021	2021 China Brand Forum hosted by the People's Daily
No. 1 in the 2021 Healthcare Big Data Enterprise Ranking (2021醫療大數據企業排行榜第一名)	December 2021	China Internet Weekly of Chinese Academy of Sciences, Deben Consultation (德本諮詢), eNet Research Centre
2021 Healthcare AI Leading Enterprises (2021年度醫療AI領軍企業)	December 2021	China Internet Weekly of Chinese Academy of Sciences, the Center for Informatization Study of the Chinese Academy of Social Sciences and eNet Research Centre
2021 Listed Companies of Excellence (2021年度卓越上市公司)	December 2021	21st Century Business Herald
Most-Notable IPO for the Year (年度最受關注IPO)	December 2021	Guru Club
ESG Green Company Star (ESG綠色公司之星)	December 2021	China Investment Network

Environmental, Social and Governance Report (Continued)

Name of Awards/Honors	Award Date	Awarding Agency
2021 Precision Healthcare Technology Innovation Award (2021年度精準醫療科技創新獎)	December 2021	China Times
Innovative Applications of Artificial Intelligence Awards (人工智能創新應用獎)	December 2021	AAAI
“Health Data · Chain Network” Promotion Plan Health Data Circulation and Protection Application Cases (“健康數據·鏈網”推進計劃健康數據流通與保護應用案例)	December 2021	Internet Health Care Industry Alliance of the CAICT
2021 Digital Solutions Awards (2021年度數字化解決方案獎)	December 2021	syobserve.com
Excellent Cases of Multi-Level Medical Security — Beijing Pu Hui Jian Kang Bao Program (多層次醫療保障優秀案例 — 北京普惠健康保)	December 2021	People’s Daily Health APP, Health Times
Most Popular New IPO Companies (最受投資者歡迎新股公司)	January 2022	Zhitong Financial
Best Artificial Intelligence Companies Top 30 (最佳人工智能公司Top 30)	January 2022	Synced Machine
2022 “Specialized and New” Small and Medium-Sized Enterprises in Beijing (北京市2022年度“專精特新”中小企業)	March 2022	Beijing Municipal Bureau of Economy and Information Technology



China Brand Innovation Cases
(中國品牌創新案例)



2021 Healthcare AI Leading Enterprises
(2021年度醫療AI領軍企業)

3. Sustainable Development Strategy

At the beginning of 2022, the State Council issued the 14th Five-Year Plan for Digital Economy Development, which clearly stated the development goals of the digital economy. As a factor resource for a new round of technological revolution and industrial transformation, the digital economy is reshaping the global economic structure. Through the deep integration of digital economy and the real economy, the digital economy enables the transformation and upgrading of traditional industries and becomes the main driving force for promoting sustainable economic development. As a leading company in the healthcare intelligence industry, the Group focuses on continuously empowering the healthcare industry through the independent innovation of the big data and AI technologies. Leveraging our healthcare intelligence infrastructure YiduCore, we aim to promote the transformation and improve the efficiency of healthcare industry participants and enterprises, enabling the intelligent transformation of the supply side of the healthcare industry.

The Group recognizes the importance of sustainable development, endeavors to integrate the sustainable development concept into our daily business operations and actively performs its social corporate responsibilities. We formulate different ESG-related policies and measures, and continue to improve ESG management to enhance the ESG performance of the Group. At the same time, we always adhere to the mission of “making value-based precision healthcare accessible to everyone”. By applying the AI and big data technologies, we provide more accurate and efficient medical services, reduce the waste of medical resources and the cost of the new drug research and development. We empower the industry participants to generate high-quality RWE at low cost and establish the value-based evaluation system that measures results with the objective evidence to reduce the supply-side waste, improve the efficiency and accessibility, and finally achieve the goal of precision healthcare for all.



Environmental, Social and Governance Report (Continued)

3.1 Statement of the Board

The Group has established the ESG governance structure to strengthen its management of sustainable development and fulfill its corporate social responsibility. The Board has authorized the establishment of an ESG working group to implement and supervise various ESG matters, with the expectation that the sustainable development governance can be exerted more effectively. The Board is responsible for overall supervision of the ESG topics, performance, climate risks and opportunities of the Group, regularly reviews, discusses and approves the ESG governance policies, strategies and risks of the Group, and takes full responsibility for all ESG strategies and reporting. At the same time, we have set up environmental-related directional goals and promised to check the progress of ESG-related goals in the future to monitor and improve the sustainable development work.

3.2 ESG Governance Structure

In order to integrate the ESG concepts into the management policies, strategies, goals and operation of the Group, and actively fulfill the corporate social responsibilities, we have established a solid ESG governance structure, which covers all levels of employees, including decision-making teams, organizing teams and execution teams. Our ESG governance structure is as follows:



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

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

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

3.3 Communication with Stakeholders

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



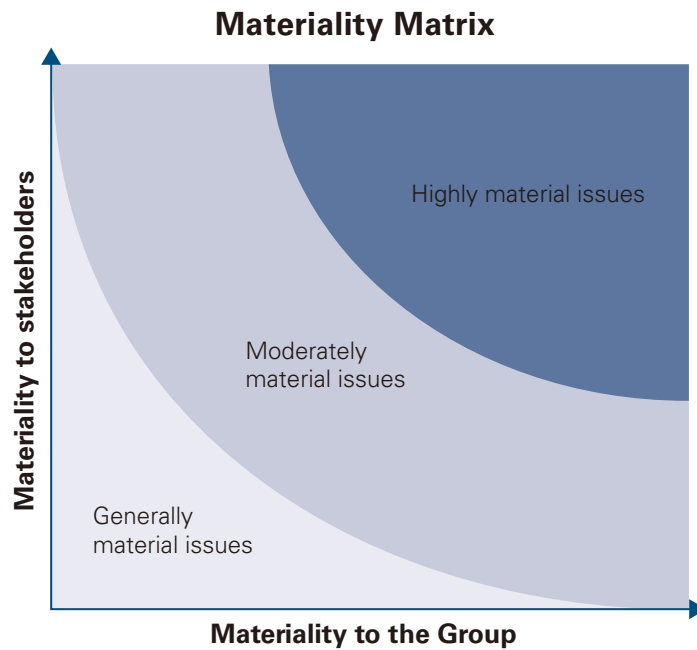
Environmental, Social and Governance Report (Continued)

Major Stakeholders	Expectations and Requirements	Main Means of Communication and Responses
Customers	<ul style="list-style-type: none">• High quality service and products• Customer privacy and data security• Customer sustainable relationship maintenance• Marketing practice	<ul style="list-style-type: none">• User needs and feedback surveys• Improve risk control, increase the R&D investment in security computing• Daily business communication and visits• Daily media communication, social media communication• Industry research, industry seminars, experts communication
Shareholders/investors	<ul style="list-style-type: none">• Profitability• Compliance operations and risk management• Intellectual property• Corporate governance• Rights protection	<ul style="list-style-type: none">• Annual general meetings and other general meetings• Earnings conferences, investor day events, industry seminars, performance roadshows• Regular announcements, interim reports and annual reports• Corporate newsletter, company website, official WeChat account
Employees	<ul style="list-style-type: none">• Employees' training and development• Good working environment• Safeguarding rights of employees• Health and safety	<ul style="list-style-type: none">• Training, seminars, workshops, lectures• Employee opinion survey• Performance communication and review• Meetings, employee communication conferences• Employee activities• Publications (e.g. Data Compliance and Cybersecurity Weekly), company intranet

Major Stakeholders	Expectations and Requirements	Main Means of Communication and Responses
Governments and regulators	<ul style="list-style-type: none"> • Compliance with national laws and regulations • Social responsibilities 	<ul style="list-style-type: none"> • Policy documents and guidelines • Meetings, work reports, information submission • Establishment of the technical service support department for epidemic prevention and control • Provision of intelligent epidemic prediction and simulation model
Suppliers	<ul style="list-style-type: none"> • Improvement of partnership • Open and fair cooperation 	<ul style="list-style-type: none"> • Supplier management procedure • Green supply chain management system • Site inspection
Communities/ non-governmental organizations	<ul style="list-style-type: none"> • Increase the input in community public welfare 	<ul style="list-style-type: none"> • Public welfare activities • Seminars, workshops, lectures
Business partners	<ul style="list-style-type: none"> • Improvement of partnership • Open and fair cooperation 	<ul style="list-style-type: none"> • Industry reports, industry research, industry papers • Visits and conference communication
Counterparts	<ul style="list-style-type: none"> • Promotion of industry communication and cooperation 	<ul style="list-style-type: none"> • Strategic cooperation projects • Industry conference and forum
Media	<ul style="list-style-type: none"> • Open and transparent information disclosure • Timely updates on business progress 	<ul style="list-style-type: none"> • Press conference • Press interviews, press reports

3.4 Materiality Issues

To identify key areas of ESG practice and disclosure of the Group, and respond to the expectations of stakeholders, the Group commissioned a third-party consulting firm to conduct an analysis on material issues relating to ESG in FY2022, to identify the most material ESG issues that are closely related to the Group. Based on the Group’s business development objectives, actual operation strategies and situation, as well as our understanding of stakeholders’ expectations and visions for ESG through communication, we finally selected 29 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, peer trends and the materiality pool of the Sustainability Accounting Standards Board (“SASB”), including nine highly material issues, eleven moderately material issues and nine generally material issues. We have made different levels of important disclosure in the Report based on the materiality of such important issues, and take them into important consideration when formulating ESG strategies and approaches. The results of the materiality assessment for the Reporting Period are as follows:



ESG Highly Material Issues

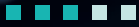
1. Intelligent epidemic management improves the public health
 2. Healthcare intelligence empowers the population health management
 3. Provision of more accessible, inclusive and equitable health insurance services
 4. Reducing waste in the healthcare industry
 5. Technological development and innovation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

ESG Moderately Material Issues

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

ESG Generally Material Issues

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



Topic 1:

Intelligent Epidemic Management Improves the Public Health

The capability to prevent and control major infectious diseases is key to protecting the life and health of the public. Since the spreading of the COVID-19 pandemic across China from January 2020, the Group, as a leader in the healthcare intelligence industry, immediately set up a technical services department to support the prevention and control of the disease, and was deeply involved in combating the pandemic across China. Relying on advanced AI technology, in-depth understanding of diseases and rich experience in the field of public health, the Group provided integrated pandemic response solutions for relevant authorities, which helped establish dynamic and multipoint-triggered models for early warning to assist in precise decisions. In terms of the analysis of transmission rules, the Group is able to comprehensively analyze the risk and path of epidemic transmission through such technologies as joint modeling combining time and space, together with Bayesian model embedded with knowledge bases, so as to find the source of infection in time and cut off the transmission path. Regarding epidemic simulation, the Group is able to provide simulation solutions to predict the trend of COVID-19 relying on our machine learning technology and epidemics dynamics models, thus helping relevant authorities develop plans, reserve supplies in advance, and allocate resources efficiently.

As of 31 March, 2022, with the support of the China CDC and health commissions and disease control departments at all levels, our prediction and simulation models have been verified in 18 cities, which provided scientific and intuitive basis to formulate and implement epidemic response decisions. During the outbreak of COVID-19 in

Wuhan, the Group participated in the fight against COVID-19 at the very beginning and helped relevant authorities launch the epidemic dynamic monitoring platform within 7 days, boosting the “immunity” of Wuhan. Meanwhile, the Group had also established a COVID-19 big data intelligent platform for Wuhan Tongji Hospital, providing strong support for the clinical treatment and scientific research of COVID-19. The Group applied AI technology to simulate and predict the development of COVID-19 in Ningbo, effectively supporting scientific decisions of relevant authorities. We also provided risk prediction and policy simulation models for local authorities in Guangzhou, which effectively estimated the epidemic outbreak curve and developed corresponding strategies, reducing mortality rate while maintaining economic growth. The predicted outbreak curve matched the actual evolution, and the difference fell within the range of 5 cases. The rapid, accurate and effective outcomes from our prediction and simulation models were recognized by relevant authorities, for which we have received more than 10 commendatory letters.



On-site technical support in Nanjing of Jiangsu Province, July 2021



On-site technical support in Lanzhou of Gansu Province, October 2021

In addition to assisting in the epidemic responses in numerous provinces and cities in China, the Group, in cooperation with the China CDC, has also developed the “Overseas COVID-19 Data Analysis and Risk Assessment Platform”. The platform provides functions such as modelling, comprehensive multi-dimensional analysis and intelligent visualization, which can quickly trace the source of the epidemic when it breaks out and support the precise decision-making of relevant authorities.

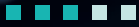
The epidemic prediction and simulation model of the Group has also attracted attention from the international community. In March 2022, the Nature, an internationally renowned journal, published a supplementary issue “Nature Index Big 5 Science Nations” and reported on the urban epidemic management platform of the Group. The article focused on the application of healthcare intelligent technology in COVID-19 response, which attracted wide attention from the science and technology community. The article pointed out that “a new generation of city-level data and AI platforms for epidemic monitoring are working towards providing accurate prevention and timely judgement to contain COVID-19 outbreaks. In extracting computable

data from epidemiological investigations to build a monitoring and alert system, AI models and machine learning technologies, such as natural language processing (NLP) and symbolic knowledge graphs, may help improve efficiency and minimize social disruption.”

Based on our in-depth understanding of epidemiology and transmission rules, our advanced AI technology and algorithms can be used to cope with all of the 40 infectious diseases defined by the China CDC, including AIDS and tuberculosis. Our solutions can accurately and efficiently serve the decision-making on public health and the health management of citizens, and are applicable to all regions in China and beyond, especially in supporting underdeveloped regions to reduce or even block the transmission and reduce mortality. The Group will continue to delve deeper into the research and development of solutions for public health and population health management, and empower the epidemic management of underdeveloped regions, so as to provide a solid foundation for the population health in underdeveloped regions.



“Nature Index Big 5 Science Nations”, a supplementary issue of the Nature, reports on the epidemic management platform of the Group



Topic 2:

Healthcare Intelligence Empowers the Population Health Management

With the development of China's economy and continuous improvement of health services, the average life expectancy of residents continues to increase. With the acceleration of population aging, the number of chronic disease patients continues to increase. Chronic diseases may develop to critical diseases without effective control at the early stage, and will seriously affect the quality of life of patients.

According to the data from International Diabetes Federation (IDF), there are over 140 million people with diabetes in China, representing one in ten people having diabetes. As diabetes is a long-term chronic disease, the compliance of diabetic patients and effective life interventions guided by doctors are relatively important. Based on medical knowledge and insights from YiduCore as well as our AI algorithm model and dose-response algorithm model, the Group has jointly developed diabetes management solutions with renowned endocrinologists in China. These solutions aim to provide medical institutions with personalized remote intelligent patient management solutions, so as to reduce medication reliance on oral medicines, injections and other medicines for pre-diabetes (impaired glucose tolerance) and type II diabetes patients to mitigate the damage to other organs that may be caused by such medicines. The Group integrated treatment in traditional care settings with out-of-hospital care and lifestyle interventions that include nutrition, mental and physical activities. Based on AI-driven automated patient management tools, we have established and verified the quantitative model to reduce HbA1c. Apart from precisely recommending treatment

plans, it can also establish a risk prediction model to achieve personalized policy and treatment plans for different users. After a twelve-week intervention, we have achieved an average reduction of HbA1c by approximately 1%. As the Group continues to improve and promote the diabetes solutions, we aim to provide more efficient, accurate and convenient treatment and course management services for more diabetic patients and improve the quality of life of patients.

The Group has accumulated extensive medical experience through its continuous research of tumors, blood diseases, ophthalmology, immunity and chronic diseases, and has established corresponding AI algorithm models. In addition to diabetes management solutions, the Group has also developed a series of efficient and intelligent tools for tumors including intelligent tumor risk prediction models, hospital intelligent follow-up platforms and out-of-hospital patient management platforms, providing a close-loop intelligent management solution including screening, diagnosis, treatment and follow-ups. For example, primary hepatocellular carcinoma (HCC), one of the most common malignancies worldwide, is the most common cause of death in patients with chronic liver disease, topping the list in terms of mortality rate in China. For rural populations, early screening and full-cycle intervention and management of liver cancer will help high-risk population of cancers in rural areas avoid poverty induced by diseases. It is of great significance for those who have been diagnosed and cured at an early stage to return to society and continue to work normally.



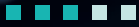
The Group is proactively empowering the early prevention and treatment of chronic hepatitis B by relying on healthcare intelligence, especially for rural areas where the prevention, control and intelligent management of chronic hepatitis B are more urgently needed. The Group prioritized its cooperation with county-level hospitals in the project for the early prevention and treatment of chronic hepatitis B in Huazhou. To improve the early diagnosis of tumors, the Group established special disease management files to promote regional early screening, prevention and control of tumors to raise the health awareness of residents. The project covered over 100,000 residents, and has accurately diagnosed over 20,000 high-risk tumor patients in the early screening. Relying on our “three-in-one” service system combining AI, big data technology and accurate disease management as well as efficient digital tools, the Group, Nanfang Hospital of Southern Medical University and medical institutions at all levels in Huazhou have jointly established a four-level hierarchical diagnosis and treatment model. The model offers a digital close-loop disease management covering the screening, follow-up, diagnosis and treatment of tumors, which eventually provides a refined hierarchical management of hepatitis B positive patients based on risk levels, so as to prevent further transformation from hepatitis B to cirrhosis and liver cancer.



The Group provided follow-up trainings for medical workers in Huazhou People’s Hospital

The implementation of the project helps further explore models for the prevention and treatment of chronic hepatitis B at hospitals and communities in rural areas, and promotes accurate and proactive life-cycle health management of residents in rural areas. While helping achieve major public health goals of eliminating hepatitis B in China and reducing the mortality and disease burden of liver cancer patients, the project also enhances the publicity of hepatitis B prevention and the health concept of early diagnosis, early treatment and early recovery.

In the future, the Group will continue to empower population health management with healthcare intelligence by relying on our accumulation of medical experience and continuously optimized AI algorithm models, so as to provide efficient and accurate health management solutions for relevant authorities and medical institutions, and improve the health and quality of life of residents.



Topic 3:

Reducing the Cost and Expanding the Coverage and Accessibility of Insurance

As the population aging trend continues to accelerate in China and the number of chronic patients continues to increase, it is in urgent need to establish a multi-level medical insurance system in China. Due to the lack of accurate risk control and pricing capabilities, actuarial data of diseases and the capabilities to integrate medical resources and control expenses, traditional commercial medical insurances cannot provide differentiated and innovative insurance products to meet the increasing demand for diversified medical insurances of non-standard groups such as elderly population, sub-health population and patients. The Group is committed to providing more inclusive, convenient and efficient innovative insurance products and services. Relying on our strength in real-world research, disease models, knowledge graphs which combine medical experience and medical knowledge, and other technologies, the Group is able to provide accurate product design, pricing, underwriting and claim settlement of commercial insurances as well as more accurate identification of disease codes. The Group is able to provide more personalized and accurate health management services based on the disease condition of patients, so as to offer inclusive insurances before, during and after illness.

As of 31 March, 2022, the Group has provided customized Hui Min Bao services empowered by healthcare

intelligence for 1 province and 9 cities, a total of 22 cities, including Jiangsu province (including 13 prefecture-level cities), Beijing, Chongqing and Ningbo. In particular, our operation and health management services featured by “one policy for one city” have effectively brought benefits to the elderly population and patients with diseases, and lowered their risk of illness-induced poverty.

The Group serves as the main operating platform for Beijing Pu Hui Jian Kang Bao, an inclusive commercial medical insurance product featured by “low threshold, low premium, high reimbursement”, which is closely linked to basic medical insurance. As an important part of Beijing’s multi-level medical insurance system, it aims to further reduce the cost of insurance and increase the residents’ affordability of high medical expenses beyond the basic medical insurance catalogue. The product includes hundreds of high-value innovative drugs available in China and abroad which are beyond the basic medical insurance catalogue. While providing sufficient medical offerings, it also provides the insured with value-added services such as re-examination, accompany and door-to-door professional nursing, so as to improve home care after discharge. Beijing Pu Hui Jian Kang Bao is also a benchmark Hui Min Bao product in China that provides reimbursement for the applicants with pre-existing conditions. The insured with pre-existing conditions are generally of higher risks, and the actuarial calculation



thereof relies on extensive medical experience and knowledge. Relying on our advanced AI technology and extensive disease insights and knowledge, the Group provides technical services to relevant authorities to process over 10 million pieces of medical insurance data with our intelligent algorithms, the accuracy of pre-existing conditions identified by the algorithms exceeding 90%. Therefore, we are able to offer different payouts for the insured who have pre-existing conditions from those do not, thus reducing disputes that may arise during claim settlement. In addition, Beijing Pu Hui Jian Kang Bao also includes 75 urgently-needed innovative drugs that are available at Hainan Boao Lecheng but have not been registered in China, which increases the affordability for patients.

In addition, the Group serves as the main operating platform for Beijing “Hui Ta Bao” (惠她保). As a special inclusive medical insurance product for critical diseases tailored for women, Hui Ta Bao provides coverage for hospitalization and high-value medicines expenses for specific female malignant tumors. Relying on the operating platform of the Group, the insured of Hui Ta Bao can enjoy health management services including health management consultation, video doctor, direct reimbursement of innovative drugs, application guidance for donated medicines, and aid groups of patients. Breast and cervical cancers are two major diseases that threaten the health of women. In order to encourage the

insured to participate in the screening of breast and cervical cancers, Hui Ta Bao correlates the claim with screening results, which enhances the screening participation rate of breast and cervical cancers. The treatment costs for breast cancer corresponding to the treatment paths of different stages and types vary greatly. Relying on our healthcare intelligent technology and close-loop integrated services before, during and after illness, we can provide key support for personalized pricing based on the analysis of population profile and the composition of patient group, cost distribution, and disease outcomes, so as to effectively lessen the medical expenses for the female population.

As for Jiangsu Hui Min Bao (江蘇惠民保), which we also serve as the main operating platform, we leverage our data structurization capabilities to provide “one-stop” claim settlement by integrating the basic medical insurance, critical illness insurance and medical assistance. 73% of claims were settled by intelligent quick claim settlement, which greatly improved the efficiency, reduced the burden of the insured, encouraged participation, and increased the coverage of healthcare intelligence.

The Group will continue to promote the development and services of innovative insurance products through technological innovation, and provide inclusive, fair and customized insurance services for more provinces and cities in China.



