



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

2024 Annual Report  
年度報告





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# CORPORATE INFORMATION

## Executive Directors

Ms. Gong Yingying (宮盈盈) (*Chairlady*)  
Mr. Xu Jiming (徐濟銘) (*Chief Executive Officer*)  
Dr. Yan Jun (閆峻)  
Ms. Feng Xiaoying (封曉瑛)

## Non-Executive Director

Mr. Zeng Ming (曾鳴)

## Independent Non-Executive Directors

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

## Audit Committee

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

## Remuneration Committee

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

## Nomination Committee

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

## Joint Company Secretaries

Ms. Feng Xiaoying  
Ms. Li Ching Yi

## Authorized Representatives

Ms. Feng Xiaoying  
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

19th Floor, Golden Centre  
188 Des Voeux Road Central, Hong Kong

## Registered Office

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

## Auditor

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

## Legal Advisers

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

## As to PRC law

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

## As to Cayman Islands law

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



### **Hong Kong Share Registrar**

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

### **Principal Share Registrar and Transfer Office**

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

### **Principal Banks**

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

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

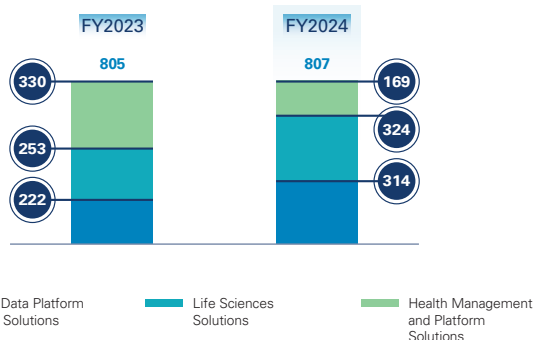
### **Company Website**

[www.yidutechgroup.com](http://www.yidutechgroup.com)

# KEY FINANCIAL AND OPERATING DATA

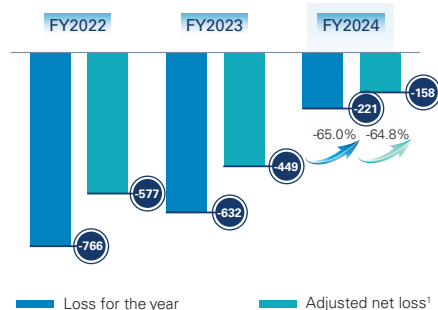
## FY2024 Financial Highlights

Revenue (RMB mn)

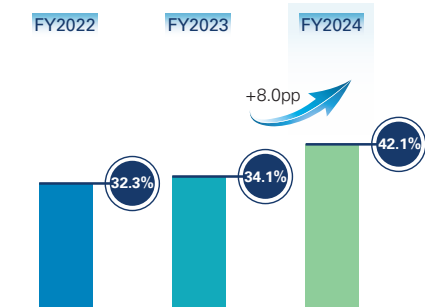


Loss (RMB mn)

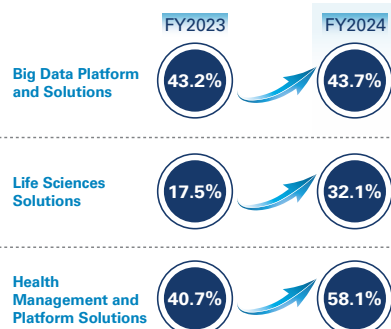
Loss for the year/Adjusted net loss



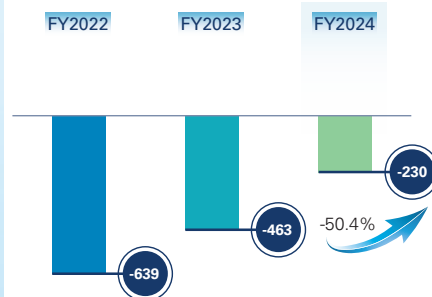
Gross Margin



Gross Margin by Segment



Net Cash Outflow from Operating Activities<sup>2</sup> (RMB mn)



Leading Market Position

- For hospitals and regulators: **No. 1<sup>3</sup>** market share for Research studies. Leading position in public health and data platform business
- For pharmaceutical companies: **Flagship brand** in Real World Studies for pharmaceutical companies. We have conducted **321** clinical trials<sup>4</sup> and **246** Real World Studies<sup>5</sup> in total
- Payment end: Hui Min Bao cumulatively won bids in and served **4 provinces and 12 cities**, with an active user base of **27.6 million** on Health Management Platform

Solid Customer Base



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

Note 2: Excluding the impact of third-party premiums collection and insurance claims.

Note 3: Based on statistics from public tender information.

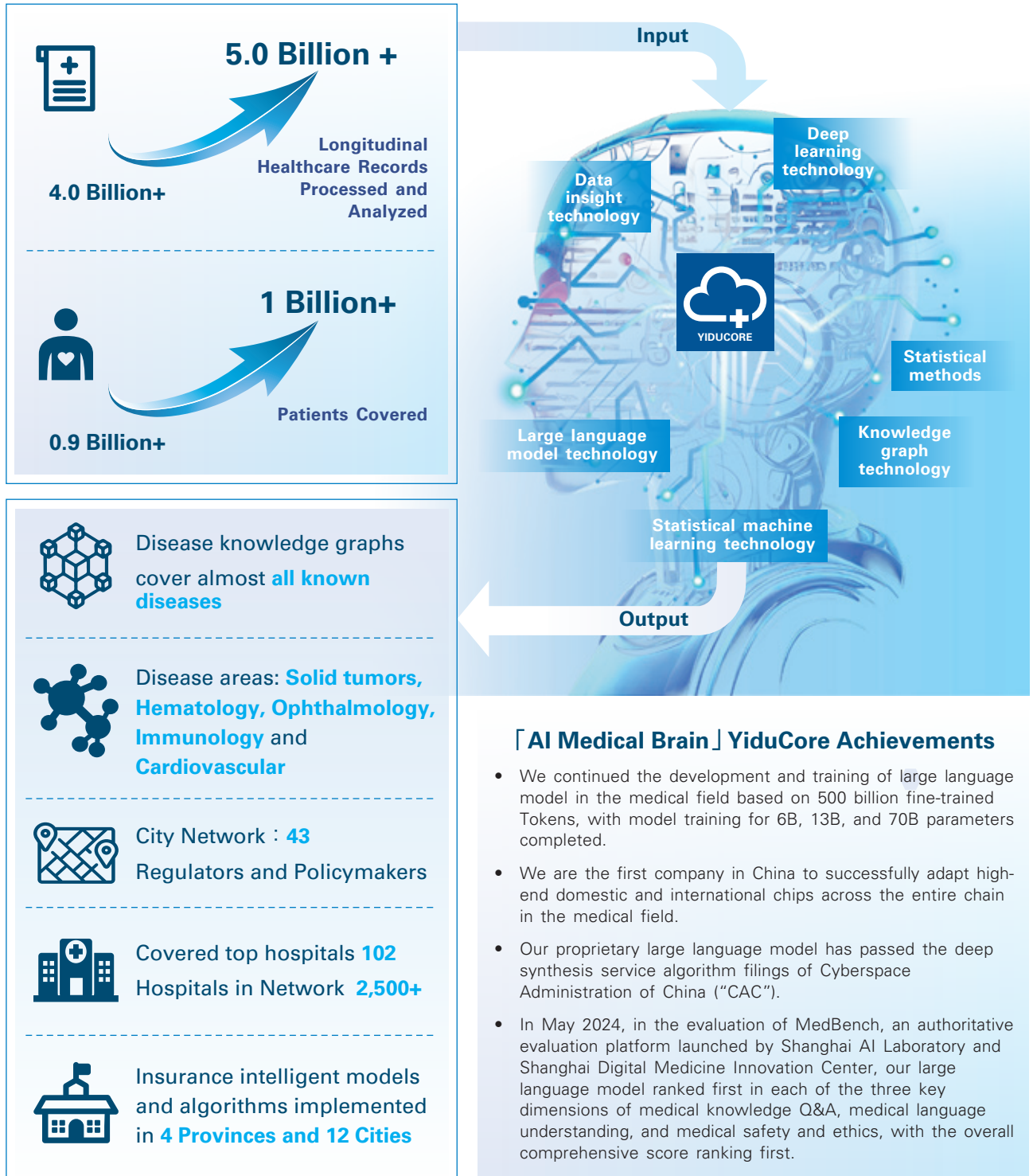
Note 4: Including clinical trial projects and clinical trials initiated by investigator.

Note 5: Including retrospective and prospective research projects.

## Key Financial and Operating Data (Continued)

### AI Medical Brain-YiduCore

Leveraging multi-dimensional, quantifiable knowledge graphs accumulated for a decade and advanced large language model technology, we provide intelligent medical solutions in research, diagnosis and treatment, and public health.





# CHAIRLADY'S STATEMENT

Yidu Tech is a leading company in the AI medical industry, providing intelligent solutions to hospitals, government, pharmaceutical companies, insurance and other healthcare industry participants. Leveraging the proprietary intelligent "AI Medical Brain", YiduCore, that accumulated multi-dimensional, quantifiable knowledge graphs over a decade and integrated advanced large language model technology, Yidu Tech applies medical intelligence solutions in three major categories of healthcare scenarios, namely research, diagnosis and treatment and public health, to help reduce the cost of healthcare services, enhance the efficiency of the healthcare industry's supply side, and to promote the establishment of an inclusive, precise, and efficient intelligent healthcare system.

In the face of the continuous breakthroughs in cutting-edge technologies and deep changes in the industry, Yidu Tech has always maintained creative spirit, and stayed its strategic focus for FY2024 by increasing its investment in general artificial intelligence technologies and firmly promoting business expansion with the goal of achieving long-term high-quality development. FY2024 was the first year after the end of the COVID-19, and the gradual rebound in its core business demonstrated Yidu Tech's strong resilience. Every step of our growth is inseparable from the continuous support and trust of our investors, and on behalf of the Group, I would like to express my sincere appreciation for your unwavering confidence in us.

## Strategic Focus for Long-term High-Quality Development

We are committed to improving profitability by focusing on our strategies and thus achieving long-term high-quality development. Based on the continuously upgraded and iterative "AI medical brain" YiduCore and real-world study ("**RWS**") network, we focus on vertical disease areas such as solid tumors, hematologic disease, ophthalmology, immunity, cardiovascular and endocrine diseases on disease-specific dimensions, and continue to expand our presence among key hospitals, pharmaceutical companies and regions in these dimensions. Our endeavors remain steadfast in three major areas, namely public health, research, and diagnosis and treatment so as to reinforce our complete business loop of "medical treatment, drugs, insurance and patients".

During the financial year, the Company's overall operational efficiency was further improved. Our overall gross profit margin reached a historical high, increasing by 8.0 percentage points to 42.1% year-on-year. Loss for the year declined by 65.0% year-on-year, and adjusted net loss dropped by 64.8% year-on-year to a historical low. Operating cash outflow excluding the impact of third-party collection and payment of premiums and insurance claim payments amounted to RMB229.5 million, narrowed by 50.4% year-on-year. As of 31 March 2024, we had sufficient cash reserves of cash and cash equivalents, which provide strong support for us to accelerate our long-term sustainable development.

Throughout this fiscal year, our core businesses have begun to gradually recover, especially in the aspects of bidding, on-site implementation and client acceptance. While improving the efficiency of project implementation, we also continue to optimize customer experience, enhance customer value and increase customer stickiness to further strengthen our core competitiveness. As of 31 March 2024, the big data platform and solutions segment provided solutions to 102 top-tier hospitals in China as well as 43 regulatory bodies and policy makers. Our research business ranks first in the industry in terms of market share based on statistics of public tender information. Our research platform products can shorten the research cycle from traditional 6-12 months to 2-6 months, and our research platform products enabled by the large language model can speed up the research cycle by about 50% on top of that, further consolidating our market position as the No. 1 brand in clinical research. During this fiscal year, the revenue retention rate of the top ten customers of the life sciences business segment reached 151.1%, with average transaction value of customers increasing by 75.4%



## Chairlady's Statement (Continued)

year-on-year. With the continuous optimization of the proprietary integrated intelligent service platform, human efficiency was further improved. As a flagship brand in the first echelon of the market, the life sciences solutions segment helps customers comprehensively manage and optimize the entire product lifecycle by providing high-quality real-world evidence ("RWE"). We have accumulated extensive experience in all aspects of the process, from pre-launch strategy development and pharmacovigilance approval assistance, to peri-launch evidence support, and post-launch indication expansion and efficacy and safety evaluation. As of 31 March 2024, we have consecutively won four technically demanding and difficult-to-execute retrospective real-world research projects related to cancer and pain for an MNC, and our team's expertise and rapid response have been well recognized by the client. In the health management platform and solutions segment, we have served as the main operation platform for Beijing Hui Min Bao (北京惠民保) and Jiangsu Province Hui Min Bao (江蘇省惠民保) for three consecutive years. For year 2024, the total number of insured for Beijing Hui Min Bao (北京惠民保) and Jiangsu Province Hui Min Bao (江蘇省惠民保) No. 1 reached record highs, with the average two-year growth rate reaching 20% and 30%, respectively.

### Independent Innovation to Continually Reinforce Full-Stack AI Medical Capabilities

Yidu Tech focuses on artificial intelligence technology and has been deeply cultivating in the AI medical industry for ten years, and now has full-stack technical capabilities and high core competitiveness. The medical industry has very strict requirements for the safety and accuracy of intelligent solutions, therefore, medical research around the whole life cycle of patients and different disease dimensions, massive high-quality multi-dimensional quantifiable knowledge graphs, and continuous and high-frequent iteration of algorithms and scenarios determine the professionalism and accuracy of intelligent solutions. As of 31 March 2024, we have been authorized to cumulatively process over 5 billion full-life cycle healthcare record data from over 1 billion patients.

During the Reporting Period, we resolutely maintained our strategic investment in large language model in the medical vertical field to stay at the forefront of the AI medical industry. Based on evidence-based medical knowledge, clinical practice guidelines, the latest medical literature and expert knowledge, as well as multi-dimensional and quantifiable knowledge graphs accumulated over a decade of practice, our proprietary large language model in the medical vertical field continues to be iterated and optimized. It is also the industry's first large language model in the medical vertical field to successfully adapt to high-end chips, both domestic and international, across the entire chain. Supported by multidimensional practical knowledge graphs and over 500 billion refined tokens, we have completed model training for 6B, 13B and 70B parameters to adapt to the ever-changing and growing demand of the medical industry. In May 2024, our large language model in the medical vertical field topped the updated evaluation list of MedBench, an open evaluation platform for Chinese healthcare large language model, with excellent overall scores, and ranked first in each of the three key dimensions of medical language understanding, medical knowledge Q&A, and medical safety and ethics.

We are optimizing the multimodal large language model to achieve multi-task generalization capabilities for intelligent recognition, understanding, reasoning and content generation of various forms of text, images, speech, etc., as well as sense user's emotions and needs through emotion recognition technology. The large language model technology itself will evolve from shallow verbal-textual interaction capabilities to deeper action capabilities of intelligent body decision-making, and gradually unleash the multi-tasking engine capabilities of the large language model.

## Chairlady's Statement (Continued)

### Network Expansion to Promote Construction from Platform to Ecosystem

Our expanding customer base has promoted multi-scenario applications, while the integration and iteration of scenarios and algorithm cemented YiduCore. The deepening of the disease insights they generated also attracts more hospitals, experts, pharmaceutical companies and researchers to join our ecosystem. Expanding network of experts, disease research, and geographical coverage also enable our algorithms to accumulate and analyse greater amounts of valuable medical knowledge and clinical experience.

As of 31 March 2024, our hospital network covered over 2,500 hospitals, and the number of clients we serve among regulators and policymakers increased to 43. Our disease knowledge graph now covers all known diseases, and our disease registries span over 80 disease areas. In addition, the LSS segment has covered over 10,000 patients, and the number of active users who have completed at least one transaction in the HMPS platform has increased to 27.6 million. In the future, we aim to attract more experts who can generate fresh insights and ideas for clinical medical research leveraging the capabilities of YiduCore, and enable accelerated output of high-quality research results, accelerating the medical research process while further driving network expansion.

### Promoting City Supplementary Insurance Development and Exploring Health Management Solutions

Focusing on the high prevalence of chronic diseases, we prioritize treatment by continuously researching and developing digital therapies for health management based on YiduCore, evidence-based medicine, and traceable real-world evidence. We also explore new models for chronic disease management. During the Reporting Period, our innovation solution for digital therapy of diabetes has been successfully selected as the “2+3” health service package diabetes digital therapy innovative application scenarios and solutions pilot project in Hainan Province, which promotes the innovative application of digital therapy and assists the transformation of Hainan's healthcare digitization. The pilot project was completed and accepted during this fiscal year and highly evaluated. In addition, leveraging large language model technologies, we have provided 24/7 health management services to over 5 million users of Jiangsu Province Hui Min Bao (江蘇省惠民保).

With the support of AI medical technology and our extensive scenario operation experience, we have won the bid of, and cumulatively served Hui Min Bao (惠民保) covering 4 provinces and 12 cities as of 31 March 2024, of which more than 90% of users are located in China's top 15 provincial-level administrative regions in terms of GDP in 2023. During the Reporting Period, we provided the main operation service for the third-party platform project of Shenzhen Hui Min Bao (深圳惠民保). In the first year, the number of participants exceeded 6 million, with a penetration rate of over 35%. Both the number of policies and participation rate rank among the top in the Hui Min Bao (惠民保) programs across the country. Going forward, we will focus on expanding our regional network with intelligent solutions and rich main operation experience, deepening our presence in core cities, and increasing customer penetration to support the long-term development of City Hui Min Bao (惠民保).



## Chairlady's Statement (Continued)

The essence of AI medical is to improve the output quality and efficiency of research-grade evidence with advanced technologies such as artificial intelligence, big data and cloud computing, and resolve efficiency issues in the healthcare industry, thereby achieving inclusiveness, accuracy and efficiency. Currently, our intelligent solutions have encompassed crucial scenarios for all stakeholders in the healthcare industry, from assisting doctors in clinical diagnosis and treatment on the supply side to accelerating new drug development, from empowering precise decision-making in public health to personalized proactive health management of many at every level. This comprehensive approach aligns with our vision at Yidu Tech and our commitment to building a value-based medical system since our inception.

We uphold the long-term principle and adhere to the mission of “making value-based precision healthcare accessible to everyone”, constantly strengthen our capabilities in core technologies and ecological cultivation in the process and efficiently respond to our customer needs while refining our operations, thus creating long-term value for our investors and our society at large.

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

Full of gratitude, and all the best to everyone.

**Gong Yingying**  
*Chairlady and Founder*

China  
27 June 2024

# BUSINESS REVIEW

## Financial Highlights

	Years ended 31 March		
	2024	2023	Change (%)
	(RMB'000, except percentages)		
Revenue	807,076	804,700	0.3%
— Big Data Platform and Solutions	313,634	221,863	41.4%
— Life Sciences Solutions	324,044	252,884	28.1%
— Health Management Platform and Solutions	169,398	329,953	(48.7%)
Gross profit	339,445	274,530	23.6%
Operating loss	(219,919)	(630,049)	(65.1%)
Loss for the year	(221,242)	(632,361)	(65.0%)
Non-IFRS adjusted net loss <sup>(1)</sup>	(158,110)	(448,712)	(64.8%)

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

The Board did not recommend the distribution of a final dividend for the fiscal year ended 31 March 2024.



### Business Review

Big data and artificial intelligence (AI) have become two major drivers in modern society. The combination of big data, which provides rich information resources, and AI, which has the ability to process such information, has set off a new wave of technological advancement. AI technology enables further in-depth analysis of big data, extracting the most valuable insight to support decision-making. This data-driven decision-making approach has been widely adopted in the medical field. Generative AI technology, representing new qualitative productivity, has inspired new opportunities for technological innovation and industrial upgrading. The state has accordingly implemented a series of regulations and guidelines to promote the application of generative AI scenarios in China. As a leading company in the field of AI healthcare, we are committed to applying AI technology to improve the supply-side efficiency and demand-side user experience in the healthcare industry, and to provide AI-enabled solutions for the entire healthcare ecosystem, so as to achieve the long-term vision of inclusive precision healthcare ("**green healthcare**").

In FY2024, we focused on our core business, improving internal operating efficiency and earnings quality, and continued to invest in AI technology, especially in the development and commercialization of our proprietary large language model in the medical field. During the Reporting Period, our overall business remained stable, with a significant improvement in gross profit margin, a substantial reduction in losses compared to that in the previous year, and optimized cash flow. During the Reporting Period, the Group's total revenue amounted to RMB807.1 million and the gross profit margin reached a historical high, increasing to 42.1% from 34.1% in FY2023, representing an increase of 8.0 percentage points. Our loss for the year narrowed to RMB221.2 million during the Reporting Period from RMB632.4 million in FY2023, representing a 65.0% year-on-year decrease. Operating cash outflow excluding the third-party premiums collection and insurance claims, amounted to RMB229.5 million, representing a 50.4% year-on-year decrease. As of 31 March 2024, we had sufficient cash reserves. Our cash and cash equivalents, term deposits, pledged bank deposits, restricted bank balance and deposits amounted to RMB3,409.9 million, remaining nearly flat compared to RMB3,522.0 million as of 31 March 2023.

We continuously upgrade and iterate our intelligent "AI medical brain" YiduCore, which supports our customers and partners in realizing the application of high-quality data across various scenarios in a secure and compliant manner. During the Reporting Period, we continued the development and training of large language model in the medical field based on 500 billion fine-trained Tokens, with model training for 6B, 13B, and 70B parameters completed. Our proprietary large language model has passed the deep synthesis service algorithm filings of Cyberspace Administration of China ("**CAC**"). In May 2024, in the evaluation of MedBench, an authoritative evaluation platform launched by Shanghai AI Laboratory and Shanghai Digital Medicine Innovation Center, our large language model ranked first in each of the three key dimensions of medical knowledge Q&A, medical language understanding, and medical safety and ethics, with the overall comprehensive score ranking first. Our large language model in the medical field developed on the basis of quantifiable knowledge graphs accumulated from the multi-dimensional practices keeps iterating YiduCore's core algorithm to enhance its semantic understanding and reasoning capabilities. As of 31 March 2024, YiduCore has processed and analyzed more than 5 billion authorized medical records of over 1 billion patients. We focus on disease areas such as solid tumors, hematologic disease, ophthalmology, immunity and cardiovascular. Along with the continuous accumulation and iteration of algorithms and knowledge insights in different application scenarios and disease areas, we attract more hospitals, experts, pharmaceutical companies, and researchers to join YiduCore's network. As of 31 March 2024, we have provided solutions to 102 top Chinese hospitals and 43 regulators and policy makers, covering over 2,500 hospitals. The number of life sciences customers we served reached 122, and the revenue retention

## Business Review (Continued)

rate of our top 10 clients in the Life Sciences Solutions segment was 151.1%, a year-on-year increase of 60.6%. 16 of the top 20 multi-national pharmaceutical companies ("**MNC**") are our clients. In the Health Management Platform and Solutions segment, we served as the main operation platform for Beijing Hui Min Bao (北京惠民保) and Jiangsu Province Hui Min Bao (江蘇省惠民保) for three consecutive years. The number of active users who have completed at least one transaction on our health management platform increased to 27.6 million.