Topic 4:

Empowering the Supply-Side Intelligent Transformation and Reducing Waste in the Healthcare Industry

The imbalance between demand and supply of medical resources is a major problem in China's healthcare industry, and it is also the main driving force for the development of healthcare intelligence. On the demand side, with the accelerating aging of the population, the increase in the number of chronic diseases and the rising health awareness of the population, the demand for medical care has increased significantly. On the supply side, the lack of quality doctors and medical resources as well as the uneven distribution of resources can hardly keep up with the rapidly growing medical demand. As a leading company in the healthcare intelligence industry, the Group adheres to the goal of achieving inclusive and precise "green healthcare", applies AI and big data technologies to achieve the intelligent transformation of the supply side in the healthcare industry, and provides more precise and more efficient healthcare services, reducing the waste of medical resources and the cost of new drug research and development.

Generally, the average launch cycle of a new drug is about 10 years, and the cost of research and development exceeds hundreds of millions of dollars. The healthcare AI platform independently developed by the Group can use machine learning, disease modelling, large-scale computing analysis and other technologies to compare different data with machine deduction, so as to assist pharmaceutical companies in clinical trial design with greater accuracy and help them to improve the efficiency and quality of their RWE-based research, shortening time to market while improving drug quality, thereby reducing the cost of new drug development and bridging the gap between molecules to patients. In the past, the Group assisted a partner in optimizing the R&D design of a new drug treating a rare disease, including accurately selected research centers and recruited patients intelligently. While reducing the amount of manual labor and waste of medical resources, the research

efficiency was greatly improved and the Phase II clinical trial was shortened by about 20 months. After obtaining the authorization, the Group helped a leading MNC client with its Phase III clinical trial of a cardiovascular disease by analyzing the distribution of disease characteristics using a large amount of data, and developing patient screening and enrolment strategies based on our medical knowledge, which doubled the efficiency of patient recruitment and reduced screening failure rates by 60%. For another example, during the Reporting Period, we conducted a large-scale retrospective real-world study for a client, one of the top 20 MNCs in the world, to obtain the approval for amendments to the terms of use of its antibiotics from the Center for Drug Evaluation (CDE) of the State Drug Administration, which simplified the drug application process.

In the diagnosis and treatment scenario, the Group is also committed to improving the efficiency of diagnosis and treatment and reducing risks. We partnered with a leading physician at one of the top three hospitals in China and developed a predictive model to predict Candidaemia in ICU patients with New-Onset Systemic Inflammatory Response Syndrome. Compared with the traditional microbial-culture testing that generally takes days, this model can instantly identify patients at infection risk. In this way, physicians are able to prioritize resources and provide timely treatment to patients in need, and thus reducing the mortality rate and patients' disease burden. The accuracy of the model has been verified in over 1,600 historical data from three hospitals, and the results have been published in *Frontiers in Medicine*.

The Group will always adhere to its mission of "making value-based precision healthcare accessible to everyone", and provide safer, better and more accessible "green healthcare" services through AI technology.

4. Technological Innovation

4.1 R&D Innovation, Intelligent Win-Win

Adhering to the mission of “making value-based precision healthcare accessible to everyone”, the Group persists on independent research and development and technological innovation, and applies advanced technologies such as big data and artificial intelligence to provide cost-reducing and efficiency-enhancing solutions for major players in the healthcare ecosystem. Such solutions can facilitate accurate decision-making and improve efficiency in application scenarios such as public health, research and diagnosis and treatment, thus reducing waste on the supply side and ultimately providing residents with high-quality, personalized and cost-effective health services. With the national strategy focusing on “Digitization, Intelligence and Technological Innovation”, the digital economy driven by innovative technologies such as AI and big data has become one of the strongest economic growth drivers after the outbreak of the COVID-19 epidemic, and the public health management model powered by innovative technologies has played an important role in the response to the COVID-19 epidemic and its value has been fully verified.

YiduCore

YiduCore, a healthcare intelligent infrastructure independently developed by the Group, consists of algorithms and knowledge insights. After obtaining proper authorization, it provides data-analytics and evidence-based solutions for healthcare stakeholders. As of 31 March 2022, YiduCore’s infrastructure network has covered more than 800 hospitals, processed and analyzed more than 2.6 billion healthcare records from more than 600 million patients, and the disease knowledge graph has covered more than 9,000 diseases.

The models and algorithms in YiduCore can be assembled to form solutions that adapt to diverse needs and use-case scenarios of the healthcare industry. During the Reporting Period, the effectiveness and value of our analytics solutions have been proved in a variety of use-case scenarios. In public health area, we provide large-scale simulations and predictions that can proactively assess risks, optimize resource allocation, and enable efficient and dynamic decision-making. We also provided technical support and services for the COVID-19 response during the Beijing 2022 Winter Olympic and Paralympic Games. In terms of research, we increase the productivity of research-grade evidence generation and accelerate the delivery of affordable and high-quality care to patients in need, promoting the application of RWD and accelerate the approval of fast-track drugs and medical devices that are urgently needed in China. We also undertook the development of the Real-World Data (RWD) Clinical Research Platform (Phase I) in Hainan Boao Lecheng. The platform, which was put into trial operation in January 2022, facilitates researchers and regulators in generating and evaluating evidence of efficacy and safety in real-world clinical setting. In terms of clinical diagnosis and treatment, we stay patient-centric and outcome-based and created a closed-loop of management from screening, diagnosis and treatment to follow-up by providing risk prediction model and other intelligent tools. During the Reporting Period, our solution has been carried out in Huazhou.



Environmental, Social and Governance Report (Continued)

We have integrated the concept of green development into the daily operation of YiduCore, actively promoting energy saving and emission reduction and reducing the negative impact on the environment. With the rapid development of cloud computing and big data industries, the energy consumption requirements for data centers are getting higher and higher, and the construction of green data centers has become an important reflection of the corporate's social responsibility. YiduCore needs to process a large amount of data on a daily basis, which takes up computing power. Based on technological breakthroughs in large-scale Pretrained Language Models (PMLs), we have continuously improved the performance in tasks such as medical text structurization, standardization, and data masking. By leveraging large-scale PMLs, some tasks can achieve a further 5%–10% improvement in models effectiveness while reducing the amount of annotation by 80%–90%, improving data processing efficiency and achieving energy saving. In the future, we will further improve the standardization of the YiduCore algorithm model, as well as the energy utilization efficiency and resource utilization level of data infrastructure, so as to ensure low energy consumption and enhance algorithm output efficiency.

Big Data Platform and Solutions

In the Big Data Platform and Solutions segment, hospitals, regulators and policy-makers can achieve in-depth governance of their accumulated multi-source heterogeneous data by installing our data intelligence platform after obtaining proper authorization. We also provide data analytics-driven applications and solutions that unlock the value of healthcare data to help clients make precise and efficient decisions.

In providing hospitals with solutions and applications, we keep iterating real-world disease models by using AI technologies such as symbolic knowledge inference models and deep learning, and continue to engage top-grade hospitals and experts in our research network to accelerate the production of research-grade RWE. Our disease registries have covered 60 disease areas, including more than 20 cancer types. The research network, combined with deep disease insights, is also empowering the life sciences solutions segment and realizing synergies among different business segments, and we have achieved notable achievements in disease areas such as solid tumors, ophthalmology, and hematology.

The public health solutions we provide extend from coping with only COVID-19 to all 40 infectious diseases as defined by the China CDC. By analyzing regional health data, regulators can explore health status, basic medical insurance burden and risk trends of the regional population, therefore can manage and allocate medical resources more effectively. Our regional platforms and solutions can also help regulators integrate medical resources and research forces in the region, and accelerate the development and implementation of the healthcare industry ecology.

Life Science Solutions

Leveraging YiduCore and the network of top-grade hospitals and experts accumulated through our Big Data Platform and Solutions segment, we currently provide analytics-driven clinical development, 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 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 and achieve commercial success.



Environmental, Social and Governance Report (Continued)

In FY2022, the Life Sciences Solutions segment maintained strong growth momentum, especially in the analytics-driven clinical development solutions. We have built strategic partnerships with multiple innovative biotech companies, undertaken a number of phase III and IV clinical trials, and facilitated the clinical development of drugs and medical devices in a precise and efficient manner. Our capabilities in generating high-quality RWE to empower life science clients to manage and optimize the entire product life-cycle, from obtaining drug approval, peri-launch evidence support, post-marketing growth, to label extension, have all been validated. In addition to assisting a well-known MNC company to obtain the approval from the CDE for label revision of the client's antibiotic drug, we also conducted post-marketing safety and efficacy commitment study on a new drug for blood disease sponsored by an innovative pharmaceutical company during the Reporting Period, and this approach is expected to significantly reduce the cost compared with traditional methods.

Health Management Platform and Solutions

In order to realize our mission of making value-driven precision healthcare accessible to everyone, we offer innovative insurance technology and solutions to insurance companies, agencies and related regulators and policy makers within this segment. Leveraging our data processing capability and medical insights powered by YiduCore, our solutions aim at enabling our customers to design and develop innovative insurance products, facilitating faster and more accurate insurance underwriting and expediting claim processing. We empowered the Hui Min Bao products, a city-level supplementary insurance to the existing national social medical insurance, in terms of insurance coverage to increase the affordability for patients. During the Reporting Period, we have served 1 province and 9 cities, for a total of 22 cities. Among them, Beijing Pu Hui Jian Kang Bao has made innovations in insurance coverage to reduce the medical burden on patients. The user base and large-scale user operations of Beijing Pu Hui Jian Kang Bao allow us to increase the user traffic from Hui Min Bao, improve our brand awareness among the public, and explore opportunities in the field of public health.

We also deliver integrated healthcare solutions by leveraging technology capabilities and medical knowledge powered by YiduCore. We provide AI-empowered and one-stop analytics-driven solutions with coordinated and personalized care that integrates traditional treatment with out-of-hospital care and lifestyle interventions. We established and verified the quantitative models of reducing glycosylated hemoglobin (HbA1c, the gold diagnosis standard for diabetes treatment) through AI-driven automated patient management. With the maturity of the solution, we plan to expand coverage regionally to benefit more people.

4.2 Strict Quality Control

The Group has always insisted on providing customers with the highest quality products and services in order to win their trust and support. We have strict product and service quality measures in each of the Group's business segments. The Group has obtained Quality Management System Certification (GB/T 19001-2016/ISO9001:2015).

We have formulated Online Service Stability Management Measures to standardize the online incidents handling process with a clear structure and on-site command arrangements to avoid chaotic command situation and to handle and restore online services quickly and properly. After an incident occurs, the person in charge of incident handling is required to review and improve the procedures, convene an incident review meeting to discuss the case, and implement improvement measures to enhance the stability of online services in the future. We reduce the risk of online incidents by standardizing the online operation process and having operation and maintenance engineers execute and control the authority of the employee's operating system. Meanwhile, we have established a stability management committee to guide and supervise the implementation of stability-related systems and technologies by various teams of the Group, and to facilitate stability-related technology communication.

The Group monitors and handles big data quality in a proactive manner. We have formulated Quality Control Points and standards for our data processing and application platforms. In 2019, we updated and developed the quality control standards in response to the Group's adoption of automated quality control to assist and urge the production team to locate and address problems. We also clarify the Group's data quality objectives and conduct quality inspection and analysis in accordance with China's Data Management Capability Maturity Assessment Model (GB/T 36073-2018) formulated in 2018.

Quality Assurance and Management System

We have formulated systems on quality management, drug return management, drug recall management, quality incident reporting, adverse drug reaction reporting management, drug traceability quality management and other related areas to ensure the quality of our products and services. The Group clarifies the responsibilities of each department on drug quality and strengthens the safety supervision on drugs sold to ensure the safety and efficacy for human beings. To ensure the quality of products and services, we conduct independent reviews on projects, suppliers and processes. Reviewers conduct investigations as per plans and contractual agreements, including interview with key personnel, review the procedures and processes of products and services, audit records and data, and evaluate facilities and equipment. Reviewers conduct investigations as per plans and contractual agreements, including interview with key personnel, review the procedures and processes of products and services, audit records and data, and evaluate facilities and equipments. If critical problems are found, the reviewed party needs to carry out corrective and preventive action (CAPA) management within ten working days after the review report is released to prevent recurrence of the problems. During the Reporting Period, the Group did not have any product recalls due to safety or health reasons.

Satisfy the Needs of Clients

We have formulated the Quality Inquiry and Complaint Management System, and the quality department and the business department are responsible for handling customer complaints regarding pharmaceutical products. The quality department is responsible for conducting investigation, dealing with and reports on complaints. The business department handles quality inquiries and complaints. Complaints generally involve the quality of drugs, publicity, and storage. After receiving complaints, we appoint special personnel to investigate, handle and report them, take corresponding measures and feedback, and notify relevant suppliers or drug manufacturer. During the Reporting Period, we were not aware of any complaints on our products or services.

5. Business Integrity

We recognize the importance of responsible operation to the sustainable development of the Group, and have formulated compliance policies in terms of risk management, compliance operation, information security and privacy, intellectual property rights protection, supplier management, etc., to optimize the Group's governance, reduce operational risks, and promote industrial upgrading and sustainable development.

5.1 Enhancing Risk Management

The Group attaches great importance to risk management, and regards daily corporate management and good governance as an important part. In order to improve corporate governance and strictly control risks, we formulated Risk Assessment Management Method to facilitate the sustainable, steady and healthy development of the Group, in accordance with the Basic Standards for Internal Control within the Group, Listing Rules as well as related laws and regulations. The management is the highest decision maker for risk management, which is responsible for reviewing and approving risk management policies, determining risk management principles, constantly monitoring and improving the effectiveness of risk management policies according to changing environment and business development, and integrating risk management into the overall business development strategies. The audit department is the risk management department, which is responsible for organizing and overseeing the establishment and operation of risk management system as well as supervising and evaluating our risk management work. Each subsidiary and department of the Group is responsible for carrying out its own risk assessment work and submitting them to the management and the audit department for review. We define different risks as strategic risk, financial risk, market risk, operational risk and legal risk. According to the impact of the risk on the Group, it is classified as pure risk and opportunity risk.

We conduct risk assessment mainly through goal setting, risk identification, risk analysis and evaluation, risk response, the supervision and improvement of risk management. The risks affecting the Group may be employees, policies, procedures, etc. from internal environmental factors, or external environmental factors, such as natural environment, political environment, industry environment, etc. When special or major circumstances occur, such as major changes in organizational structure, new technologies putting into use, employee health conditions, changes in regulatory regulations, natural disasters, etc., we will conduct risk assessment and formulate response plans according to the possibility and impact of risks.

Environmental, Social and Governance Report (Continued)



5.2 Integrity and Compliance in Operation

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

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

The Group comply with the laws and regulations related to anti-corruption, such as the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering Law of the PRC, to prevent any form of corruption and bribery in daily operations. The Group has formulated and continuously improved relevant policies such as the Anti-Bribery & Anti-Corruption Policy, Anti-Fraud Policy and Anti-Money Laundering Policy, following principles of responsible and compliant operations, and strives to improve the efficiency of management and control and the level of internal governance. The Anti-Bribery & Anti-Corruption Policy expressly prohibits all employees, outsourcers, agents, distributors, customers, consultants and other partners 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 effectively. The Anti-Fraud Policy clarifies the purpose of anti-fraud work, regulates the professional behavior of directors and employees, strictly abides by relevant laws, industry norms and standards, professional ethics and rules and regulations of the Group, establishes a good culture of integrity and diligence, and prevents behaviors that damage the interests of the Group and shareholders. By assessing fraud risks and establishing specific control procedures and mechanisms to reduce the chance of fraud, each department establishes necessary internal control measures for high-risk areas where fraud occurs.

In addition, all departments shall strictly abide by the principle of real-name account system in the Anti-Money Laundering Policy, and are strictly prohibited from conducting business or business cooperation with customers with unclear identities, so as to control illegal money-laundering behavior from the source and closely monitor any violations. For large funds and suspicious transactions, we clearly established specific process for transactions involving large funds to closely monitor suspected money-laundering transactions. In order to strengthen employees' anti-corruption training, we provide compliance training for employees every year, and we conduct anti-corruption policy training for all new employees and make regular policy updates for existing employees, and provide online anti-bribery and anti-corruption policy training for directors to understand the Group's anti-corruption policy and relevant laws and regulations. Other representatives working for the Group, such as outsourcers, consultants, agents, etc., are required to accept the Group's anti-corruption policy as part of the employment plan.



Environmental, Social and Governance Report (Continued)

At the same time, we have formulated the Management System for Complaint, Whistle-blowing and Suggestion, set up whistle-blowing hotlines and emails to support employees in reporting fraud, corruption, bribery and other illegal and dishonest acts. The whistleblower's personal information will be treated confidentially. After receiving the report, the human resources department will coordinate and communicate with the finance and internal audit department, the legal compliance department and the heads of relevant departments. We will engage external experts to participate in the investigation as the case may be and report the results to the whistleblower and relevant management.

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

Regulating Marketing and Promotion Activities

In the process of market promotion and publicity, the Group strictly abides by the requirements of the Advertising Law of the PRC and other relevant laws and regulations, and has formulated and continuously improved the Specifications on External Use and Review Process of Promotional Materials. Any data used by the Group in the promotional materials shall be reviewed by the marketing department and the legal and compliance department before their external use to ensure that the use of publicity data is legal and compliant.

5.3 Safeguarding Information Security and Privacy

The Group has always adhered to the vision of "green healthcare". As a leading company in the healthcare intelligence industry, we are at the forefront of applying artificial intelligence and big data to empower the digital transformation of the supply side of the healthcare industry. We attach great importance to and strive to maintain information security and privacy, and comply with China's information security laws and regulations in all material respects, including but not limited to the PRC Cybersecurity Law, the PRC Data Security Law, the PRC Personal Information Protection Law, Information Security Technology-Personal Information Security Guidelines, the Measures for Cybersecurity Review, Administrative Measures for the Graded Protection of Information Security and other relevant laws and regulations and data protection policies of overseas countries/regions where we operate.

We formulate the Security Management System-Information Security Strategy to clarify the information security management organization and its responsibilities, effectively manage information security risks, and formulate information security policy documents. By establishing and improving various information security management systems of the Group, strengthening the information security training and education of our employees, and formulating appropriate information security risk control measures, we are able to effectively control the security risks faced by the information system. We have formulated the Information Security Management Specification for Staff to regulate the operational behavior of our employees and external partners, the safe use of our assets, the protection of customer information security and privacy, and the security of our business information and confidential information. We have also developed the File Backup and Recovery Standard Operating Procedures to ensure that our computer data is protected from damage or loss caused by natural disasters or human errors, as well as damage from external and internal sources.

The Group's information security management is managed at three levels, namely the information security leading group, the information security management team and the information security implementation team. The information security leading group is responsible for the overall information security work of the Group. The information security management team under the leading group is responsible for the implementation and evaluation of daily information security work. The information security implementation team is responsible for the implementation of daily information security work.

Signing Confidentiality Agreement

- The human resources department of the Group strictly regulates the recruitment process of personnel, reviews their backgrounds, and requires the signing of confidentiality agreements.
 - Any third-party personnel who wants to access information assets shall first sign a confidentiality agreement. Third-party personnel shall be aware of the consequences and responsibilities of violating the agreement.
-

Employee Information Security Policy

- We regularly provide information security training and assessment for all employees to ensure that employees clearly understand information security and the use of information equipment, procedures, etc.
 - We have clearly stated the reward and punishment system of information security, and strictly deal with any employee who violates the code. The employee's information security behavior record also affect the employee's appraisal, annual bonus, salary and position adjustment, etc.
 - Employees are prohibited from sharing, transmitting, disclosing or using data without the approval of the Group.
 - When employees or third-party personnel leave or are transferred from their positions, all information equipment must be returned, and the accounts and permissions of employees and third-party personnel must be withdrawn.
-

Cybersecurity and System Security

- The Group will monitor the operation of our communication lines, hosts, network equipment and application software, network traffic, and user behavior, analyze and review these records, and take necessary countermeasures if any suspicious behavior is found.
 - The Group will conduct audit for each operating system user and data user on the server and important clients, including events such as user behavior, abnormal use of system resources, and use of important system commands.
 - The Group conducts regularly scans of network systems, updates network equipment and patches security loopholes.
-

Data Security

- All customer and business partner data and project documents are stored separately and do not share storage space. Anyone who wants to access confidential data shall obtain the approval and authorization of the leader before downloading.
 - We approve the access rights of each data, and any unauthorized access shall be prohibited.
 - Data will be backed up by data backup operator according to the backup plan. And expired data will be cleaned up regularly and logs will be recorded.
-

Yidu Cloud (Beijing) Technology Co., Ltd., one of the subsidiaries of the Group, is responsible for the design and development of the healthcare big data platform and the integration of the healthcare big data information system, and 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: 2018).

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



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

In addition, the Medical Data Intelligent Platform Core Module (Version 2.7.0) (醫學數據智能平台核心模塊 (2.7.0版本)) and Special Disease Intelligent Scientific Research Platform Core Module (Version 8.0.0) (專病智能科研平台核心模塊 (8.0.0版本)) developed by us have passed the evaluation of CNITSEC and obtained the independent original product evaluation certificate, becoming the first healthcare technology company to pass this certification. This assessment was conducted by CNITSEC, an authoritative security evaluation facility authorized by the State. The assessment concluded that the two approved independent original data intelligent products of the Group have a clear functional structure, are in a good state of continuous maintenance, and have passed the source code homology analysis test.

Environmental, Social and Governance Report (Continued)



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

5.4 Protecting Intellectual Property Rights

The Group persists on independent development and empowers the real economy through cutting-edge technologies such as AI, big data technology and cloud computing. Knowing the importance of protecting intellectual property rights for the sustainable development of the Group, we strictly comply with the Patent Law of the PRC, the Copyright Law of the PRC, the Trademark Law of the PRC and other relevant laws and regulations, and actively carry out the declaration of intellectual property rights. The Group has formulated relevant internal policies such as the Management Regulations on Intellectual Property Rights and Management Regulations on Patents to clearly clarify the research and development of the Group's technology and the use of patents, strengthen the management of intellectual property rights to protect intangible assets and promote the sustainable development of the Group. At the same time, we attach great importance to the incentives for innovative talents. In order to enhance the market competitiveness of the Group and promote the advancement of production technology, we have clearly defined the incentives for inventors or designers and protect their authorship rights. During the Reporting Period, the Group accumulated 1,111 registered patents and 558 authorized patents, with 251 newly registered patents and 130 newly authorized patents.

In addition, we attach great importance to the protection of intellectual property rights, and set up relevant departments to coordinate the management of intellectual property rights, which are mainly responsible for reviewing the intellectual property applications from business departments and applying for external recognition of intellectual property rights. The Group resolutely puts an end to the loss of intellectual property rights caused by improper behaviors. Once infringements are found, we will promptly notify relevant departments and do the job of checking evidence, and take active measures to cooperate with relevant departments to solve problems under the guidance of administrative law enforcement agencies and judicial authorities. Before we carry out activities involving intellectual property rights such as technological innovation and work creation, we are required to determine whether the innovation conforms to the Group's sustainable development strategy and whether it can generate real intellectual property rights, use patent literature to formulate correct research directions and technical routes, improve the starting point of research and development and avoid repeated development or patent infringement disputes. In order to strengthen employees' awareness of intellectual property protection, the Group has established an intellectual property publicity system, and conducts intellectual property training and publicity every year.

The Group has formulated the Academic Achievements Management System, which strictly prohibits all current employees and those who engage in academic activities in the name of the Group and its affiliated companies from violating academic ethics norm, firmly establishes the scientific spirit of truth-seeking and innovation, while respecting others and protect the Group's own academic achievements. We have established an academic committee, which is designed for the special investigation and arbitration of academic morality issues, and proposes handling suggestions to the Group according to the conclusion of the investigation and arbitration. If any academic morality issues are identified, we will take disciplinary action against the reported person or make recommendations for organizational handling. If the reported person is innocent, we will instruct the academic committee to publish the results of arbitration confirmation, so as to safeguard the academic reputation of the reported person.

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



Environmental, Social and Governance Report (Continued)

5.5 Sustainable Supplier Management

The Group recognizes the importance of sustainable supplier management for its own operations, and has clarified supplier selection, evaluation, review and management through internal management systems such as the Operating Regulation on Supplier Management and Selection Standard and the Green Supply Chain Management System, so as to enhance the safety factor and supply reliability of suppliers, and realize green procurement and sustainable development of supply chain. For example, most of our current data center servers were purchased from Dell and Inspur, all of which use platinum power supplies with an energy consumption rate of 0.94, achieving a low energy consumption rate and realizing energy saving.

According to the procurement content, scale and specifications as required by the procurement demand department, the relevant business department and procurement department set up the procurement project working team to review the background of potential suppliers and conduct assessment. To become a qualified supplier, all suppliers are required to be approved by the Qualified Supplier Evaluation Committee to ensure that suppliers meet the Group's project requirements. In addition to considering their qualification, quality, reputation, capability of delivering products and services, and price level, we will also consider their performance in areas of environment and corporate social responsibility, such as compliance with relevant 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 based on the principles of openness, fairness and transparency, and the procurement demand department will decide the final suppliers for procurement.

In order to ensure the performance of suppliers in all aspects, the Group evaluates our suppliers on quality, delivery time, price, service and others on a half-year basis, and conducts an overall evaluation annually. The Group integrates the list of qualified suppliers, retains qualified suppliers, and gives priority to those suppliers with excellent performance evaluation grades. We also give warnings to those suppliers with negative rating and problems, and remove those unqualified suppliers with serious problems from the list. The Group regularly contacts the suppliers in the list of qualified suppliers and conducts on-site inspections to ensure the normal operation and performance of the suppliers, so as to effectively reduce the risk of suppliers.

The Group attaches great importance to green procurement and is committed to integrating the concepts of green manufacturing, product life cycle management and extended producer responsibility into our business processes. We shall comply with the requirements of green procurement, and try to use environmentally friendly products and services to reduce resource consumption and environmental pollution during manufacturing, transportation, storage and use. The products procured should use clean energy, which will help to reduce waste of water resources and avoid waste caused by excessive procurement. During installation, the radiation and/or harmful substances should be released as little as possible. At the same time, the Group attaches great importance to integrity and takes a zero-tolerance attitude towards any corruption. Our suppliers are required to sign the Confidentiality and Integrity Agreement to ensure that they comply with the Group's anti-corruption and anti-bribery policies, and undertake that all operations, service and activities under such agreement will be in full compliance with all laws and regulations applicable to our business operations. All suppliers shall comply with the Group's internal rules and codes.

During the Reporting Period, the Group had 2,197 suppliers in total, including 2,031 suppliers in Mainland China and 166 suppliers in overseas, Hong Kong, Macau and Taiwan, providing us with hardware, software, medicine, consumables, consulting services and others. All of the suppliers of the Group shall comply with the Group's supplier management policies.

6. Employee Team

6.1 Safeguarding Rights of Employees

The Group has a clear recruitment management system, hires employees in accordance with the laws, and strictly abides by the Labor Law of the PRC, the Labor Contract Law of the PRC, and the Law on the Protection of Minors of the PRC and other labor and employment-related laws and regulations. In order to strengthen internal personnel management, the Group has formulated an Employee Code Handbook for all functional personnel to help new employees integrate more quickly and deepen their understanding of the Group's culture and business, thereby improving the overall operational efficiency of the Group and bring their value into play. The Employee Code Handbook serves as the guideline and principle for our employees, which sets out the basic rights, responsibilities and obligations to be fulfilled by employees and good professional ethics. The Group can only grow steadily if employees consciously comply with the corresponding terms and all departments work closely under the corporate culture of equality and diversity. During the Reporting Period, the Group had 1,405 employees in total. Other detailed data on employees' information is set out in Appendix I: Environmental and Social KPIs Summary.



Environmental, Social and Governance Report (Continued)

Recruitment and Promotion

The Group pays great attention to the cultivation and development of talents. In order to standardize the Group's recruitment management, improve the recruitment effect, make the recruitment more process-oriented and systematic, introduce excellent core talents more efficiently, and build a high-quality workforce, the human resources department is responsible for determining the personnel recruitment plan according to the business plan and the staffing budget under the staffing budget approved by the Standing Committee of the Group. The Group continuously improve the talent recruitment system. In addition to the existing recruitment channels provided by the Group, recruiters also expand new recruitment channels to improve recruitment efficiency and suitability. We have set up the External Referral Rules in order to encourage the exploration of outstanding talents. For some special positions, in addition to using the headhunting channel, the Group has set up a special external talent referral incentives. Besides that, according to our Internal Referral Rules, the Group's employees can make recommendation. The Group updates the required positions on the website, promotes internal and external publicity, encourages internal recommendation from employees, and gives certain incentives for internal recommendation.

In the recruitment process, we adhere to the recruitment principles of openness, equality, competition and basis of merit, focusing on objective factors such as each candidate's experience, professional ability, potential, comprehensive quality, values, and motivation as important indicators for selecting outstanding talents. In the process of recruitment and approval procedures, candidates must first pass identity verification to ensure that all applicants meet and reach the qualifications of legal employment age and pass the review from the Standing Committee of the Group before we initiate the online recruitment approval process. For some candidates to be employed for important positions, the Group will conduct a background investigation after obtaining the consent from the candidates, and consider the approval decision based on the investigation results. If relevant violations such as inaccurate identity or age, or forced labor are found, both parties can immediately terminate their labor contracts to protect their legitimate labor rights and interests. During the Reporting Period, we did not have any case of child labor or forced labor.

The individual performance of employees is linked to the long-term interests of the Group. We need to ensure that all employees have certain promotion opportunities and space at the end of the appraisal period in order to improve their independent work ability, enthusiasm and motivation for their work. Therefore, the Group opens a regular promotion window to employees at the beginning of each year, and provides a comprehensive and sound corporate promotion system to attract and motivate outstanding core talents. For individual employees with excellent performance or those who have made significant contributions to the Group, special annual promotion channels will be provided to avoid employee outflow.

By formulating reasonable strategic objectives, business plans, performance appraisal and performance improvement mechanisms, the Group improves individual employee ability and performance of employees as well as enhance organizational management standard and efficiency. We strive to realize the Group's strategic vision of green healthcare, so that we can continue to grow rapidly in terms of performance coaching management and employee personal development, and to this end, we have a set of fair and strict Performance Appraisal Management System. In addition, all performance appraisals are based on four major principles including 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 beginning of each appraisal period, both parties to the appraisal jointly confirm and set performance goals, and conduct self-summary and evaluation of the results at the end of each appraisal period. Supervisors evaluate employees' daily work and give suggestions for improvement based on their performance so that employees can receive comprehensive and honest feedback. In order to ensure the efficiency of the Group's performance management operation, we provide a performance complaint channel, and employees who have any objections to the performance appraisal results can lodge their complaints in writing.

Four Major Principles of Performance Appraisal

Description	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 between superiors and employees will be held in a timely, effective and standardized manner.
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 provide evaluation information truly and effectively, with evidences based on data and facts.
Dynamic adjustment	Performance appraisal management should remain dynamic and flexible. Performance criteria change with the movements to strategies and development plans of the Group and growth and job duties of management objects. Also, performance appraisal management should be beneficial to the development and growth of employees and the Group.



Environmental, Social and Governance Report (Continued)

Remunerations and Dismissal

The Group's practices on entry salary, salary payment and salary adjustment are all subject to the Group's salary management system, and are strictly implemented in accordance with the relevant internal policies of the Group. In the management of salary, the Group will make appropriate adjustments based on the performance appraisal results of employees in each department within a reasonable budget. The Group prohibits any unfair and unreasonable dismissal. Therefore, the Reward and Punishment System is established to regulate the internal management of the Group. 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.

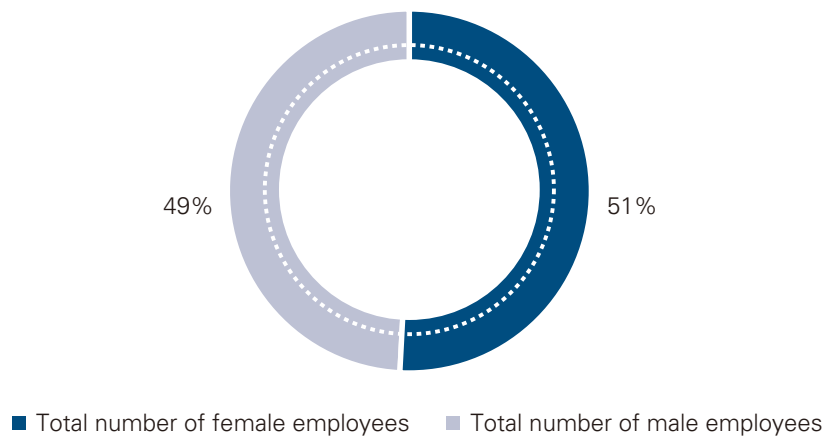
Working Hours and Holidays

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

Equal Opportunity, Diversity and Anti-discrimination

The Group has always spared no effort to protect equal and legitimate rights and interests of employees, and is committed to promoting equal and fair employment and prohibiting any form of discrimination in employment. We do not tolerate direct or indirect discrimination against employees or job applicants due to gender, race, pregnancy, disability, marital status, family status and other factors. We pay great attention to the expectations and needs of employees in all aspects, implement a series of effective regulations and policies from the Group to each business department, and adopt multiple online and offline communication channels, such as WeChat, internal live streaming, one-on-one conversations, and one-to-many meetings, so as to create a harmonious and comfortable workplace environment, respect and treat every employee well, and enhance their sense of belonging to the Group. We are committed to promoting gender equality in the Group. Gender equality is embedded in the corporate culture from the management onwards, and women at all levels are given equal opportunities for development and influence. The numbers of female on the Board of Director is equal to the number of male which is much higher than the global average¹. The CEO and CFO are both women, and female employees account for more than half of the total workforce, reflecting the diversity, fairness and inclusiveness of the Group.

FY2022 Employee Gender Ratio



¹ According to Women on Boards: 2021 Progress Report published by the MSCI, the proportion of female directors in the MSCI ACWI Index constituent companies in 2021 was 22.6%.



Environmental, Social and Governance Report (Continued)

6.2 Employee Care and Benefits

The Group recognizes that employees are an important part of the Group, and diversified treatment and benefits will help retain talents. We have established a comprehensive welfare system to comprehensively care about life and needs of employees. In addition to following the social security policies stipulated by laws, 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 the supplementary medical insurance.

At the same time, the Group provides a number of special benefits to recruit outstanding talents, including 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. We provide vacation benefits to our employees. We provide vacation benefits for employees with performance rated excellent or above, with one chance provided per year for the employees themselves or their families. At the same time, we also offer rental discounts on specific rental platforms for employees who need house renting in Beijing. Other special benefits include nutritious meals, wedding gifts, red packets of filial piety, team building funds, staff club, hair cutting and massage, fitness and stress releasing.

During the Reporting Period, we launched the “Dandelion Project (蒲公英計劃)”, an urban employee care project, to listen to the voices of urban employees and to care for the needs of front-line employees. The “Dandelion Project (蒲公英計劃)” spreads the Group’s “naturalness and kindness” culture to cities across the country like dandelions, allowing employees to bring the culture to each city. During the Reporting Period, this project has successively entered Chengdu, Chongqing, Tianjin, Wuhan, Nanjing, Shanghai and other cities, enhancing the sense of belonging of urban employees. On traditional festivals, we also organize various great activities. Although employees are located in various places, they can still gather in various forms by leveraging cloud-based technology to watch live broadcasts, send blessings, eat crabs, make dumplings and cook glutinous rice balls, especially during the Mid-Autumn Festival and the Spring Festival, during which, all overseas and domestic employees are organized to participate in activities.



"Dandelion Project (蒲公英计划)"



Basketball club activity



Football club activity



Dumplings making activity



1024 Programmers' Day

6.3 Occupational Health and Safety

The Group has always given top priority to the health and safety of its employees, and strictly complies with the Occupational Disease Prevention and Control Law of the PRC, Emergency Response Law of the PRC, the Production Safety Law of the PRC, Management Measures on Contingency Plans for Emergencies and other relevant laws and regulations. The Group is committed to creating a healthy and comfortable working environment for its employees. In addition to providing employees with free annual physical examinations to protect their physical and mental health, we have also formulated an internal employee handbook to clearly define the obligations and responsibilities that each employee shall follow in the safety and health aspects to protect their own safety and remind employees to maintain good mental health at all times. If any abnormal work, life, mood or other problems of employees are found, they shall report to the relevant departments in time. At the same time, we conscientiously implement the relevant law and regulation in PRC in respect of production safety via adhering to the basic principle of “prevention first, responsibility division, unified command”, with the protection of employees’ personal safety as the first goal, while taking into account the Group’s property safety and environmental protection. In the past three years (including the Reporting Period), there were no work casualties.

In order to minimize the occurrence of production safety production accidents, the Group has formulated the Comprehensive Emergency Plan for Office Production Safety Accidents, and established an effective, sound and rapid emergency response mechanism. We should take precautions before accidents occur. The Group’s comprehensive emergency plan combines with specific and feasible emergency response guidelines and policies, provides a clear emergency organizational structure and clarifies basic requirements and procedures such as related emergency responsibilities, emergency actions, so as to minimize the losses caused by various serious and sudden accidents and disasters, including fires, electric shocks, earthquakes, fire emergency rescue, social security incidents and public health and security emergencies.

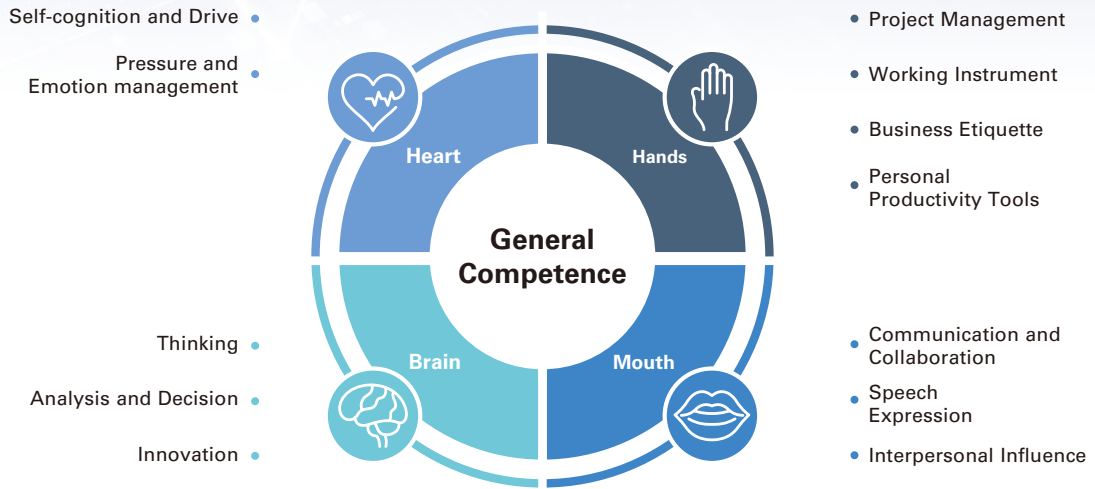
Emergency Evacuation Group	Wounded Rescue Group	Peripheral Control Group	Communication Group
<ul style="list-style-type: none"> Responsible for giving the post-accident and on-site evacuation instructions 	<ul style="list-style-type: none"> Responsible for transporting the wounded to safety zones 	<ul style="list-style-type: none"> Responsible for dividing the warning areas, setting up isolation zones and keeping on-site order 	<ul style="list-style-type: none"> Responsible for providing various materials, equipment and communication equipment for handling emergencies

6.4 Employee Training and Development

The Group has always attached great importance to the development of talents, and recognizes that employees are the key to the long-term development of the Group. We advocate 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, online training and reading. 20% of the outcome is resulted from the interactions with others, through which it can add a new standpoint into the Group, 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.

Based on business needs, the Group insists on providing systematic training for core talents, and comprehensively enhances the comprehensive strength of the talent team in various ways. We proactively promote the individual development plan, aiming for facilitating two-way communication, seeking for and integrating sources as well as offering support for employees' 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. At the same time, we provide the diversified training for our employees through online and offline teaching channels, such as professional competence training, general competence training and orientation. According to the competency requirements of different positions, we organize personalized professional competence enhancement training, which includes big data, special topics of the medical department, clinical trials, etc. During the Reporting Period, 16,500 participants attended the professional competence training. We also provide general competence training to employees, and we promote a combination online fragmented learning and offline face-to-face training to learn and enrich the general competence of knowledge, psychology, skills and eloquence, so as to enhance work efficiency and improve performance. Meanwhile, to help new employees integrate more quickly and deepen their understanding of the Group's culture and business, the Group organizes a two-day training for new employees every month, which covers corporate culture and growth, group systems and policies, system use, business introduction and team building activities, while the training results are linked to regularization and annual performance. Other training programs include Dashixiong Project (大師兄項目), "Energy Station", leadership training and SOP (Standard operation procedure) training.

Environmental, Social and Governance Report (Continued)



General Competence Training System

Training Project	Training Contents
Leap Leadership Development Program	<ul style="list-style-type: none"> • Why do people follow you — business; • Why do people follow you — team; • Problem analysis and resolution
General and Customized Competence Training	<ul style="list-style-type: none"> • Smart Persuasion: Communication and Influence Techniques; • Project Management No. 1; • Effective Communication course; • Employee Safety Knowledge Training course
Energy Station Sharing	<ul style="list-style-type: none"> • Real-World Oncology Treatment Landscape Series Sharing: Ovarian Cancer; • Real-World Study in Healthcare Industry; • iGCP Intelligent Clinical Development
Yidu Orientation	<ul style="list-style-type: none"> • Introduction to the Group’s corporate culture; • Legal compliance system; • Information security awareness; • Intellectual property system
M+ New Manager Integration Training	<ul style="list-style-type: none"> • Icebreaking activities; • Introduction to the corporate value proposition; • Introduction and discussion of BDPS business; • Introduction and discussion of LSS business; • Introduction and discussion of HMPS business
Special Training for Each Business Department	<ul style="list-style-type: none"> • Medical monitoring business sharing; • Internal business sharing; • Sharing of competitive advantages of LSS business in the field of oncology

7. Green Operations

The Group has always attached great importance to the impact of our business on the environment. In addition to strictly complying with the environmental laws and regulations of the locations where we operate, we have also made persistent efforts to encourage employees to implement various environmental protection policies and strive to promote the sustainable development of the corporate environment. The Group strictly abides by the requirements of 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 and other regulations. During the Reporting Period, the Group did not violate any laws and regulations related to emissions of waste gas and greenhouse gas, discharge of pollutants to water and land, generation of hazardous and non-hazardous waste, and significant impact on the environment and natural resources.

The Group is committed to fulfilling its corporate social responsibility and promoting green operations. The Group has set preliminary directional environmental goals during the Reporting Period. As a non-manufacturing enterprise, we review the use of resources in the office area through various managements, educate employees to promote energy conservation and emission reduction, make good use of resources, and maintain or reduce the water consumption density, electricity consumption density, greenhouse gas emission density and waste density of the Group. In the future, we will set a benchmark year and specific environmental goals when appropriate to further promote the sustainable development.

7.1 Promoting Energy Conservation and Emission Reduction

Energy conservation and emission reduction is the common goal of the modern society, and it is also the constant obligation and responsibility of the Group to the environment. We have formulated the Corporate Energy Conservation and Emission Reduction Plan to promote energy conservation and emission reduction in various aspects and achieve the goal of carbon neutrality of the Group. In order to remind employees at all times, we put up energy-saving signs in conspicuous places, and turn off electronic equipment during non-working hours or when not in use. The Group uses the daylight lighting as much as possible, and also divides different areas in offices and sets up independent switches to improve energy-saving effect; uses natural ventilation or electric fans to reduce the use of air conditioners. If we need to turn on the air conditioners, we will set the air conditioner temperature at 26 degrees. We also plant green plants in the office area to build a green environment. The Group will closely monitor the electricity consumption of offices, compare the electricity consumption in the same period, and make improvements. During the Reporting Period, we did not have any fuel consumption from vehicles and stationary emission sources, so we did not have any air pollutant emission data.

Environmental, Social and Governance Report (Continued)

In FY2022, the Group's electricity consumption was 902.01 MWh, and the electricity consumption density was 0.65 MWh per employee and 0.03 MWh per m². The Group is a non-manufacturing enterprise and has no direct source of greenhouse gas production owned and controlled by the Group. According to the Greenhouse Gas Protocol formulated by the World Resources Institute and the World Business Council for Sustainable Development and the ISO 14064-1 formulated by the International Standardization Organization, we conducted a review on the greenhouse gas emissions of the Group. The details are as follows:

Greenhouse Gas Emissions ¹	Unit	FY2022
Direct greenhouse gas emissions (Scope 1) ²	tonne of CO ₂ e	—
Indirect greenhouse gas emissions (Scope 2) ³	tonne of CO ₂ e	553.50
Total greenhouse gas emissions (Scope 1 and 2)	tonne of CO ₂ e	553.50
Greenhouse Gas Emissions Intensity	Unit	FY2022
Per m ²	tonne of CO ₂ e	0.02
Per employee	tonne of CO ₂ e	0.40

7.2 Making Good Use of Water Resources

The Group recognizes that water resources are extremely important resources, and we are committed to enhancing the carrying capacity of the water environment and optimizing the development environment. We have formulated the Corporate Water Saving Plan to improve water efficiency based on the actual situation of the Group. Our offices are supplied with water from the municipal water supply and have no water intake issues. During the Reporting Period, the Group's water consumption was 1,680.55 m³. The water density was 1.22 m³ per employee and 0.06 m³ per m².