### YiduCore

YiduCore, our intelligent "AI medical brain", extracts, structures and standardizes the raw, dispersed medical data through advanced algorithms and large language model technology, and further transforms it into deep medical insights and practical solutions. YiduCore learns the entire path of a doctor's brain from information collection, in-depth reasoning to decision-making in operation, while learning and replicating the doctor's thinking mode and decision-making logic when facing disease diagnosis, treatment selection, and public health management, which makes its performance closer to that of a real doctor in various application scenarios. Its function has been significantly improved as the continuous iteration and upgrading of YiduCore, including the comprehensive enhancements in processing efficiency, comprehension and reasoning capabilities, and precise adaptation to complex application scenarios. These improvements not only enhance customer experience, but also strengthen YiduCore's product competitiveness. During the Reporting Period, we continued to conduct the research and development and training of large language model in the medical field based on 500 billion professionally trained Tokens, with model training for 6B, 13B, 70B parameters completed. Our proprietary large language model has passed the deep synthesis service algorithm filings of Cyberspace Administration of China ("**CAC**").

In terms of data, the key factor determining the performance of algorithms, YiduCore has cumulatively processed and analyzed more than 5 billion authorized medical records from over 1 billion patients. The medical knowledge graphs derived from these records has covered over 100,000 medical subjects, and the disease knowledge graphs have essentially covered all known diseases, building accurate disease models for more than 80 disease areas. These records encompass comprehensive information from diagnosis to treatment, including multiple aspects such as medical records systems, imaging, laboratory tests, surgeries, anesthesia, and medication inventory management. Through in-depth analysis of these disease-wide and process-wide data, our AI algorithmic models can autonomously learn multiple aspects of a doctor's workflow, including diagnostic thinking and scientific research, and output solutions. In addition, leveraging on the barrier advantages accumulated from hospitals over 10 years, we have also proprietary a large language model training data generation technology based on multi-dimensional quantifiable disease knowledge graphs, which further improves the efficiency and quality of data application. In terms of computing force, we are the first company in China to successfully adapt high-end domestic and international chips across the entire chain in the medical field. Yidu Tech has become Huawei's in-depth partner in the medical field, and has become one of the first medical intelligence enterprises to launch the native development of Ascend. Through the deep cooperation with Ascend AI, Yidu Tech is able to provide a safe, controllable, domestically produced and proprietarily innovated intelligent training and push integration solution for localized deployment.



## Business Review (Continued)

In terms of algorithms, we not only pursue breadth, but also delve into the specifics of each disease. In our strategy, large language model empowerment is achieved by meticulously deconstructing disease models, combining clinical guidelines, medical knowledge graphs, and multidisciplinary clinical decision trees. This methodology allows us to develop highly customized disease diagnosis and treatment models, thereby providing medical-grade intelligent support for medical practice. Under this strategic framework, we chose pediatric fever as a disease model for in-depth deconstruction and adaptation, providing users with multiple rounds of natural language interactions at the medical expert level to rule out critical conditions that may result from pediatric fever. The establishment of this disease model has deepened our understanding of the disease and provided a powerful tool for the digital transformation of the entire healthcare industry. In May 2024, in the MedBench evaluation, an authoritative evaluation platform launched by Shanghai AI Laboratory and Shanghai Digital Medicine Innovation Center, Yidu Tech's large language model ranked first in each of the three key dimensions of medical knowledge Q&A, medical language understanding, and medical safety and ethics, and achieved the highest overall score. This proves that YiduCore is not only theoretically advanced, but also highly effective and reliable in practical applications. In addition, we are developing a multi-modal large language model that combines the processing power of text, image and histological data to provide a more comprehensive intelligent medical solution.

During the Reporting Period, in addition to technological breakthroughs, YiduCore's commercial applications have also been continuously expanding. By leveraging large language model, we have enhanced project sustainability and provided 24/7 health management services to over 5 million users. We insisted on continuously promoting the innovation and upgrading of AI algorithms by continuously aggregating multi-dimensional data and building a multi-tasking engine to form a closed-loop system of self-iteration and growth.

### Big Data Platform and Solutions ("BDPS")

In the BDPS segment, we provide data intelligence platform and data analytics-driven solutions for hospitals, healthcare institutions, regulators and policymakers. During the Reporting Period, the revenue of this segment was RMB313.6 million, representing a year-on-year increase of 41.4%. As of 31 March 2024, the total number of our top hospital clients increased by 14 to 102 as compared to the same period last year, while the number of regulator and policymaker clients increased by 9 to 43.

For hospitals, we provide AI solutions for the full range of medical treatment, education, research and hospital management scenarios, assisting our clients in conducting in-depth medical research and making precise and efficient decisions. By using our disease registry and research products, top hospitals and experts can accelerate the generation of research-grade evidence and conduct large-scale clinical research more quickly and safely. During the Reporting Period, we continued to promote the commercialization of our new hospital scenario intelligent solutions including All Disease Data Platform and YiduEywa series, our new-generation data centre, and upgraded our product matrix and application solutions through AI technology. Our research solutions empower the whole process of scientific research, accelerating the output of scientific research results and the transformation of clinical applications in aspects of natural language medical record search, intelligent field structuring, inspiration discovery, and thesis assisted writing. Our research platform products can shorten the traditional 6–12 months research cycle to 2–6 months, and the research platform products empowered by the large language model can be further accelerated by about 50%, further consolidating our market position as the No. 1 brand in clinical research. According to the statistics of public tender information, the market share of our research business ranks first in the industry, leading the development of the clinical research market. We have also participated in more than 20 national and provincial-level medical research projects. In addition to deepening

## Business Review (Continued)

our research on key disease areas, such as solid tumors, hematology, ophthalmology, immunology, cardiology and endocrine, we have also continuously expanded the breadth of our research in different disease areas. During the Reporting Period, we secured a number of research platform and disease registries projects in Grade III-A/Grade III hospitals, further strengthening our research capabilities in pediatrics, respiratory medicine, nephrology, and other disease areas.

We keep iterating real-world disease models by AI technologies, and continue to deepen our disease insights and engage top-grade hospitals and experts in our research network. For example, we have maintained years of close cooperation with Peking University Cancer Hospital, which ranks among the top five oncology hospitals in China. Together, we have carried out a number of intelligent hospital construction projects, including the medical data intelligent research platform, a number of disease databases represented by the gastric cancer disease registry, and the iGCP intelligent clinical trial platform, which enhances the quality and efficiency of the hospital's clinical research. Based on our customers' long-term recognition of our products and services, during the Reporting Period, we won the bid for the construction project of the regional medical data center of Inner Mongolia Hospital of Peking University Cancer Hospital to assist in the output and transformation of its high-quality scientific research results and the enhancement of its oncology diagnostic and treatment level, with a contract value of over RMB8 million. This project is a significant breakthrough for our business in Inner Mongolia and is another typical case of our cooperation with Peking University Cancer Hospital, a top research-based specialty hospital in China.

We process and analyze more abundant and diverse data for regulators and policymakers. Upon authorization, we provide AI-enabled data analytics-driven solutions to regulators and policymakers, covering national/provincial/city level regional platform development, and public health etc. We also assist in building cities' "health brain" in the field of regional population health management. Leveraging our AI-enabled analytical tools and cutting-edge simulation models, we improved the quality of whole-population, full-life-cycle medical and healthcare services, with a number of benchmark projects launched in China's core cities, such as Beijing, Ningbo, etc.

During this fiscal year, the big data platform of the National Medical Center for Major Public Health Events (國家重大公共衛生事件醫學中心), which was constructed by us, successfully passed the final inspection and entered the operational phase. This platform has completed the construction of specialized databases for monitoring and early warning of the five major syndromes and 40 types of national statutory infectious diseases, users have conducted over 2,000 scientific research projects on the platform. The Data Platform for Clinical Trial Institution Evaluation (臨床試驗機構評價數據平台), a national platform built by us, has also entered the trial operation, providing support and assurance for China's drug regulation and clinical trial organization management. During the Reporting Period, we won the bid for the construction of a regional medical intelligent platform in a city in South China, covering more than 50 medical institutions at all levels in the city, with a total contract value of more than RMB40 million. We assisted in establishing a medical group health big data center to realize the interconnection and sharing of medical data resources and public health data resources. We also assisted a city in East China to build a regional-level intelligent medical big database, and assisted in building a standard system of health medical data elements and assets, with a contract value of nearly RMB8 million.



### Life Sciences Solutions (“LSS”)

In the LSS segment, we provide full life-cycle management from clinical development to post-market commercialization, and meet the diverse customer needs through providing analytics-driven clinical development, real-world study (“**RWS**”), and digital commercialization solutions. Leveraging our proprietary integrated intelligence service platform and AI-powered disease insights, we assist partners in pharmaceuticals, biotechnology, medical devices and other clinical development processes reduce product development time and costs, improve the quality of clinical trials, and achieve commercial success.

During the Reporting Period, our revenue amounted to RMB324.0 million, representing a year-on-year increase of 28.1%, and the gross margin increased by 14.6 percentage points to a historical high of 32.1%. We focus on high quality customers and continuously enhance customer experience by concentrating on full life-cycle solutions empowered by digital and intelligent technology innovation to increase customer repurchase rates. As of 31 March 2024, we achieved a 151.1% revenue retention rate for our top 10 clients in terms of revenue, and the average transaction value of customers increased by 75.4% on year-on-year basis. 16 of the top 20 MNC are our clients. In terms of clinical research, we have performed 321 clinical researches, including clinical trials sponsored by pharmaceutical companies and investigator-initiated trials. We have performed 246 prospective and retrospective RWS. As of 31 March 2024, we have cumulatively covered over 10,000 patients. In addition, our Intelligent Site Management Organization services have covered 347 clinical trial facilities, ensuring the efficiency and quality of clinical trials.

In terms of innovation, the Decentralized Clinical Trial Platform (“**DCT**”) stands out as a major highlight, has been applied in several projects. During the Reporting Period, our DCT empowered Phase III clinical trial project of Sumitomo Pharma, and the “Practical Application of DCT Hybrid Model in China’s Registered Phase III Clinical Research” was awarded the “Top 10 Cases of DCT Practices in China in 2023”. This cooperation not only promoted the practical application of DCT model in China’s Registered Phase III Clinical Research, but also set a new benchmark for clinical trials in China and even worldwide.

In the LSS segment, we have accumulated extensive experience through generating high-quality real-world evidence (“**RWE**”) to empower life science clients to manage and optimize the entire produce life-cycle, from pre-launch strategy development, regulatory approval support, peri-launch evidence support, to post-market label extension, efficacy and safety evaluation. During the Reporting Period, based on the clinical real-world data study platform in Hainan Province that constructed by the BDPS segment, an international pharmaceutical company successfully obtained the approval from the National Medical Products Administration for its rigid scleral contact lens project, which was formally launched for sale. Based on the national clinical research centre platform built by the BDPS segment, the expert network and the in-depth research on hematologic disease, we undertook a number of RWS projects related to hematologic disease for an international pharmaceutical company and an innovative pharmaceutical company during this fiscal year. In addition, with the first-ranked technical score and high recognition from our clients, as of 31 March 2024, we continuously won 4 technically demanding and challenging retrospective RWS projects related to cancer and pain for a MNC, and our team’s professional capabilities and quick responsiveness have been praised by our clients. As of 31 March 2024, we had 8 projects in the RWS regulatory category in total, ranking leading level in the industry.

## Business Review (Continued)

With accumulated experience in focused disease areas, especially for solid tumors, hematology, ophthalmology, immunology, cardiology and endocrine, and the continuous iteration and upgrading of intelligence service platform based on the YiduCore, we continuously strengthen our core competitiveness in the life science industry, improve repurchase rate of customers, and shorten the journey from molecules to patients. With the high recognition of our clients, we successfully won another bid and signed a contract about an open clinical study project related to idiopathic pulmonary fibrosis with a domestic life science listed company during the Reporting Period. Generally, clinical study projects related to rare diseases face difficulties in patient enrolment. For difficult-to-treat and rare diseases that are not well treated conventionally, clinical research projects under innovative treatments need to further expand the sample size, and in which case patient enrolment poses significant challenges. The successfully obtained challenging project also represents the client's high recognition of our comprehensive service capability in the LSS segment. Furthermore, by virtue of our hyperspecialization in the field of ophthalmic diseases and our client's recognition, we won the bid for medical writing and medical supervision and other related work for a leading company in ophthalmic gene therapy during the Reporting Period, and won the bid for a phase I project related to a category 2 new drug from an innovative ophthalmic pharmaceutical company, contributing to the accelerated market launch of the product.

Our team has an average of over 9 years of experience in the fields of clinical research, data science, epidemiology, biostatistics, medical informatics, and AI. Through the development of a high-caliber talent pool, we continue to improve the operating efficiency of our projects and the client experience to ensure that we stay ahead of the curve in a highly competitive market.

### Health Management Platform and Solutions ("HMPS")

In this segment, we provide AI-enabled health management solutions to cater multi-level healthcare solutions for tens of millions city population. During the Reporting Period, revenue of our HMPS segment amounted to RMB169.5 million, representing a year-on-year decrease of 48.7%, and the gross profit margin of this segment was 58.1%, representing a year-on-year increase of 17.4 percentage points, primarily due to streamlining our business portfolios.



## Business Review (Continued)

During the Reporting Period, we continued to increase the market penetration of the Hui Min Bao (惠民保) business. As of 31 March 2024, we cumulatively won bids in and served 4 provinces and 12 cities, including Jiangsu Province, Beijing, Shenzhen etc. We continued to enhance our efforts in the Hui Min Bao (惠民保) projects in China's core provinces and cities. In the provinces and cities where we have provided Hui Min Bao (惠民保) services, over 90% of users are located in the top 15 provincial-level administrative regions by GDP in China in 2023. With the support of AI medical technology, the medical insights accumulated by YiduCore, and our rich experience in scenario operations, we have been able to provide one-stop operation solutions for Hui Min Bao (惠民保) in provinces and cities with tens of millions of populations such as Beijing and Jiangsu Province. During the Reporting Period, as the main operation platform for Shenzhen Hui Min Bao (深圳惠民保), we underwrote more than 6 million policies, and the insurance participation rate is more than 35%. Both the number of policies and participation rate rank among the top in the Hui Min Bao programs across the country, which further solidified the leadership position of our Hui Min Bao (惠民保) business in China's core cities. In addition, we have served as the main operation platform for Beijing Hui Min Bao (北京惠民保) and Jiangsu Province Hui Min Bao (江蘇省惠民保) for three consecutive years. The cumulative number of the insured for Beijing Hui Min Bao (北京惠民保) amounted to more than 10 million, while the cumulative number of participants of Jiangsu Province Hui Min Bao (江蘇省惠民保) amounted to more than 13 million. In 2024, the total number of the insured for Beijing Hui Min Bao (北京惠民保) and Jiangsu Province Hui Min Bao (江蘇省惠民保) both reached a record high, with an average increase of 20% and 30% over two years, respectively.

With the empowerment of AI technology, our insurance claim efficiency has been significantly improved. More than 80% of our customer service is handled by AI intelligent customer service, achieving second-level response as compared with the traditional services. Under the quick claim mode, the per capita case processing volume reaches nearly 1,000 per person per month, increasing the efficiency by 50%–70% compared with traditional methods. Leveraging algorithm models and AI technologies, we launched quick claim services for Beijing Hui Min Bao (北京惠民保) for two consecutive years. The vast majority of the insured are not required to provide claim materials such as medical bills, but are actively reached and provided compensation by receiving text messages and phone calls and other means, which has significantly compressed the claim settlement time and reduced the financial burden of the insured. In the future, we will adhere to improving claim efficiency through technology, enhancing claim quality through services, and exploring other claims data-enabled businesses to establish higher professional barriers.

We also deliver AI one-stop analytics-driven solutions by leveraging technology capabilities and medical knowledge accumulated by YiduCore, and offer integrated and personalized digital therapeutics that integrates traditional treatment with out-of-hospital care and lifestyle interventions, and continuously explore new models of chronic disease management. In this fiscal year, our diabetes digital therapeutics solutions have been piloted in Hainan Province, accurately managing nearly 4,000 people. The fasting blood glucose compliance rate of the enrolled patients has increased by 11%, and the postprandial blood glucose compliance rate has increased by 12%.

As of 31 March 2024, the number of active users who have completed at least one transaction on our health management platform increased to 27.6 million.

## Business Review (Continued)

### Business Outlook

To achieve our mission to “make value-based precision healthcare accessible to everyone” and maintain a leading position in the AI healthcare industry, our strategic planning will be divided into the following key directions: (i) core technology optimization and investment: we will continue to increase investment and optimize large language model in the medical field and constantly improve the function of our core algorithm intelligent “AI medical brain” YiduCore to strengthen our enabling ability in various medical application scenarios, (ii) deepening disease research and application: we will further carry out in-depth research and analysis on each key disease area, and enrich applications in these areas to provide more accurate and efficient medical solutions, (iii) customer experience and operating efficiency: we will concentrate on optimizing customer experience and enhancing the delivery of customer value by improving service quality and operational efficiency, and (iv) further enriching our ecosystem through strategic partnerships, investments and acquisitions.

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

In respect of LSS segment, with the constant development of AI technology, and the “patient-centered” research and development concept being more integrated throughout full life-cycle of the medicine research and development, we will continue to accelerate the generation of research-grade evidence based on YiduCore to drive the development of our one-stop solutions from analytics-driven clinical development to post-launch commercialization. We will stay focus on (i) analytics-driven intelligent solutions for the improvement of operational efficiency, (ii) generation and application of RWE, (iii) key disease areas we excel at in clinical development, and (iv) preservation and enlargement of our high- quality customer base.

In respect of HMPS segment, we will continue to utilize our disease insights, knowledge and expert network to provide effective health management solutions to benefit more people with “patient-centered, outcome-oriented” care. We will continue to (i) increase the number of active users from diversified channels, (ii) explore new models of chronic disease management, and (iii) enrich user experience to solidify brand loyalty.

As a leading player in the rapidly evolving healthcare intelligence industry, we will continue to abide by our mission of “making value-based precision healthcare accessible to everyone”, capture the massive market opportunities in China and other regions with independent innovation and high-quality development, and enable stakeholders in the healthcare ecosystem to derive more value from our continuously iterating intelligent “AI medical brain”.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Revenues

Our revenues remained relatively stable with an increase of 0.3% from RMB804.7 million for the fiscal year ended 31 March 2023 to RMB807.1 million for the fiscal year ended 31 March 2024.

*Big Data Platform and Solutions.* Revenue from Big Data Platform and Solutions increased by 41.4% from RMB221.9 million for the fiscal year ended 31 March 2023 to RMB313.6 million for the fiscal year ended 31 March 2024, primarily because our business started to recover, especially in the clients' tendering processes, on-site implementation, and clients' acceptance, after the end of the COVID-19 pandemic.

*Life Sciences Solutions.* Revenue from Life Sciences Solutions increased by 28.1% from RMB252.9 million for the fiscal year ended 31 March 2023 to RMB324.0 million for the fiscal year ended 31 March 2024, primarily because our business started to recover, especially in the on-site implementation and delivery for clients, after the end of the COVID-19 pandemic.

*Health Management Platform and Solutions.* Revenue from Health Management Platform and Solutions decreased by 48.7% from RMB329.9 million for the fiscal year ended 31 March 2023 to RMB169.5 million for the fiscal year ended 31 March 2024, primarily due to streamlining our business portfolios.

## Cost of Sales and Services

Our cost of sales and services decreased by 11.8% from RMB530.2 million for the fiscal year ended 31 March 2023 to RMB467.6 million for the fiscal year ended 31 March 2024. Share-based compensation expenses included in cost of sales and services were RMB8.0 million and RMB5.5 million for the fiscal years ended 31 March 2023 and 2024 respectively.

*Big Data Platform and Solutions.* Cost of sales and services from Big Data Platform and Solutions segment increased by 40.2% from RMB126.0 million for the fiscal year ended 31 March 2023 to RMB176.7 million for the fiscal year ended 31 March 2024, primarily due to (i) the increased cost of software and hardware as well as outsourcing service fee from RMB65.4 million to RMB92.0 million; (ii) increase in employee benefits and expenses of employees engaging in the Big Data Platform and Solutions business from RMB59.3 million to RMB78.6 million, which included share-based compensation expenses of RMB3.8 million and RMB3.5 million in the respective years.

*Life Sciences Solutions.* Cost of sales and services from Life Sciences Solutions increased by 5.4% from RMB208.7 million for the fiscal year ended 31 March 2023 to RMB220.0 million for the fiscal year ended 31 March 2024, primarily due to (i) the increases in outsourcing service fee from RMB113.3 million to RMB147.1 million, and (ii) the decreases in employee benefits and expenses of employees engaging in the Life Sciences Solutions business from RMB88.4 million to RMB65.7 million, which included share-based compensation expenses of RMB2.1 million and RMB1.2 million in the respective years.



## Management Discussion and Analysis (Continued)

*Health Management Platform and Solutions.* Cost of sales and services from the Health Management Platform and Solutions segment decreased by 63.7% from RMB195.5 million for the fiscal year ended 31 March 2023 to RMB70.9 million for the fiscal year ended 31 March 2024, primarily due to (i) the decrease in cost of pharmaceutical products and services from RMB171.5 million to RMB54.7 million; and (ii) the decreases in employee benefits and expenses of employees engaging in the Health Management Platform and Solutions business from RMB22.9 million to RMB13.5 million, which included share-based compensation expenses of RMB2.1 million and RMB0.8 million in the respective years.

### Gross profit and gross margin

As a result of the foregoing, our overall gross profit for the fiscal years ended 31 March 2023 and 2024 were RMB274.5 million and RMB339.4 million respectively, and our overall gross margin was 34.1% and 42.1% respectively.

*Big Data Platform and Solutions.* Our gross margin in Big Data Platform and Solutions maintained relatively stable at 43.7% for the fiscal year ended 31 March 2024 compared with 43.2% for the fiscal year ended 31 March 2023.

*Life Sciences Solutions.* Our gross margin in Life Sciences Solutions increased from 17.5% for the fiscal year ended 31 March 2023 to 32.1% for the fiscal year ended 31 March 2024, primarily due to the business recover and relatively stable cost of services for the fiscal year ended 31 March 2024.

*Health Management Platform and Solutions.* Our gross margin in Health Management Platform and Solutions increased from 40.7% for the fiscal year ended 31 March 2023 to 58.1% for the fiscal year ended 31 March 2024, primarily due to streamlining our business portfolios.

### Selling and marketing expenses

Our selling and marketing expenses decreased by 23.1% from RMB271.6 million for the fiscal year ended 31 March 2023 to RMB208.9 million for the fiscal year ended 31 March 2024, primarily attributable to (i) employee benefits and expenses of employees engaging in selling and marketing function decreased from RMB165.0 million to RMB132.9 million, which included share-based compensation expenses of RMB17.1 million and RMB13.5 million in the respective years; (ii) business development, promotion and advertising expenses and travelling, entertainment and office expenses for the Group's marketing activities and insurance services decreased from RMB93.7 million to RMB64.6 million.

Selling and marketing expenses as a percentage of revenue decreased from 33.8% for the fiscal year ended 31 March 2023 to 25.9% for the fiscal year ended 31 March 2024.

## Management Discussion and Analysis (Continued)

### Administrative expenses

Our administrative expenses decreased by 26.2% from RMB232.0 million for the fiscal year ended 31 March 2023 to RMB171.3 million for the fiscal year ended 31 March 2024, primarily attributable to decreases in employee benefits and expenses of employees engaging in administrative function from RMB182.5 million to RMB123.1 million, which included share-based compensation expenses of RMB47.6 million and RMB25.7 million in the respective years.

Administrative expenses as a percentage of revenue decreased from 28.8% for the fiscal year ended 31 March 2023 to 21.2% for the fiscal year ended 31 March 2024.

### Research and development expenses

Our research and development expenses decreased by 32.0% from RMB342.5 million for the fiscal year ended 31 March 2023 to RMB232.9 million for the fiscal year ended 31 March 2024. The decrease in research and development expenses was primarily due to the decrease in employee benefit and expenses for employees engaging in research and development function from RMB259.7 million to RMB152.4 million, which included share-based compensation expenses of RMB26.3 million and RMB14.0 million respectively in the respective years.

Research and development expenses as a percentage of revenue decreased from 42.6% for the fiscal year ended 31 March 2023 to 28.9% for the fiscal year ended 31 March 2024.

### Operating loss

As a result of the foregoing, our operating loss decreased by 65.1% from RMB630.0 million for the fiscal year ended 31 March 2023 to RMB219.9 million for the fiscal year ended 31 March 2024.

### Taxation

Income tax expense of the Group decreased from RMB3.4 million for the fiscal year ended 31 March 2023 to RMB0.05 million for the fiscal year ended 31 March 2024.

### Loss for the year

As a result of the foregoing, our loss for the year decreased by 65.0% from RMB632.4 million for the fiscal year ended 31 March 2023 to RMB221.2 million for the fiscal year ended 31 March 2024.

### Non-IFRS Measure — Adjusted Net Loss

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

## Management Discussion and Analysis (Continued)

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

For the fiscal years ended 31 March 2023 and 2024, our adjusted net loss was RMB448.7 million and RMB158.1 million respectively.

The table below sets forth the reconciliation of our non-IFRS financial measure for the fiscal years ended 31 March 2023 and 2024 to the closest indicator prepared in accordance with IFRS.

	Years ended 31 March	
	2024 (RMB'000)	2023 (RMB'000)
Loss for the year	(221,242)	(632,361)
Add:		
Share-based compensation expenses <sup>(1)</sup>	58,710	99,035
Net foreign exchange losses <sup>(2)</sup>	4,422	84,614
<b>Non-IFRS adjusted net loss</b>	<b>(158,110)</b>	<b>(448,712)</b>
<b>Non-IFRS adjusted net loss margin (%)<sup>(3)</sup></b>	<b>(19.6)</b>	<b>(55.8)</b>

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

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

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

### Liquidity and capital resource

During the fiscal year ended 31 March 2024, we had funded our cash requirements principally by capital contribution from shareholders and financing through issuance and sales of convertible redeemable preferred shares in private placement transactions and proceeds from initial public offering. We had cash and cash equivalents, term deposits, pledged bank deposits, restricted bank balance and deposits of RMB3,522.0 million and RMB3,409.9 million as of 31 March 2023 and 2024 respectively.

We adopted a prudent approach in our funding and treasury policy, which aims at maintaining an optimal financial position for the Group and minimising our financial risks. We regularly reviewed the funding requirements to ensure there are adequate financial resources to support our business operations and future investments as and when needed.



## Management Discussion and Analysis (Continued)

### Significant investments

On 28 October 2022, Marvelous Panda Inc., a wholly-owned subsidiary of the Company, entered into a subscription agreement for the fund YD Capital I L.P. (the “**Fund**”) with the general partner and became a limited partner of the Fund by making a cash contribution of US\$40.0 million to the Fund, representing 40% of the fund commitment. During the fiscal year ended 31 March 2024, the cash equivalent to US\$5.6 million was paid by the Group. The purpose of the Fund is primarily to (i) make venture capital investments in the healthcare sector, (ii) manage, supervise and dispose of such investments, and (iii) engage in such other activities incidental or ancillary thereto as the general partner deems necessary, appropriate or advisable.

### Material acquisitions and disposals

During the fiscal year ended 31 March 2024, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies.

### Pledge of assets

As at 31 March 2024, the Group had no material pledge of assets.

### Future plans for material investments or capital asset

As at 31 March 2024, the Group did not have detailed future plans for material investments or capital assets.

### Gearing ratio

As at 31 March 2024, the Group had a net cash position and the gearing ratio was -437.0%. The gearing ratio is calculated as net debt divided by total capital at the end of financial period. Net debt is calculated as borrowings less cash and cash equivalents, term deposits, pledged bank deposits, restricted bank balance and deposits. Total capital is calculated as total equity plus net debt.

### Foreign exchange exposure

During the fiscal year ended 31 March 2024, the Group mainly operated in China with most of the transactions settled in Renminbi. The functional currency of our Company, the subsidiaries and the consolidated affiliated entities that operate in the PRC, and the subsidiary operate in the Brunei are U.S. dollar, Renminbi and Brunei dollar, respectively. For the fiscal year ended 31 March 2024, we had currency translation gains of RMB94.8 million and net foreign exchange losses of RMB4.4 million, as compared with currency translation gains of RMB300.1 million and net foreign exchange losses of RMB84.6 million for the fiscal year ended 31 March 2023.

We did not hedge against any fluctuation in foreign currency during the fiscal years ended 31 March 2023 and 2024.

### Contingent liabilities

As at 31 March 2024, we did not have any material contingent liabilities (as at 31 March 2023: nil).

### Capital commitment

As at 31 March 2024, capital commitment of the Group was nil (as at 31 March 2023: RMB2.3 million, mainly for the renovation expenses).

## Management Discussion and Analysis (Continued)

### Investment commitment

As at 31 March 2024, investment commitment of the Group was RMB256.6 million (as at 31 March 2023: RMB284.0 million), mainly for the outstanding contribution from Marvelous Panda Inc., a wholly-owned subsidiary of the Company, to the Fund YD Capital I L.P..

### Employees and remuneration

As at 31 March 2024, the Group had a total of 902 employees, with 455 employees based in Beijing, 103 employees in Shanghai and 344 employees in other offices in China and overseas. The table below sets forth the total number of employees by function as at 31 March 2024:

Function	Number of employees
Product Development and Technology	357
Medical Function	308
Sales and Marketing	144
General and Administrative	93
<b>Total</b>	<b>902</b>

The total remuneration cost incurred by the Group for the fiscal year ended 31 March 2024 was RMB566.3 million, as compared to RMB777.7 million for the fiscal year ended 31 March 2023. The Company has also adopted a Post-IPO Share Award Scheme and a Post-IPO Share Option Scheme which was terminated on 25 August 2023 but the provisions of the Post-IPO Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior to the termination.

For details regarding training schemes of employees, please refer to the section headed “Employee Training Management” under the ESG Report.

### Subsequent Events

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

# REPORT OF DIRECTORS

The Board of the Company is pleased to present this report of Directors together with the consolidated financial statements of the Group for the fiscal year ended 31 March 2024.

## Directors

The Directors who held office during the fiscal year ended 31 March 2024 and up to the Latest Practicable Date are:

### Executive Directors

Ms. Gong Yingying (宮盈盈) (*Chairlady*)  
Mr. Xu Jiming (徐濟銘) (*Chief Executive Officer*)  
Dr. Yan Jun (閔峻)  
Ms. Feng Xiaoying (封曉瑛)

### Non-executive Director

Mr. Zeng Ming (曾鳴)

### Independent non-executive Directors

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

Biographical details of the Directors are set out in the section headed “Directors and Senior Management” on pages 39 to 43 of this annual report.

## General information

The Company was incorporated in the Cayman Islands on 9 December 2014 as an exempted company with limited liability. The Company’s Shares were listed on the 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 159 of this annual report.



## Report of Directors (Continued)

### Business review

A business review of the Group, as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a fair review of the Company's business, a description of the principal risks and uncertainties facing the Company, particulars of important events affecting the Company that have occurred since the end of the fiscal year, an indication of likely future development in the Group's business, an analysis of the Group's financial performance and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the "Business review" and "Management discussion and analysis" on pages 10 to 24 of this annual report and sections headed "Major customers" and "Major suppliers" on page 35 of report of Directors. These discussions form part of this report of Directors. Events affecting the Company that have occurred since the end of the fiscal year are set out in "Subsequent Events" in "Management Discussion and Analysis".

### Principal risks and uncertainties

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

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

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

### Environmental policies and performance

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. For further details, please refer to the section headed "Refining Environmental Management" under the ESG Report.

### 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 2024. Details of related party transactions of the Group for the Reporting Period are disclosed in note 40 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

#### 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.

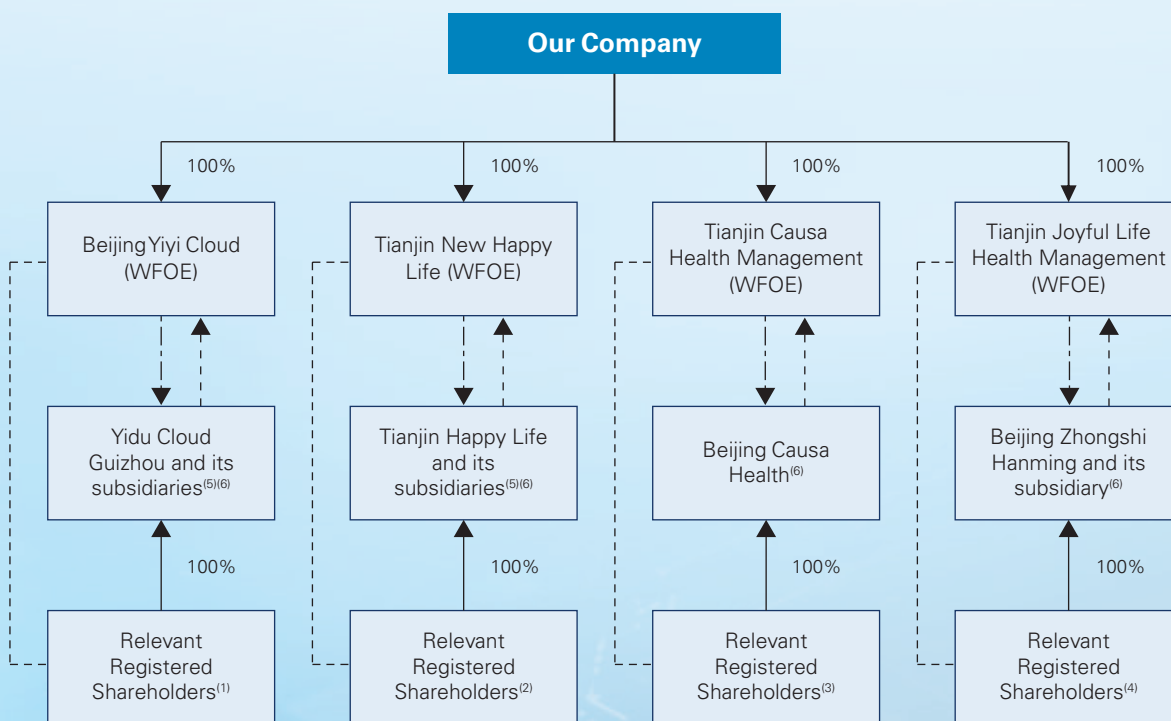
In order to comply with such laws, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the Contractual Arrangements entered into on 18 August 2020. Hence, we do not directly own 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 80.5% of our Group’s total revenue (2023: 60.5%). The total assets of the Consolidated Affiliated Entities accounted for 15.6% of our Group’s total assets (2023: 20.8%).

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.

## Report of Directors (Continued)

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 Mr. Lv Dongchen as to 1%.
- (2) Tianjin Happy Life is owned by Mr. Xu Jiming as to 99% and Mr. He Wei as to 1%.
- (3) Beijing Causa Health is owned by Mr. Hao Yuan as to 99% and Ms. Li Yuhan as to 1%. We consider Mr. Hao Yuan and Ms. Li Yuhan suitable to act as Registered Shareholders of Beijing Causa Health because of, among other considerations, their competence and their length of service and loyalty to our Group.
- (4) Beijing Zhongshi Hanming is owned by Mr. He Wei as to 51% and Mr. Liu Shengyang as to 49%. We consider Mr. He Wei and Mr. Liu Shengyang suitable to act as Registered Shareholders of Beijing Zhongshi Hanming because of, among other considerations, their competence and their length of service and loyalty to our Group.



## Report of Directors (Continued)

- (5) These include certain companies which do not currently carry out any business operations but intend to carry out businesses which are subject to foreign investment restrictions in accordance with the Negative List.
- (6) Details of the subsidiaries of the Onshore Holdcos is set out in the section headed "History, reorganization and corporate structure" in the Prospectus.
- (7) "→" denotes direct legal ownership in the equity interest.
- (8) "→" denotes contractual relationship.
- (9) "→" denotes provision of technical and consultation series.
- (10) "→" denotes payment of service fees.
- (11) "→" denotes the control by WFOEs over the Registered Shareholders and the Onshore Holdcos through (i) powers of attorney to exercise all shareholders' rights in the Onshore Holdcos; (ii) exclusive call options to acquire all or part of the equity interests in the Onshore Holdcos; and (iii) equity pledges over the equity interests in the Onshore Holdcos.

### Risks relating to the Contractual Arrangements

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

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

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

## Report of Directors (Continued)

### **Summary of the material terms of the Contractual Arrangements**

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

#### ***Exclusive Business Cooperation Agreements***

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

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

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

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

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

### **Exclusive Call Option Agreements**

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

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

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

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



## Report of Directors (Continued)

### ***Powers of Attorney***

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

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

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

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

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

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

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

## Report of Directors (Continued)

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

### Waiver from the Stock Exchange and annual review

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

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

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

## Report of Directors (Continued)

### Confirmation from independent non-executive Directors

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

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

### Conclusions from the Company's independent auditor

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

- (i) nothing has come to their attention that causes PricewaterhouseCoopers to believe that the disclosed continuing connected transactions have not been approved by the Company's Board of Directors;
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes PricewaterhouseCoopers to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) nothing has come to their attention that causes PricewaterhouseCoopers to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) 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.



## Report of Directors (Continued)

### 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 RMB86.5 million from our largest customer, representing 10.7% of our total revenue during the Reporting Period. During the same period, we generated revenue of RMB262.0 million in aggregate from our five largest customers combined, representing 32.5% 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 RMB34.4 million, representing 7.0% of our total purchases during the Reporting Period. During the same period, the purchases we made from the five largest suppliers combined was RMB146.2 million, representing 29.9% 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.

## Report of Directors (Continued)

### Share capital and shares issued

Details of movements in the share capital of the Company for the Reporting Period are set out in note 28 to the consolidated financial statements.

### Sufficiency of public float

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

### Donation

During the Reporting Period, the Group made donations for charitable or other purposes of approximately RMB2.9 million.

### Debenture issued

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

### Equity-linked agreements

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

### Dividend

The Board does not recommend the distribution of any final dividend for the fiscal year ended 31 March 2024. No shareholder has waived or agreed to waive any dividends for the fiscal year ended 31 March 2024.

### Permitted indemnity

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

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

### Distributable reserves

As at 31 March 2024, the Company do not have any reserves available for distribution to Shareholders.

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity on page 163 and in note 29 and note 42 to the consolidated financial statements, respectively.

### Borrowings

Details of the borrowings of the Group during the Reporting Period are set out in note 23 to the consolidated financial statements.

## Report of Directors (Continued)

### 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 appointment date. Each of the appointments shall, subject to re-election as and when required under the Articles of Association, be automatically renewed for successive periods of three years until terminated in accordance with their respective terms and conditions of the service contracts.

Our non-executive Director has entered into a letter of appointment with our Company for an initial term of three years from the appointment date. Each of the appointments shall, subject to re-election as and when required under the Articles of Association, be automatically renewed for successive periods of three years until terminated in accordance with their respective terms and conditions of the letters of appointment.

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 appointment date. Each of the appointments shall, subject to re-election as and when required under the Articles of Association, be automatically renewed for successive periods of three years until terminated in accordance with their respective terms and conditions of the letters of appointment.

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 C1 to the Listing Rules, the Company has established the remuneration committee of the Company (the "**Remuneration Committee**") to formulate remuneration policies.

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

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 31 to the consolidated financial statements and pages 119 to 130 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 43 and note 9, respectively to the consolidated financial statements.



## Report of Directors (Continued)

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 RMB50.7 million (as set out in note 43 to the consolidated financial statements).

### Directors' interests in competing business

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

### Contracts with controlling shareholders

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

### Management contracts

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

### Auditor

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

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

### Continuing disclosure obligations pursuant to the Listing Rules

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

### Directors' rights to acquire shares or debentures

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

By order of the Board

**Gong Yingying**

*Chairlady and Founder*

China

27 June 2024

# DIRECTORS AND SENIOR MANAGEMENT

## Members of our Board

Name	Age	Position	Date of appointment as Director
Gong Yingying <sup>(1)</sup>	40	Executive Director and Chairlady	9 December 2014
Xu Jiming	40	Executive Director and Chief Executive Officer	1 February 2023
Yan Jun	45	Executive Director	16 August 2020
Feng Xiaoying	45	Executive Director	1 February 2023
Zeng Ming	54	Non-executive Director	25 June 2021
Ma Wei-Ying	56	Independent non-executive Director	15 January 2021
Pan Rongrong	46	Independent non-executive Director	15 January 2021
Zhang Linqi	60	Independent non-executive Director	15 January 2021

Note:

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

## Executive Directors

**Ms. Gong Yingying (宮盈盈)**, aged 40, is an executive Director, the Chairlady of the Board, the Founder of our Company, chairperson of the nomination committee and member of the remuneration committee. Ms. Gong is responsible for the overall strategy, business direction and management of our Company.

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

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

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

## Directors and Senior Management (Continued)

**Mr. Xu Jiming (徐濟銘)**, aged 40, was appointed as an executive Director and the Chief Executive Officer of the Company in February 2023 to lead and manage the daily operations of the Company. Mr. Xu has served as the chief technology officer of Yidu Cloud Beijing, a subsidiary of the Company, since October 2015 and the chief executive officer of Tianjin Happy Life, an affiliated company of the Company, since March 2018. Mr. Xu is the co-author of a paper on the application of AI technology in medicine development published in the *Nature Medicine* journal in January 2019. Mr. Xu is the spouse of Ms. Gong, an executive Director and the Chairlady of the Board.

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

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

**Dr. Yan Jun (閻峻)**, aged 45, is an executive Director and the Chief Technology Officer of our Company. Dr. Yan has served as the Chief AI Scientist of our Group since December 2017. Dr. Yan is responsible for the overall technology strategy of our Group and research and development of medical AI technologies, including the research and development of large language model in the medical vertical field, natural language processing, etc.

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

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

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

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.



## Directors and Senior Management (Continued)

**Ms. Feng Xiaoying (封曉瑛)**, aged 45, was appointed as an executive Director, the Chief Financial Officer and the joint company secretary of the Company in February 2023. Ms. Feng obtained her Bachelor degree in Management from the School of Economics and Management of the Tsinghua University in 2001. Ms. Feng is a Chartered Professional Accountant of Canada and a Certified Public Accountant of China. Ms. Feng has led the team to win the 6th New Fortune Best IR team award (Hong Kong listed company), the Excellent Technology Value Listed Company in the 2022 Capital Market “Golden Sail” Case awarded by 21st Century Business Herald, the Best IR Team Award in the 7th Zhitong Caijing Capital Market Annual Meeting, IRSC 2022–2023 Best Shareholder Relations Award, and 2023 Huaxia Big Health ESG Outstanding Enterprise Award. Prior to that, Ms. Feng has worked at PricewaterhouseCoopers, Deloitte, China Minsheng Investment Group and other institutions. Ms. Feng served as executive director and deputy chief executive officer of China Minsheng Financial Holdings Corporation Limited from December 2015 to February 2018, as executive vice president and chief financial officer of OFO (HK) Limited from February 2018 to May 2019. She was appointed as an independent non-executive director of Shenzhen Leo-King Environmental Group Co., Ltd. (深圳市朗坤環境集團股份有限公司) (Shenzhen Stock Exchange Stock code: 301305) from May 2019 to July 2024.

### Non-executive Director

**Mr. Zeng Ming (曾鳴)**, aged 54, has been appointed as a non-executive Director of the Company with effect from 25 June 2021. Mr. Zeng was the chief strategy officer of Alibaba Group between 2006 and 2018. Mr. Zeng has published a number of books on business strategies. Mr. Zeng was the independent non-executive director of Longfor Group Holdings Limited (Stock Exchange Stock code: 960) between June 2011 and January 2023. Mr. Zeng obtained his Doctor of Philosophy degree in International Business and Strategy from University of Illinois at Urbana-Champaign, USA in 1998 and a Bachelor of Arts degree in Economics from Fudan University (復旦大學) in 1991. Mr. Zeng was the professor of Strategy at Cheung Kong Graduate School of Business, Beijing China and a faculty member at INSEAD, France.

### Independent non-executive Directors

**Dr. Ma Wei-Ying (馬維英)**, aged 56, 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 1997 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. He previously served as the Director of the Health Computing Research Centre at the Beijing Academy of Artificial Intelligence (BAAI) from 2021 to 2023. Since October 2020, Dr. Ma Wei-Ying currently served as a professor of Huiyan Symposium and ACM Distinguished Scientist at Institute for AI Industry Research(AIR), Tsinghua University.