We take measures to reduce consumption at the source, install infrared sensors in each water facility, step up inspections on water facilities, and conduct regular water pipe leak tests or water meter reading checks. If there is a leak, we will immediately notify the relevant person to repair the equipment. We also assess the water consumption through the review of water tariffs, and conduct investigations on unreasonable water consumption to prevent waste. We promote water saving education to employees, and put water saving reminder signs on water equipment to create a good water environment and enhance employees' enthusiasm for water saving.

¹ We calculate the Group's greenhouse gas emissions with reference to "How to prepare an ESG Report - Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

² Direct greenhouse gas emissions (Scope 1) include direct greenhouse gas emissions that generated from the sources owned and controlled by the Group.

³ Indirect greenhouse gas emissions (Scope 2) include indirect greenhouse gas emissions that caused by electricity generation, heating and cooling by the Group.

7.3 Building Green Offices

The Group has been advocating waste reduction at source, recycling, energy saving and emission reduction, and promoting the development process of the green office. We have formulated the Corporate Waste Emission Reduction and Management Plan and various targeted measures to manage and improve the daily operation of the office.

We promote the development of office automation. If not necessary, we will use electronic communication instead of paper. We also set printing restrictions to reduce paper waste. In order to reduce the use of disposable items, the office gives priority to using appliances made from recyclable materials or reusable ones, such as environmentally friendly paper materials, rechargeable batteries, etc. We will try our best to use recyclable cartons for necessary transportation and packaging activities, and try to use every packaging space without wasting plastic. Hazardous waste such as disposable batteries and electrical appliances are handed over to recycling companies for disposal. We also set up garbage collection sites in our offices to promote recycling. The administrative office of the Group regularly counts the amount of paper, hazardous materials and non-hazardous waste generated in the office, analyzes and proposes corrective measures for continuous improvement.

During the Reporting Period, the non-hazardous waste production of the Group amounted to 8,995.00 kg.

7.4 Combating Climate Change

The extreme weather caused by climate change has different impacts on each enterprise. As a member of society, we take the responsibility of tackling climate change and examine the risks and opportunities of climate change to the Group. We refer to the recommendations of the Task Force on Climate-related Financial Disclosures to identify the physical and transformation risks that climate change may bring to the Group, as well as their potential risk levels to the Group. We have formulated responses to the various possible impacts.

■ ■ ■ ■ ■
 Environmental, Social and Governance Report (Continued)

Physical Risk	Risk Level	Potential Consequences	Responses
Acute physics	General impact	<ul style="list-style-type: none"> Extreme weather such as typhoon and heavy rain may affect the Group's equipment such as data centers. 	<ul style="list-style-type: none"> The Group has set up a data backup center, and we will also implement electronic documents to reduce the risk of document loss.
Chronic physics	General impact	<ul style="list-style-type: none"> Hot weather will affect the health of employees and increase the Group's electricity demand. 	<ul style="list-style-type: none"> We optimize the heating and air-conditioning system and strengthen communication with employees to ensure their safety.
Transformation Risk	Risk Level	Potential Consequences	Responses
Regulation	General impact	<ul style="list-style-type: none"> Climate change prompts local governments to impose stricter environmental regulations, which may put pressure on the Group's operations. 	<ul style="list-style-type: none"> We pay close attention to the updates of regulations in each place of operation, actively respond and formulate corresponding policies to make adjustments.
Reputation	Moderate impact	<ul style="list-style-type: none"> The Group needs to actively respond to the impact of climate change in order to meet the expectations of industry players and reduce the impact on the Group's reputation. 	<ul style="list-style-type: none"> We actively communicate with industry participants and implement various measures to mitigate climate change, in response to the expectations of all parties.

8. Social Contributions

The Group spares no effort to promote community services, actively undertake corporate social responsibilities, and give back the society. In July 2021, there was a flood caused by extreme rainstorm in Henan province. The Group donated RMB2 million to support the flood control and disaster relief work in Henan. In addition, we paid close attention to the development of the disaster in Henan province, and established a special leading group at the same time. Under the overall guidance of the competent department, we actively deployed products and human resources, and made every effort to provide relevant technical support that might be necessary for disaster relief and post-disaster events.

The Group also donated Hui Min Bao products to those in need, adding health protection to the society and reducing the risk of returning to poverty due to illness. In Jieyang City, China, through the People’s Insurance Company of China, we donated Hui Min Bao products to “the Most Beautiful People” such as national moral models, Chinese Good People and Guangdong Good People in various industries, and high-risk employees who work outdoors for a long time in express companies including Yunda Express, ZTO Express, and Shentong Express.

Adhering to the genes of “naturalness and kindness”, the Group has actively participated in the “Stray Dog Rescue” public welfare project initiated by JD Foundation and Sanlian Lifeweek Magazine, donating RMB200,000 to help “Wen Junhong Relief Station” be included in the public welfare list and obtain 700kg of dog food donations. In addition, the Group internally organized the donation activity for “Wen Junhong Relief Station”, and the senior management and employees actively donated funds and materials.



“Stray Dog Rescue” Public Welfare Project

Environmental, Social and Governance Report (Continued)

Appendix I: Environmental and Social KPIs Summary

Environmental Performance ^{1,2}	Unit	FY2022
Greenhouse Gas Emissions³		
Direct greenhouse gas emissions (Scope 1) ⁴	tonne of CO ₂ e	—
Indirect greenhouse gas emissions (Scope 2) ^{5,6,7}	tonne of CO ₂ e	553.50
Total greenhouse gas emissions (Scope 1 and 2)	tonne of CO ₂ e	553.50
Greenhouse Gas Emissions Intensity		
Greenhouse gas emissions intensity (per m ²)	tonne of CO ₂ e/m ²	0.02
Greenhouse gas emissions intensity (per employee)	tonne of CO ₂ e/employee	0.40
Electricity Consumption		
Purchased electricity consumption	MWh	902.01
Purchased electricity consumption intensity (per m ²)	MWh/m ²	0.03
Purchased electricity consumption intensity (per employee)	MWh/employee	0.65
Water Consumption		
Total water consumption	m ³	1,680.55
Total water consumption intensity (per m ²)	m ³ /m ²	0.06
Total water consumption intensity (per employee)	m ³ /employee	1.22

¹ 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.

² Because the energy and water consumption of some subsidiaries is under the management of the building management unit, no independent consumption figures are made available. Water consumption for some affiliates is calculated based on the percentage of office space.

³ We calculate the Group's greenhouse gas emissions with reference to "How to prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

⁴ Direct greenhouse gas emissions (Scope 1) include direct greenhouse gas emissions that generated from the sources owned and controlled by the Group.

⁵ Indirect greenhouse gas emissions (Scope 2) include indirect greenhouse gas emissions that caused by electricity generation, heating and cooling by the Group.

⁶ The emission factors for Brunei and Singapore are referenced from the International Renewable Energy Agency and the Energy Market Authority, respectively.

⁷ The emission of natural gas in Chongqing is referenced from the Technical Guidelines for Environmental Impact Assessment of Chongqing — Carbon Emission Evaluation (Trial) and the Guidelines for Accounting Methods and Reporting of Corporate Greenhouse Gas Emissions — Power Generation Facilities.

Environmental Performance	Unit	FY2022
Hazardous Waste		
Generation of used toner cartridges/ink boxes	unit	118.00
Used toner cartridges/ink boxes consumption intensity (per employee)	unit/employee	0.09
Generation of used batteries	unit	1,115.00
Used batteries consumption intensity (per employee)	unit/employee	0.81
Non-hazardous Waste		
Generation of non-hazardous waste	kg	8,995.00
Non-hazardous waste intensity (per employee)	kg/employee	6.50
Packaging Material		
Carton consumption	kg	620.50
Carton consumption intensity	kg/box of packaged medicines ¹	0.01
Paper Consumption		
Paper consumption	kg	5,488.47
Paper consumption intensity (per employee)	kg/employee	3.97

¹ The weight density of the carton used in each box of packaged medicines.

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Environmental, Social and Governance Report (Continued)

Social Scope¹	Unit	FY2022
All employees ²	person	1,405
Number of Employees (by Gender)		
Female employees	person	723
Male employees	person	682
Number of Employees (by Age Group)		
Aged below 30	person	438
Aged 30–50	person	962
Aged over 50	person	5
Number of Employees (by Employment Category)		
Full-time entry-level employees	person	1,306
Full-time middle management	person	83
Full-time senior management	person	16
Number of Employees (by Geographical Region)		
Employees in North China	person	875
Employees in Northeast China	person	25
Employees in East China	person	298
Employees in Central China	person	53
Employees in Northwest China	person	9
Employees in South China	person	66
Overseas employees	person	79
Employee Turnover Rate^{3,4} (by Gender)		
Female employees	percentage	34.63
Male employees	percentage	33.20
Employee Turnover Rate^{3,4} (by Age Group)		
Aged below 30	percentage	32.41
Aged 30–50	percentage	34.56
Aged over 50	percentage	44.44

¹ The scope of social data includes the entire group.

² Excluding short-term contract/part-time employees.

³ Calculation method of the employee turnover rate: number of staff turnover of such category ÷ (number of staff turnover of such category + number of staff of such category at the end of the year) × 100%.

⁴ Excluding short-term contract/part-time employees when calculating the employee turnover rate.

Social Scope	Unit	FY2022
Employee Turnover Rate^{1,2} (by Geographical Region)		
Employees in North China	percentage	34.36
Employees in Northeast China	percentage	19.35
Employees in East China	percentage	37.53
Employees in Central China	percentage	22.06
Employees in Northwest China	percentage	30.77
Employees in South China	percentage	40.00
Employees in other regions	percentage	16.84
Percentage of Employees Trained^{3,4} (by Gender)		
Female employees	percentage	51.58
Male employees	percentage	48.42
Percentage of Employees Trained^{3,4} (by Employment Category)		
Full-time entry-level employees	percentage	92.90
Full-time middle management	percentage	5.95
Full-time senior management	percentage	1.15
Average Number of Training Hours Per Employee^{3,5} (by Gender)		
Female employees	hour	18.70
Male employees	hour	11.17
Average Number of Training Hours Per Employee^{3,5} (by Employment Category)		
Full-time entry-level employees	hour	15.00
Full-time middle management	hour	11.10
Full-time senior management	hour	7.80
Occupational Health and Safety – Cases of Work-Related Casualties of Employees		
Work-related fatalities (2019, 2020 and 2021)	person	—
Work-related fatality rate (2019, 2020 and 2021)	percentage	—
Lost days due to work-related injuries	day	—
Anti-Corruption		
Number of concluded cases regarding corrupt practices brought against the Group or employee	case	—

¹ Calculation method of the employee turnover rate: number of staff turnover of such category ÷ (number of staff turnover of such category + number of staff of such category at the end of the year) × 100%.

² Excluding short-term contract/part-time employees when calculating the employee turnover rate.

³ Excluding short-term contract/part-time employees when calculating the employees trained.

⁴ Calculation method of the percentage of employees trained: employees trained of such category ÷ total number of employees trained × 100%.

⁵ Calculation method of the average number of training hours per employee: the number of training hours of employees of such category ÷ the number of employees of such category × 100%.

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

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.	7. Green Operations
	A1.1	The types of emissions and respective emissions data.	7.1 Promoting Energy Conservation and Emission Reduction
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental and Social KPIs Summary
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental and Social KPIs Summary
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental and Social KPIs Summary
	A1.5	Description of emission target(s) set and steps taken to achieve them.	7. Green Operations
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	7. Green Operations

Indicator Content			Respective Section
A. Environmental Area			
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.1 Promoting Energy Conservation and Emission Reduction; 7.2 Making Good Use of Water Resources
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas, oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental and Social KPIs Summary
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental and Social KPIs Summary
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7. Green Operations
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	7. Green Operations
	A2.5	Total packaging material used for finished products (in tonnes) and (if applicable) proportion of per unit produced.	Appendix I: Environmental and Social KPIs Summary
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	7. Green Operations
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7. Green Operations
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.4 Combating Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7.4 Combating Climate Change

Environmental, Social and Governance Report (Continued)

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. Employee Team
	B1.1	Total workforce by gender, employment type (e.g. full-time, part-time), age group and geographical region.	Appendix I: Environmental and Social KPIs Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Environmental and Social KPIs Summary
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 Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: Environmental and Social KPIs Summary
	B2.2	Lost days due to work injury.	Appendix I: Environmental and Social KPIs Summary
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.3 Occupational Health and Safety
B3: Development and Training	General Disclosure	Policy on improving employees' knowledge and skills in performing their duties. Descriptions of training activities.	6.4 Employee Training and Development
	B3.1	The percentage of trained employees by gender and employee category (e.g. senior management, middle management, etc).	Appendix I: Environmental and Social KPIs Summary
	B3.2	The average number of training hours completed by each employee by gender and of the employee category.	Appendix I: Environmental and Social KPIs Summary



Environmental, Social and Governance Report (Continued)

Indicator Content			Respective Section
B. Social Area			
B4: Labor standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of child labor or forced labor.	6. Employee Team
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	6. Employee Team
	B4.2	Description of steps taken to eliminate such practices when discovered.	6. Employee Team
B5: Supply Chain Management	General Disclosure	Policies on managing the environmental and social risks 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 implemented, and how they are implemented and monitored.	5.5 Sustainable Supplier Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.5 Sustainable Supplier Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.5 Sustainable Supplier Management

Environmental, Social and Governance Report (Continued)

Indicator Content		Respective Section	
B. Social Area			
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.2 Strict Quality Control; 5.2 Integrity and Compliance in Operation; 5.3 Safeguarding Information Security and Privacy
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group did not record any product subject to recalls for safety and health reasons during the Reporting Period
	B6.2	Number of products and service-related complaints received and how they are dealt with.	4.2 Strict 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 Strict Quality Control
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Safeguarding 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: Environmental and Social KPIs Summary
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5.2 Integrity and Compliance in Operation
	B7.3	Description of anti-corruption training provided to directors and staff.	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.	8. Social Contributions
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sports).	8. Social Contributions
	B8.2	Resources contributed (e.g. money, time) to the focus areas.	8. Social Contributions

OTHER INFORMATION

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

As at 31 March 2022, 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⁾	416,650,675(L) ⁽³⁾	42.21%
Yan Jun	Beneficial owner/Interest of spouse	Company	3,072,540(L) ⁽⁴⁾	0.31%
Yang Jing	Beneficial owner	Company	8,047,640(L) ⁽⁵⁾	0.82%
Zhang Shi	Beneficial owner/Interest of spouse	Company	15,590,205(L) ⁽⁶⁾	1.58%
Zeng Ming	Interest in controlled corporation	Perfect Sword Limited ⁽⁷⁾	2,163,845(L) ⁽⁶⁾	0.22%

Notes:

- (1) The calculation is based on the total number of 987,141,040 Shares in issue as at 31 March 2022.
- (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, 321,750 shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme, and 107,250 award shares granted to him under the Post-IPO Award Scheme. 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, 333,000 shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme, and 111,000 award shares granted to him under the Post-IPO Share Award Scheme, Ms. Liu Ning, spouse of Mr. Yan Jun, purchased 127,900 shares in total. Mr. Yan Jun is deemed to be interested in the shares held by Ms. Liu Ning.

- (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, 3,750 shares pursuant to the exercise of options granted to her under the Post-IPO Share Option Scheme, 1,250 award shares granted to her under the Post-IPO Share Award Scheme, and 42,000 shares purchased by her.
- (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, 627,750 shares pursuant to the exercise of options granted to her under the Post-IPO Share Option Scheme, 209,250 award shares granted to her under the Post-IPO Share Award Scheme, and 65,000 Shares purchased by her. Mr. Zhao Sheng, spouse of Ms. Zhang Shi, purchased 64,000 shares. Ms. Zhang Shi is deemed to be interested in the shares held by Mr. Zhao Sheng.
- (7) Perfect Sword Limited is controlled by Mr. Zeng Ming and his spouse, Ms. Tan Qing.
- (8) Represents Mr. Zeng Ming, through Perfect Sword Limited, is entitled to receive up to 750,000 shares pursuant to the exercise of options granted to it under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of these options, and 1,413,845 shares exercised under the Pre-IPO Share Option Plans. Mr. Zeng Ming is deemed to be interested in these shares.
- (9) The letter (L) denotes a long position in the Shares.

Save as disclosed above, as at 31 March 2022, 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 2022, so far as our Directors are aware, the following persons (other than the Directors and chief executives whose interests have been disclosed in this annual report) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate % of interest ⁽¹⁾
Sweet Panda Limited ⁽²⁾	Beneficial interest	398,888,890	40.41%
Ms. Gong Yingying ⁽²⁾	Interest in a controlled corporation/Interest of spouse	416,650,675	42.21%
Mr. Xu Jiming ⁽²⁾	Beneficial interest/Interest of spouse	416,650,675	42.21%
Sunshine Longevity Limited ⁽³⁾	Beneficial interest	96,068,715	9.73%
Sunshine Life Insurance Corporation Limited ⁽³⁾	Interest in a controlled corporation	96,068,715	9.73%

Other Information (Continued)

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate % of interest ⁽¹⁾
Sunshine Insurance Group Inc., Ltd. ⁽³⁾	Interest in a controlled corporation	96,068,715	9.73%
MSA China Fund I L.P. ⁽⁴⁾	Beneficial interest	33,625,730	3.41%
Magic Stone Alternative Private Equity Fund GP, Ltd. ⁽⁴⁾	Interest in a controlled corporation	33,625,730	3.41%
Magic Stone Hong Tao Alternative Fund, L.P. ⁽⁴⁾	Beneficial interest	17,529,995	1.78%
Magic Stone Hong Tao Family Offices GP ⁽⁴⁾	Interest in a controlled corporation	17,529,995	1.78%
MSA Management Holdings Pte. Ltd. ⁽⁴⁾	Interest in a controlled corporation	51,155,725	5.18%
Ms. Zeng Yu ⁽⁴⁾	Interest in a controlled corporation	51,155,725	5.18%

Notes:

- (1) The calculation is based on the total number of 987,141,040 Shares in issue as at 31 March 2022.
- (2) Sweet Panda Limited is wholly-owned by Ms. Gong. Ms. Gong's spouse, Mr. Xu Jiming, is entitled to receive up to 17,332,785 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of those options, 321,750 shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme, and 107,250 award shares granted to him under the Post-IPO Award Scheme. Ms. Gong is deemed to be interested in these Shares.
- (3) Sunshine Longevity Limited is wholly-owned by Sunshine Life Insurance Corporation Limited, which is a non-wholly owned subsidiary of Sunshine Insurance Group Inc., Ltd.. Under the SFO, each of Sunshine Life Insurance Corporation Limited and Sunshine Insurance Group Inc., Ltd. is deemed to be interested in the Shares held by Sunshine Longevity Limited.
- (4) 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 2022, 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 2022, 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 payable by the grantees for the grant of options under the Pre-IPO Share Option Plans. As of 31 March 2022, under the Pre-IPO Share Option Plans, 51,874,030 options have been exercised, 96,160 options have been cancelled and 6,399,768 options have been lapsed.

The aggregate number of Shares underlying the outstanding options as at 31 March 2022 were 92,065,212 Shares, represents approximately 9.33% of the issued Shares.

Each of the Pre-IPO Share Option Plans commenced on March 16, 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.

Other Information (Continued)

Details of the outstanding options granted under the Pre-IPO ESOP I during the fiscal year ended 31 March 2022 are as follows:

Name	Role	Date of Grant	Vesting Period ⁽¹⁾	Exercise Price (US\$)	Outstanding as of 1 April 2021	Exercised during the fiscal year ended 31 March 2022	Lapsed during the fiscal year ended 31 March 2022	Cancelled during the period year ended 31 March 2022	Outstanding as of 31 March 2022
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	—	—	—	10,000,000
Xu Jiming	Senior Vice President	24 August 2016 1 December 2020	4 years 0 year	0.018 0.018	15,000,000 50,000	— —	— —	— —	15,000,000 50,000
External consultant, grantee who has been granted options to subscribe for five million Share or more, and the remaining grantees									
Lv Dongchen ⁽²⁾	Finance Vice President	24 August 2016 1 December 2020	4 years 4 years	0.0028 0.018	15,000,000 1,489,735	15,000,000 —	— —	— —	— 1,489,735
Other 21 grantees	N/A	9 December 2014 to 1 December 2020	2–4 years	0.018–0.0028	26,793,600	21,694,350	3,000,000	—	2,099,250
Total	24 grantees				68,333,335	36,694,350	3,000,000	—	28,638,985

Notes:

- (1) The exercise period of the options granted under Pre-IPO ESOP I shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Pre-IPO ESOP I and the share option award agreement signed by the grantee.
- (2) 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 fiscal year ended 31 March 2022 are as follows:

Name	Role	Date of Grant	Vesting Period ⁽¹⁾	Exercise Price (US\$)	Outstanding as of 1 April 2021	Exercised during the year ended 31 March 2022	Lapsed during the year ended 31 March 2022	Cancelled during year ended 31 March 2022	Outstanding as of 31 March 2022
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	—	—	—	750,000
		30 November 2018	4 years	0.018	750,000	—	—	—	750,000
	30 December 2019	4 years	0.018	416,745	—	—	—	416,745	
	1 December 2020	4 years	0.018	583,255	—	—	—	583,255	
	11 December 2020	1 year	0.018	640	—	—	—	640	
Yang Jing	Executive Director, President, Chief Financial Officer	16 October 2017	4 years	0.018	8,000,000	—	—	—	8,000,000
		11 December 2020	1 year	0.018	640	—	—	—	640
Zhang Shi	Executive Director, Senior Vice President, Head of Government Affairs	17 July 2017	4 years	0.018	1,140,000	—	—	—	1,140,000
		12 October 2017	4 years	0.018	2,500,000	—	—	—	2,500,000
		31 December 2018	2 years	0.018	267,285	—	—	—	267,285
		23 May 2019	1 year	0.018	166,000	—	—	—	166,000
		30 December 2019	4 years	0.018	550,280	—	—	—	550,280
11 December 2020	1 year	0.018	640	—	—	—	640		
He Zhi	Chief Innovation Officer	24 August 2016	4 years	0.018	15,000,000	210,000	—	—	14,790,000
		30 December 2019	4 years	0.018	192,855	—	—	—	192,855
		11 December 2020	1 year	0.018	640	—	—	—	640
Xu Jiming	Senior Vice President	30 December 2019	4 years	0.018	2,282,145	—	—	—	2,282,145
		11 December 2020	1 year	0.018	640	—	—	—	640

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Other Information (Continued)