## Directors and Senior Management (Continued)

Dr. Ma has 169 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 IEEE Fellow in 2011 and the ACM Fellow in 2023. 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 46, was appointed as an independent non-executive Director and chairperson of the Audit Committee of our Company in January 2021. She was appointed as an executive director of SciClone Pharmaceuticals (Holdings) Limited (賽生藥業控股有限公司) (Stock Exchange Stock code: 6600) since May 2023. Ms. Pan has been the chief financial officer and a vice president of finance at SciClone Pharmaceuticals Group since November 2018. Ms. Pan has served as a joint company secretary for SciClone Pharmaceuticals (Holdings) Limited since February 2021. Between July 2002 and November 2018, Ms. Pan worked at PricewaterhouseCoopers, Shanghai branch initially as an auditor. In July 2013, Ms. Pan became a partner of the audit practice of PricewaterhouseCoopers and held the position until she left PricewaterhouseCoopers in November 2018.

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

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

**Prof. Zhang Linqi (張林琦)**, aged 60, was appointed as an independent non-executive Director and members of the Audit Committee, Remuneration Committee and Nomination Committee of the 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) from August 2017 to September 2023.

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 200 papers in leading academic journals including *Nature*, *New England Journal of Medicine*, *Nature Medicine*, *Journal of Clinical Investigation* and *JAMA*, many of which are widely cited.

## Directors and Senior Management (Continued)

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

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

### Senior management

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

### Joint company secretaries

**Ms. Feng Xiaoying (封曉瑛)**, has been appointed as our joint company secretary with effect from 1 February 2023. Biography of Ms. Feng is set out in the section headed “Directors and Senior Management — Executive Directors — Ms. Feng Xiaoying” on page 41 of this annual report.

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

### Changes to directors' information

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





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## Environmental, Social and Governance Report

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Environmental, Social and Governance Report (Continued)

Foreword

1. ESG Development Journey

1.1 ESG Development Strategy

Yidu Tech is committed to promoting green development and sustainable development of the healthcare industry through scientific and technological innovation. Our Environmental, Social and Governance (ESG) development strategies are built on the core idea of “Tech for Social Good” with an aim to contributing positive strength to the society, environment and governance with responsible business practices.

- Green healthcare ambitions aspired by our underlying goal**

We proactively explore the research and development of cutting-edge AI technologies, continue to optimise and improve the efficiency of large language model in the medical field and provide more accurate medical advice and treatment solutions to reduce unnecessary resource consumption, thereby effectively reducing environment footprint of the healthcare industry. Meanwhile, we actively cooperate with suppliers to promote sustainable supply chain management and work together to achieve energy conservation and emission reduction.
- “Tech for Social Good” responsibility**

We concentrate on value-based healthcare service and create long-term value for healthcare service providers and patients with advanced AI-enabled medical technology to improve the accessibility and quality of healthcare service. Meanwhile, we value the growth and well-being of our employees and provide training and development opportunities to ensure they achieve personal value in a safe and inclusive working environment.
- Sustainable corporate governance**




To ensure the transparency and fairness of corporate governance, we have established an effective internal control and risk management system and strictly comply with relevant laws and regulations to ensure business compliance and promote the diversity of Board members.

To further refine the ESG value concepts of Yidu Tech, we incorporate the United Nations Sustainable Development Goals (SDGs) into our ESG value model, and make unremitting efforts for creating a better and sustainable future by making continuous contribution to environmental protection, social responsibility and corporate governance.

ESG value concepts	Goals	SDGs
Sustainable corporate governance	To improve the resilience of corporate operation and management and deliver sustainable and solid earnings growth for stakeholders	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>



## Environmental, Social and Governance Report (Continued)

ESG value concepts	Goals	SDGs
“Tech for Social Good” social responsibility	Enable employee development and build industry-leading professional team	   
	Establish quality supply chain and drive ESG value delivery	 
	Practice responsible marketing, continuously promote innovation of technology and product and keep upgrading customer services and experience	   
	Committed to social charity and fulfill social responsibility	    
Green healthcare ambitions aspired by our underlying goal	Respond actively to climate change, protect biodiversity and contribute to accelerating low-carbon transition	      

## Environmental, Social and Governance Report (Continued)

### 1.2 Board's ESG Statement

As the highest decision-making body governing ESG matters of Yidu Tech, the Board is committed to connecting ESG governance strategies closely with corporate development. The Board plays a key role in the area of ESG, with its missions including ESG-matters supervision, management policies and strategies development, objectives review and ESG risks assessment and management, and specific guidance on the Company's sustainable development at Board meetings. Meanwhile, the Board actively communicates with various stakeholders to ensure that the importance of ESG issues is fully recognized and the Company's sustainability strategies and goals are adjusted accordingly.

The Remuneration Committee under the Board meets annually to review and evaluate the Group's remuneration system and practices to ensure that the Company's remuneration appraisal is scientific and reasonable, and is consistent with the Company's long-term sustainable development goals. Additionally, the ESG task group led by the Board is responsible for identifying, assessing, reviewing and managing material ESG-related matters, risks and opportunities. Heads of departments of human resources and administration, regularly evaluate the performance of key ESG issues in their respective fields, such as energy consumption, employee turnover, business ethics, etc., on a quarterly basis. These assessments help identify relevant risks in a timely manner and ensure that relevant information is reported to the Board in a timely manner and appropriate management measures can be taken.

At the special ESG reporting meeting held in February 2024, the Board and heads of departments consisting of the ESG task group studied the first two newly released International Sustainability Standards Board (ISSB) standards. The purpose of this meeting is to ensure the comprehensiveness and transparency of the Company's ESG report, at which the ESG objectives of Yidu Tech in the field of AI-enabled healthcare and their implementation progress were validated. The meeting also shared the scoring and rating results in 2023, had an in-depth discussion on aspects to be improved, and actively discussed and developed corresponding remedies.

## Environmental, Social and Governance Report (Continued)

### 1.3 ESG Milestone

During FY2024, the Group has received numerous awards for its outstanding performance in ESG areas. These awards not only demonstrate Yidu Tech's commitment to sustainable development, but also reflect the Group's efforts to integrate innovation and responsibility in the field of health technology.

Name of Awards	Award Date	Awarding/Publishing Agency
6th New Fortune Best IR Hong Kong Listed Company (第六屆新財富最佳IR港股公司)	April 2023	New Fortune
Top 3 of the "Intelligent Healthcare Enterprises Ranking" (「智慧醫療企業排行榜」前三)	June 2023	China Internet Weekly of Chinese Academy of Sciences
"Top 30 Best Innovative and Practice-enabled Companies" at the World Digital Therapeutics Conference 2023	August 2023	VBDATA.CN
2023 Huaxia Big Health ESG Outstanding Enterprise Award (2023年度華夏大健康ESG優秀企業獎)	November 2023	China Times (華夏時報)
Excellent AI Enterprise in 2023 (2023年度卓越人工智慧企業)	December 2023	China Internet Weekly of Chinese Academy of Sciences
China's Top 50 Innovative Forces in 2023 (2023年中國創新力量50榜單)	December 2023	GEEKPARK
Outstanding Digital Innovation Enterprise in 2023 (2023年度卓越數字創新企業)	December 2023	The Economic Observers (經濟觀察報)
Outstanding Healthcare Service Innovation Enterprise in 2023 (2023年度卓越醫療服務創新企業)	December 2023	The Economic Observers (經濟觀察報)
No.1 on the list of "2023 Digital China Innovative Application Construction Cases 100" (「2023年度數字中國創新應用建設案例100」榜單首位)	December 2023	China Internet Weekly of Chinese Academy of Sciences
China's Top 20 Healthcare AI Companies in 2023 (2023年中國醫療AI企業TOP20)	December 2023	iyiou.com
China's Top 10 Healthcare and Health Large Model Innovation Enterprises in 2023 (2023年中國醫療健康大模型創新企業TOP10)	December 2023	iyiou.com
Outstanding Digital Technology Enterprise in 2023 (2023年度卓越數字科技企業)	December 2023	Guru Club



## Environmental, Social and Governance Report (Continued)

Name of Awards	Award Date	Awarding/Publishing Agency
Best IR Team Award	December 2023	Zhitong Finance
No.1 on the list of “2023 Top 50 Intelligent Healthcare Solution Providers” (「2023智慧醫療解決方案提供商TOP50」榜單榜首)	January 2024	China Internet Weekly of Chinese Academy of Sciences
2023 ESG Emerging Influential Enterprise issued by Weibo (微博2023年度ESG新銳影響力企業)	January 2024	Weibo
Top 10 on the list of “Top 100 Artificial Intelligence Innovators in 2023” (「2023年度人工智能創新企業100強」榜單前十)	January 2024	China Internet Weekly of Chinese Academy of Sciences
Beijing City Supplementary Insurance and Jiangsu Yi Hui Bao No. 1 — Excellent Cases of Multi-level Healthcare Security in 2023	January 2024	People’s Daily Health App
No. 1 in the Medical Field of “TOP150 Ranking of Large Language Model Vitality in 2023” (「2023年度大模型活力TOP150排行榜」醫療垂類第一)	February 2024	China Internet Weekly of Chinese Academy of Sciences
Enterprise of the Year in Healthcare-specific Intelligence in 2023 (2023醫療智能年度企業)	March 2024	China Internet Weekly of Chinese Academy of Sciences
Healthcare Solution of the Year 2023 (2023年度醫療解決方案)	March 2024	China Internet Weekly of Chinese Academy of Sciences
No.1 in the Healthcare Big Data Enterprise Ranking 2023 (「2023醫療大數據企業排行榜」首位)	March 2024	China Internet Weekly of Chinese Academy of Sciences

## Environmental, Social and Governance Report (Continued)

### **Case: 6th New Fortune Best IR Hong Kong Listed Company**

Yidu Tech attaches great importance to investor relations management, and has continuously improved its platform for communication with domestic and foreign investors since its listing on the Main Board of the Stock Exchange of Hong Kong Limited in 2021. We timely disclose business updates to maintain well-rounded and multi-dimensional communication with the market through regular business result conferences, new technology/product/model conferences, activities on investor day, voluntary announcements, roadshows and reverse roadshows, investors receptions and analysts' visits and research, and by participating in domestic and foreign investment banking forums, and duly maintaining online channels such as investor hotlines and investor mailboxes. In April 2023, Yidu Tech successfully differentiated from 322 candidates, and, as one of the 20 elected companies, was awarded the "New Fortune Best IR Hong Kong Listed Company (H Shares)" by New Fortune magazine.



New Fortune Best IR Hong Kong Listed  
Company Award

Besides, Yidu Tech's ESG performance is gradually being widely recognised and affirmed by mainstream rating agencies around the world. In May 2022, our Company was included in the MSCI China Small Cap Index, which signifies that our ESG achievements have been recognized by the leading institute MSCI. In addition, Yidu Tech is also honored to be invited to the Corporate Sustainability Assessment (CSA) of S&P Global. According to CSA's assessment, Yidu Tech's ESG performance not only met industry standards, but also outperformed the industry average, demonstrating our Company's leadership and innovative spirit in sustainable development.

Looking ahead, our Company will continue to strive to improve its ESG performance, and endeavour to meet higher standards in environmental responsibility, social responsibility and corporate governance through unremitting efforts and innovation, so as to achieve our sustainable development goals and create greater value for shareholders and society.

### Sustainable Corporate Governance: Create A Governance Model of Efficiency, Integrity and Transparency

#### 2. Sustainable Development Management

This section is in active alignment with the United Nations's Sustainable Development Goals (UNSDGs) which include:



##### 2.1 ESG Governance Structure

Yidu Tech strictly abides by the laws, regulations and listing standards of the region where it operates, and continuously optimizes its ESG governance system based on the development trend of the Group, thereby promoting the improvement of business management level and achieving sustainable business value.

Our Group strives to build an integrated, transparent, dynamic and cooperative ESG management structure that comprises three major parts, being the decision-making level, the organisational level and execution level. Each level has clear responsibilities and collaborates with each other to jointly promote the implementation of ESG strategies.

- **Comprehensiveness:** Our ESG governance structure covers all levels of our Company, which ensures the full infiltration of our ESG philosophy.
- **Transparency:** The regular reporting and release of ESG reports annually improves the transparency of our ESG activities.
- **Dynamics:** The continuous tracking and evaluation by the ESG working group and the execution level ensures the dynamic adaption and optimisation of the ESG strategies.
- **Cooperation:** Cross-departmental collaboration mechanism promotes resources sharing and knowledge exchange, which improves the efficiency of ESG implementation.



**ESG Governance Structure**



## Environmental, Social and Governance Report (Continued)

### **1. *The decision-making level***

As the highest decision-making level of the Group's ESG governance, the Board shall be responsible for developing and reviewing ESG management policies, strategies, planning, goals and annual initiatives.

### **2. *Organisational level***

At the senior management, Yidu Tech establishes an ESG working group which is led by the head of the Group's capital market department, and is comprised of heads of department including, among others, the finance department, the legal department, the human resources department, the marketing department, the administration centre and the procurement department with all making concerted efforts for identifying and assessing ESG matters, developing ESG strategies and goals and promoting their implementation, and reporting the progress of ESG relevant work to the Board regularly at meetings or in writing at least on an annual basis.

### **3. *The execution level***

The execution level comprises members of various functional department, including, among others, the capital market department, the finance department, the legal department, the human resources department, the market department, the administration centre, the procurement department and relevant business departments. It is directly led by the ESG working group that is responsible for advancing and implementing ESG relevant work in accordance with ESG policies, strategies, planning and goals, and reporting to the ESG group on a regular basis.

## **2.2 Corporate Risk Governance**

Since inception, Yidu Tech has always placed the construction and optimization of risk management and internal control system at a strategic level. As we strive to persistently reinforce our defense against operational risks, efforts are made to enhance risk-tolerant capability and deepen risk management concept. Through this process, we ensure we can achieve proactive prevention of potential risks, rapid response to emergencies and efficient handling of incidents.

### ***Construction of Internal Control System***

Internal control system is the cornerstone to ensure stable operation of an enterprise. In accordance with the Basic Standards for Internal Control within the Group, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and relevant laws and regulations, and based on the actual conditions of the Company, the Group formulated Anti-Fraud Policy, Compliance Management System and Risk Assessment Management Method, and has established a full set of internal control mechanism to ensure the compliance, efficiency and effectiveness of corporate operation.

## Environmental, Social and Governance Report (Continued)

We reinforced compliance management, clarified the responsibilities of the Board and the manager level in compliance management, and ensured the effective identification, evaluation, supervision and report of compliance risks. We devote to risk management and control and established the finance internal control department which is responsible for collecting and analysing relevant information on financial risks, involving in risk evaluation and control measure execution, such as authorisation approval, accounting system control, property protection, etc., to reduce the chance of risk occurrence.

### ***Clarifying the Division of Duties in Risk Management***

We have established a detailed and clear division of risk management responsibilities and three lines of defense of “Board, management, business units” according to the functions and responsibilities of each management team, and strictly implemented corporate risk management.

In particular, the Board assumes the responsibility of supervising risk management, and its subordinated Audit Committee is responsible for overseeing and assessing the Company’s internal control system and putting forward improvement suggestion to the Board; the management is responsible for reviewing and approving risk management policies, determining risk management principles and ensuring that the risk management is included in the overall operational development strategy; the compliance department, as the key executor of risk management, is responsible for executing the compliance management process, including the identification, assessment, supervision and reporting of compliance risks; and the finance department is responsible for collecting and analysing relevant information on financial risks, involving in risk evaluation and ensuring the solid financial operation of the Company.

Meanwhile, we have established a dynamic, precise and high-efficient risk management process:

<b>Risk identification</b>	We identify risk factors that have an impact on the Company’s operation in a timely manner by staying focus on internal and external information, including macro-economic policies, market condition, industry risks, etc.
<b>Risk evaluation</b>	We analyse and assess identified risks by adopting qualitative and quantitative methods to determine the possibility and extent of impact such risks and develop responsive strategies to address them.
<b>Risk response</b>	We select appropriate risk response strategies based on the risk assessment results, such as risk avoidance, transfer, mitigation or acceptance, and formulate specific measures.
<b>Supervision and improvements</b>	We inspect the implementation of risk management measures on a regular basis through internal audit and supervision mechanism to identify and rectify issues in a timely manner.

## Environmental, Social and Governance Report (Continued)

### ***Monitoring the Public Opinion on Business***

In FY2024, Yidu Tech further optimised the public opinion monitoring mechanism and realised the daily capture and analysis of public opinion. Our public opinion monitoring has been shifted from relying on external suppliers to collect public opinion to independently monitoring by the Company's marketing department, and a daily media monitoring and reporting system has been established to ensure that public opinion dynamics can be captured and responded to in a timely manner. For example, for employee-related matters, the HR department conducts a comprehensive examination every month, covering talent management, compensation system, employee turnover rate and other aspects to ensure the transparency and fairness of the Company's internal management.

#### **List of Policy Documents**

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- Internal Audit System
  - Risk Assessment Management System
  - Compliance Management System
  - Management Measures for Internal Control
  - Anti-fraud System
- 

### **2.3 Listening to the Voice of Stakeholders**

Yidu Tech always values opinions and requirements of stakeholders and has established a comprehensive and mature communication system in this regard. We actively maintain communication with customers, shareholders, investors, employees, governments and regulators, suppliers, communities, non-governmental organizations, business partners, industry peers and media in a regular and timely manner. Through this continuous dialogue, we can respond to the concerns and demands of each party in a timely manner and keep improving our ESG performance, with a commitment to establish a long-term relationship with all stakeholders based on mutual trust and mutual support.



## Environmental, Social and Governance Report (Continued)

Major stakeholders	Expectations and Requirements	Main Means of Communication and Responses
Customers	High quality service and products	User feedback surveys
	Customer privacy and data security	Improve risk control and technology iteration in security computing
	Customer sustainable relationship maintenance	Daily business communication/visits
	Marketing practice	Daily media communication, social media communication Industry research, industry seminars, experts communication
Shareholders/investors	Corporate governance	Annual general meetings and other general meetings
	Openness and transparency of information	Results presentation, voluntary announcements and statutory announcements
	Business expansion	Investor day, industry seminars
	Intellectual property rights	Results announcements, interim reports and annual reports
	Rights protection	Corporate newsletter, company website and official WeChat account Regular announcements
Employees	Employees' training and development	Training, events, seminars, workshops, lectures
	Good working environment	Employee opinion survey
	Safeguarding rights of employees	Performance communication and review
	Health and safety	Meetings, employee communication conferences Publications (e.g. Data Compliance and Cybersecurity Weekly) Company intranet

## Environmental, Social and Governance Report (Continued)

Major stakeholders	Expectations and Requirements	Main Means of Communication and Responses
<b>Governments and regulators</b>	Compliance with national laws and regulations	Policy documents and guidelines
	Social responsibilities	Meetings, work reports, information submission Seminars Involvement of city population health management and provide AI-empowered solutions Hui Min Bao operation service
<b>Suppliers</b>	Improvement of partnership	Supplier management system
	Open and fair cooperation	Green supplier management system Site inspection
<b>Communities/ non-governmental organizations</b>	Increase the input in community public welfare	Public welfare activities Seminars, workshops, lectures
<b>Business partners</b>	Strengthen cooperation	Industry forum and industry reports
	Open and fair cooperation	Visits and conference communication
<b>Counterparts</b>	Promotion of industry cooperation and communication	Strategic cooperation projects Industry conference and forum
<b>Media</b>	Open and transparent information disclosure	Press conference
	Timely updates on business progress	Press reports Interviews with senior management Results announcement Media activity

The Group commenced a materiality assessment in FY2024, based on the strategy and development of its business operations, and with reference to the disclosure obligations covered by the Environmental, Social and Governance Reporting Guide of the Stock Exchange and material issues database established by the Sustainability Accounting Standards Board ("SASB"), and summarised 28 ESG issues applicable to the Group's business (including 8 highly material issues, 11 moderately material issues and 9 generally material issues), which remained the same as those in the previous fiscal year. The Group will consider and disclose these issues according to their materiality when formulating ESG strategies.

## Environmental, Social and Governance Report (Continued)

ESG Highly Material Issues	ESG Moderately Material Issues	ESG Generally Material Issues
<ol style="list-style-type: none"> <li>1. Technological development and innovation</li> <li>2. Promoting the technological improvement and intelligentisation in the healthcare industry</li> <li>3. Public health and population health management empowered by AI-enabled healthcare</li> <li>4. Provision of more accessible, inclusive and equitable health insurance services</li> <li>5. Reducing waste in the healthcare industry</li> <li>6. Protecting customer privacy and data security</li> <li>7. Protecting and safeguarding intellectual property rights</li> <li>8. Compliant risk management</li> </ol>	<ol style="list-style-type: none"> <li>9. Optimising customer services</li> <li>10. Compliant employment</li> <li>11. Occupational health and safety</li> <li>12. Employees' rights and benefits</li> <li>13. Equality and diversity</li> <li>14. Employees' training and development</li> <li>15. Commitment to social welfare</li> <li>16. Raising public health awareness</li> <li>17. Integrity and compliance in operation</li> <li>18. Business ethics and code of conduct</li> <li>19. ESG governance</li> </ol>	<ol style="list-style-type: none"> <li>20. Energy consumption</li> <li>21. Resource utilisation</li> <li>22. Practicing green office</li> <li>23. Emissions management</li> <li>24. Responding to climate change</li> <li>25. Product quality management</li> <li>26. Supply chain management</li> <li>27. Sales convention and product labelling</li> <li>28. Protecting the rights of subjects</li> </ol>



## Environmental, Social and Governance Report (Continued)

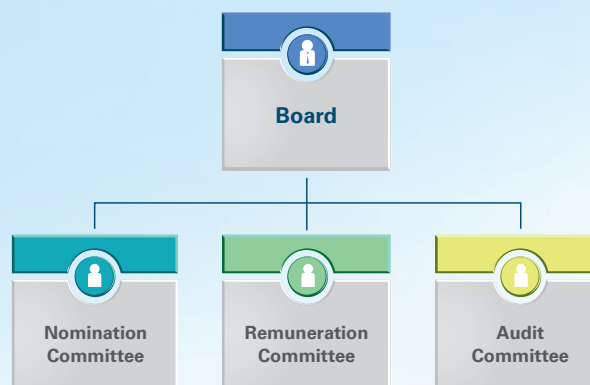
### 3. Healthy Corporate Governance

This section is in active alignment with the UNSDGs which include:



Since its listing, Yidu Tech has always regarded compliance as the cornerstone of the Company's operations. We strictly comply with the Appendix C1 Corporate Governance Code and Appendix C2 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Companies Ordinance and the Securities and Futures Ordinance and other laws and regulations and relevant regulatory requirements. On this basis, we have established a regulated and orderly governance structure to ensure the transparency, accountability and efficiency of corporate governance.

To further strengthen corporate governance, the Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee. These committees play a vital role in their respective areas of expertise and support the Board in carrying out its management and oversight functions. By providing regular work reports to the Board, these committees ensure the compliance with laws and regulations, scientific decision-making and efficient operation of the corporate governance structure.



#### 3.1 Board Diversity and Independence

The Board of Yidu Tech knows well the importance of diversity and independence in improving the quality of decision-making and corporate governance. The diversity of our Board members from diverse cultural backgrounds, areas of expertise, and industry experience enriches our perspectives and strengthens our ability to understand and respond to complex issues.

Meanwhile, with an emphasis on the independence of the Board, we formally established the Board independence policy in September 2022 to improve the objectivity and fairness of the decision-making process of the Board. We insist on separation of roles of chairman and chief executive officer and ensure there has a significant proportion of independent directors in the Board, to give full play to the independent judgement of independent directors, provide critical opinions for the Company's strategic decision-making, supervise the Company's management and protect the interests of all shareholders, particularly the minority shareholders.

## Environmental, Social and Governance Report (Continued)

The Board members of the Company have expertise and rich experience in economy, finance, accounting, strategic planning, big data, artificial intelligence, healthcare and other areas. In particular, Ms. Pan Rongrong, as an independent non-executive Director and a member of the Audit Committee of the Board, has successively served as an auditor and audit partner of PricewaterhouseCoopers. As a senior financial expert with nearly 20 years of experience, Ms. Pan has extensive financial risk management experience and offered valuable guidance for corporate governance and risk control leveraging her strong financial background and agile risk identification capability.

Among the Board members of Yidu Tech:

Female directors	3	Accounting for 37.5%
Independent directors	3	Accounting for 37.5%
Industry experts <sup>1</sup>	4	Accounting for 50%
Risk management experts	1	Accounting for 12.5%

### 3.2 Remuneration Management and Practices

The Company highly values the reasonableness and transparency of its remuneration system. The Board has set up the Remuneration Committee which is responsible for reviewing the remuneration package of directors and senior management, and making advice on the remuneration policy for all directors and senior management. The Remuneration Committee reviews remuneration matters regularly every year to ensure the adaptability and transparency of the remuneration policy while avoiding any conflict of interests and maintaining the long-term interests of the Company.

Our remuneration distribution system aims to enhance our employees' motivation and align their interests with the Company. The Company has established a remuneration system that integrates guarantee and incentive under the principles of market adaptability, talent value embodiment and incentive effect. In particular, we ensure that our employees' efforts are fairly rewarded by closely aligning their personal goals with the long-term development of the Company through restricted share and option incentive plans.

The remuneration management practice of Yidu Tech emphasizes the direct connection of performance with incentive. In accordance with Yidu Tech's Remuneration Management System and provisions of certain restricted shares/options incentive plans, an employee's performance appraisal results will directly affect relevant monetary bonuses, shares or options and other incentive compensation, and employees who do not meet the performance standards will face a downward adjustment of monetary bonus/cancellation of related incentive compensation, so that each employee will be better oriented to results and contribute to the Company's continued growth and greater shareholder value.

<sup>1</sup> Industry experts refer to directors with background in any or more fields of healthcare, big data and artificial intelligence

## Environmental, Social and Governance Report (Continued)

Moreover, while continuously optimising its ESG practice, Yidu Tech intends to actively explore and try to establish an ESG performance appraisal system. Staying rooted in the employees' work and integrating various ESG concepts and indicators, in particular enhancing the correlation between executives' performance-based remuneration and ESG performance indicators, Yidu Tech truly incorporates ESG concepts and responsibilities into the daily work of every employee at every single level to ensure the effective implementation and management of all ESG initiatives.

### 3.3 Financial Audit and Supervision

Yidu Tech pledges the accuracy and truthfulness of its financial information. We have set up the Audit Committee that comprises solely independent directors. The committee undertakes essential duties, including but not limited to reviewing the compliance, accounting policies and financial reporting process, as well as supervising financial control and risk management. Besides, the committee is also responsible for assessing the effectiveness of internal audit, determining the scope of audit and giving advice to the Board on the appointment or replacement of external auditors.

The composition of the Audit Committee embodies our Company's emphasis on professional industry background. As the chairlady of the committee, Ms. Pan Rongrong has accounting and financial management expertise, and uses her professional qualification to strongly support the committee. In addition, among the members are Dr. Ma Wei-Ying, who has a strong background in AI, and Prof. Zhang Linqi, who is highly-acclaimed in medical research and education. The two members have expertise and experience in the field of AI, big data and healthcare, which ensures the Company's decision-making quality and efficiency when it's facing complicated financial and operational challenges.

As for external audit, PricewaterhouseCoopers has been rendering audit services for the Company for 7 consecutive years since 2018, during which time it persistently gave a standard unqualified audit opinion, reflecting the high level and transparency of the Company's financial report. In terms of internal control and audit, the Company has set up an internal audit and internal control compliance department which is under the supervision of and led by the Audit Committee. The committee conduct audits on the internal control of the listed company from time to time and reports to the Board its internal audit work, quality and material issues identified on an annual basis.



## Environmental, Social and Governance Report (Continued)

### 4. Regulated Corporate Operation

This section is in active alignment with the United Nations Sustainable Development Goals (UNSDGs) which include:



#### 4.1 Business Ethics System

Yidu Tech continues to build and improve its own business ethics management system to create an honest, transparent and responsible corporate image. We strictly abide by relevant PRC laws and regulations such as the Criminal Law of the PRC, the Anti-Unfair Competition Law and the Anti-Money Laundering Law, and have formulated a series of internal policies such as Management System for Anti-Commercial Bribery, Anti-Money Laundering Policy and Anti-Fraud Management Policy to continuously improve the compliance of the Company's operations and business standards.

##### ***Anti-Bribery and Anti-Corruption***

Yidu Tech adheres to the principles of integrity and self-discipline and expressly prohibits bribery and corruption of any form. Based on the Management System for Anti-Commercial Bribery of Yidu Tech, we implement strict regulation on our employees, partners and all stakeholders and ensure policies to be effectively implemented through regular training, internal audit and supervision mechanism. We have established an effective supervision system to protect the transparency and fairness of our business activities through internal inspections and third-party monitoring.

##### ***Anti-Money Laundering***

Following the Anti-Money Laundering Policy, Yidu Tech set up a comprehensive anti-money laundering system covering key processes of customer identification, transaction monitoring, information storage and staff training. By adopting a real-name account system, we are able to verify customers' identities and put large and suspicious transactions under close surveillance and report the same timely. Also, we retain customers' information and transaction records according to laws and provide regular anti-money laundering trainings for employees to raise their identification and response capability and ensure the expertise and effectiveness of our anti-money laundering efforts.

##### ***Anti-Fraud***

To prevent and combat fraudulent acts, Yidu Tech has developed the Anti-Fraud Management Policy, which clarifies the assignment of responsibility, preventive measures, control processes and case management mechanisms. For the purpose of effective protection of its interests, the Company has established the responsibilities of managers at all levels, set up strict internal control process, and have a mechanism in place for whistleblowing, investigating and reporting fraud cases.

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

## Environmental, Social and Governance Report (Continued)

### ***Anti-unfair Competition***

Being committed to safeguarding a fairly competitive market environment, Yidu Tech complies with the Anti-Unfair Competition Law of the PRC and has developed such internal regulations as the Reward and Punishment System and Professional Ethics Standards and Code of Conduct to foster a fairly competitive culture. We strengthen information security and confidentiality systems, establish oversight and accountability mechanisms and encourage employees to report violations to protect the interests and reputation of the Company.

During the Reporting Period, Yidu Tech did not involve in any legal proceedings related to unfair competition.

### ***Regulating External Publicity***

Yidu Tech conducts publicity initiatives in strict accordance with the provisions of the Advertising Law of the PRC and other relevant laws and regulations. We updated and improved the External Communication Affairs Management System to ensure the timeliness, consistency, standardisation and compliance of promotional materials. All materials and data for publicity must be strictly reviewed by the marketing department and the legal and compliance department to ensure the legal compliance of the promotional content, and maintain the corporate image and brand reputation.

During the Reporting Period, Yidu Tech had reported no non-compliance or illegal cases related to publicity.

## **4.2 Business Ethics Complaints and Whistle-blowing**

Yidu Tech attaches great importance to business ethics complaints. It made the third revision and refinement on the Management System for Complaint, Whistle-blowing and Suggestion in March 2024. The system stipulated the procedures for whistle-blowing, investigation and publishment against various violations of rules and disciplines within the corporate. Meanwhile, multiple internal systems of Yidu Tech, including Management System for Anti-Commercial Bribery, Compliance Management System and Professional Ethics Standards and Code of Conduct encourage all employees, including full-time and part-time and dispatched labour, and our business partners to actively report any misconduct of the Company.

To ensure the effectiveness of the business ethics complaint mechanism, we particularly emphasized the security and confidentiality of whistle-blowing, complaint or reporting. In the Yidu Tech's Management System for Complaint, Whistle-blowing and Suggestion and the Management System for Anti-Commercial Bribery, we have clearly defined our policies for whistleblower protection. Under these policies, the Company undertakes to keep strict confidential the identity and personal information of the whistleblowers to ensure they are fairly treated, and will take all necessary measures to protect whistleblowers from potential retaliation or adverse influences. The Company will take severe punitive measures against any retaliation against the whistleblowers.

## Environmental, Social and Governance Report (Continued)

Yidu Tech actively encourages employees and business partners to whistle-blow, makes compliant or report any commercial bribery, misconduct or suspicious activity that they become aware of or occurs in the course of the Company's operations through multiple channels. The Company undertakes to take prompt actions to check and address reporting.

E-mail address: [compliance\\_reporting@yiduccloud.cn](mailto:compliance_reporting@yiduccloud.cn)

Telephone: 010-8201 5321

Postal address: Legal and Compliance Department, 10/F, Jiankang Zhigu Building, 35 North Huayuan Road, Haidian District, Beijing

Postal code: 100088

### 4.3 Efforts in Business Ethics Culture

Yidu Tech advocates a clean and honest corporate culture and emphasizes the fostering of a culture of integrity. We conduct business ethics and anti-corruption training activities for members of the Board, senior management and all employees with the use of employee handbooks, company rules and codes or local area network, with a view to guarantee employees' full understanding and compliance with laws, regulations and professional ethics rules.

In terms of corporate governance, Yidu Tech offers all members of the Board the detailed online training materials on business ethics and anti-corruption, enabling each director's completion of their learning tasks as required. For all employees (including part-time employees), the Management System for Anti-Commercial Bribery and training on business ethics are compulsory on-boarding courses. For suppliers, we also apply the anti-corruption and business compliance to them as the critical evaluation criteria. We adopt a zero-tolerance policy for suppliers who are in breach of business ethics, and once non-compliance is identified, such suppliers will receive our warnings and subject to removal from our supplier list.

To raise employees' awareness of the significance of anti-corruption and integrity, the Company carries out a series of special training activities on a regular basis for the purpose of safeguarding our interests and creating an honest work environment. For example, in June 2024, the Company required all employees to sign the Employee Anti-Corruption and Integrity Commitment via such channels as e-mails and corporate WeChat account. In addition, special training activities, including in-house anti-corruption tolerance line, declaration and management of conflict of interests, individual reimbursement system etc., were conducted to ensure employees have a full understanding of and comply with relevant policies. Furthermore, we also organized online tests to check their familiarity with the training content and raise their overall compliance awareness.

Relying on these unremitting efforts, we achieved anti-corruption training of 100% coverage among the Board, the management and all employees. Meanwhile, suppliers were able to gain a comprehensive understanding and 100% knowledge of our anti-corruption policies.



## Environmental, Social and Governance Report (Continued)

### List of Policy Documents

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- Internal Audit System
  - Risk Assessment Management System
  - Compliance Management System
  - Management Measures for Internal Control
  - Anti-Fraud Management System
  - Anti-Money Laundering Policy
  - Management System for Anti-Commercial Bribery
  - Yidu Cloud Employee Reimbursement System
  - Professional Ethics Standards and Code of Conduct
  - External Communication Affairs Management System
- 

## A Responsible Corporate Image: Upholding the Cooperation Concepts of “Together We Thrive, Create and Win”

### 5. Enabling Employees’ Development

This section is in active alignment with the UNSDGs which include:



#### 5.1 Diversified and Inclusive Corporate Culture

With commitment to creating an inclusive work environment, Yidu Tech adheres to equality and fairness in recruitment and human resource management. The Company’s policies expressively prohibit any bias on the hiring and management of employees based on any factors including gender, race, age, religious beliefs, physical conditions or marital status, in an attempt to create a diverse work atmosphere.

Withholding the principles of fairness and impartiality, the Company assures the equal remuneration, strives to narrow the gender-based pay gap and adopts the policy of equal pay for equal work. With strong support for the career development and individual growth of female employees, Yidu Tech provides them with equal employment and promotion opportunities and opposes gender discrimination firmly, to ensure that they are respected and treated in a fair manner in the workplace. We are also committed to promoting the development of female leadership. The number of female employees has surpassed that of male employees for four financial years in a row, and in FY2024, the number of female employees reaches 523, significantly higher than that of male employees of 379.

# Environmental, Social and Governance Report (Continued)

In terms of corporate governance, Yidu Tech also makes efforts in diversity. During the process of nomination and appointment of directors, the Company takes into account of factors such as gender, age, cultural and educational background, race, professional experience, skills and knowledge, etc., to enhance the diversity of corporate governance and bring about professional opinions from multiple perspectives and deliver sustainable development. In FY2024, the ratio of female and male in the Board is 5:3, and that among senior management is 5:5. The roles of chairman and chief financial officer are both held by women. Looking ahead, Yidu Tech will continue to promote diversity and anti-discrimination to create a more impartial and equal working environment for all employees.

## Overview of Workforce Diversity in FY2024

Percentage of senior management by gender	Male senior management	50%
	Female senior management	50%
Number of employees by nationality	Non-Chinese nationality	68
Number of employees by ethnic background	Minority	49

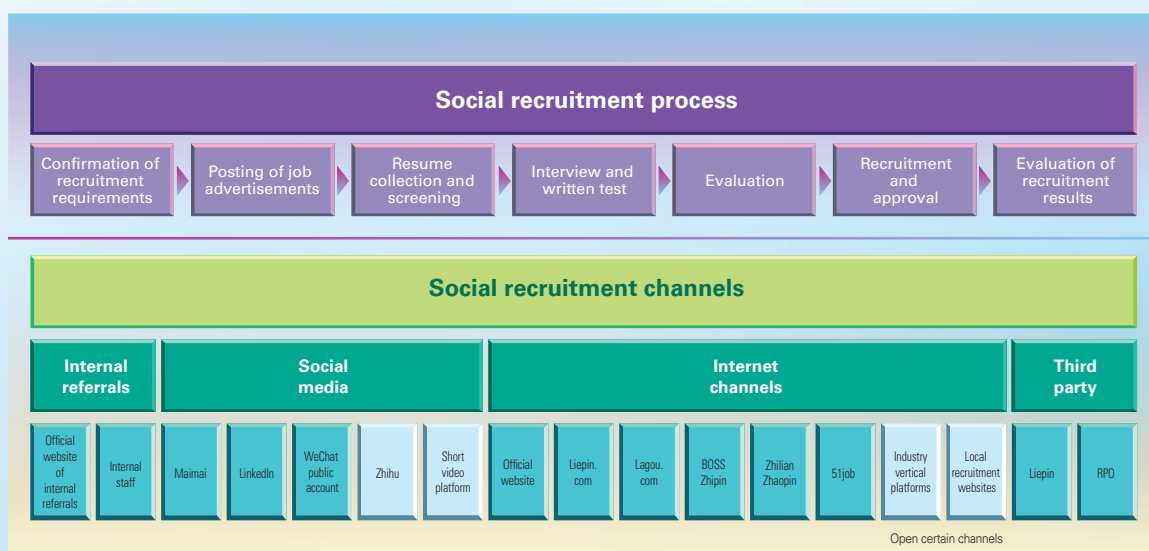
### 5.2 Diversified Recruitment Channel

Yidu Tech is highly concerned about the building-up of talent team and endeavours to construct and refine the strategic planning for employee development. We develop targeted talent introduction scheme, development plans, management strategies and long-term incentive plans for different talent groups, to form a professional talent team and foster the employee team into the core competitive strength. The documents, such as the Recruitment Strategy, Recruitment Management System, Internal Referral System and External Referral System, provide the principles and processes in hiring employees of various categories, which ensure the fairness, impartiality and high efficiency of the recruitment process, improve the standardization and professionalism of talent management, and attract more distinguished talents to join.

Our Recruitment Strategy explicitly provides the Group’s talent recruitment strategic plan. On basis of the Group’s strategic and business development planning, and in combination with the post requirements and candidate criteria, the Company predicts, manages and controls our recruitment needs and replenishes and fulfills our needs of talent structure persistently via diverse channels such as internal referrals, campus recruitment, social recruitment, headhunting management and talent pool management. These channels not only help upsize our talent pool, but also enable the Company to better navigate market demand and talent dynamics to meet our development needs.

## Environmental, Social and Governance Report (Continued)

### Example: Yidu Tech's Social Recruitment Process and Channel



The sustainability and accessibility of our internal referral channels is a primary concern of Yidu Tech. To this end, the Company has developed the Internal Referral Rules of Yidu Tech, constructed a dedicated internal referral platform for expert operation, and established an internal referral incentive scheme under which an on-service employee will be rewarded with cash upon successful referral. During the Reporting Period, Yidu Tech held diverse internal referral campaigns, like “More Referral, More Rewards (願你薦多識廣)” incentive program which encourages employees to repost our internal referral-related poster on social media and the participants in the activity had the chance to be rewarded tailor-made gifts. In addition, the Company has adopted a bonus point incentive program named “Refer to Earn Reward Points (積分進階·激勵推薦)” under which the referrers could earn different points based on the recruitment stage where the candidate goes and the successful induction status and have the chance to receive prizes and a thank-you letter from the CEO.

Meanwhile, Yidu Tech views campus recruitment as a vital way to attract and reserve outstanding graduates, and has been scaling up its campus recruitment projects year by year, to provide college students with opportunities of practice and learning and cultivate prospective distinguished talents. In October 2023, Yidu Tech joined the School of Medicine of Peking University to hold the “The School-Enterprise Exchange Helps to Build the Future Together” activity. This event enabled both parties to establish a friendly partnership. The teachers and students from the School of Medicine and HR personnel and business leaders from Yidu Tech conducted in-depth communication, which gave a comprehensive insight into the scientific and technological accomplishments, development outlook, and recruitment and training projects of the Company.



## Environmental, Social and Governance Report (Continued)

### Employment Profile in FY2024

	Total employees	902
Number of employees by gender	Total female employees	523
	Total male employees	379
Number of employees by employment category	Contracted employees	724
	Short-term contract/dispatched employees	178
Number of employees by rank	Total full-time junior employees	849
	Total full-time middle management	43
	Total full-time senior management	10
Number of employees by age	Total employees aged under 30	231
	Total employees aged between 30–50	667
	Total employees aged above 50	4
Number of employees by region	Total employees in North China	486
	Total employees in Northeast China	18
	Total employees in East China	193
	Total employees in Central China	58
	Total employees in Northwest China	13
	Total employees in South China	62
	Total employees in overseas regions (including Hong Kong, Macau and Taiwan)	72

### 5.3 Scientific Talent Management System

#### ***Employee Performance Management***

Yidu Tech also makes concrete efforts in safeguarding employees' rights and interests in respect of salary, benefits and performance appraisal, contributes to the social security funds for all employees in accordance with regulations, and provides competitive remuneration and fair performance appraisal model. The Company revised the Performance Appraisal Management System in March 2024 to further refine the performance appraisal management process and evaluation rules. To ensure the impartiality and accuracy, the Company conducts performance appraisal against employees on a quarterly or semi-annual basis. Employees' result level of their performance appraisal will be directly linked to their salary raises, bonuses, trainings and promotions.

## Environmental, Social and Governance Report (Continued)

### *Yidu Tech's Performance Appraisal Principles*

<b>Responsibility and Result Dependent Approach</b>	The work attitude and goal delivery result dependent approach direct employees to do the right things in the right way and have persistent pursuit of effectiveness.
<b>Two-way Communication</b>	In the process of performance plan development, performance tutoring, performance results evaluation and application, and performance improvement, the timely, effective, and standardised two-way communication between superiors and employees is the important foundation for performance management.
<b>Fair and Objective</b>	We ensure an open system, a fair process and an impartial result, and meanwhile, stress on recording employees' daily status in an objective manner, conducting multi-faceted evaluations, providing true and effective statistical appraisal information, giving a data-and-facts-reliant basis, to improve the fairness and objectivity of performance appraisal results.
<b>Dynamic Adjustment</b>	Performance appraisal management should maintain the dynamics and flexibility. Performance appraisal criteria are subject to changes of the Company's strategies, development plans, growth of individuals under management, post responsibilities, etc. Meanwhile, such management should be conducive to promoting the development and growth of employees and the organization and achieving positive incentives.

According to the Yidu Tech's Remuneration Management System, the Company has established a remuneration distribution system that combines guarantees and incentives. We practice the principles of "Pay for Posts", "Pay for Competency" and "Pay for Performance" to deliver internal fairness and market competitiveness of remuneration distribution. Meanwhile, the Company has developed an explicit and transparent promotion path for diverse promotions of different posts. With reference to the Grade Management System, we have two promotion windows each year open to employees, and each promotion can be classified into a promotion in management path or in profession path. The Company holds "The Sparkling Hardworkers" recognition event regularly and elect the "Stars of Hardworking" to honour such energetic and resilient employees. These employees are regarded as the spokespersons of Yidu Tech, with their merits being publicised to inspire other employees.

In addition, the Company has developed the Reward and Punishment System as a basis for internal reward and punishment. Pursuant to the system, for such employees who violate the state laws, the Company's rules and regulations or are in contrary to our values and behaviour requirements, we assess and decide on their misconducts based on the severity, their willingness of cooperation and the loss caused. Such misconducts can be classified into minor, moderate and severe violations based on the nature and severity. We will impose corresponding penalties based on the severity, and dismissal in serious circumstance.

## Environmental, Social and Governance Report (Continued)

### Employee Training Management

In its persistent efforts in building an all-round and diversified employee training system, Yidu Tech has launched a featured “four skills training program”, including “Leadership”, “Professionalism”, “General Competence” and “Customised Competence”, made available to all staff, management and personnel of specific positions the training courses that meet their respective business development and ability needs, and been committed to building a talent team that matches the business development needs. The training programs are open to all employees (including part-time and dispatched employees) of the Company. According to statistics, during the Reporting Period, the Company’s business divisions carried out a total of 224 sessions of “Training on Professionalism”, and the Group carried out a total of 22 sessions of “Training on Professionalism” and 5 sessions of “Management-oriented Training”. A total of 9,480 participants took part in various types of training.