Name	Role	Date of Grant	Vesting Period ⁽¹⁾	Exercise Price (US\$)	Outstanding as of 1 April 2021	Exercised during the year ended 31 March 2022	Lapsed during the year ended 31 March 2022	Cancelled during year ended 31 March 2022	Outstanding as of 31 March 2022
Connected persons of the Company									
Mr. San Zhiyuan	N/A	12 May 2015	4 years	0.018	825,235	266,400	—	—	558,835
		29 April 2016	4 years	0.018	500,000	—	—	—	500,000
		29 April 2016	4 years	0.018	500,000	—	—	—	500,000
		11 December 2020	1 year	0.018	640	—	—	—	640
Mr. Guo Xiaoyu	N/A	29 April 2016	4 years	0.018	63,000	26,600	—	—	36,400
		24 January 2017	4 years	0.018	75,000	—	—	—	75,000
		26 May 2018	4 years	0.018	5,000	—	—	—	5,000
		1 July 2018	4 years	0.018	20,000	—	—	—	20,000
		1 January 2019	4 years	0.018	20,000	—	—	—	20,000
		1 December 2020	4 years	0.018	30,000	—	—	—	30,000
		11 December 2020	1 year	0.018	640	—	—	—	640
Mr. Hao Yiming	N/A	4 May 2018	4 years	0.018	200,000	106,600	—	—	93,400
		30 November 2018	4 years	0.018	300,000	—	—	—	300,000
		30 December 2019	4 years	0.018	154,900	—	—	—	154,900
		1 December 2020	4 years	0.018	300,000	—	—	—	300,000
		11 December 2020	1 year	0.018	440	—	—	—	440
Mr. Chua Mingjie	N/A	24 June 2019	4 years	0.018	400,000	200,000	—	—	20,000
		30 December 2019	4 years	0.018	500,000	16,400	—	—	483,600
		24 June 2019	4 years	0.018	100,000	50,000	—	—	50,000
		11 December 2020	1 year	0.018	440	—	—	—	440

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Other Information (Continued)

Name	Role	Date of Grant	Vesting Period ⁽¹⁾	Exercise Price (US\$)	Outstanding as of 1 April 2021	Exercised	Lapsed	Cancelled	Outstanding as of 31 March 2022
						during the year ended 31 March 2022	during the year ended 31 March 2022	during year ended 31 March 2022	
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	1,250,000	—	—	—
Wang Yongxiong	External consultant	1 October 2017	5 years	0.018	1,152,875	—	—	—	1,152,875
Zhang Xiaoming	External expert	1 December 2017	2 years	0.018	25,000	—	—	—	25,000
Wang Yufeng	External consultant	15 June 2018	2 years	0.018	12,500	—	—	—	12,500
Wei Bo	External consultant	1 September 2018	2 years	0.018	25,000	—	—	—	25,000
Tan Xiaosheng	External consultant	22 May 2020	4 years	0.018	250,000	—	—	—	250,000
Perfect Sword Limited	External consultant	2 June 2020	4 year	0.018	1,000,000	250,000	—	—	750,000
		5 June 2020	0 year	1.71844	1,163,845	1,163,845	—	—	—
Liu Yuqi	External consultant	1 April 2020	4 year	0.018	44,640	—	—	—	44,640
		15 April 2020	0 year	2.56	279,020	—	—	—	279,020
Zhuo Yunlong	External consultant	1 July 2020	1 year	0.018	134,000	—	—	—	134,000
Radek	External consultant	1 January 2020	4 years	0.018	27,970	—	—	—	27,970
		1 January 2021	4 years	0.018	18,220	—	—	—	18,220
Zhang Ya-Qin	External consultant	10 July 2020	0 year	1.71844	581,925	581,925	—	—	—
Wang Xiuzhen	External consultant	10 October 2020	0 year	1.702	550,000	—	—	—	550,000
Wei Xiujian	External consultant	10 October 2020	0 year	1.702	950,000	—	—	—	950,000
Wang He	External consultant	1 December 2020	0 year	0.018	18,500	—	—	—	18,500
Hao Tianyong	External consultant	7 March 2018	4 years	0.018	5,000	5,000	—	—	—
		2 September 2020	Until 30 December 2021	0.018	5,000	1,000	—	—	4,000
Tang Buzhou	External consultant	2 April 2018	2 years	0.018	5,000	—	—	—	5,000
Jiang Huimin	External consultant	1 October 2020	4 years	0.018	15,000	—	—	—	15,000
		1 November 2020	4 years	0.018	5,000	—	—	—	5,000
		11 December 2020	1 year	0.018	440	—	—	—	440
Wang Jingyuan	External consultant	2 November 2020	2 years	0.018	10,000	—	—	—	10,000

Other Information (Continued)

Name	Role	Date of Grant	Vesting Period ⁽¹⁾	Exercise Price (US\$)	Outstanding	Exercised	Lapsed	Cancelled	Outstanding
					as of 1 April 2021	during the year ended 31 March 2022	during the year ended 31 March 2022	during year ended 31 March 2022	as of 31 March 2022
Lv Dongchen ⁽²⁾	Finance Vice President	1 August 2017	4 years	0.018	2,500	2,500	—	—	—
		26 March 2018	4 years	0.018	2,500	2,500	—	—	—
		1 July 2020	1 year	0.018	10,000	—	—	—	10,000
		11 December 2020	1 year	0.018	640	640	—	—	—
		1 December 2020	4 years	0.018	41,915	—	—	—	41,915
Cyberland Investment Limited ⁽³⁾	External grantee	21 August 2019	0 year	0.018	614,765	—	—	—	614,765
Other 1,144 grantees	N/A	1 October 2020 to 1 December 2020	2–4 years	0.018–0.0028	36,775,605	11,046,270	2,872,773	94,240	22,761,322
Total	1,173 grantees				81,572,920	15,179,680	2,872,773	94,240	63,426,227

Notes:

- (1) The exercise period of the options granted under Pre-IPO ESOP II shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Pre-IPO ESOP II and the share option award agreement signed by the grantee.
- (2) 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.

During the Reporting Period, 11,167,205 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 eight years.

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

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

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme 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.

Other Information (Continued)

Details of the outstanding options granted under the Post-IPO Share Option Scheme during the Reporting Period are as follows:

Name	Role	Date of Grant	Vesting Period ⁽¹⁾	Exercise Price (HK\$)	Outstanding	Granted	Exercised	Lapsed	Cancelled	Outstanding
					as at 1 April 2021	during the year ended 31 March 2022	during the year ended 31 March 2022	during the year ended 31 March 2022	during the year ended 31 March 2022	as at 31 March 2022
Directors and members of the senior management of the Company										
Zhang Shi	Executive Director, Senior Vice President, Head of Government Affairs	29 July 2021	4 years	34.52	—	627,750	—	—	—	627,750
Yan Jun	Executive Director, Chief Technology Officer	29 July 2021	4 years	34.52	—	333,000	—	—	—	333,000
Yang Jing	Executive Director, President, Chief Financial Officer	29 July 2021	4 years	34.52	—	3,750	—	—	—	3,750
He Zhi	Chief Innovation Officer	29 July 2021	4 years	34.52	—	227,250	—	—	—	227,250
Xu Jiming	Senior Vice President	29 July 2021	4 years	34.52	—	321,750	—	—	—	321,750
Connected persons of the Company										
Ming Jie Chua	N/A	29 July 2021	4 years	34.52	—	485,250	—	—	—	485,250
Hao Yiming	N/A	29 July 2021	4 years	34.52	—	199,500	—	—	—	199,500
Guo Xiaoyu	N/A	29 July 2021	4 years	34.52	—	54,700	—	—	—	54,700
External consultant										
Jiang Huimin	External consultant	29 July 2021	4 years	34.52	—	10,900	—	—	—	10,900
Other 174 grantees	N/A	29 July 2021	2-4 years	34.52	—	2,578,600	—	579,800	6,500	1,992,300
Total	183 grantees				—	4,842,450	—	579,800	6,500	4,256,150

Notes:

- (1) The exercise period of the options granted under the Post-IPO Share Option Scheme 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 Post-IPO Share Option Scheme signed by the grantee.
- (2) There were no grantees who were granted options in excess of the individual limit, employees working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance, or suppliers of goods or services.
- (3) The closing price of the Shares immediately before the date on which the options were granted was HK\$32.5.

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.



Other Information (Continued)

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 31 March 2022, 4,842,450 options have been granted to the Company's employees, 6,500 options have been cancelled and 579,800 options have been lapsed under the Post-IPO share Option Scheme. The total number of Shares available for grant under the Post-IPO Share Option Scheme was 85,920,051 Shares, representing 8.7% of the issued share capital of the Company as at the date of this annual report.

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

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

Material litigation

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

Use of proceeds from the Global Offering

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

Set out below is the status of use of proceeds from the global offering as at 31 March 2022 and 2021.

Purpose	% of use of proceeds	Net proceeds (RMB million)	Unutilised amount as at 31 March 2021 (RMB million)	Amount used for the fiscal year ended 31 March 2022 (RMB million)	Unutilised amount as at 31 March 2022 (RMB million)	Expected time of full utilisation
Strengthen our core capabilities	35%	1,339	1,339	—	1,339	31 March 2025
Further our business expansion	35%	1,339	1,339	—	1,339	31 March 2025
Further enrich our ecosystem through strategic partnerships, investments and acquisitions	20%	765	765	—	765	31 March 2024
Working capital and general corporate purposes	10%	382	382	—	382	31 March 2025

The above Net Proceeds were translated with spot rates on the Listing Date, while the cash and cash equivalents, term deposits, restricted bank balance and deposits as of 31 March 2022 were translated with spot rates on its balance sheet date.

As disclosed on page 383 of the Prospectus, based on the current business plan, the Company intended to implement the use of proceeds from the global offering in the next three fiscal years. In light of the change of the dynamic macro-economic environment in recent years and the impact of COVID-19 which started in 2020 and re-emerged on a large scale in China in 2022, the Board currently expects full utilisation of the Net Proceeds by 31 March 2025.



CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the fiscal year ended 31 March 2022.

Corporate Governance Practices

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

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules and complied with the applicable code provisions during the Reporting Period, save for deviations from code provisions C.2.1 and F.1.1 as disclosed in this report.

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 CG 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 eight Directors, consisting of four executive Directors, one non-executive Director and three independent non-executive Directors. The members of the Board of the Company during the Reporting Period are listed as follows:

Executive Directors

Ms. Gong Yingying (*Chairlady and Chief Executive Officer*)

Ms. Yang Jing

Dr. Yan Jun

Ms. Zhang Shi

Non-executive Director

Mr. Zeng Ming (*appointed on 25 June 2021*)

Ms. Gao Yongmei (*resigned on 26 September 2021*)

Independent Non-executive Directors

Dr. Ma Wei-Ying

Ms. Pan Rongrong

Prof. Zhang Linqi

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

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

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

Chairperson and Chief Executive Officer

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



Corporate Governance Report (Continued)

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) any 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 eight Directors, which the Board believes there is sufficient check and balance on the Board; (ii) Ms. Gong Yingying and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require them to, among other things, 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 Yingying 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 Reporting Period, the Board at all times met the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

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

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.

Accordingly, Ms. Gong Yingying, Ms. Yang Jing, Ms. Zhang Shi (all are the 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 CG Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the Company, the Directors update the Board regarding offices held in public companies and organisations, and other significant commitments once every half year.

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



Corporate Governance Report (Continued)

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

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

Continuous Professional Development of Directors

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

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

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

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

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

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

Notes

(1) Mr. Zeng Ming was appointed as a non-executive director with effect from 25 June 2021.

(2) Ms. Gao Yong Mei resigned as a non-executive director with effect from 26 September 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 CG Code where applicable. The terms of reference of the audit committee, the remuneration committee and the nomination committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.



Corporate Governance Report (Continued)

Audit Committee

As at the 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 CG 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, together with the management, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 March 2022. The audit committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

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

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

Remuneration Committee

As at the 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 Yingying. Dr. Ma Wei-Ying is the chairperson of the remuneration committee.

The terms of reference of the remuneration committee are of no less exacting terms than those set out in the CG 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 Reporting Period, 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 2023 were discussed.

Pursuant to paragraph E.1.5 of the CG 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
RMB2,000,000 to RMB3,000,000	2
RMB4,000,000 to RMB5,000,000	1
RMB8,000,000–RMB9,000,000	1
RMB10,000,000–RMB13,000,000	2
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 Yingying and two independent non-executive Directors, namely Dr. Ma Wei-Ying and Prof. Zhang Linqi. Ms. Gong Yingying is the chairperson of the nomination committee.

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

During the Reporting Period, the nomination committee held 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).



Corporate Governance Report (Continued)

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

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 of the Board of the Group. The policy is adopted by the Board and administered by the nomination committee.

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

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

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

Corporate Governance Functions

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

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

Board Meetings and Directors' Attendance Records

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

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

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

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

Note:

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

(2) Ms. Gao Yongmei resigned as a non-executive Director with effect from 26 September 2021.



Corporate Governance Report (Continued)

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 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, 2022, 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 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.



Corporate Governance Report (Continued)

Dividend Policy

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

Model Code for Securities Transactions

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

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

Directors' Responsibility in Respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2022.

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	3,900
Non-audit services	—
Total	3,900

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 over 10 years of professional experience in company secretarial field. Ms. Li is an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries). Ms. Li has assisted on the company secretarial matters of the Company and has closely communicated with Ms. 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.



Corporate Governance Report (Continued)

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
PRC
(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 Reporting Period, no 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 144 to 251, which comprise:

- the consolidated balance sheet as at 31 March 2022;
- 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 2022, 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.

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

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
<p><i>Revenue recognition for bundled contracts in big data platform and solutions segment</i></p> <p>Refer to notes 2.23, 4(c) and 5 to the consolidated financial statements.</p> <p>During the year ended 31 March 2022, the Group recognised revenue of RMB444.9 million for big data platform and solutions segment, for which a significant portion is related to bundled contracts.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> • 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.

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



Independent Auditor's Report (Continued)

Key Audit Matter

Expected credit losses assessment of trade receivables and contract assets

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

As at 31 March 2022, the gross amount of the Group's trade receivables and contract assets amounted to RMB767.2 million. Management recognised provision for loss allowance of approximately RMB95.2 million on these trade receivables and contract assets as at 31 March 2022 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.

How our audit addressed the Key Audit Matter

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

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

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

Other Information

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

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

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

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

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

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

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

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

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

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



Independent Auditor's Report (Continued)

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

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

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

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



Independent Auditor's Report (Continued)

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

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong,

24 June 2022



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 March	
		2022 RMB'000	2021 RMB'000
Revenue from contracts with customers	5	1,237,200	867,036
Cost of sales and services	5, 8	(837,755)	(539,700)
Gross profit		399,445	327,336
Selling and marketing expenses	8	(413,934)	(239,014)
Administrative expenses	8	(337,032)	(309,933)
Research and development expenses	8	(368,659)	(221,855)
Net impairment losses on financial assets and contract assets	3.1(b)(iii)	(48,798)	(15,578)
Impairment of non-financial assets	10	(12,938)	—
Other income	6	38,659	30,134
Other losses — net	7	(24,141)	(24,376)
Operating loss		(767,398)	(453,286)
Finance income		4,972	601
Finance costs		(4,213)	(3,293)
Finance income/(costs) — net	11	759	(2,692)
Share of loss from investments in associates	13	(207)	(1,843)
Fair value changes of convertible redeemable preferred shares	29	—	(3,245,785)
Fair value changes of convertible notes		—	(24,192)
Fair value changes of warrants		—	34,398
Loss before income tax		(766,846)	(3,693,400)
Income tax credit/(expense)	14	486	(1,417)
Loss for the year		(766,360)	(3,694,817)
Loss is attributable to:			
Owners of the Company		(762,318)	(3,700,287)
Non-controlling interests		(4,042)	5,470
		(766,360)	(3,694,817)

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Consolidated Statement of Comprehensive Income (Continued)

	Note	Year ended 31 March	
		2022 RMB'000	2021 RMB'000
Other comprehensive (loss)/income			
<i>Item that will not be reclassified to profit or loss:</i>			
Currency translation differences		(203,439)	470,537
Fair value changes of convertible redeemable preferred shares due to own credit risk		—	(6,762)
<i>Item that will be reclassified to profit or loss:</i>			
Currency translation differences		61,632	102,481
Other comprehensive (loss)/income for the year, net of tax		(141,807)	566,256
Total comprehensive loss for the year		(908,167)	(3,128,561)
Total comprehensive loss for the year is attributable to:			
Owners of the Company		(903,215)	(3,132,948)
Non-controlling interests		(4,952)	4,387
		(908,167)	(3,128,561)
Loss per share, basic and diluted (RMB)	15	(0.80)	(7.24)

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



CONSOLIDATED BALANCE SHEET

	Note	As at 31 March	
		2022 RMB'000	2021 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	16	59,344	28,215
Right-of-use assets	17	43,381	21,359
Intangible assets	18	35,249	39,198
Deferred income tax assets	33	1,238	752
Investments accounted for using the equity method	13	9,915	5,217
Financial assets at fair value through profit or loss	19, 23	16,461	—
Restricted bank balance and deposits	19, 24	5,024	5,008
Total non-current assets		170,612	99,749
Current assets			
Inventories	22	5,736	31,761
Contract assets	5	158,749	51,440
Trade receivables	19, 21	513,244	365,641
Other financial assets at amortised cost	19, 20	70,656	27,043
Financial assets at fair value through profit or loss	19, 23	36,927	20,945
Pledged bank deposits	19, 24	—	1,268
Term deposits	19, 24	318,595	3,860,723
Cash and cash equivalents	19, 24	3,408,505	739,846
Other current assets	25	39,786	51,478
Total current assets		4,552,198	5,150,145
Total assets		4,722,810	5,249,894
Equity			
Equity attributable to owners of the Company			
Share capital	26	124	116
Treasury shares		(1)	(1)
Other reserves	27	12,227,727	12,205,187
Accumulated deficits	28	(8,238,050)	(7,475,732)
		3,989,800	4,729,570
Non-controlling interests		17,666	22,618
Total equity		4,007,466	4,752,188

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Consolidated Balance Sheet (Continued)

	Note	As at 31 March	
		2022 RMB'000	2021 RMB'000
Liabilities			
Non-current liabilities			
Lease liabilities	17, 19	25,987	6,909
Deferred income	32	77,774	76,213
Total non-current liabilities		103,761	83,122
Current liabilities			
Trade and other payables	19, 31	329,506	176,616
Deferred income	32	10,500	10,628
Salary and welfare payable		205,656	184,451
Contract liabilities	5	33,256	21,179
Current income tax liabilities		245	2,189
Lease liabilities	17, 19	26,178	19,521
Provisions		6,242	—
Total current liabilities		611,583	414,584
Total liabilities		715,344	497,706
Total equity and total liabilities		4,722,810	5,249,894

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

The financial statements on pages 144 to 251 were approved by the Board of Directors on 24 June 2022 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					Non-controlling interests	Total equity
		Share capital	Treasury shares	Other reserves	Accumulated deficits	Sub-total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance at 1 April 2021		116	(1)	12,205,187	(7,475,732)	4,729,570	22,618	4,752,188
Comprehensive loss								
Loss for the year		—	—	—	(762,318)	(762,318)	(4,042)	(766,360)
Currency translation differences		—	—	(140,897)	—	(140,897)	(910)	(141,807)
Total comprehensive loss for the year		—	—	(140,897)	(762,318)	(903,215)	(4,952)	(908,167)
Transactions with owners in their capacity as owners:								
Share-based compensation	30	—	—	178,227	—	178,227	—	178,227
Termination of share options issued to third party individuals	30(d)	—	—	(16,952)	—	(16,952)	—	(16,952)
Issuance of ordinary shares	26	1	—	(1)	—	—	—	—
Exercise of option and vest of Share Award Scheme	26	7	—	2,163	—	2,170	—	2,170
Total transactions with owners in their capacity as owners		8	—	163,437	—	163,445	—	163,445
Balance at 31 March 2022		124	(1)	12,227,727	(8,238,050)	3,989,800	17,666	4,007,466
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	29	—	—	(6,762)	—	(6,762)	—	(6,762)
Currency translation differences		—	—	574,101	—	574,101	(1,083)	573,018
Total comprehensive 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	29	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	30	—	—	129,277	—	129,277	—	129,277
Purchasing of the Company's options by third parties	30(d)	—	—	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

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

CONSOLIDATED STATEMENT OF CASH FLOWS



	Note	Year ended 31 March	
		2022 RMB'000	2021 RMB'000
Cash flows from operating activities			
Cash used in operations	34(a)	(613,491)	(328,986)
Interest received	11	4,972	601
Interest paid	11	(4,213)	(3,293)
Income tax paid		(1,944)	—
Net cash used in operating activities		(614,676)	(331,678)
Cash flows from investing activities			
Payments for investments in unlisted equity securities and venture capital fund	23	(14,556)	—
Proceeds from the redemption of wealth management products	23	10,435,870	—
Placement of term deposits and restricted bank balance and deposits		(318,595)	(3,865,723)
Withdrawals of term deposits and restricted bank balance and deposits		3,800,336	5,000
Payments for property, plant and equipment		(57,468)	(14,289)
Payments for acquisition of intangible assets		(11,331)	(4,759)
Payments for investments in wealth management products	23	(10,444,669)	—
Payments for investments in associates	13	(4,905)	—
Proceeds from disposal of investments in associates		—	5,100
Interest on term deposits and restricted bank balance and deposits received		1,817	483
Net cash generated from/(used in) investing activities		3,386,499	(3,874,188)



Consolidated Statement of Cash Flows (Continued)

	Note	Year ended 31 March	
		2022 RMB'000	2021 RMB'000
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares relating to the initial public offering		—	3,809,572
Proceeds from exercise of option		2,170	—
Payments for listing expenses		—	(31,492)
Proceeds from issuance of convertible redeemable preferred shares	29	—	282,397
Proceeds from issuance of share options	30(d)	—	42,927
Payments for termination of share options issued to third party individuals	30(d)	(16,952)	—
Repurchase of own equity interest	30(c)	(4,612)	(5,245)
Principal elements of lease payments	17(b)	(15,836)	(14,412)
Capital injection from non-controlling interests		—	174,955
Net cash (used in)/generated from financing activities		(35,230)	4,258,702
Net increase in cash and cash equivalents		2,736,593	52,836
Cash and cash equivalents at beginning of the year		739,846	719,721
Exchange effect on cash and cash equivalents		(67,934)	(32,711)
Cash and cash equivalents at end of the year		3,408,505	739,846

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 General information

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

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

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

On 15 January 2021, the Company’s shares were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Company 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 26). All convertible redeemable preferred shares were converted into ordinary shares upon the completion of initial public offering (“IPO”) on 15 January 2021 (note 29).