Example: Yidu Tech’s “Four Skills” Training System for Employees

Types	Main participants	Typical program	
Leadership training	Existing mid-level management	Lead program	IDP
	Existing lower management	Leap program	
	Newly-appointed management (promoted)	Rise program	
	Newly-appointed cadres (external recruitment)	M+	
Training on Professionalism	All employees	Energy Station	
	Personnel of specific positions	Professionalism course system	
General competence training	All employees	Yidu E-learning Center/One Point Classroom	
	New employees via social recruitment	Training for newcomers	Dashixiong (大師兄)
	New employees via campus recruitment	Bridge the future	
Training on customised competence	Managers from on-demand departments	Training on customised leadership	
	Employees from on-demand departments	Training on customised general competence	
	Experts from on-demand departments	Training on customised professionalism	



## Environmental, Social and Governance Report (Continued)

The Company provides nearly 3,000 online and offline professional training courses, which employees can choose according to their job requirements and personal interests, to realize independent learning and ability enhancement. For example, for sales staffs, the Company has customised a research business line sales learning program (including 17 segmented learning tasks), through which the sales staff will systematically learn how to promote business line solutions and products. For new employees, Yidu Tech has implemented the “Dashixiong (大師兄)” system, under which each new employee is assigned an experienced senior employee as his mentor, who provides one-on-one teaching and career development guidance for the new employee’s quick adaption into the Company’s culture and higher working efficiency and quality. The Company has also introduced the industry-renowned BLM (Business Leadership Model), which is used to break down strategies every year to ensure that employees can deeply understand the Company’s business strategies and closely connect their personal development with the Company’s goals, so as to jointly promote the sustained development and success of the Company.

As a big-data-driven healthcare services provider, to keep up with technological innovations and improve the application skills of our technology team in artificial intelligence, in December 2023, the Company, in conjunction with Microsoft China, provided employees with training on building intelligent applications using Azure OpenAI. The training covered cutting-edge technology theories, practical cases and industry applications such as Azure OpenAI, Token, ChatGPT, etc. which aimed to inspire innovation among employees and help to drive personal and corporate growth using emerging technologies.

Leadership training is crucial to the sustained growth and competitiveness of an enterprise. In order to comprehensively enhance the professionalism and management skills of leaders in key positions, the Company has set up distinctive training objectives and programs for managers at different levels, with a focus on the LEAP program, which plays an important role in cultivating backbone leadership. In March 2023, Yidu Tech successfully held the second phase of LEAP training, which covered employee behavioral coaching techniques, competency coaching methods, and steps of performance interviews, and also included an onsite practical exercise session, in which trainees practiced three business feedback scenarios by simulating real work scenarios in order to improve their management skills. The training achieved a resounding success, receiving a very high satisfaction rating of 4.89 out of 5 on average.

## Environmental, Social and Governance Report (Continued)

### Number of employees trained in FY2024

Total number of employees trained by gender	Total number of female employees trained (person)	508
	Total number of male employees trained (person)	365
Total number of employees trained by employee category	Total number of short-term contract/part-time employees trained (person)	178
Total number of employees trained by rank	Total number of full-time junior employees trained (person)	821
	Total number of full-time middle management trained (person)	42
	Total number of full-time senior management trained (person)	10

### Average training hours of employees in FY2024

Average training hours per employee by gender	Average training hours per female employee (hour)	18
	Average training hours per male employee (hour)	10.77
Average training hours per employee by employee category	Average training hours per short-term contract/part-time employee (hour)	2.38
Average training hours per employee by rank	Average training hours per full-time junior employee (hour)	14.61
	Average training hours per full-time middle-level employee (hour)	10.67
	Average training hours per full-time senior employee (hour)	7.26

## Environmental, Social and Governance Report (Continued)

### Coverage of Employees Trained in FY2024<sup>3</sup>

Percentage of employees trained by gender	Female (%)	97.13
	Male (%)	96.31
Percentage of employees trained by employee category	Short-term contract/part-time employee (%)	100
Percentage of employees trained by rank	Full-time junior employee (%)	96.7
	Full-time middle-level employee (%)	97.67
	Full-time senior employee (%)	100

#### 5.4 Well-established Mechanism for Protecting Interests of Employees

##### ***Legitimate Employment and Human Right Protection***

Yidu Tech strictly abides by the national laws and regulations, including the Labour Law of the PRC, the Labour Contract Law of the PRC, the Company Law of the PRC, the Law of the PRC on the Protection of Minors, and the Law of the PRC on the Protection of Women's Rights and Interests, to ensure that the legitimate rights and interests of all employees are protected. Yidu Tech continuously optimises its internal management system, including the Employee Handbook, Recruitment Management System, Reward and Punishment System, and Performance Appraisal Management System. These systems cover various aspects of employee recruitment, onboarding, training, promotion, dismissal, salary, working hours, and holidays, ensuring the standardisation and transparency of management.

The Company adheres to the principle of legal and fair employment, and explicitly prohibits the use of child labour and forced labour. The Company clearly stipulates that all candidates must be at least 18 years old, and the human resources department adopts strict review procedures to verify the identity documents and other necessary information of candidates to ensure the legality of the recruitment process. The Company maintains a zero-tolerance attitude towards any form of discrimination and harassment (including sexual and non-sexual harassment), and ensures that there are specific internal mechanisms to handle violations. Once any violations are identified, the Company will immediately investigate and take prompt and appropriate remedies in accordance with internal management systems to minimize negative impacts.

In FY2024, Yidu Tech has not engaged in any violations of the systems prohibiting the use of child labour, forced labour, discrimination, and harassment, demonstrating the Company's resolute commitment to safeguarding employees' interests and creating a good working environment.

<sup>3</sup> Calculation method of the percentage of employees trained: employees trained of such category ÷ total number of employees of such category × 100%, excluding short-term contract/part-time employees when calculating the employees trained.



Environmental, Social and Governance Report (Continued)

Production Safety and Health

Yidu Tech strictly complies with the national laws and regulations on employee health and safety, including the Production Safety Law of the PRC and the Occupational Disease Prevention and Control Law of the PRC, and attaches great importance to the health and safety of every employee. The Company has developed the Comprehensive Emergency Plan for Office Production Safety Accidents, effectively avoiding potential accidents that may occur during the work process and ensuring the occupational health and safety of employees.

According to this plan, the Company has established an emergency leadership group led by the Chief Executive Officer, which includes an emergency evacuation group, a rescue group for the wounded, a peripheral control group, and a communication group. In case of various sudden safety accidents such as fire, electric shock, earthquake, fire emergency and social security incidents, as well as unexpected public health and safety incidents, the first one who finds the accident in site shall immediately report to the department head by phone calls, and then the department head will notify the emergency leadership group to take preventive measures or activate corresponding plans.



Meanwhile, the Company actively carries out various employee health and safety training, including workplace health lecture, electrical safety training, and fire safety training, in order to establish a safe office culture.

## Environmental, Social and Governance Report (Continued)

### Health and Safety Measures for Employees of Yidu Tech

<b>Workplace safety and health lecture</b>	Aimed to enhance employees' awareness of health, the attributes include mental health management, work life balance, physical exercise promotion, nutritional and dietary guidance, as well as how to utilize company resources to maintain personal health.
<b>Electricity safety training</b>	Enhance employees' awareness of workplace electrical safety, teach how to identify and prevent electrical hazards, correctly use personal protective equipment, and master emergency response measures to ensure that employees can quickly and effectively take action when encountering electrical problems, ensuring the safety of them and their colleagues.
<b>Fire safety training</b>	Strengthen the fire prevention and emergency response capabilities of employees, including fire prevention measures, fire emergency plans, use and maintenance of fire-fighting equipment, and evacuation drills. Real case analysis is used to enhance employees' awareness of fire safety.

### The work injury accident of the Company in FY2024 was as follows

Number of work-related fatalities (person)	0
Lost days due to work-related injuries (day)	0
Work-related fatalities for the past three years (person)	0
Work-related fatality rate for the past three years (%)	0

### Employee Benefits

In addition to its concern over physical health of employees, Yidu Tech also attaches great importance to the mental health and benefit protection of employees. In compliance with the Labor Contract Law of the PRC and other laws and regulations, the Company has developed the Attendance Management System that is in line with its actual situation. It clearly stipulates an 8-hour work system for employees' sufficient rest time. In addition, we implement a flexi-time mode to improve employees' productivity. In case of extreme weather, the Company takes safety production as the top priority and provides employees with flexible hybrid working options. In order to help employees better balance work and life, and enhance their sense of well-being, the Company has confirmed in the Vacation Management System that employees are entitled to a series of employee benefits such as statutory annual leave, paid annual leave, wedding leave, maternity leave and breastfeeding break, paternity leave, and parental leave.

## Environmental, Social and Governance Report (Continued)

Yidu Tech has carefully crafted a series of employee benefit plans aimed at creating a caring and vibrant work environment. In addition to contributing to five insurances and one housing fund for each employee in accordance with the law, each formal employee is covered by the comprehensive accident insurance and company-specific inclusive health insurance, ensuring their timely assistance and security in case of incidents. We also organize annual physical examinations for employees to comprehensively ensure their physical health.

In addition to daily work, the Company distributes meal allowances monthly through Meituan app. In case of material festivals and holidays, the Company will also hold pantry room activities. The featured “Hair Cutting Benefit on Thursday” provides convenient personal care services for employees. The Company organizes basketball activities every month and provides team building funds to encourage department leaders to organize other team building activities as appropriate based on business situations. In addition, we also care about the family life of our employees. The Company offers wedding gifts and filial monetary allowances. For the filial monetary allowances, a portion of salary of an employee can be transferred to his/her parents’ pension account as they wish.

### ***Case: “Love in Yidu” Traditional Festival Celebrations***

On each traditional festival like Mid-Autumn Festival and Chinese New Year, Yidu Tech organises a wide variety of activities to deepen the emotional connection between employees and strengthen team cohesion. Although our employees are located both at home and abroad, including more than 40 Chinese cities as well as Singapore, Brunei, the United States and other countries, we believe that distance cannot hinder the connection between us. On these special days, members of Yidu Tech will meet through the cloud to celebrate together. We share joy through live streaming, convey blessings through online interaction, and experience the fun of traditional festivals together. Whether by watching the Mid-Autumn Gala online, sharing a sumptuous crab feast via video conference, or making dumplings or cooking glutinous rice balls together, we can feel the warmth of each other and the festive atmosphere. In addition, we also gave lucky money via electronic means to convey the joy and blessings to every member of Yidu Tech beyond geographical limitations.

Such parties via virtual means not only express the care of the Company for the staff in different regions, but also show the unity and warmth of a big family like ours. No matter where we are, every member in Yidu Tech can feel a sense of belonging in this big family and work together to promote the development of “green healthcare”.



## Environmental, Social and Governance Report (Continued)



Love in Yidu during the Mid-Autumn Festival

### ***Case: Celebrating Programmer's Day***

Technological innovation is a powerful driver in realising our vision of green healthcare. We are committed to creating a vibrant technology environment and encourage collaboration and win-win situations among our team members. In order to show our appreciation for the unwavering efforts and innovation spirit of our programmers, we organised various events at our annual Programmer's Day. These events include, but not limited to: technical seminars, which not only broadened programmers' horizons, but also stimulated new thinking and inspiration; programming competitions, which stimulated programmers' creativity and problem-solving ability through friendly competition; team building activities, which enhanced communication and collaboration among team members and promote teamwork spirit; and gifts or rewards, which recognised programmers' contributions and efforts with practical actions.

Through these activities, we aim to not only enhance the workplace satisfaction of programmers and let them feel the care and support of the Company, but also enhance the cohesion of the whole team, so that we can be more closely united together, and work together to promote technological innovation, contributing to the achievement of the ambitious goal of green healthcare.

## Environmental, Social and Governance Report (Continued)



1024 Programmer's Day

### ***Exchanges and Communications with Employees***

For the smooth and efficient communications throughout the Company, Yidu Tech has established a set of diversified online and offline communication channels. The online channels includes WeChat, Email, live streaming and public WeChat account promotion to enable immediate, written or formal information exchange between executives and employees; while the offline channels strengthens the face-to-face communication and feedback between upper and lower levels through department meetings, team building activities, one-on-one interviews, one-to many meetings, and the Chairman's post box, ensuring consistency of the Company's strategic objectives and effective communication of employees' opinions. These measures jointly build an efficient and open communication environment that allows for closer interactions between employees and management, and promotes a deeper understanding of the corporate culture and stronger teamwork.

We firmly believe that employees' opinions are the key driver of the development of the Company. In order to promote the "two-way efforts" culture of communication, the Company launched a feedback channel in June 2023, with the aim of better understanding the needs and expectations of our employees through the survey and collection of employee satisfaction and feedback on their work. This channel is a consistently open platform for employees to submit their opinions and suggestions anytime, anywhere. The Company collects these valuable opinions on an anonymous basis to ensure that employees are free to express themselves without fear of being personally identified. The Company is committed to ensuring the transparency and openness by releasing a summary of feedback to all employees on a regular basis (quarterly or monthly) depending on the number of comments received. According to statistics, the Company received a total of 33 pieces of employee feedback during the Reporting Period, and the 100% of issues raised in the feedback were addressed.

In addition, Yidu Tech encourages its employees to actively report and complain against any violations and undertakes to keep the identity of the whistleblower and the content of the complaint confidential in the Management System for Complaint, Whistle-blowing and Suggestion, Professional Ethics Standards and Code of Conduct, ensuring a safe and fair working environment.

## Environmental, Social and Governance Report (Continued)

Overall, we made significant progress in human resource management in FY2024. The employee turnover rate significantly decreases from 39.54% in the last fiscal year to 25.94% in this fiscal year, representing a 13.6 percentage point decrease. This accomplishment was made possible by our focus on employee satisfaction and positive improvements in the areas of compensation and benefits, career development, work-life balance and team building. By optimising these key areas, we have not only enhanced our employees' loyalty and willingness to stay, but also strengthened their acknowledge of the Company's culture and growth prospects.

### Employee Turnover

	Total Employee Turnover Rate (%)	25.94
Employee turnover rate by gender	Female Employee turnover rate (%)	26.34
	Male Employee turnover rate (%)	25.39
Employee turnover rate by age group	Turnover rate of employee aged below 30 (%)	29.14
	Turnover rate of employee aged 30–50 (%)	24.63
	Turnover rate of employee aged over 50 (%)	42.86
Employee turnover rate by geographical region	Employee turnover rate in North China (%)	24.88
	Employee turnover rate in Northeast China (%)	18.18
	Employee turnover rate in East China (%)	29.82
	Employee turnover rate in Central China (%)	27.50
	Employee turnover rate in Northwest China (%)	13.33
	Employee turnover rate in South China (%)	22.50
	Employee turnover rate in overseas region (including Hong Kong, Macau and Taiwan) (%)	27.27



## Environmental, Social and Governance Report (Continued)

### 6. Building a Quality Supply Chain

This section is in active alignment with the UNSDGs which include:



#### 6.1 Supplier Management

An efficient, transparent and sustainable supply chain enhances the quality of a company's products and services and strengthens its market competitiveness and brand reputation. Therefore, as the core of the supply chain management, supplier management is essential for the success of a corporate. Pursuant to the laws and regulations like Government Procurement Law of the People's Republic of China, Law of the People's Republic of China on Tenders and Bid, the Company has developed management measures such as the Supplier Management and Selection, Green Supply Chain Management, Supplier Supervision Methods (《供應商監督方法》) and Plan for Handling Non-conforming Procured Products and Services (《處理不合格採購產品／服務的方案》), which effectively lower and prevent risks through the identification of supply chain risks, and the implement the clear and effective control strategies in relevant management practices.

The Company have established a comprehensive supplier management system, which covers the full life-cycle of supplier management from initial supplier screening to final performance evaluation.

## Environmental, Social and Governance Report (Continued)

### Yidu Tech Supplier Management System

<b>Supplier selection</b>	We have formulated the rules on Supplier Management and Selection and Tendering Process (《招標流程》) to specify key aspects of supplier qualification management, supplier nomination and filing, supplier information review, supplier qualification evaluation and supplier audit. Through strict qualification audits, we ensure that all potential suppliers meet our standards in terms of quality management system, financial stability and production capacity.
<b>Supplier risk assessment</b>	To prevent and mitigate potential supply chain risks, we have developed Supply Chain Risk Identification and Control (《供應鏈風險識別與控制》) and designed a systematic risk assessment process. We conduct regular reviews of the financial and operating status of our suppliers to assess their market performance and environmental impacts. Through this process, we are able to identify potential risks in a timely manner and develop corresponding mitigation measures. In addition, we have established a risk warning mechanism to ensure that we can respond quickly to changes in market conditions or supplier conditions.
<b>Supplier continuous supervision</b>	Supervision is a key part of ensuring that suppliers meet the Company's standards on an ongoing basis. Based on the Supplier Supervision Methods (《供應商監督辦法》), we monitor key indicators such as product quality, delivery time, and service level of our suppliers through regular performance evaluations. The results of these evaluations help us to classify and manage suppliers, reward such suppliers for their outstanding performance, and propose specific improvement measures for suppliers if needed. Meanwhile, we have established a transparent communication mechanism to ensure that our suppliers are kept abreast of our expectations and requirements.
<b>Supplier training</b>	In order to enhance the service capabilities and competitiveness of our suppliers and ensure that they can meet our high standards, the Company designs a series of training and development programs for suppliers. These trainings include not only quality management and productivity improvements, but also environmental regulations, social responsibility and industry best practices.

## Environmental, Social and Governance Report (Continued)

### 6.2 Building a Responsible Supply Chain Together

Yidu Tech has established a solid and long-lasting cooperative relationship with our suppliers, and we have always been committed to integrating the concept of sustainable development throughout the supply chain. We actively advocate and guide our suppliers to raise awareness of environmental protection and social responsibility, and work together to support and realize the Company's sustainable development vision.

The Company firmly advocates green supply chain management, and has expressed requirements of environmental protection standards and sustainability for suppliers in the process of product and service supply. In the course of executing our green procurement strategies, Yidu Tech has a "two-pronged approach". On the one hand, by raising employees' awareness of green supply chain management, conducting training of knowledge and ability building, and strengthening employees' awareness of environmental protection, we look to purchase raw materials and parts based on the needs of the Company as much as possible, reduce the inventory of raw materials and parts, try to find substitutes for harmful materials, and make full use of our excess equipment and materials. On the other hand, the Company will give priority to those suppliers who have been granted the ISO environmental quality management system certification, and require manufacturers to provide energy-saving product certification certificates to ensure that the products supplied meet strict energy-saving and environmental protection standards. In the Green Supply Chain Management (《綠色供應鏈管理》), the Company clearly incorporates the environmental performance of suppliers related to energy management, and social performance such as legal employment, occupational health and safety into the supplier performance evaluation system.

In order to maintain the integrity and transparency of the Company, Yidu Tech has put forward expressed anti-corruption requirements for contractors, suppliers and all business partners in the Management System for Anti-Commercial Bribery. In addition, by entering into the Confidentiality and Integrity Agreement with our suppliers and business partners, we further strengthen our commitment to our integrity standards and require them to take all reasonable precautions to safeguard the confidentiality and security of data and information. Through these comprehensive measures, Yidu Tech aims to create an honest and fair business environment, and promote mutual trust and long-term cooperation between the Company and its partners.

#### Number of Suppliers to Yidu Tech in FY2024

Suppliers by geographical region	Number
Mainland China	3,259
Overseas regions and Hong Kong, Macau and Taiwan	424
Total	3,683



## Environmental, Social and Governance Report (Continued)

### 7. Responsible Marketing Practices

This section is in active alignment with the UNSDGs which include:



#### 7.1 Strengthening Product Innovation

Under the guidance of our country's core strategic principles such as "digitalization, intelligence and technological innovation", the digital economy, driven by innovative technologies such as artificial intelligence and big data, has become one of the strong drivers of economic growth. It has been widely verified to empower hospitals to improve their diagnosis and treatment efficiency and scientific research capabilities through innovative technologies, and to help government innovate public health and population health management models. As an active participant in this transformation, Yidu Tech is committed to further consolidating its leadership position in the rapid development of the AI-enabled healthcare field. With our advanced AI-enabled medical brain and analytics-driven solutions, we are committed to creating more value for all participants in the healthcare ecosystem and driving the industry towards a more efficient and intelligent direction.

##### ***AI medical: Innovation-driven and Technological Breakthroughs***

In the healthcare field, the application of big data is driving unprecedented innovation and breakthroughs. YiduCore, our intelligent "AI medical brain", extracts, structures and standardizes the raw, dispersed medical data through advanced algorithms and large language model technology, and further transforms it into deep medical insights and practical solutions. YiduCore autonomously learns the entire path of a doctor's brain from information collection, in-depth reasoning to decision-making in operation, while learning and replicating the doctor's thinking mode and decision-making logic when facing disease diagnosis, treatment selection, and public health management, which makes its performance closer to that of a real doctor in various application scenarios.

The continuous iteration and upgrading of YiduCore reflect our continuous pursuit of excellence in technology and services. In May 2024, in the MedBench evaluation, an authoritative evaluation platform launched by Shanghai AI Laboratory and Shanghai Digital Medicine Innovation Center, Yidu Tech's large language model ranked first in each of the three key dimensions of medical knowledge Q&A, medical language understanding, and medical safety and ethics, and achieved the highest overall score. This proves that YiduCore is not only theoretically advanced, but also highly effective and reliable in practical applications. In addition, we are developing a multi-modal large language model that combines the processing power of text, image and histological data to provide a more comprehensive intelligent medical solution, bringing real value to the medical industry.

## Environmental, Social and Governance Report (Continued)

As at 31 March 2024, YiduCore has cumulatively processed and analysed over 5 billion medical records from over 1 billion patient visits, depositing a medical knowledge graph covering over 100,000 medical subjects. These data not only cover the whole process information from diagnosis to treatment, but also include the medical record system, imaging, laboratory tests, surgery, anaesthesia and drug purchase and inventory. Through in-depth analysis of these all-disease, all-process data, Yidu Tech's AI algorithmic model is able to learn and generate solution output on its own.

### ***Health Management Platform: Innovative Services and User Experience***

In the field of health management, we have achieved a significant improvement in the insurance claim efficiency by constantly updating and iterating the big data model. At present, more than 80% of customer service work is handled efficiently by AI intelligent customer service, which can achieve second-level response. Under the quick claim mode, the per capita case processing volume reaches nearly 1,000 per person per month, increasing the efficiency by 50%–70% compared with traditional methods. Leveraging advanced algorithm models and AI technologies, we have provided quick claim services for Beijing Hui Min Bao (北京惠民保) for two consecutive years, which has significantly compressed the claim settlement time and reduced the financial burden of the insured.

In addition, the Company also delivers comprehensive AI analytics-driven solutions by leveraging technology and medical knowledge accumulated by YiduCore. We have introduced integrated and personalised digital therapeutics aimed at providing more accurate health management services. As an example, the diabetes digital therapeutics solutions piloted in Hainan Province this fiscal year has successfully managed nearly 4,000 patients, significantly improving the blood glucose compliance rate of the enrolled patients.

As of 31 March 2024, the number of active users on our health management platform has increased to 27.6 million, which is not only a testament to the attractiveness of the platform and the stickiness of its users, but also a reflection of the Company's ability to innovate and excel in service in the field of health management. Through these innovative services, we are committed to providing users with a more convenient and efficient health management experience.

## Environmental, Social and Governance Report (Continued)

### ***Corporate Social Responsibility: Commitments and Practices***

Yidu Tech actively fulfils its corporate social responsibility and is committed to empowering the healthcare industry through AI technology, providing an advanced data intelligence platform and data analytics-driven solutions for hospitals, other healthcare institutions, regulators and policymakers. Our products and services are constantly upgraded by AI technology to accelerate the output of scientific research results and promote the transformation of clinical applications. Our research solutions greatly shorten the traditional research cycle, improve scientific research efficiency, and reap the benefits of the whole process of scientific research.

Our YiduCore network has become a key collaboration platform for hospitals, experts, pharmaceutical companies, and researchers. As of 31 March 2024, we have provided solutions to 102 top Chinese hospitals and 43 regulators, covering over 2,500 hospitals. In the field of life sciences, we have 122 customers and the revenue retention rate of our top 10 clients was 151.1%. 16 of the top 20 multi-national pharmaceutical companies (“MNC”) are our partners. These achievements have not only promoted the equitable distribution and utilisation of healthcare resources, but also significantly increased the penetration and accessibility of healthcare services.

In terms of the Health Management Platform, we served as the main operation platform for Beijing Hui Min Bao (北京惠民保) and Jiangsu Province Hui Min Bao (江蘇省惠民保) for three consecutive years. The number of active users on our health management platform has increased to 27.6 million, which fully demonstrates our innovative ability and service level in the field of health management.

In addition, the big data platform of the National Medical Center for Major Public Health Events (國家重大公共衛生事件醫學中心), which was constructed by the Company, has been officially put into operation, and has built a specialized databases for monitoring and early warning of the five major syndromes and 40 types of national statutory infectious diseases, which has provided support for more than 2,000 scientific research projects. The Data Platform for Clinical Trial Institution Evaluation (臨床試驗機構評價數據平台), a national platform built by the Company, has also entered the trial operation, providing support and assurance for China’s drug regulation and clinical trial organization management.

Yidu Tech has also actively participated in more than 20 national and provincial-level medical research projects. Through continuous technological innovation and product upgrading, we have promoted the digital transformation of the healthcare industry and made positive contributions to the establishment and improvement of the industry standards. We will continue to undertake our corporate social responsibility, promote the progress of the healthcare industry with innovative technology, and create greater value for society.



## Environmental, Social and Governance Report (Continued)

### ***Case: Partnering with Peking University Cancer Hospital to Start a New Chapter of AI-enable Healthcare***

The Company have maintained years of close cooperation with Peking University Cancer Hospital. Together, we have carried out a number of intelligent hospital construction projects, including the medical data intelligent research platform, a number of disease databases represented by the gastric cancer disease registry, and the iGCP intelligent clinical trial platform, which enhances the quality and efficiency of the hospital's clinical research. During the Reporting Period, Yidu Tech won the bid for the construction project of the regional medical data center of Inner Mongolia Hospital of Peking University Cancer Hospital. This project is a significant breakthrough for Yidu Tech's business in Inner Mongolia and is another typical case of our cooperation with Peking University Cancer Hospital, a top research-based specialty hospital in China.

### **7.2 Optimising Product Quality and Customer Experience**

Yidu Tech is steered by the better customer experience in all aspects, so it has been continuously improving the quality management system and optimising the digital service platform to respond to the diversified demands of customers. Meanwhile, we obtain customers' suggestions and feedback through different communication channels, to further improve the service quality and bring customers a quality service experience beyond their expectations.

#### ***Customer Feedback and Response***

Our Customer Service Centre significantly improves customer satisfaction through a series of carefully designed key strategies in a professional, standardised and user-friendly manner.

- *In-depth business understanding and professional training*  
Our customer service staff receive in-depth risk training and have a deep understanding of the Hui Min Bao (惠民保), ensuring that customer enquiries are answered professionally and accurately. In the face of customers with negative emotions, our customer service staff are able to solve problems in a professional manner, while calming the users and identifying the cause of the fluctuations in the mood of our customers. Our customer service team provides a full range of services from pre-sales to post-sales to ensure that customer issues are resolved in a timely, effective and reasonable manner, and collects feedback on customer experience, puts forward requirements, follows up on system updates and iterations, improves customer experience and prevents problems before they occur.
- *Comprehensive service team structure*  
To ensure that the quality of service is guaranteed, our Customer Service Centre is structured with a number of professional positions, including service quality management, operations management, complaint handling, system optimisation, and other positions, to execute and monitor the implementation of customer service in all aspects. We are constantly updating and iterating to improve the whole process of problem-solving services to ensure the efficiency and quality of services.

## Environmental, Social and Governance Report (Continued)

- *Multi-channel communication and immediate response*

We have established multiple channels of access, including telephone customer service, AI customer service, and online customer service, to ensure that customers can select the appropriate communication method as they prefer. We require immediate response, and our customer service staff are able to respond quickly to customer enquiries, whether through hotlines or official WeChat accounts, to ensure that customer issues are dealt with in a timely manner. By establishing a fixed and flexible feedback mechanism, we can deal with different kinds of problems quickly, and through tools such as the Customer Enquiry Register (《客戶問題登記表》), we ensure that customer problems are recorded and promptly fed back to the relevant departments.

### ***Excellent Quality Service***

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

The Company has established a comprehensive and integrated quality management system. Our quality management system, quality control mechanism, standardised service processes and continuous service enhancements ensure that our services meet and exceed customer expectations at every touchpoint. Our quality commitment commences with technical reliability, supported by our customer service systems which boast high concurrency capabilities and ensure smooth and secure communication experiences through ongoing technical support and multiple system certifications. Our rigorous quality control mechanism conducts daily quality checks on over 1,000 customer service conversations, meticulously evaluating every detail from service attitude and professional knowledge to accuracy of answers. This proactive quality control and rapid response mechanism not only ensures swift handling of customer feedback but also drives continuous improvement in service quality.

Meanwhile, we have strengthened service standardisation and consistency by implementing a series of standardised service procedures, such as the Customer Service and Urban Insurance Insurer and Tripartite Complaint Handling Procedures, which are diligently designed to ensure the smooth collaboration between users, the customer service centre and insurers. We aim to establish and achieve high standards of service quality, meeting and surpassing customer expectations.

## Environmental, Social and Governance Report (Continued)

In FY2024, we have identified Beijing, Jiangsu and Shenzhen as key service regions for the year, aiming to enhance customer satisfaction and project connection rates in these regions. We have set clear service quality goals: requiring a call answer rate of 96.5% and customer satisfaction rate of 98.5% for each project. To ensure the achievement of these goals, we have strictly regulated and supervised every aspect of customer service in accordance with the Service Standards for Quality Inspection of the Customer Service Centre. Our quality control covers not only service attitude and professional knowledge but also the accuracy of answers and efficiency. Through continuous supervision and evaluation, we are able to promptly identify service issues and take effective measures for improvement. In addition, regular staff trainings and assessments are conducted to ensure that our customer service team's business proficiency and one-time problem-solving rate.

Besides, we have been persistently pursuing better service and innovation. The development and certification of our Medical Data Intelligent Platform System have obtained the Certification for Level 3 Protection under the Classified Protection of Information System, recognising our efforts in service improvement. Through ongoing self-improvement and innovation, we ensure our services consistently maintain the highest standards.



In the LSS segment, we provide analytics-driven clinical development, real-world studies, and commercialization solutions. We have established a comprehensive quality system based on regulatory requirements and advanced industry practices, ensuring that the LSS segment maintain quality, comply with applicable laws and regulations, regulatory policies or procedures when delivering its service, and engage in continuous quality improvement activities.



## Environmental, Social and Governance Report (Continued)

### ***Customer Service and Product Safety Performance***

In FY2024, Yidu Tech's customer service team has provided customer services for a total of approximately 4.5 million persons, achieving an impressive satisfaction rate of 98.4%. 522 complaints have been received in total, all of which were handled and resolved appropriately, with zero complaints attributed to customer service.

In FY2024, Yidu Tech did not have any services or products recalled due to safety or health reasons.

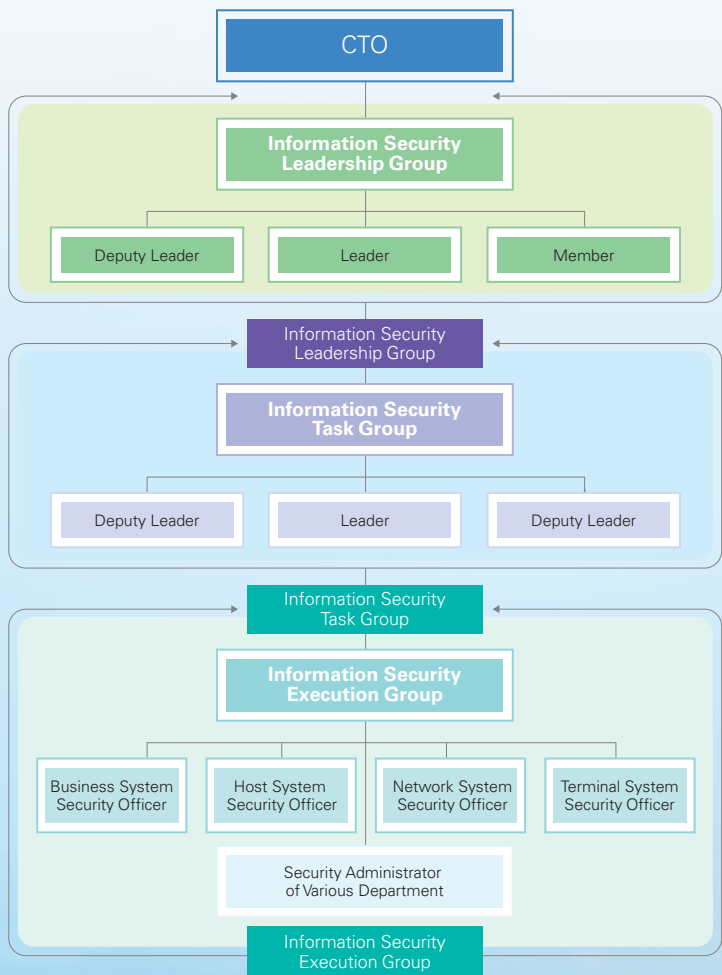
### **7.3 Data Security and Customer Privacy Protection**

As a leader in China's AI-enabled healthcare industry, the Group is well aware of its mission and responsibility in information security and privacy protection. While promoting the construction of a secure, inclusive, and value-oriented AI-enabled healthcare system, the Group regards information security as core and fundamental to AI-enabled healthcare. The Group has strictly abided by 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 has formulated policies including Yidu Tech Group Privacy Policy and Statement, Data Security Compliance Outline, and Security Management System — Information Security Strategy to strictly manage information security related work.

#### ***Data Security and Privacy Protection System***

We have formulated the Security Management System — Information Security Strategy, specifying the Group's information security policies and objectives, and clarifying the structure and responsibilities of the Group's information security management. The Chief Technology Officer (CTO) of the Group, as the highest authority, oversees the overall work of data security and privacy protection of the Group. Additionally, the Information Security Committee has been established, with the Information Security Leadership Group serving as the permanent leadership body, responsible for overall information security work. The information security management task group and the information security execution group serve as specific execution departments, responsible for the daily execution and assessment of information security.

Example: Group Information Security Management Structure



For the code of conduct for the operation of all employees of the Group and the personnel of external partner companies, we have formulated the Information Security Management Specification for Staff and the Employee Information Security Red Lines to ensure safety use of the Company's assets, information security and privacy of customers and the security of our business information and confidential information from such aspects as daily operation, terminal safety, data security, third-party personnel security, and more. Meanwhile, we have also developed the File Backup and Recovery Standard Operating Procedures to ensure that our computer data is protected from damage or loss caused by natural disasters or human errors, as well as damage from external and internal sources. In addition, we have formulated the Emergency Response Management Measures and the accompanying operation manuals to cope with system security emergencies.

## Environmental, Social and Governance Report (Continued)

The Group has also formulated the Data Security Compliance Outline, which strictly provides all aspects of data security and data lifecycle stages applicable to all business activities involving data processing within the Group. Amongst other things, it requires to inform individuals about the scope and purpose of personal data collection upon authority and consent, as well as the correction and deletion of such information, thereby clarifying the Company's access, correction, and deletion rights regarding personal data.

To protect our customers' privacy, we have formulated the Legal Statement and Privacy Policy, which defines the scope and requirements for the collection and use of information by the Group, and specifies the privacy policy, information transfer, sharing and public disclosure. Meanwhile, we will enter into a Personal Data Authorisation Form with every users, and we publicly undertake that the Company will not share any personal information with any party, unless with the user's voluntary choice, explicit consent, legal circumstances or except for the sharing with affiliates; that the Company will take security measures to protect personal information, and prohibit unauthorised access, public disclosure, use, modification, damage or loss of personal information; that the Company will prohibit the lending, selling or provision of personal information to any third-party and will collect the personal information in strict compliance with the authorization form; that the Company will delete the data after the specified time and will not collect personal data from third parties (except as required by laws).

### ***Data Compliance and Security***

Through a series of innovative and systematic measures, Yidu Tech has ensured the legality, security, and transparency of data processing, demonstrating its industry leadership in data compliance and security. The Company established a dedicated Data Security and Compliance Committee, which not only holds regular meetings but also actively conducts data compliance risk investigations of data suppliers and online products, ensuring that all data processing activities comply with the latest legal and regulatory requirements.

In terms of compliance management system, Yidu Tech developed a comprehensive compliance management system for its own large language model products and services. By utilising an advanced data flow review system for compliance management, the Company has formed a content output review team to ensure the compliance of algorithmic synthesized content. In addition, the Company has also completed the regulatory filing of in-depth algorithm synthesis technology, established a sound communication channel with the Office of the Central Cyberspace Affairs Commission (CAC) and the Beijing Branch of CAC to understand and respond to the latest trends of large-scale model supervision in a timely manner.

In terms of management and technology, Yidu Tech distinguished itself from peers. At the management level, the Company established a working mechanism to deal with regulatory inspections, and actively participates in relevant legislation and standard development. For example, Yidu Tech participated in the revision of the guidelines for the establishment of the corporate chief data officer system led by the Ministry of Industry and Information Technology, demonstrating the Company's influence in the industry and its in-depth understanding of data compliance. At the technical level, Yidu Tech has enhanced the terminal data security protection capability through the iOA, KMS, DLP and other platforms. The Company also implemented zero-trust secure access, linkage analysis, intelligent decision-making, and proactive protection to ensure the security of data access.



## Environmental, Social and Governance Report (Continued)

In addition, the Company has also implemented closed-loop management of data security, which enables real-time tracking and prevention of data security issues through normalised operation management. For example, Yidu Tech realized zero-trust security management and normalized closed-loop management of dedicated personnel by strengthening terminal data security facilities, which significantly enhanced the data security protection ability. In respect of digitalized system infrastructure, the Company improved the functions of project budget formulation, approval and monitoring through the refined operation of YiDuPM, which has improved the efficiency and transparency of project management.

### ***Data and Privacy Management***

We have implemented a set of comprehensive data security and privacy management measures for our employees, suppliers and all business partners to ensure that all data processing activities are carried out under strict supervision and control. We have also established a comprehensive network security management system, which covers daily network monitoring and vulnerability protection, as well as rapid response and effective handling mechanisms to security incidents.

### **Personnel management**

<b>For employees</b>	<p>We regularly provide information security training and examination for all employees to ensure that employees clearly understand information security and the use and operating method of information equipment, etc.</p> <p>We have clearly stated the reward and punishment system, and strictly deal with any employee who commits security violations. The employee's information security behavior records also affect the employee's appraisal, annual bonus, salary and position adjustment, etc.</p> <p>The human resources department of the Group strictly regulates the recruitment process of candidates by inspecting their background, and relevant individuals are required to sign confidentiality agreements</p>
<b>For suppliers and all business partners</b>	<p>We organize evaluations of the security of products or services provided by suppliers and business partners, and conduct security testing, vulnerability screening and checking and assessing of the data security-related safeguards when necessary</p>
<b>For any third party</b>	<p>Any third party who desires to access the information assets must sign a confidentiality agreement first. Third parties must be aware of the consequences and liabilities of breach of the agreement</p> <p>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</p>

## Environmental, Social and Governance Report (Continued)

### Cybersecurity management

We regularly scan the network system and patch the security vulnerabilities found in a timely manner; establish a network security management system, stipulate network security configuration, log retention cycle, security policies, upgrades and patches, password update cycles, etc.; meanwhile, we have designated a staff to manage the network, be responsible for the daily maintenance of operation logs and network monitoring records, and the analysis and processing of alarm information; we achieve a minimal service configuration for the device and take regular offline backups of the configuration file

We ensure that all connections to external systems are authorized and approved; and allow or deny network access to portable and mobile devices in accordance with security policies. We audit every operating system user and database user on the server and important client terminal, including important security-related events within the system, such as important user behavior, abnormal use of system resources, and use of important system commands.

We adopt encryption or other protective measures to keep system administration data, identification information, and important business data transmission and storage confidential. We establish a security management system in relation to backup and recovery management, and standardize the backup method, backup frequency, storage medium and retention period of backup information.

Based on the requirements of each business application, we strictly restrict users' access to information and application system functions to prevent unauthorized access to information systems. We audit the log files and system logs generated by the application system itself, record and retain log information of user activities, abnormalities and information security events in accordance with the requirements of company logs, so as to support future investigations and audits.

During the Reporting Period, the Group did not have any material non-compliance of laws and regulations such as information leakage and privacy security, nor did it have any litigation cases related to customer privacy.

### **Data Protection Certification**

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 solution, i.e. "Multi-party Secure Computing Platform V1.0" and has obtained qualifications and certifications related to graded protection.

## Environmental, Social and Governance Report (Continued)



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

In addition, the Company has also obtained various information security management system certificates, including:

No.	Certification category	Certification standards
1	Personal Information Security Management System Certification	GB/T 35273
2	Information Security Management System Certification	ISO/IEC 27001:2022
3	Information Security Management System Certification	GB/T 22080-2016/ISO/IEC 27001:2013
4	Cloud Service Information-Security Management System Certification	ISO/IEC 27017:2015
5	Personally Identifiable Information — Information Security Management System Certification	ISO/IEC 27018:2014
6	Privacy Information Management System Certification	ISO/IEC 27701:2019
7	Privacy Framework Information Security Management System Certification	ISO/IEC 29100:2011
8	Information Technology Service Management System Certification	ISO/IEC 20000-1:2018
9	Business Continuity Management System Certification	ISO 22301:2019
10	Data Governance Compliance Certification	ISO/IEC 38505:2017



## Environmental, Social and Governance Report (Continued)

In addition to the above certifications, the Medical Data Intelligent Platform Core Module (Version 2.7.0) (醫學數據智能平台核心模塊 (2.7.0版本)) and Special Disease Intelligent Scientific Research Platform Core Module (Version 8.0.0) (專病智能科研平台核心模塊 (8.0.0版本)) independently developed by us, have passed the evaluation of China Information Technology Security Evaluation Center ("CNITSEC") and obtained the independent self-developed product evaluation certificate, which made us become the first healthcare technology company to pass this certification.



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

### List of policy documents

- Data Security Compliance Outline
- Security Management System — Emergency Response Management Measures
- Security Management System — Information Security Strategy
- Yidu Tech Group Privacy Policy and Statement
- Information Security Management Specification for Staff
- Employee Information Security Red Lines
- File Backup and Recovery Standard Operating Procedures
- Legal Statement and Privacy Policy
- Emergency Response Management Measures

## Environmental, Social and Governance Report (Continued)

### 7.4 Safeguarding Intellectual Property Rights

Yidu Tech Group thinks highly of the protection of intellectual property rights, always adheres to the spirit of independent innovation and originality, and is committed to stimulating the enthusiasm of employees for invention and creation. As a high-tech enterprise focusing on AI-enable healthcare, we recognize the importance of intellectual property rights protection in promoting technological innovation, facilitating the development of production technology and safeguarding the sustainable growth of our Company. Therefore, we strictly comply with the national laws and regulations on intellectual property rights, including the Patent Law of the PRC, the Copyright Law of the PRC and the Trademark Law of the PRC. We actively promote the management of intellectual property rights, and have formulated a series of patent management systems, such as the Management Regulations on Intellectual Property Rights and Management Regulations on Patents, with the aim of regulating patent management, clarifying the responsibilities, protecting intangible assets, and promoting the sustainable development of the Company's core competitiveness.

#### Yidu Tech Management Plan on Patents

<b>Organization structure construction</b>	The Group has set up a patent task group, which is responsible for the daily management and strategic planning related to patents.
<b>Patent application and maintenance</b>	We encourage our staff to actively innovate and provide support for patent applications for service inventions. The Company conducts detailed classification management of patent assets, and formulates corresponding maintenance strategies according to their economic value and market competitiveness.
<b>Confidentiality obligations</b>	Prior to the publication of a patent, all personnel involved are subject to confidentiality obligations to ensure that the Company's trade secrets and competitive advantage are not compromised.
<b>Patent search and analysis</b>	Prior to the launch of new products and technology projects, the Company conducts thorough patent literature searches and analysis to avoid duplication of research and potential infringement risks.
<b>Distribution and incentives of patent benefits</b>	We recognize the importance of innovative talents and have put in place a rational system of distribution and incentives of patent benefits for this purpose. For the inventors or designers of service inventions, the Company provides material incentives and protects their authorship rights, so as to motivate employees' innovative spirit.