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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(i) Contractual arrangements (Continued)

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 2021:

- Amendments to IAS 37 — Onerous contract — Cost of Fulfilling a Contract
- Amendments to IAS 16 — Property, plant and equipment: Proceeds before Intended Use
- Amendments to IFRS 3 — Reference to the Conceptual Framework
- Annual improvements to IFRS standards 2018–2020

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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(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
IFRS 17 — Insurance Contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 — Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 — Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 — Deferred Tax related to Assets and Liabilities from a Single Transaction	1 January 2023
Amendments to IAS 1 — Classification of Liabilities as Current or Non-current	1 January 2024

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

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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

(iv) Changes in ownership interests

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

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

If the ownership interest in 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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.6 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment (Continued)

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

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

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

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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.8 Intangible assets (Continued)

(iv) Amortization methods and periods

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

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

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

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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.10 Investments and other financial assets (Continued)

(iii) Measurement (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 21 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 21 for further information about the Group's accounting for trade receivables and note 3.1 for a description of the Group's impairment policies.

2.14 Cash and cash equivalents

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



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.15 Term deposits, restricted bank balance and deposits

Term deposits represent short-term bank deposits with original maturities over three months. Restricted bank balance and deposits with initial terms over three months are deposited in an escrow account with bank for certain limited purposes. The term deposits and restricted bank balance and deposits are unsecured and carry fixed interest per annum for the years ended 31 March 2022 and 2021.

2.16 Shares capital

Ordinary shares are classified as equity (note 26).

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 Summary of significant accounting policies (Continued)

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 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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.19 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.

2.20 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)

2.20 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.

2.21 Share-based compensation

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

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

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

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



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.21 Share-based compensation (Continued)

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

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

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

2.22 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)

2.23 Revenue recognition

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

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

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

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

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

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

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

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



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.23 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)

2.23 Revenue recognition (Continued)

(a) Big data platform and solutions (Continued)

(i) Provision of bundled contracts (Continued)

The Group also provides big data platform solution packages which consist of multiple applications and solutions to their customers. The multiple applications and solutions are regarded as a separate performance obligation. The transaction price is allocated to each application and solution included in the package based on their relative stand-alone selling prices. If the stand-alone selling price is not directly observable, the directors of the Company estimate the stand-alone selling price of each of the performance obligations based on the expected cost of satisfying each of the performance obligations (i.e. direct cost and staff costs incurred) plus an estimated reasonable margin for each of the performance obligations.

The revenue is recognised upon the individual performance obligation is rendered to customers.

(ii) Sales of stand-alone items: hardware, software or other service contract

The Group also provides hardware, software application or other solutions services separately. Revenue is recognised at a point in time when the stand-alone hardware, software application or other solutions service are delivered to the customer's designated place, inspected and accepted by the customer.

For the development of software applications provided in (i) and (ii), the Group also provides related maintenance and upgrade services for a specific period (normally 1–5 years after the customer's acceptance) after sale as stipulated in the same contract. These maintenance and upgrade services are provided to maintain and improve the effectiveness of the software application and therefore are accounted for as a separate performance obligation. Revenue from provision of maintenance and upgrade services is recognised over the service period.

A contract liability is recognised for advances from the customer in which revenue has not yet been recognised.

(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)

2.23 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 application and solution services to insurance companies, (ii) distribution of insurance companies' products, (iii) sales of pharmaceutical products, and sales of related hardware and other services.

(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)

2.23 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 applications and solution services and are regarded as separate performance obligations. The transaction price is allocated to each item in the package based on their relative stand-alone selling prices. If a stand-alone selling price is not directly observable, the directors of the Company estimate the stand-alone selling price of each of the performance obligations based on the expected cost of satisfying each of the performance obligations (i.e. direct cost and staff costs incurred) plus an estimated reasonable margin for each of the performance obligations.

The revenue is recognised upon the individual performance obligation is rendered to customers.

(ii) Distribution of insurance companies' products

The Group sells insurance companies' products to individual consumer on a retail basis or to corporate customers for the benefit of their employees on a wholesale basis, as an agent through its insurance brokerage license. The insurance companies' products are offered to corporate customers through the sales team of the Group, and to individual customers through its own platform. The commission fees are generally charged based on a percentage of insurance premium or fee per transaction as agreed with the insurance companies.

(iii) Sales of pharmaceutical products

The Group primarily sells pharmaceutical products to third party pharmacies and individual customers. The Group recognises the pharmaceutical products revenue on a gross basis as the Group is acting as a principal in these transactions and is responsible for fulfilling the promise to provide specified goods. Pharmaceutical products revenue is recognised at the point of delivery of the products, net of discounts and return allowances.

(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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.24 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.

2.25 Leases

- (a) The Group leases buildings as lessee. Rental contracts are typically made for fixed periods of 2 to 40 years.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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)

2.25 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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

2.25 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)

2.26 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.

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

2.28 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).



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management

3.1 Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the group entities' functional currency. The functional currency of the Company, the subsidiaries operate in the PRC and the subsidiary operate in the Brunei are US\$, RMB and Brunei Dollar ("BND"), respectively. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary.

The Group operates mainly in the PRC with most of the transactions settled in RMB. Management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the respective functional currencies of the Group's entities.

(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 23 and 24.

(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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

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 2022 and 2021, the following losses were recognised in profit or loss in relation to impaired financial assets:

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Impairment losses		
Movement in loss allowance for trade receivables (note 21)	(41,881)	(11,730)
Movement in loss allowance for contract assets (note 5)	(5,429)	(3,848)
Movement in loss allowance for Other financial assets at amortised cost (note 20)	(1,488)	—
Net impairment losses on financial assets	(48,798)	(15,578)

(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.

Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 March 2022					
Trade and other payables (excluding tax payables)	317,138	—	—	—	317,138
Lease liabilities	27,945	17,714	576	37,551	83,786
	345,083	17,714	576	37,551	400,924
At 31 March 2021					
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



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

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 liability-to-asset ratio. This ratio is calculated as total liabilities divided by total assets. The liability-to-asset of the Group as at 31 March 2022 and 2021 were as follow:

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
The liability-to-asset ratio	15%	9%

The Group monitors capital (including share capital and shares held for the Share Incentive Plans (note 30)) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. In the opinion of the directors of the Company, the Group's capital risk is low.

Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

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 2022	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
Wealth management products	—	—	25,000	25,000
Loan to a third party with warrants to purchase their preferred shares	—	—	11,927	11,927
Investment in unlisted equity securities	—	—	8,570	8,570
Investment in venture capital fund	—	—	7,891	7,891
Total financial assets	—	—	53,388	53,388
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 at fair value through profit or loss				
Loan to a third party with warrants to purchase their preferred shares	—	—	20,945	20,945
Total financial assets	—	—	20,945	20,945

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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

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.

Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(iv) Fair value measurements using significant unobservable inputs (level 3)

	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 2021	20,945	—	—
Acquisitions	10,461,130	—	—
Redemption	(10,435,870)	—	—
Changes in fair value recognised in profit or loss	7,183	—	—
Closing balance at 31 March 2022	53,388	—	—
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	—	—



Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(iv) Fair value measurements using significant unobservable inputs (level 3) (Continued)

Description	Fair value		Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	As of 31 March			As of 31 March		
	2022	2021		2022	2021	
	RMB'000	RMB'000				
Financial assets at fair value through profit or loss — Wealth management products	25,000	—	Interest rate	1.65%–4.90%		The higher the interest rate, the higher the fair value
Financial assets at fair value through profit or loss — Loan to a third party with warrants to purchase their preferred shares	11,927	20,945	Discount rate	25.0%	25.0%	The higher the discount rate, the lower the fair value
			Risk-free interest rate	3.4%	3.7%	The higher the risk-free rate, the lower the fair value
			Discount for lack of marketability (“DLOM”)	25.0%	25.0%	The higher the DLOM, the lower the fair value
Financial assets at fair value through profit or loss — Investment in unlisted equity securities	8,570	—	i)	i)	—	i)
Financial assets at fair value through profit or loss — Investment in venture capital fund	7,891	—	ii)	ii)	—	ii)

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)

- i) On 6 September 2021, the Company, among other investors, entered into an Series A+ preferred shares investment agreement with Kidney Health Limited (“Kidney”), a Chronic Kidney Disease Whole Course Management Platform, for a subscription of approximately 2.7% of the total issued share capital of Kidney for a total consideration of US\$1.35 million. This transaction was completed on 8 October 2021. The Company have no right to appoint representative to the Board of Kidney, and therefore the Company concluded that they do not have significant influence over Kidney. The Company managed and evaluated the performance of the equity securities on a fair value basis. Based on the latest valuation of Kidney and considered no significant changes in Kidney’s main business from 8 October 2021 to 31 March 2022, the fair value change of the unlisted equity securities during this period is immaterial.
- ii) On 12 May 2021, the Company entered into an subscription agreement with Bits x Bites Growth Fund I, L.P. for a subscription of US\$1.5 million in this venture capital fund, of which the remaining US\$0.3 million will be paid in 2023 and 2024.

Fair value of financial assets at fair value through profit or loss — Wealth management products is affected by changes in the interest rate. If the interest rate had increased/decreased by 1% with all other variables held constant, the loss before income tax for the year ended 31 March 2022 would have been approximately RMB6 thousand lower/higher.

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 2022 and 2021 would have been approximately RMB1.2 million lower/higher and RMB2.1 million lower/higher, respectively.

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended 31 March 2022 and 2021, 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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

4 Critical estimates and judgements (Continued)

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

(a) Impairment assessment of trade receivables and contract assets

The Group has used roll rate model to calculate Expected Credit Loss (“ECL”) for the trade receivables and contract assets. The provision rates are based on internal credit ratings as groupings of various debtors that shared same credit risk characteristics. The roll rate model is based on the Group’s historical default rates, taking into consideration forward-looking information that is reasonable and supportable, available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables and contract assets that do not share same risk characteristics with others, management assessed their ECL individually. The subjectivity of significant management’s judgements and the complexity of the model are involved in assessing the ECL. The information about the ECL and the Group’s trade receivables and contract assets is disclosed in note 21 and note 5.

(b) Fair value of financial assets at fair value through profit or loss

The fair value of financial assets that are not traded in an active market (for example, 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) 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.

4 Critical estimates and judgements (Continued)

(c) Revenue recognition (Continued)

(i) Allocation of transaction price to performance obligations (Continued)

Big data platform and solutions – Provision of bundled contracts and Health management platform and solutions – Provision of bundled contracts (Continued)

Significant assumptions and estimates have been made in identifying the number of performance obligations included in the bundled contracts and estimating the standalone selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates could materially impact the timing of revenue recognition.

(ii) Input method of revenue recognition

Big data platform and solutions – Provision of bundled contracts

For certain contracts that the Group provides a total solution of which, revenue is recognised over time since the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Such revenue is recognised based on the progress towards complete satisfaction in the contracts using input method which is determined as the proportion of the costs incurred for the work performed to date relative to the estimated total costs to complete the contract. Costs included in the measure of progress include direct labour and third-party costs.

Life sciences solutions – Pharmaceutical development cooperation services and Customized pharmaceutical research report

The Group recognises revenue over time using input method since 1) the Group provides services whereby its benefits are received and consumed simultaneously by the customer, or 2) the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment from the customer for the performance completed to date. Progress on the performance obligation is measured by the proportion of actual costs incurred to the total costs expected to complete the contract. Costs included in the measure of progress include direct labour and third-party costs.

Input method requires the Group to make estimates of costs to complete its projects on an ongoing basis. Significant judgement is required to evaluate assumptions related to these estimates. The effect of revisions to estimates related to the transaction price or costs to complete a project are recorded in the period in which the estimate is revised.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

5 Segment information

(a) Disaggregation of revenue from contracts with customers

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the CODM. As a result of this evaluation, the Group determined that it has operating segments as follows:

- Big data platform and solutions
- Life sciences solutions
- Health management platform and solutions
- Others

CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment which is used by management as a basis for the purpose of resource allocation and assessment of segment performance. The selling and marketing expenses, administrative expenses and research and development expenses are not included in the measurement of the segments' performance. Net impairment losses on financial assets and contract assets, impairment of non-financial assets, other income, other losses — net, finance income/(costs) — net, shares of loss from investments in associates, 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 2022 and 2021 is as follows:

5 Segment information (Continued)

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

	Year ended 31 March 2022				
	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	444,891	359,375	424,941	7,993	1,237,200
Cost of sales and services	(252,284)	(270,757)	(307,257)	(7,457)	(837,755)
Gross profit	192,607	88,618	117,684	536	399,445

	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

For the year ended 31 March 2022 and 2021, the geographical information on the total revenue is as follows:

	Year ended 31 March			
	2022		2021	
	RMB'000	%	RMB'000	%
Mainland China	1,002,658	81%	694,305	80%
Brunei	181,106	15%	101,032	12%
Rest of the world	53,436	4%	71,699	8%
	1,237,200	100%	867,036	100%



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

5 Segment information (Continued)

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

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC. For the years ended 31 March 2022 and 2021, the Group earns approximately 81% and 19%, 80% and 20% of total revenue from external customers located in the PRC and other countries, respectively. As at 31 March 2022 and 2021, majority of the non-current assets of the Group were located in the PRC.

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Segment revenue		
— recognised over time	520,324	324,342
— recognised at a point in time	716,876	542,694
	1,237,200	867,036
Segment revenue		
— gross	1,130,716	803,891
— net	106,484	63,145
	1,237,200	867,036

The major customers which contributed more than 10% of the total revenue of the Group for the years ended 31 March 2022 and 2021 are listed as below:

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Percentage of revenue from the major customers to the total revenue of the Group		
Client A (Big data platform and solutions)	15%	12%

Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

5 Segment information (Continued)

(b) Contract assets and contract liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	As at 31 March	
	2022 RMB'000	2021 RMB'000
Contract assets (i)		
Big data platform and solutions	34,447	14,207
Life sciences solutions	130,985	41,418
Health management and services	2,931	—
Less: allowance for impairment of contract assets	(9,614)	(4,185)
	158,749	51,440
Contract liabilities (ii)		
Big data platform and solutions	7,899	4,531
Life sciences solutions	22,238	11,450
Health management platform and solutions	3,119	5,198
	33,256	21,179

(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 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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

5 Segment information (Continued)

(c) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Big data platform and solutions	4,424	79,734
Life sciences solutions	9,541	4,386
Health management platform and solutions	3,153	3,560
Others	—	878
Total	17,118	88,558

(d) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations as at 31 March 2022 and 2021:

	As at 31 March	
	2022 RMB'000	2021 RMB'000
Big data platform and solutions	171,183	149,234
Life sciences solutions	406,420	245,496
Health management platform and solutions	50,727	18,930
Others	365	—
Total	628,695	413,660

Management expects that 74% and 84% of the transaction price allocated to the unsatisfied contracts as at 31 March 2022 and 2021 will be recognised as revenue within one year. The remaining 26% and 16% 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.

Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

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 2022 and 2021 are determined as follows:

As at 31 March 2022 and 2021, the loss allowance of impaired contract assets is determined as follows:

	As at 31 March	
	2022 RMB'000	2021 RMB'000
Expected loss rate	5.71%	7.52%
Gross carrying amount — contract assets	168,363	55,625
Loss allowance	9,614	4,185

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

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
At beginning of the year	4,185	337
Provision for impairment of contract assets	5,429	3,848
At end of the year	9,614	4,185



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

6 Other income

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Government grants (i)	33,856	24,123
Value added tax ("VAT") refund and VAT reduction	4,261	3,397
Rent concessions (ii)	—	848
Interest income (iii)	542	1,766
	38,659	30,134

- (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 — net

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Net fair value gains on financial assets at fair value through profit or loss (i)	(7,183)	(105)
Donation	19,865	6,095
Net foreign exchange losses	6,558	16,587
Provision for legal claims	6,242	—
Net gain on disposal of associates	—	(1,054)
Net fair value losses on financial liabilities at fair value through profit or loss (ii)	—	4,952
Other items	(1,341)	(2,099)
	24,141	24,376

- (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 23).

7 Other losses — 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 30) 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 30).

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	
	2022 RMB'000	2021 RMB'000
Employee benefits expenses (note 9)	982,500	694,476
Cost of sales	388,668	204,139
Outsourcing services fee	225,955	147,881
Promotion and advertising expenses	105,873	39,723
Consulting and other professional fee	92,689	64,425
Travelling, entertainment and general office expenses	77,667	40,659
Labour dispatching	21,725	17,076
Depreciation of property, plant and equipment (note 16)	21,529	17,055
Depreciation of right-of-use assets (note 17)	20,016	15,835
Taxes and surcharges	7,423	4,699
Listing expenses	—	49,504
Amortization of intangible assets (note 18)	5,393	3,530
Auditors' remuneration		
— Audit services	4,918	3,243
Other expenses	3,024	8,257
Total cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses	1,957,380	1,310,502



Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

9 Employee benefits expenses

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Wages, salaries and bonuses	653,256	470,707
Pension costs — defined contribution plans (i)	44,886	24,237
Other social security costs	39,853	21,920
Housing benefits	38,362	30,062
Share-based compensation expenses (note 30)	182,839	134,655
Other employee welfare	23,304	12,895
	982,500	694,476

- (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 increase of pension costs in 2022 was mainly derived from the increase in the number of employees and certain exemptions in 2021 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 2022 and 2021 include 2 and 1 directors respectively whose emoluments are reflected in the analysis shown in note 41. The emoluments payable to the remaining 3 and 4 individuals are as follows:

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Wages and salaries	3,118	3,806
Bonuses	1,486	2,580
Pension costs — defined contribution plans	153	111
Other social security costs	57	100
Housing benefits	48	99
Share-based compensation expenses	27,818	36,453
	32,680	43,149

Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

9 Employee benefits expenses (Continued)

(ii) Five highest paid individuals (Continued)

The emoluments of the 3, 4 individuals fell within the following bands:

	Year ended 31 March	
	2022	2021
Emoluments bands:		
HK\$9,500,001 to HK\$10,000,000	—	1
HK\$10,500,001 to HK\$11,000,000	1	1
HK\$11,500,001 to HK\$12,000,000	—	1
HK\$12,500,001 to HK\$13,000,000	1	—
HK\$16,000,001 to HK\$16,500,000	1	—
HK\$17,000,001 to HK\$17,500,000	—	1
	3	4

During the years ended 31 March 2022 and 2021, 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.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

10 Impairment of non-financial assets

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Impairment losses charged on:		
Goodwill (note 18)	4,362	—
Intangible assets (note 18)	4,117	—
Inventories (note 22)	2,550	—
Prepayments (note 25)	1,909	—
	12,938	—

11 Finance income and costs

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Finance income		
Interest income on current deposits	4,972	601
Finance costs		
Interest expenses for lease liabilities	(4,213)	(3,293)
Finance income/(costs) – net	759	(2,692)

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Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

12 Subsidiaries

The Group's principal subsidiaries at 31 March 2022 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	
				2022	2021	2022	2021
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%	90.10%	9.90%	9.90%
Bright Panda Limited	BVI/22 May 2020	Investment holding	—	100.00%	100.00%	—	—
Indirectly held –							
Nanjing Yiyi Cloud Big Data Technology Co., Ltd. (南京懿醫雲大資料科技有限公司)	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. (南京醫基雲醫療資料研究院有限公司)	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)	PRC/27 December 2018	Medical technology development	RMB5,000,000	100.00%	100.00%	—	—
EVYD Technology Sdn Bhd	Brunei/27 April 2020	Technology services	—	100.00%	100.00%	—	—
EVYD Research Private Limited	Singapore/9 October 2019	Technology services	RMB38,522,754	100.00%	100.00%	—	—
Beijing Xinwen Medical Certificate Technology Co., Ltd. (北京新文醫證科技有限公司)	PRC/10 October 2020	Technology services	RMB25,603,600	100.00%	100.00%	—	—



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

12 Subsidiaries (Continued)

Name	Country/place and date of incorporation/establishment	Principal activities and place of operation	Paid in capital	Ownership interest held by the Group as at 31 March		Ownership interest held by non-controlling interests	
				2022	2021	2022	2021
Tianjin Joyful Life Health Management Co., Ltd. (天津幸福生命健康管理有限公司)	PRC/3 August 2020	Computer technology R&D	—	100.00%	100.00%	—	—
Tianjin Joyful Life Technology Co., Ltd. (天津幸福生命科技有限公司) ("Tianjin Joyful Life")	PRC/7 November 2016	Computer technology R&D	RMB10,776,600	100.00%	100.00%	—	—
Ningbo Century Kangtai Technology Co., Ltd. (寧波世紀康泰科技有限公司)	PRC/20 February 2020	Technology services	RMB10,000,000	100.00%	100.00%	—	—
Guizhou Yidu Cloud Technology Co., Ltd. (貴州醫渡雲技術有限公司) ("Yidu Cloud Guizhou")	PRC/10 July 2018	Computer technology R&D	—	100.00%	100.00%	—	—
Beijing Zhongshi Hanming Enterprise Co., Ltd. (北京中世漢明實業有限公司) ("Beijing Zhongshi Hanming")	PRC/8 June 2010	Computer technology R&D	RMB33,500,000	100.00%	100.00%	—	—
Tianjin Happy Life Technology Co., Ltd. (天津開心生活科技有限公司) ("Tianjin Happy Life")	PRC/23 January 2017	Medical technology development	—	100.00%	100.00%	—	—
Yidu Cloud (Beijing) Technology Co., Ltd. (醫渡雲(北京)技術有限公司) ("Yidu Cloud Beijing")	PRC/3 February 2012	Computer technology R&D	RMB34,000,000	100.00%	100.00%	—	—
Yidu Cloud (Chongqing) Technology Co., Ltd. (醫渡雲(重慶)科技有限公司)	PRC/26 November 2018	Medical technology development	—	100.00%	100.00%	—	—
Xinhexin Technology (Beijing) Co., Ltd. (心核心科技(北京)有限公司) ("Xinhexin")	PRC/26 April 2018	Medical device sales	RMB8,800,000	85.00%	85.00%	15.00%	15.00%
Yidu Cloud (Guangzhou) Technology Co., Ltd. (醫渡雲(廣州)技術有限公司)	PRC/22 April 2019	Computer technology R&D	RMB50,000,000	100.00%	100.00%	—	—
Ningbo Century Kangtai Insurance Brokerage Co., Ltd. ("Century Kangtai") (寧波世紀康泰保險經紀有限公司)	PRC/3 July 2008	Insurance brokerage	RMB50,000,000	100.00%	100.00%	—	—
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 2022, the total non-controlling interests are RMB17,666 (31 March 2021: RMB22,618). No subsidiary has non-controlling interests that are material to the Group.

13 Investments accounted for using the equity method

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
At beginning of the year	5,217	10,206
Additions (a)	4,905	900
Share of loss from investment in associates	(207)	(1,843)
Disposal of associates	—	(4,046)
At end of the year	9,915	5,217

(a) Additions

Yiduyun Private Equity Fund Management (Beijing) Partnership (Limited Partnership)

On 4 March 2022, the Group entered into an investment agreement with other investors and subscribed for 49.00% equity interests of Yiduyun Private Equity Fund Management (Beijing) Partnership (Limited Partnership). The cash consideration equivalent to approximately RMB4.9 million was fully paid by the Group on 4 March 2022.

Beijing Yiduyun Management Consulting Co., Ltd.

On 7 January 2022, the Group entered into an investment agreement with other investors and subscribed for 49.00% equity interests of Beijing Yiduyun Management Consulting Co., Ltd.. The cash consideration equivalent to approximately RMB5 thousand was fully paid by the Group on 7 January 2022.

As of 31 March 2022, the above two companies have not carried out substantive business activities.

Since the Group has voting rights to their equity interests in the shareholders meeting, the Group is considered to have significant influence but not control over above entities.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

13 Investments accounted for using the equity method (Continued)

(b) Set out below are the associates of the Group as at 31 March 2022 and 2021. 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	
		2022	2021			2022	2021
		%	%			RMB'000	RMB'000
Beijing Zhongyan Baicao Testing and Certification Co., Ltd. ("Beijing Zhongyan Baicao") (北京中研百草檢測認證有限公司)	PRC	4.67%	4.67%	Associate	Equity method	1,299	1,214
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	3,711	4,003
Yiduyun Private Equity Fund Management (Beijing) Partnership (Limited Partnership) (醫渡雲私募基金管理(北京)合夥企業(有限合夥))	PRC	49.00%	—	Associate	Equity method	4,900	—
Beijing Yiduyun Management Consulting Co., Ltd. (北京醫渡雲管理諮詢有限公司)	PRC	49.00%	—	Associate	Equity method	5	—
Total equity account investments						9,915	5,217

14 Income tax credit/(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.

Beijing Yiyi Cloud and Yidu Cloud Beijing were qualified as “High and New Technology Enterprises” (“HNTEs”) under the relevant PRC laws and regulations on 31 October 2018, and renewed this qualification on 25 October 2021. Accordingly, both entities were entitled to a preferential income tax rate of 15% during the calendar year from 2021 to 2023. This status is subject to a requirement that Beijing Yiyi Cloud and Yidu Cloud Beijing reapply for HNTEs status every three years.

(f) PRC Withholding Tax (“WHT”)

According to the Corporate Income Tax (“CIT”) Law, distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on 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 2022 and 2021, no deferred income tax liability on WHT was accrued as at the end of each reporting period because the subsidiaries of the Group were cumulatively loss making.



Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

14 Income tax credit/(expense) (Continued)

(f) PRC Withholding Tax (“WHT”) (Continued)

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Current tax	—	1,944
Deferred income tax credit (note 33)	(486)	(527)
Income tax credit/(expense)	(486)	1,417

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	
	2022 RMB'000	2021 RMB'000
Loss before income tax expense	(766,846)	(3,693,400)
Tax calculated at statutory tax rate of 25%	(191,712)	(923,350)
Tax effects of:		
Expenses not deductible for tax purposes	3,078	2,949
Research and development tax credit	(22,779)	(18,387)
Income not subject to tax	(870)	(11,265)
Tax losses and temporary differences for which no deferred income tax asset was recognised	177,459	97,302
Deferred income	531	3,781
Effect of preferential tax rates	32,695	23,458
Effect of different tax rates	9,397	832,897
Utilisation of previously unrecognised tax losses	(8,285)	(5,968)
	(486)	1,417
Unused tax losses for which no deferred income tax assets has been recognised for entities subject to the income tax rate of 25%	46,146	37,714
Unused tax losses for which no deferred income tax assets has been recognised for entities subject to the income tax rate of 15%	54,180	30,825
	100,326	68,539

14 Income tax credit/(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	
	2022 RMB'000	2021 RMB'000
Year ended 31 March 2022	—	3,621
Year ending 31 March 2023	5,901	9,507
Year ending 31 March 2024	93,884	95,516
Year ending 31 March 2025	107,892	108,730
Year ending 31 March 2026	129,816	189,827
Year ending 31 March 2027	328,872	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	205,500
Year ending 31 March 2032	353,544	—
	2,038,468	1,562,821

15 Loss per share

- (a) Basic loss per share for the years ended 31 March 2022 and 2021 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	
	2022 RMB'000	2021 RMB'000
Loss attributable to owners of the Company	(762,318)	(3,700,287)
Weighted average number of ordinary shares in issue ('000)	957,776	510,770
Basic loss per share (RMB yuan)	(0.80)	(7.24)



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

15 Loss per share (Continued)

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

As the Group incurred losses for the years ended 31 March 2022 and 2021, 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 2022 and 2021 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 26). All convertible redeemable preferred shares were converted into ordinary shares upon the completion of initial public offering ("IPO") on 15 January 2021 (note 29).
- (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.

16 Property, plant and equipment

	Electronic equipment RMB'000	Office furniture RMB'000	Leasehold improvement RMB'000	Total RMB'000
Cost:				
At 1 April 2021	83,703	3,704	14,021	101,428
Additions	24,143	16	29,817	53,976
Disposal	(3,065)	(810)	—	(3,875)
At 31 March 2022	104,781	2,910	43,838	151,529
Accumulated depreciation:				
At 1 April 2021	(62,652)	(2,107)	(8,454)	(73,213)
Depreciation	(13,825)	(380)	(7,324)	(21,529)
Disposal	1,979	578	—	2,557
At 31 March 2022	(74,498)	(1,909)	(15,778)	(92,185)
Net carrying amount:				
At 1 April 2021	21,051	1,597	5,567	28,215
At 31 March 2022	30,283	1,001	28,060	59,344



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

16 Property, plant and equipment (Continued)

	Electronic equipment RMB'000	Office furniture RMB'000	Leasehold improvement RMB'000	Total RMB'000
Cost:				
At 1 April 2020	77,095	2,504	9,611	89,210
Additions	7,194	1,200	4,410	12,804
Disposal	(586)	—	—	(586)
At 31 March 2021	83,703	3704	14,021	101,428
Accumulated depreciation:				
At 1 April 2020	(48,949)	(1,284)	(6,032)	(56,265)
Depreciation	(13,810)	(823)	(2,422)	(17,055)
Disposal	107	—	—	107
At 31 March 2021	(62,652)	(2,107)	(8,454)	(73,213)
Net carrying amount:				
At 1 April 2020	28,146	1,220	3,579	32,945
At 31 March 2021	21,051	1,597	5,567	28,215

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

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Cost of sales and services	1,505	1,935
Administrative expenses	4,937	4,066
Research and development expenses	7,460	10,252
Selling and marketing expenses	7,627	802
	21,529	17,055

17 Leases

(a) Amounts recognised in the consolidated balance sheets

	As at 31 March	
	2022 RMB'000	2021 RMB'000
Right-of-use assets (i)		
Buildings	43,381	21,359
Lease liabilities		
Current	26,178	19,521
Non-current	25,987	6,909
	52,165	26,430

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

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Cost		
At beginning of the year	66,008	69,220
Additions	48,327	5,078
Lease expiration	(73)	(3,545)
Termination of lease contracts	(8,016)	(4,745)
At end of the year	106,246	66,008
Accumulated depreciation		
At beginning of the year	(44,649)	(33,531)
Depreciation charged for the year	(20,016)	(15,835)
Lease expiration	73	3,545
Termination of lease contracts	1,727	1,172
At end of the year	(62,865)	(44,649)
Net carrying amount		
At end of the year	43,381	21,359



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

17 Leases (Continued)

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

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Depreciation charge of right-of-use assets	20,016	15,835
Interest expense	4,213	3,293
Expense relating to short-term leases	8,919	3,386

The total cash outflow for leases for the years ended 31 March 2022 and 2021 were approximately RMB29.4 million and RMB21.1 million respectively.

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Principal elements of lease payments	(15,836)	(14,412)
Interest expense of leases payments	(4,213)	(3,293)
Short-term lease expenses	(8,919)	(3,386)
	(28,968)	(21,091)

18 Intangible assets

	Goodwill RMB'000	License RMB'000	Technology RMB'000	Software RMB'000	Total RMB'000
Cost:					
At 1 April 2021	4,362	33,451	3,900	3,964	45,677
Additions	—	—	—	10,074	10,074
Disposal	—	—	—	(679)	(679)
At 31 March 2022	4,362	33,451	3,900	13,359	55,072
Accumulated amortization					
At 1 April 2021	—	(3,683)	(1,300)	(1,496)	(6,479)
Impairment (a)	(4,362)	(2,297)	(1,820)	—	(8,479)
Amortization	—	(1,814)	(780)	(2,799)	(5,393)
Disposal	—	—	—	528	528
At 31 March 2022	(4,362)	(7,794)	(3,900)	(3,767)	(19,823)
Net carrying amount:					
At 31 March 2021	4,362	29,768	2,600	2,468	39,198
At 31 March 2022	—	25,657	—	9,592	35,249
	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	—	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



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

18 Intangible assets (Continued)

- (a) As of 31 March 2022, due to the discontinued operations of Xinhexin Technology (Beijing) Co., Ltd. ("Xinhexin"), the estimated recoverable amount of Xinhexin, considered as a standalone cash-generating unit, reduced to nil, the Group has made provisions for impairment of goodwill and technology amounted to RMB4.4 million and RMB1.8 million, respectively.

As of 31 March 2022, the Group plans to close the business of Jiangxi Zhengyuan Medical Co., Ltd., and has made provisions for impairment of GSP license amounted to RMB2.3 million.

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

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Administrative expenses	1,464	856
Research and development expenses	1,340	780
Selling and marketing expenses	2,589	1,894
	5,393	3,530

19 Financial instruments by category

	Note	As at 31 March	
		2022 RMB'000	2021 RMB'000
Financial assets			
Financial assets at amortised cost:			
Trade receivables	21	513,244	365,641
Other financial assets at amortised cost	20	70,656	27,043
Cash and cash equivalents	24	3,408,505	739,846
Pledged bank deposits	24	—	1,268
Term deposits	24	318,595	3,860,723
Restricted bank balance and deposits	24	5,024	5,008
Financial assets at fair value through profit or loss	23	53,388	20,945
		4,369,412	5,020,474
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables (excluding tax payables)	31	317,138	168,604
Lease liabilities	17	52,165	26,430
		369,303	195,034

The Group's exposure to various risks associated with the financial instruments is discussed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

20 Other financial assets at amortised cost

Other financial assets at amortised cost include the following:

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
Rental, projects and other deposits	24,630	11,882
Deposits of share award scheme trusts (a)	24,434	—
Payments on behalf of the third parties (b)	10,158	6,197
Prepayments for traveling and other expenses	2,199	3,617
Loans to third parties	752	752
Interests receivable	—	1,275
Others	10,723	4,072
	72,896	27,795
Less: provision for impairment of other receivables (c)	(2,240)	(752)
	70,656	27,043

- (a) In November 2021, the Company entered into a Trust Deed constituting Yidu Tech Share Award Trust (the "Trust Deed") with Trident Trust Company (HK) Limited ("Trustee"). The Company and the Trustee established the Trust by the execution of the Trust Deed, and together with the adoption by the Company of the share award scheme rules, for the purpose of encouraging and facilitating the Trustee's purchase and holding, either directly or indirectly, of the shares of the Company, for the benefit of the eligible persons of the Group pursuant to the share award scheme rules and the Trust Deed. The balance represented that the Group from time to time at its sole discretion transferred, paid or credited sums of money to the Trustee for the acquisition of shares to be held on trust in accordance with the Trust Deed and the share award scheme rules.
- (b) In life sciences solutions segment, the Group's travelling and related expenses incurred by its employees that will be reimbursed by the customers as agreed in the contracts.

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

20 Other financial assets at amortised cost (Continued)

(c) Impairment and risk exposure

All of the financial assets at amortised cost are denominated in RMB. As a result, there is no exposure to foreign currency risk.

On the basis as described in note 3.1(b), the loss allowance for other financial assets at amortised cost as at 31 March 2022 and 2021 are determined as follows:

(i) As at 31 March 2022, the loss allowance of individually impaired other financial assets at amortised cost is determined as follows:

Individual	Other financial assets at amortised cost	Expected credit loss rate	Loss allowance	Reason
Other financial assets at amortised cost	2,240	100%	2,240	The likelihood of recovery is low

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

Individual	Other financial assets at amortised cost	Expected credit loss rate	Loss allowance	Reason
Other financial assets at amortised cost	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 2022 and 2021 is 1,488 and nil, respectively.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

21 Trade receivables

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
Trade receivables from contracts with customers		
— Third parties	597,186	402,183
— Related parties (note 38)	1,787	7,306
Less: allowance for impairment of trade receivables	(85,729)	(43,848)
	513,244	365,641

- (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	
	2022	2021
	RMB'000	RMB'000
— Up to 3 months	376,413	262,524
— 3 to 6 months	26,118	23,163
— 6 months to 1 year	87,308	46,712
— 1–2 years	45,746	60,183
— Over 2 years	63,388	16,907
	598,973	409,489
Less: allowance for impairment of trade receivables	(85,729)	(43,848)
Total	513,244	365,641

(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.

21 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 2022 and 2021 is determined as follows:

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

At 31 March 2022 Individual	Trade receivables	Expected credit loss rate	Loss allowance	Reason
Trade receivables	52,216	100%	52,216	The likelihood of recovery is low

For trade receivables that share same risk characteristics with others:

	Current	No more than 1 year past due	1 year to 2 years past due	More than 2 years past due	Total
At 31 March 2022					
Expected loss rate	3.5%	3.6%	16.3%	51.5%	6.1%
Gross carrying amount — trade receivables	401,043	87,236	39,474	19,004	546,757
Loss allowance	14,173	3,112	6,447	9,781	33,513

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



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

21 Trade receivables (Continued)

(c) Impairment and risk exposure (Continued)

For trade receivables that share same risk characteristics with others:

	Current	No more than 1 year past due	1 year to 2 years past due	More than 2 years past due	Total
At 31 March 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

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

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
At beginning of the year	(43,848)	(32,118)
Provision for impairment of trade receivables	(41,881)	(11,730)
At end of the year	(85,729)	(43,848)

22 Inventories

	As at 31 March	
	2022 RMB'000	2021 RMB'000
Purchased goods — at cost	8,286	31,761
Less: provisions for impairment (note 10)	(2,550)	—
	5,736	31,761

(i) Amounts recognised in profit or loss

Inventories recognised as cost of sales and services during the years ended 31 March 2022 and 2021 amounted to approximately RMB388.7 million and RMB204.1 million, respectively.

23 Financial assets at fair value through profit or loss

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

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

- Debt investments that do not qualify for measurement at amortised cost (see note 20 above)
- Investment in unlisted equity securities and venture capital fund for which the Company has not elected to recognize fair value gains and losses through OCI

Financial assets mandatorily measured at FVPL include the following:

	As at 31 March	
	2022 RMB'000	2021 RMB'000
Non-current assets		
Investment in unlisted equity securities (ii)	8,570	—
Investment in venture capital fund (ii)	7,891	—
	16,461	—
Current assets		
Investment in wealth management products (iii)	25,000	—
Loan to a third party with warrants to purchase their preferred shares (i)	11,927	20,945
	36,927	20,945



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

23 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 3 March 2022, Yidu Cloud Guizhou entered into a supplementary agreement with Nanjing Trifo and extended the loan maturity to June 2022.

On the same date, Yidu Cloud Guizhou, Nanjing Trifo and Nanjing Trifo’s affiliates entered into a Warrants Purchase Agreement, pursuant to which Trifo issued warrants to Yidu Cloud Guizhou or its designated party a right to purchase up to 762,776 newly issued Series C-4 preferred shares of Trifo (the “Warrants Shares”). Before the expiration of the loan, if Yidu Cloud Guizhou completed the governmental registration or filings with respect to its Outbound Direct Investment (“ODI Filings”) into Trifo, Nanjing Trifo should repay the loan to Yidu Cloud Guizhou with the interest waived by Yidu Cloud Guizhou and Yidu Cloud Guizhou will exercise the right to subscribe the Warrants Shares.

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 2022	As at 31 March 2021
Discount rate	25.0%	25.0%
Risk-free interest rate	3.4%	3.7%
Discount for lack of marketability (“DLOM”)	25.0%	25.0%

- (ii) Please refer to note 3.3(a)(iv) for details.
- (iii) The wealth management products (“WMP”) of the Group as at 31 March 2022 were related to Loan Prime Rate linked structured investment issued by a reputable bank in China. The WMP were principal protected with maturity of 3 months. The expected interest rate of WMP was 1.65%–4.9% per annum and interest will be paid on the maturity date.

Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

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

(b) Amounts recognised in profit or loss

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

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
Fair value gains on investments in wealth management products	16,201	—
Fair value (loss)/gains on loan to a third party with warrants to purchase their preferred shares	(9,018)	105
	7,183	105

(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.

24 Cash and bank balances

(a) Cash and cash equivalents

	As at 31 March	
	2022 RMB'000	2021 RMB'000
Bank balances, term deposits and restricted bank balance and deposits	3,732,124	4,605,577
Less:	(323,619)	(3,865,731)
Term deposits	(318,595)	(3,860,723)
Restricted bank balance and deposits with initial terms over three months	(5,024)	(5,008)
Cash and cash equivalents	3,408,505	739,846

* 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 over three months approximated to their fair value as at 31 March 2022 and 2021.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

24 Cash and bank balances (Continued)

(a) Cash and cash equivalents (Continued)

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 2022 and 2021 are 2.12% and 0.27% respectively.

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

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
US\$	2,554,151	652,685
RMB	699,576	83,768
HK\$	373,678	3,868,429
BND	79,178	695
SGD (Singapore Dollar)	25,540	—
Total	3,732,124	4,605,577

(b) Pledged bank deposits

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
Current assets	—	1,268
Total	—	1,268

Pledged bank deposits represent deposits pledged to banks to obtain letters of guarantees for the fulfilment of certain contracts.

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

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Notes to the Consolidated Financial Statements (Continued)
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25 Other current assets

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
Prepayment:		
Prepaid cloud storage and other service fee	10,098	15,638
Advance payments to suppliers for inventories	3,736	8,342
Business insurance for employees	—	2,076
Others	2,199	2,835
Deductible input VAT	25,662	22,587
Less: provision for impairment of prepayment (note 10)	(1,909)	—
	39,786	51,478

26 Share capital

	Number of shares	Share capital	Share capital
		US\$'000	RMB'000
Issued:			
At 1 April 2020 (note 15(c))	403,888,890	8	49
Newly issued ordinary shares (note 15(d))	179,917,500	4	23
Conversion of convertible redeemable preferred shares to ordinary shares (note 15(e))	341,423,120	7	44
At 31 March 2021	925,229,510	19	116
At 1 April 2021	925,229,510	19	116
Newly issued ordinary shares	9,828,835	—	1
Exercise of option and vest of Share Award Scheme (note 30(a)(b))	52,082,695	1	7
At 31 March 2022	987,141,040	20	124



Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

27 Other reserves

	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 2021	358,744	392,315	—	11,255,701	198,427	12,205,187
Share-based compensation (note 30)	178,227	—	—	—	—	178,227
Exercise of option vesting	(110,405)	—	—	112,568	—	2,163
Issuance of ordinary shares	(1)	—	—	—	—	(1)
Termination of share options issued to third party individuals (note 30(d))	—	—	—	—	(16,952)	(16,952)
Currency translation differences	—	(140,897)	—	—	—	(140,897)
At March 31 2022	426,565	251,418	—	11,368,269	181,475	12,227,727

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Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

27 Other reserves (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 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 30)	129,277	—	—	—	—	129,277
Purchasing of the Company's options from third parties (note 30(d))	—	—	—	—	42,927	42,927
Transfer from other comprehensive loss into retained earnings	—	—	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

28 Accumulated deficits

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
At beginning of the year	7,475,732	3,751,406
Net loss for the year	762,318	3,700,287
Transfer from other comprehensive loss into retained earnings	—	24,039
At end of the year	8,238,050	7,475,732



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

29 Convertible redeemable preferred shares

Since the date of incorporation, the Company has completed several rounds of financing by issuing convertible redeemable preferred shares. On 15 January 2021, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited 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 at HK\$26.3 per share. All convertible redeemable preferred shares were converted into ordinary shares upon completion of the IPO on 15 January 2021. The fair value of each of convertible redeemable preferred share on 15 January 2021 is HK\$26.3 per share. The movement of the convertible redeemable preferred shares for the year ended 31 March 2021 is set out as below:

At 1 April 2020	4,005,248
Issuance of Series C convertible redeemable preferred shares	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	—

Changes in fair value of convertible redeemable preferred shares were recorded in “fair value changes of convertible redeemable preferred shares” in the consolidated statement of comprehensive income. Changes in fair value of convertible redeemable preferred shares that are attributable to changes of credit risk were recorded in “other comprehensive income”.

30 Share-based compensation

(a) Share Option Scheme

Share Option Scheme includes Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme.

Pre-IPO Share Option Scheme

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 15(c) under Plan A, in which 68,333,335 shares have been surrendered to incentive pool. The shareholders of the Company reserved 83,333,335 shares after taking into account the effect of the Share Subdivision as detailed in note 15(c) under Plan B for incentive pool. The Company grants options of Plan A to those employees who joined the Group before 1 January 2015, and for rest of employees, they will be granted options under Plan B.

Subject to the participants continuing to be a service provider, majority of these options will be vested over two, four or five years upon fulfilling the service and performance conditions ("QIPO condition") prescribed in the share option agreement and the Share Incentive Plans.

The share options shall be subject to different vesting schedules of one, two, four or five years from the vesting commencement date, subject to the participant continuing to be an employee through each vesting date. For vesting schedule of one or two years, the granted share options are vested on the first or second anniversary of the vesting commencement date. For vesting schedule of four years, i) 25% of the granted share options are vested on each anniversary from the vesting commencement date; or ii) 50% of the granted share options are vested on the second anniversary from the vesting commencement date and 25% and 25% of granted share options are vested on the same day in the following two subsequent years, respectively. For vesting schedule as five years, 20% of the granted share options are vested on each anniversary from the vesting commencement date.

Post-IPO Share Option Scheme

Pursuant to the resolution of the Shareholders on 28 December 2020, the shareholders of the Company approved the adoption of the Post-IPO Share Option Scheme to grant options to the Group's employees. The number of new shares issued under the Post-IPO Share Option Scheme will be no more than 90,176,201 shares, being no more than 10% of the shares in issue on the date the shares commence trading on the Stock Exchange. The vesting period of the Post-IPO Share Option Scheme is 2 or 4 years subject to employees' continuous service to the Company. As of 31 March 2022, the Company granted 4,842,450 options to its employees under Post-IPO Share Option Scheme.



Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

30 Share-based compensation (Continued)

(a) Share Option Scheme (Continued)

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

	Year ended 31 March			
	2022		2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
At beginning of the year	US\$0.056	149,656,075	US\$0.014	137,513,755
Granted during the year	US\$4.443	4,842,450	US\$0.357	18,280,825
Exercised during the year	US\$0.017	(51,874,030)	—	—
Forfeited during the year	US\$0.010	(6,303,133)	US\$0.087	(6,138,505)
At end of the year	US\$0.301	96,321,362	US\$0.056	149,656,075

No options expired during the years covered by the above tables

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

Grant date	Expiry date	Exercise price	Number of share options	
			31 March 2022	31 March 2021
2014	2024	US\$0.0028	1,258,000	17,000,000
2015	2025 or 2035	US\$0.0028 or 0.018	1,684,755	57,475,000
2016	2026	US\$0.018	36,551,605	10,195,000
2017	2027	US\$0.018	25,102,675	27,573,875
2018	2028	US\$0.018	6,313,400	7,188,335
2019	2029	US\$0.018	10,708,895	12,602,980
2020	2030	US\$0.018	10,427,662	17,602,665
2021	2031	US\$0.018 or 4.438	4,274,370	18,220
Total			96,321,362	149,656,075

Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

30 Share-based compensation (Continued)

(a) Share Option Scheme (Continued)

The Company has used Binomial option-pricing model to determine the fair value of the share options as at the grant date for the year ended 31 March 2022. Key assumptions for the year ended 31 March 2022 are set as below:

	As at 31 March 2022
Grant date	29 July 2021
Fair value per ordinary share	HK\$33.90
Exercise price	HK\$34.52
Risk-free interest rate	0.9%
Dividend Yield	—
Volatility	44%
Expected terms	10 years

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 for the year ended 31 March 2021. 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 for the year ended 31 March 2021 are set as below:

	For the year ended 31 March 2021
Discount rate	15.5%~16.5%
Risk-free interest rate	0.4%~0.5%
Volatility	41%~42%

The total expenses recognised in profit or loss in respect of the share-based compensation under for the Share Incentive Plans are disclosed in note 9.

The weighted average remaining contractual life of share options outstanding as at 31 March 2021 and 31 March 2022 is 5.51 year and 5.33 year, respectively.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

30 Share-based compensation (Continued)

(b) Post-IPO Share Award Scheme

Pursuant to the resolution of the Shareholders on 28 December 2020, the Post-IPO Share Award Scheme was conditionally adopted to align the interests of eligible persons with those of the Group and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group. An award granted under the Post-IPO Share Award Scheme may be vested in the form of award shares or the actual selling price of the award shares in cash, as the board of directors of the Company may determine in accordance with the related rules. The aggregate number of Shares underlying all grants made pursuant to the Post-IPO Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme) will not exceed 45,088,100 Shares without Shareholders' approval subject to an annual limit of 3% of the total number of issued Shares at the relevant time.

(i) Grant of the shares under the Post-IPO Share Award Scheme during the year ended 31 March 2022

On 1 July 2021, 29 July 2021, 1 October 2021, and 1 January 2022, 6,918,355, 95,000, 1,729,650 and 2,424,200 shares were granted to employees, respectively. Totally 11,167,205 shares were granted during the year ended 31 March 2022.

(ii) Fair value of shares under the Post-IPO Share Award Scheme

The fair value of shares granted on 1 July 2021 was assessed to approximate to the market price of the grant date at the amount of HK\$40.85 each (equivalent to RMB235,477,756 in total).

The fair value of shares granted on 29 July 2021 was assessed to approximate to the market price of the grant date at the amount of HK\$33.90 each (equivalent to RMB2,689,614 in total).

The fair value of shares granted on 1 October 2021 was assessed to approximate to the market price of the grant date at the amount of HK\$25.85 each (equivalent to RMB37,101,563 in total).

The fair value of shares granted on 1 January 2022 was assessed to approximate to the market price of the grant date at the amount of HK\$21.05 each (equivalent to RMB41,747,160 in total).

Movements in the number of shares granted and the respective weighted average grant date fair value are as follows:

	Number of shares under Post-IPO Share Award Scheme	Weighted average fair value per shares (HKD)
As at 1 April 2021 (Audited)	—	—
Granted during the period	11,167,205	34.23
Vested during the period	(208,665)	37.29
Forfeited during the period	(3,155,850)	38.52
As at 31 March 2022 (Audited)	7,802,690	32.41

30 Share-based compensation (Continued)

- (c) The Group has repurchased the options from certain employees of the Company. These repurchased share-based awards constitute a modification from equity-settled awards to cash settled awards. The Group has recognised a liability in connection with the cash-settled awards at the amount as determined based on the fair value of the equity-settled awards derecognised as of the modification date, with a corresponding debit to equity for the same amount (i.e. the repurchase of vested equity instruments is accounted for as a deduction from equity). The Group re-measures the liability at the date of change and at each subsequent reporting date, and recognises any additional expense from increases in the liability. The Group has determined that no valid expectation for the Company to settle remaining share-based awards in cash is created, therefore all the remaining share-based awards are classified as equity-settled awards.
- (d) On 15 April 2020, the Company entered into an Option Subscription Agreement with a third party individual whereby the third party individual acquired 55,804 options at US\$12.80 per share for a total cash consideration of US\$714,291.20. These options (before Share Subdivision) were issued under Plan B and immediately vested on the grant date. The exercise price for these options was nil, and the expiration date of the options is 15 April 2030.

On 5 June 2020, the Company entered into an Option Subscription Agreement with a third party individual whereby the third party individual acquired 232,769 options (before Share Subdivision) at US\$8.5922 per share for a total cash consideration of US\$2,000,000. These options were issued under Plan B and immediately vested on the grant date. The exercise price for these options was nil, and the expiration date of the options is 5 June 2030. As of 31 March 2022, all these options have been exercised.

On 10 July 2020, the Company entered into an Option Subscription Agreement with a third party individual pursuant to which the third party individual acquired 116,385 options (before Share Subdivision) at US\$8.5922 per share for a total cash consideration of US\$1,000,000. These options were issued under Plan B and immediately vested on the grant date. The exercise price for these options was nil, and the expiration date of the options is 10 July 2030. As of 31 March 2022, all these options have been exercised.

On 10 October 2020, the Company entered into Option Subscription Agreements with a third party individuals, pursuant to which the third party individuals acquired 300,000 options (before Share Subdivision) at US\$8.51 per share for a total cash consideration of US\$2,553,000. These options were issued under Plan B and immediately vested on the grant date. The exercise price for these options was nil, and the expiration date of the options is 10 October 2030. On 17 March 2022, the Company entered into Option Termination Agreements with the third party individuals, pursuant to which the 300,000 options were terminated. As of 31 March 2022, the Company has repaid the cash consideration of US\$2,553,000 to them.

In no event may the option be exercised prior to the IPO of the Company or after the expiration date. The third party individuals should exercise the option before it expires or terminates.

The subscribed price of options is greater than the fair values on grant dates. Therefore, the Company credited the fund received from subscription to equity — other reserves.



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

31 Trade and other payables

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
Trade payables (iii)	210,604	85,875
Tax payables	12,368	8,012
Other payables:		
— Payables for consulting and other service fee	36,209	32,000
— Insurance premium collection payables(ii)	24,680	—
— Payables for repurchase of options (note 30(c))	9,928	35,253
— Accrual for marketing and sales promotion expenses	8,228	1,131
— Payables for purchase of fixed assets	9,015	98
— Reimbursement payable to employees	7,182	7,439
— Payables for leasehold improvement	870	120
— Amounts due to related parties	66	66
— Payables for investment in venture capital fund	1,904	—
— Others	8,452	6,622
	329,506	176,616

- (i) The carrying amounts of trade and other payables are considered to be approximated to their fair values, due to their short-term nature.
- (ii) Insurance premium collection payables are insurance premiums collected on behalf of insurance companies but not yet remitted as at 31 March 2022.
- (iii) Aging analysis of the trade payables based on invoice date at the end of each reporting period are as follows:

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
— Up to 3 months	173,919	56,222
— 3 to 6 months	2,449	16,120
— 6 months to 1 year	23,450	3,395
— 1 to 2 years	9,383	10,138
— 2 to 3 years	1,403	—
	210,604	85,875

32 Deferred income

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
Deferred government grants	88,274	86,841
Less: amounts to be realised within the next 12 months	(10,500)	(10,628)
Non-current	77,774	76,213

Deferred government grants received but yet to recognise in other income amounted to approximately of RMB88.3 million and RMB86.8 million respectively, as at 31 March 2022 and 2021. These government grants are mainly for funding research and development expenditures undertaken by the Group.

33 Deferred income tax assets and liabilities

- (a) The analysis of deferred income tax assets and deferred income tax liabilities (prior to any offset pursuant to net-off provisions) is as follows:

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
Deferred income tax assets:		
— Deferred income tax assets to be recovered after more than 12 months	3,885	1,559
— Deferred income tax assets to be recovered within 12 months	3,818	3,247
	7,703	4,806
Deferred income tax liabilities:		
— Deferred income tax liabilities to be settled after more than 12 months	(3,684)	(1,989)
— Deferred income tax liabilities to be settled within 12 months	(2,781)	(2,065)
	(6,465)	(4,054)
	1,238	752



Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

33 Deferred income tax assets and liabilities (Continued)

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

	Year ended 31 March	
	2022	2021
	RMB'000	RMB'000
At beginning of the year	752	225
Credited to income tax expense (note 14)	486	527
At end of the year	1,238	752

(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 2021	4,156	650	(3,404)	(650)	752
Credited/(charged) to profit or loss	3,092	(650)	(2,606)	650	486
As at 31 March 2022	7,248	—	(6,010)	—	1,238
	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

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Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

34 Cash flow information

(a) Cash used in operations

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

	Note	Year ended 31 March	
		2022 RMB'000	2021 RMB'000
Loss before income tax:		(766,846)	(3,693,400)
Adjustments for:			
Depreciation and amortization	8	46,938	36,420
Net gains on disposal of associates		—	1,054
Impairment of non-financial assets	10	12,938	—
Share-based compensation	30	182,839	134,655
Other income — interest on term deposits and restricted bank balance and deposits	6	(542)	(1,766)
Fair value change of convertible redeemable preferred shares		—	3,245,785
Fair value change of convertible notes		—	24,192
Fair value change of warrants		—	(34,398)
Losses on disposal of property, plant and equipment, right of use and intangible assets		1,002	479
Share of loss of associates	13	207	1,843
Net fair value gains on financial assets at fair value through profit or loss	7	(7,183)	(105)
Net impairment losses on financial assets recognised in profit or loss	3.1	48,798	15,578
Finance (income)/costs — net	11	(759)	2,692
Exchange losses	7	6,558	16,587
The operating cash flows before movements in working capital		(476,050)	(250,384)
Change in working capital:			
— Pledged bank deposits		—	10,057
— Inventories		23,475	35,735
— Other current assets		14,532	(4,461)
— Trade receivables		(192,350)	(88,682)
— Contract assets		(112,738)	(46,522)
— Other financial assets at amortised cost		(46,376)	(5,699)
— Trade and other payables		135,059	7,168
— Salary and welfare payable		21,205	61,866
— Contract liabilities		12,077	(72,626)
— Provisions		6,242	—
— Deferred income		1,433	24,562
Cash used in operations		(613,491)	(328,986)



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

34 Cash flow information (Continued)

(b) Net debt reconciliation

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
Cash and cash equivalents	3,408,505	739,846
Lease liabilities	(52,165)	(26,430)
Net cash	3,356,340	713,416
Cash and liquid investments	3,408,505	739,846
Gross debt	(52,165)	(26,430)
Net cash	3,356,340	713,416

	Liabilities from financing activities			Other assets		Total RMB'000
	Leases RMB'000	Convertible notes RMB'000	Convertible redeemable preferred shares RMB'000	Cash and cash equivalents RMB'000	Liquid investments RMB'000	
Net debt as at 1 April 2021	(26,430)	—	—	739,846	—	713,416
Cash flows	15,836	—	—	2,736,593	—	2,752,429
Additions of lease liabilities	(37,358)	—	—	—	—	(37,358)
Foreign exchange adjustments	—	—	—	(67,934)	—	(67,934)
Finance costs recognised	(4,213)	—	—	—	—	(4,213)
Net debt as at 31 March 2022	(52,165)	—	—	3,408,505	—	3,356,340
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

34 Cash flow information (Continued)

(c) Non-cash investing and financing activities

	Note	As at 31 March	
		2022	2021
		RMB'000	RMB'000
Acquisition of right of use	17	48,327	5,078
Share-based compensation	9	182,839	134,655
Conversion of convertible notes to convertible redeemable preferred shares	29	—	509,742
Conversion of convertible redeemable preferred shares to ordinary shares	29	—	7,480,781

35 Contingencies

The Group did not have any material contingent liabilities as of 31 March 2022 and 2021.

36 Dividend

No dividend has been paid or declared by the Company or the companies now comprising the Group during the years ended 31 March 2022 and 2021.

37 Commitments

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
Property, plant and equipment	2,267	3,183

(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	
	2022	2021
	RMB'000	RMB'000
Within 1 year	3,961	6,811



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

37 Commitments (Continued)

(c) Investment commitments

Significant Investment expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
Investment in venture capital fund	1,904	—

38 Related party transactions

Save as those disclosed in the other notes, the following significant transactions were carried out between the Group and its related parties during the year. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. The Group's pricing policies of the transactions with related parties are determined on the basis of mutual negotiations between the relevant parties.

(a) Names and relationships with related parties

Name of related parties	Relationship with the Company
Anhui Jiufang Pharmacy Co., Ltd.	A company significantly influenced by the controlling shareholder of the Company (Became third party since 2 April 2021)
Sunshine Insurance Group Inc., Ltd. (together with its subsidiaries, the "Sunshine Insurance Group")	Having significant influence over the Company (Became third party since 26 August 2021)
Beijing Huixu Jinxin Investment Management Co., Ltd.	A company controlled by key management personnel (Became third party since 2 April 2021)
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)

38 Related party transactions (Continued)

(b) Significant transactions with related parties

	Year ended 31 March	
	2022 RMB'000	2021 RMB'000
<i>Provision of insurance brokerage or big data platform applications services</i>		
Sunshine Insurance Group Inc., Ltd.	1,311	613
<i>Purchase of consulting services</i>		
Beijing Huixu Jinxin Investment Management Co., Ltd.	—	1,290
Nanjing Yikang Technology Co., Ltd.	—	190
	—	1,480

(c) Year ended balances with related parties

	As at 31 March	
	2022 RMB'000	2021 RMB'000
Amount due from related party — trade		
Beijing Causa Insurance Assessment Co., Ltd.	1,787	1,787
Anhui Jiufang Pharmacy Co., Ltd.	—	5,428
Sunshine Insurance Group Inc., Ltd.	—	91
	1,787	7,306
Amount due to related parties — non-trade		
Nanjing Yikang Technology Co., Ltd.	66	66



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

38 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	
	2022	2021
	RMB'000	RMB'000
Wages, salaries and bonuses	12,935	16,842
Pension costs — defined contribution plans	275	240
Other social security costs	170	189
Housing benefits	200	229
Share-based compensation	26,914	36,041
	40,494	53,541

39 Events occurring after the reporting period

COVID-19

The outbreak of Coronavirus Disease (“COVID-19”), which started in 2020, has re-emerged on a large scale in China in 2022, and a series of precautionary and control measures have been and continued to be implemented across the PRC. Market changes arising from the pandemic and possible quarantine and lockdown measures may affect the Group’s consolidated financial performance in 2022. The Group will continue to pay close attention to the development of the pandemic, and evaluate and take proactive measures to manage the impact of the pandemic on the Group’s operations.

Acquisition of subsidiary

On 12 May 2022, the Group entered into an equity transfer agreement with the shareholder of Sichuan DaDa Pharmaceutical Co., Ltd (“Sichuan DaDa”) to acquire 100% equity interests in Sichuan DaDa for a total consideration of RMB1.8 million. 50% of the consideration was paid on 15 June 2022. The remaining 50% of the consideration, subject to certain pre-agreed performance conditions achieved by the original shareholder or Sichuan DaDa, is payable before the end of 2022.

Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

40 Balance sheet and reserve movement of the Company

(a) Balance sheet of the Company

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Investments in subsidiaries	838,115	670,796
Financial assets at fair value through profit or loss	16,461	—
Total non-current assets	854,576	670,796
Current assets		
Other financial assets at amortised cost	2,334,712	1,552,280
Term deposits	318,595	3,860,723
Cash and cash equivalents	2,828,563	295,485
Other current assets	222	1,380
Total current assets	5,482,092	5,709,868
Total assets	6,336,668	6,380,664
EQUITY		
Equity attributable to owners of the Company		
Share capital	124	116
Treasury shares	(1)	(1)
Other reserves	11,972,872	12,012,874
Accumulated deficits	(5,694,451)	(5,694,556)
Total equity	6,278,544	6,318,433



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

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

(a) Balance sheet of the Company (Continued)

	As at 31 March	
	2022	2021
	RMB'000	RMB'000
LIABILITIES		
Current liabilities		
Trade and other payables	58,124	62,231
Total current liabilities	58,124	62,231
Total liabilities	58,124	62,231
Total equity and total liabilities	6,336,668	6,380,664

The balance sheet of the Company was approved by the Board of Directors on 24 June 2022 and was signed on its behalf:

Gong Yingying

Director

Yang Jing

Director

Notes to the Consolidated Financial Statements (Continued)
(Expressed in RMB unless otherwise indicated)

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

(b) Reserve movement of the Company

	Share-based compensation reserve	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 2021	358,744	359,960	—	11,255,701	38,469	12,012,874
Issuance of ordinary shares	(1)	—	—	—	—	(1)
Share-based compensation (note 30)	178,227	—	—	—	—	178,227
Exercise of option vesting	(110,405)	—	—	112,568	—	2,163
Termination of share options issued to third party individuals (note 30(d))	—	—	—	—	(16,952)	(16,952)
Currency translation differences	—	(203,439)	—	—	—	(203,439)
At 31 March 2022	426,565	156,521	—	11,368,269	21,517	11,972,872



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

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

(b) Reserve movement of the Company (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 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 30)	129,277	—	—	—	—	129,277
Purchasing of the Company's options from third parties (note 30(d))	—	—	—	—	42,927	42,927
Transfer from other comprehensive loss into retained earnings	—	—	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

41 Benefits and interests of directors

(a) Directors' emoluments

The remuneration of every director and the chief executive officer for the year ended 31 March 2022 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 2022							
Directors							
Ms. Gong Yingying	(ii)	2,110	–	–	–	–	2,110
Ms. Yang Jing	(vi)	2,100	55	34	40	477	2,706
Mr. Yan Jun	(vii)	2,112	55	34	40	9,804	12,045
Ms. Zhang Shi	(viii)	2,110	55	34	40	8,024	10,263
Mr. Zhang Lingqi	(ix)	160	–	–	–	–	160
Ms. Pan Rongrong	(x)	160	–	–	–	–	160
Mr. Ma Weiyong	(xi)	160	–	–	–	–	160
Ms. Gao Yongmei	(xii)	72	–	–	–	–	72
Mr. Zeng Ming	(xiii)	123	–	–	–	–	123
		9,107	165	102	120	18,305	27,799



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

41 Benefits and interests of directors (Continued)

(a) Directors' emoluments (Continued)

The remuneration of every director and the chief executive officer for the year ended 31 March 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							
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. Yan Jun	(vii)	2,833	48	33	40	5,160	8,114
Ms. Zhang Shi	(viii)	2,417	48	33	40	5,730	8,268
Mr. Zhang Linqi	(ix)	40	—	—	—	—	40
Ms. Pan Rongrong	(x)	40	—	—	—	—	40
Mr. Ma Weiyong	(xi)	40	—	—	—	—	40
Ms. Gao Yongmei	(xii)	40	—	—	—	—	40
		16,842	240	189	229	36,041	53,541

- (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.

41 Benefits and interests of directors (Continued)

(a) Directors' emoluments (Continued)

- (vi) Ms. Yang Jing was appointed as a director with effect from 14 August 2018.
- (vii) Mr. Yan Jun was appointed as a director with effect from 16 August 2020.
- (viii) Ms. Zhang Shi was appointed as a director with effect from 3 July 2020.
- (ix) Mr. Zhang Linqi was appointed as a director with effect from 15 January 2021.
- (x) Ms. Pan Rongrong was appointed as a director with effect from 15 January 2021.
- (xi) Mr. Ma Weiyong was appointed as a director with effect from 15 January 2021.
- (xii) Ms. Gao Yongmei was appointed as a director with effect from 16 August 2020 to 26 September 2021.
- (xiii) Mr. Zeng Ming was appointed as a director with effect from 25 June 2021.

(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 2022 and 2021.

(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 2022 and 2021.

(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 2022 and 2021.

(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 2022 and 2021.



FINANCIAL SUMMARY

Condensed consolidated statements of comprehensive income

	Years ended 31 March				
	2022	2021	2020	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,237,200	867,036	558,083	102,013	22,727
Gross profit/(loss)	399,445	327,336	146,537	5,713	(934)
Operating loss	(767,398)	(453,286)	(597,428)	(432,207)	(252,346)
Loss before income tax	(766,846)	(3,693,400)	(1,510,895)	(933,121)	(978,342)
Loss for the year	(766,360)	(3,694,817)	(1,511,428)	(933,690)	(978,368)

Condensed consolidated balance sheets

	As at 31 March				
	2022	2021	2020	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	170,612	99,749	143,557	88,879	61,128
Current assets	4,552,198	5,150,145	1,159,672	677,755	591,715
Total assets	4,722,810	5,249,894	1,303,229	766,634	652,843
Non-current liabilities	103,761	83,122	1,623,338	2,807,924	1,811,402
Current liabilities	611,583	414,584	3,406,155	236,494	86,717
Total liabilities	715,344	497,706	5,029,493	3,044,418	1,898,119
Total equity	4,007,466	4,752,188	(3,726,264)	(2,277,784)	(1,245,276)



DEFINITIONS

“associate”	has the meaning ascribed to it under the Listing Rules
“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



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Definitions (Continued)

“Director(s)”	the director(s) of our Company
“DIP”	Diagnosis-Intervention Packet
“DRG”	Diagnosis Related Groups
“Frost & Sullivan Report”	the “Healthcare Intelligence Market White Paper” officially released by Frost & Sullivan on May 25, 2022
“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

“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
“PRC Legal Adviser”	Han Kun Law Offices, our legal adviser on PRC law
“Pre-IPO Share Option Plans”	the two pre-IPO share option plans adopted by the Company on 16 March 2015 as amended from time to time
“Prospectus”	the prospectus of the Company dated 31 December 2020
“Registered Shareholders”	the registered shareholders of the Onshore Holdcos
“Reporting Period”	the fiscal year ended 31 March 2022
“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



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Definitions (Continued)

“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





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