## Environmental, Social and Governance Report (Continued)

In addition, Yidu Tech Group has also formulated the Academic Achievements Management System, which aims to regulate the academic behavior of employees and those who participate in academic activities in the name of the Group, to advocate the scientific attitude of truth-seeking and innovation, as well as to respect and protect academic achievements. We have also established an academic committee, which is designed for the investigation and arbitration of academic morality issues. Once an academic morality issue is identified, we will take disciplinary action against the relevant personnel based on the findings of the academic committee, and make recommendations for organizational handling to ensure that the disciplinary measures are implemented in accordance with the determined disciplinary measures. Through these comprehensive measures, Yidu Tech Group is committed to fostering an environment that respects intellectual property rights, encourages innovation, and maintains academic integrity.

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

### The patented technologies of Yidu Tech in FY2024

Patents remaining registered during the Reporting Period	Domestic (piece)	1,140
	Overseas (piece)	101
	Total (piece)	1,241
Patents newly granted during the Reporting Period	Domestic (piece)	130
	Overseas (piece)	26
	Total (piece)	156

### List of relevant policy documents

- Management Regulations on Intellectual Property Rights
- Academic Achievements Management System
- Management Regulations on Patents
- Administrative Measures for Application, Evaluation and Review of Patents of Yidu Tech



## Environmental, Social and Governance Report (Continued)

### 8. Commitment to Philanthropy

The section is in active alignment with the UNSDGs, which includes:



#### 8.1 Rural Revitalization

As a leader in the fast-growing AI-enabled medical field, we abide by our mission of “making value-based precision healthcare accessible to everyone”, actively respond to the call of the nation, and devote ourselves to the promotion and application of accessible medical technology through our own strong accumulation and innovation capability in the field of healthcare science and technology. The Company not only watches closely the medical development in cities, but also sets its sights on remote and impoverished areas, endeavoring to narrow the gap between urban and rural healthcare services. By providing advanced medical equipment, technical support and professional training to impoverished villages, Yidu Tech has helped to improve the level of local medical and health services, improved the health status of rural residents, and injected a strong scientific and technological impetus into rural revitalization.

##### ***Case: Intelligent Medical Care Illuminates the Way to Rural Health***

In October 2023, Yidu Tech launched a pilot project of diabetes digital therapeutics in Lingshui Li Autonomous County, Hainan Province, aiming to help doctors understand patients’ conditions in a timely and comprehensive manner through intelligent data collection and analysis, tailor a scientific treatment plans for patients, while supervising and guiding patients’ daily behaviours and providing a convenient communication channel between doctors and patients to help diabetic patients improve their self-management level and quality of life.



## Environmental, Social and Governance Report (Continued)

### 8.2 Community Feedback

Bearing in mind the corporate social responsibility, Yidu Tech transformed its expertise in the field of big data medical technology into practical actions to serve the community and give back to the society. The Company uses big data analysis and AI technology to provide precise health management services for the community to help residents prevent diseases and improve their quality of life. We have delivered our commitment to enhancing the intelligence and convenience of healthcare services by launching research collaborations with community healthcare institutions and promoting the development of cutting-edge technologies such as large language model and intelligent manufacturing of new drugs.

#### ***Case: Accessible Insurance, Guarding the Healthy Future of Numerous Families***

Through various efforts, Yidu Tech has tailored insurance products that are inclusive and beneficial to the urban-sized population. People of all ages, occupations, household registration and health status can enjoy the coverage of up to millions of dollars by paying only RMB100, effectively reducing the burden of people facing expensive medical expenses. In addition to providing basic coverage, the product also covers a range of services such as early screening, family care and health check-ups, aiming to help users get a better grasp of their health and prevent diseases.

As of 31 March 2024, we have participated in the development and operation of the Hui Min Bao program in 4 provinces and 12 cities, including Beijing, Shenzhen, and Jiangsu province, and has received a number of thank-you letters and banners from China Pacific Life Insurance, AXA Tianping Property Insurance (安盛天平財產保險), and the insured persons.



#### ***Case: Scientific Research Helps to Build a High Ground for Medical Innovation***

Yidu Tech has successfully carried out the launch and review of Beijing Natural Science Foundation (北京市自然科学基金) — Haidian Original Innovation Joint Fund project for 2023. The Group invests RMB3 million in scientific research funds every year to support the research teams of 22 hospitals and medical schools in Beijing, supporting multidisciplinary and cross-departmental cutting-edge research and basic research for application, and has achieved remarkable results in promoting the development of large language models, intelligent manufacturing of new drugs, inheritance and innovation of traditional Chinese medicine, and simulation experiments.

## Environmental, Social and Governance Report (Continued)

### ***Case: Education was in parallel with Health as CausaCloud Joined insurers in safeguarding the growth of students***

On 23 August 2023, Yidu Tech and PICC P&C Beijing Branch, together with the New Media Education Technology Committee of the Beijing Education Society, donated 1,000 "Lexue Insurance (樂學保)" policies to the Student Financial Aid Management Center of Mentougou District, Beijing, and decided to donate additional 600 policies on 20 September. Meanwhile, we and PICC P&C Shenzhen Branch donated RMB1.10 million to the Shenzhen Care Charity Foundation (深圳市關愛行動公益基金會), escorting the healthy growth of Pengcheng students with practical actions.

### ***Public charity practice of Yidu Tech***

The total donations by Yidu Tech for public charity activities in the past 3 years

	FY2024	FY2023	FY2022
The total amount of donations (RMB0,000)	136.2	19.6	220.0

### ***The public charity activities in which Yidu Tech participated in FY2024***

Employees of the Group participating in the activities (person)	50
Community members participating in the activities (person)	30
Total hours of activities organised (hour)	57
	(including the preparation time)



### Green Healthcare Ambitions Aspired by Our Underlying Goal: Drawing a Blueprint for Sustainable Development

#### 9. Climate Action and Ecological Protection

This section is in active alignment with the UNSDGs, which includes:



##### 9.1 Positive Response to Climate Change

Global warming and climate change are pressing issues and have become the most serious challenges facing all mankind. Yidu Tech is not only deeply aware of this, but also responds to our country's grand goals of "Peak Carbon by 2030" and "Carbon Neutral by 2060" with firm actions, and is committed to contributing to controlling the global temperature rise within 1.5 degrees.

Through its innovative practices in the field of AI-enabled healthcare and green healthcare, Yidu Tech has undertaken its responsibility in climate governance. The Company leverages cutting-edge big data and artificial intelligence technologies to optimise the allocation of healthcare resources, improve the efficiency of diagnosis and treatment, and reduce unnecessary energy consumption and carbon emissions at source. By promoting telemedicine services, the Company has significantly reduced the travelling time of patients for medical treatment, thereby significantly reducing the environmental impact associated with transportation. In addition, promoting the development of precision healthcare and effectively reducing the negative impact of medical activities on the environment through personalised diagnosis and treatment plans is the underlying goal at the inception of Yidu and will be the direction of development of Yidu in the next decade.

On an operational level, Yidu Tech has implemented a series of green office and production processes. The Company has also established a strict internal response mechanism to monitor and manage environmental risks in real time to ensure that possible environmental issues can be handled with in a timely and effective manner. In terms of supply chain management, Yidu Tech excludes suppliers who may cause serious environmental pollution through a strict screening mechanism, promotes the establishment of a green supply chain, and ensures that every link of the supply chain complies with environmental protection standards.

The Company is highly concerned about the environmental awareness of its employees and management, and ensures that all employees understand and actively participate in climate governance and environmental protection practices through regular training and internal communication. Yidu Tech also maintains close communication with shareholders, suppliers and other stakeholders to jointly promote the process of climate governance and environmental protection. Through such specific actions, Yidu Tech not only stays at the forefront of practicing corporate social responsibility, but also resolutely strives to achieve the dual carbon goals of "Peak Carbon by 2030" and "Carbon Neutral by 2060", and has become an important part of the business ecology of promoting climate governance.

# Environmental, Social and Governance Report (Continued)

Every step taken by Yidu Tech is not only to address immediate environmental challenges, but also to grant a sustainable future. We will continue to fully leverage on our technological advantages and drive innovation, and contribute with wisdom and strength to responding to the global climate change and accelerating low-carbon transformation.

**Case: “One-stop Solution of Yidu’s Vertical Large Language Model” Helps Green Healthcare Development**

At the 28th China Hospital Information Network Conference (CHIMA 2024), Yidu Tech launched the “One-stop Solution of Yidu’s large language model in the medical vertical field”, which empowers medical institutions towards independent innovation and effectively drives the increase of hospitals’ data value by building a dual middleware collaboration system consisting of “data middleware” and “AI middleware”. With its strong professional capabilities, Yidu Tech’s healthcare model helps to improve the quality and efficiency of multiple scenarios and parts such as “medicine, teaching, research, and management”, significantly improving the operational efficiency of the hospitals, thereby reducing the waste of physical resources and promoting the green development of the medical industry.

**9.2 Identifying Climate-related Risks and Opportunities**

Yidu Tech recognizes the potential systemic risks and opportunities brought by climate change to enterprises, and takes proactive measures to address such challenges. To mitigate risks and explore new growth opportunities, we follow the guidance of the Task Force on Climate-related Financial Disclosures (TCFD) to identify and assess physical and transition risks related to climate change. We also have contingency plans in place to respond to sudden climate disasters to ensure the safety of our employees and corporate properties. Through above measures, we aim to protect the sustainability of the Company while seizing the potential business opportunities presented by climate change.

Physical Risk	Risk Level	Potential Consequences	Responses
Acute	Low	Extreme weather such as typhoon and heavy rain may affect the Group’s equipment such as data centers	Develop disaster response measures Provide disaster response training and escape drills to employees
Chronic	Low	Hot weather will affect the health of employees and increase the Group’s electricity demand	We optimize the heating and air-conditioning system and strengthen communication with employees to ensure their safety

## Environmental, Social and Governance Report (Continued)

Transition Risk	Risk Level	Potential Consequences	Responses
<b>Regulation</b>	<b>Low</b>	Climate change prompts local governments to impose stricter environmental regulations, which may put pressure on the Group's operations	We pay close attention to the updates of regulations in each place of operation, actively respond and formulate corresponding policies to make adjustments  Track the latest laws and regulations regarding climate change
<b>Reputation</b>	<b>Low</b>	Undermine existing collaborative arrangements and weaken the ability to attract new partners	We actively communicate with industry participants and implement various measures to mitigate climate change, in response to the expectations of all parties

### 9.3 Protecting Biodiversity

Yidu Tech closely follows the development trends of ESG related issues and recognizes the importance of biodiversity for ecosystem health and sustainable development. In order to make substantial contributions to biodiversity conservation, the Company undertakes to incorporate biodiversity into its future development strategy for reduced interference to natural habitats during operation and security of endangered species and ecosystems, and better restoration and protection of biodiversity.

On one hand, we will avoid the development and operation of sensitive biodiversity areas during the site selection and design phase of the project/machine room. The Company will develop specific strategies and measures to ensure that the impact on these areas is minimized in the course of our operations, and if necessary, we will work with ecologists and environmental experts to identify and protect key ecological areas.

On the other hand, we will enhance transparency and provide detailed disclosure of biodiversity related strategies, actions, and performance data in our sustainable development reports. These reports, including specific cases and data, will show the Company's actual actions and achievements. We would like to share our progress and challenges with stakeholders to advance biodiversity conservation through open and transparent reporting.

By doing so, Yidu Tech will strive to play an active role in biodiversity conservation and contribute to the goals of global sustainable development. We are committed to becoming a leader in environmental protection and sustainable development, and promoting harmony between business and nature.



## Environmental, Social and Governance Report (Continued)

### 10. Refining Environmental Management

This section is in active alignment with the UNSDGs, which include:



Yidu Tech deeply recognizes the important role of enterprises in environmental protection and strictly comply with national laws and regulations on energy and resource utilization, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》) and Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染防治法》). Through the promotion and implementation of the concept of ESG environmental responsibility, we enhance employees' awareness of environmental responsibility and advocate energy and resource conservation in daily work and life. During the Reporting Period, Yidu Tech has not violated any laws relating to the discharge of greenhouse gases or pollutants or the generation of waste.

The Group is committed to energy efficiency improvement, strict water management, green office practice and waste management in order to achieve the sustainable environmental goals. We have actively responded to the national "Dual Carbon" strategy and delivered our firm commitment to environmental protection through a series of innovative and forward-looking environmental measures.

#### 10.1 Low Carbon Management and Higher Energy Efficiency

Yidu Tech implemented a series of stringent energy management measures across its offices to improve energy efficiency and reduce waste. We have developed an explicit energy-saving policy that requires employees to turn off lights when leaving the office, prioritize natural lighting, and regularly clean lighting equipment to maintain its optimal efficiency. The office is divided into multiple lighting areas, each equipped with independently controlled switches to adjust lighting intensity based on actual demand, which can reduce unnecessary energy consumption.

In respect of managing the heating and cooling system, we made an elaborate plan for the air conditioning layout to avoid direct sunlight and reduce cold air losses. To reduce the risk of refrigerant leakage, we regularly clean the air conditioning filters and coil fans, as well as checking the pressure gauges, hoses, and connectors and replacing if needed. We also set a minimum standard for air conditioning temperature to further reduce energy consumption and require the air conditioning system to be turned off when there is no one in the office.

For other electrical equipment, we have adopted a series of energy-saving measures. All computers are set to automatically go to sleep mode when not in use to reduce power consumption. We also remind employees to unplug electric water heaters and microwaves when they are done using them, and to switch off the power in the office before weekends and holidays. In addition, when purchasing new equipment, the Company prioritizes those products with energy efficiency labels, ensuring that all electronic equipment meets energy efficiency standards.

## Environmental, Social and Governance Report (Continued)

We conduct an examination of the Group's greenhouse gas emissions in accordance with the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, and "ISO 14064-1" established by the International Organization for Standardization. Through a series of low-carbon management and energy efficiency improvement measures, carbon emissions were reduced by 74.41 tonnes of CO<sub>2</sub>e and energy consumption was reduced by 102.67 MWh compared to the previous fiscal year, as shown in the figure below.

Greenhouse Gas Emissions <sup>1</sup>	Unit	FY2023	FY2024
Direct greenhouse gas emissions (Scope 1) <sup>2</sup>	tonne of CO <sub>2</sub> e	—	2.44
Indirect greenhouse gas emissions (Scope 2) <sup>3</sup>	tonne of CO <sub>2</sub> e	1,087.73	1,010.88
Total greenhouse gas emissions (Scope 1 and 2)	tonne of CO <sub>2</sub> e	1,087.73	1,013.32
Greenhouse Gas Emissions Intensity (per m <sup>2</sup> )	tonne of CO <sub>2</sub> e/M <sup>2</sup>	0.06	0.10
Greenhouse Gas Emissions Intensity (per employee) <sup>4</sup>	tonne of CO <sub>2</sub> e/employee	0.90	1.05

Energy consumption <sup>5</sup>	Unit	FY2023	FY2024
Purchased electricity consumption	MWh	1,792.68	1,690.01
Purchased electricity consumption intensity (per m <sup>2</sup> )	MWh/per M <sup>2</sup>	0.10	0.17
Purchased electricity consumption intensity (per employee) <sup>4</sup>	MWh/employee	1.48	1.76

<sup>1</sup> The emissions under Scope 1 were calculated with the use of GHG Emissions from Transport or Mobile Sources Tool, and the emissions factor used in Scope 2 were the national power grid average in 2022. The gas emissions for heating were sourced from the GHG Emissions from Stationary Combustion (Chinese). The emissions factors under Scope 2 for overseas offices were sourced from the Singapore government's 2022 Grid Emission Factor, and Brunei's COUNTRY GENERAL INFORMATION (see <https://united4efficiency.org/country-assessments/brunei-darussalam/>).

<sup>2</sup> Direct greenhouse gas emissions (Scope 1) included direct greenhouse gas emissions from sources under the ownership and control of the Group. The overseas offices purchased two vehicles in August 2023, thereby resulting in the additional emission data of Scope 1 over the previous year.

<sup>3</sup> Indirect greenhouse gas emissions (Scope 2) included such emissions indirectly caused by the power generation, heating and cooling of the Group. Among them, the emission data of Scope 2 of the Guangzhou offices were estimated based on the office area with reference to the statistical result of energy consumption of public buildings in Guangzhou in 2022 released by Guangzhou Municipal Bureau of Housing and Urban-Rural Development (see the notice about the statistical results of energy consumption of public buildings in Guangzhou in 2022 released by Guangzhou Municipal Bureau of Housing and Urban-Rural Development ([gz.gov.cn](http://gz.gov.cn))).

<sup>4</sup> In order to reduce the impact of staff changes during the year on the per capita intensity indicator, we adopt the average number of employees during the year as the denominator when calculating the per capita intensity indicator, i.e., we take the average of the number of employees at the beginning of the year and at the end of the year, i.e., (the number of employees at the beginning of the year + the number of employees at the end of the year)/2, for the purpose of calculation.

<sup>5</sup> The purchased electricity consumption of the Guangzhou office were estimated based on the office area with reference to the statistical result of energy consumption of public buildings in Guangzhou in 2022 released by Guangzhou Municipal Bureau of Housing and Urban-Rural Development (see the notice about the statistical results of energy consumption of public buildings in Guangzhou in 2022 released by Guangzhou Municipal Bureau of Housing and Urban-Rural Development ([gz.gov.cn](http://gz.gov.cn))).

## Environmental, Social and Governance Report (Continued)

### 10.2 Practicing green operations

Yidu Tech is committed to achieving green office in daily operations, reducing resource consumption, and promoting sustainable development. We have taken a series of measures to ensure that the environmental impact of our office activities is minimized.

We have significantly reduced waste by optimising paper usage. In FY2024, the Company's paper consumption decreased by approximately 32% compared to the previous year. Employees are encouraged to use duplex printing and photocopying, and print with thin fonts and adjust the line space to save paper and ink. Printers were set to duplex and ink saver modes, and tips were posted in office areas reminding employees to choose duplex printing or use recycled paper. In addition, we use energy-efficient multi-function equipment to reduce the reliance on stand-alone printers and photocopier, further reducing energy consumption. In order to further reduce paper consumption, Yidu Tech fully implemented an electronic office system, using electronic communication technology to transmit information and reduce the dependence on paper documents. We also promoted the use of e-cards instead of traditional paper greeting cards to reduce the use of paper during the holiday season.

In terms of water management, Yidu Tech has also demonstrated its commitment to environmental protection. We strictly implement water-saving measures in our workplaces, including turning off water taps, posting water saving reminders, repairing leaky water taps, and adjusting water pressure to the lowest feasible level. In addition, we recycle the water generated from hands washing for cleaning and reduction in the use of fresh water.

In order to continuously monitor and improve our green office practices, we regularly measure paper usage, assess water resource consumption, and take appropriate improvement measures based on the data to ensure the efficient use of resources. For instance, in FY2023, the Brunei office experienced a spike in water consumption due to a burst water pipe. In response, the executive quickly noticed and analysed the issue and took a series of measures, including strengthening the inspection of water pipe leaks, so that the Group's water consumption could return to normal levels in FY2024.

Water consumption <sup>1</sup>	Unit	FY2023	FY2024
Total water consumption	m <sup>3</sup>	31,570.32	3,008.6
Total water consumption intensity (per m <sup>2</sup> )	m <sup>3</sup> /m <sup>2</sup>	1.74	0.31
Total water consumption intensity (per employee) <sup>2</sup>	m <sup>3</sup> /employee	26.04	3.13

<sup>1</sup> The water consumption of the Guangzhou office were estimated based on the office area with reference to the statistical result of energy consumption of public buildings in Guangzhou in 2022 released by Guangzhou Municipal Bureau of Housing and Urban-Rural Development (see the notice about the statistical results of energy consumption of public buildings in Guangzhou in 2022 released by Guangzhou Municipal Bureau of Housing and Urban-Rural Development (gz.gov.cn)).

<sup>2</sup> In order to reduce the impact of staff changes during the year on the per capita intensity indicator, we adopt the average number of employees during the year as the denominator when calculating the per capita intensity indicator, i.e., we take the average of the number of employees at the beginning of the year and at the end of the year, i.e., (the number of employees at the beginning of the year + the number of employees at the end of the year)/2, for the purpose of calculation.



## Environmental, Social and Governance Report (Continued)

Paper consumption	Unit	FY2023	FY2024
Paper consumption	kg	5,762.65	3,933.60
Paper consumption intensity (per employee) <sup>1</sup>	kg/employee	4.75	4.09

### 10.3 Reducing Waste Generation

We strictly comply with the corresponding laws and regulations, control waste discharge at source and adopt strict disposal control measures to ensure safe and orderly disposal of waste. Pursuant to Yidu Tech's Waste Reduction and Management Plan, the Company attaches great importance to waste management. We advocate a green office and encourage employees to reuse office supplies such as envelopes and binders to reduce the use of disposable or non-recyclable products. We have particularly set up recycling bins for the collection of discarded batteries to ensure that they are properly disposed. In addition, we regularly assess materials consumption to avoid unnecessary backlog, thereby improving resource utilization efficiency. To reduce emissions during commuting, we encourage our employees to choose public transport or carpooling. Meanwhile, we actively promote video conferences to reduce unnecessary travelling and lower our carbon footprint.

Thanks to the Company's ongoing efforts and environmental protection measures, we have been able to achieve significant reductions in the amount of non-hazardous waste generated for several years. In FY2024, we achieved particularly impressive results: the total amount of non-hazardous waste was reduced by 1,013 kilograms compared to the previous fiscal year, a decrease of approximately 24.3%. This remarkable achievement demonstrates our commitment to environmental protection and practical actions. We will continue to endeavor to reduce waste generation, promote sustainable development and contribute to building a green and environmentally friendly future.

Non-hazardous Waste	Unit	FY2023	FY2024
Generation of non-hazardous waste	kg	4,175.00	3,162.00
Non-hazardous waste intensity (per employee) <sup>1</sup>	kg/employee	3.44	3.29

Hazardous Waste <sup>2</sup>	Unit	FY2023	FY2024
Generation of hazardous waste	kg	33.83	29.36
Hazardous waste intensity (per employee) <sup>1</sup>	kg/employee	0.03	0.03

<sup>1</sup> In order to reduce the impact of staff changes during the year on the per capita intensity indicator, we adopt the average number of employees during the year as the denominator when calculating the per capita intensity indicator, i.e., we take the average of the number of employees at the beginning of the year and at the end of the year, i.e., (the number of employees at the beginning of the year + the number of employees at the end of the year)/2, for the purpose of calculation.

<sup>2</sup> Pursuant to the disclosure requirement A1.3 of the Hong Kong Stock Exchange Rules, we have estimated the weight of hazardous waste for the purpose of this report. The types of hazardous waste and their estimation methods are set out below:

Ink boxes: each standard ink boxes weighs approximately 200 grams (0.2kg). Batteries: each standard AA battery weighs approximately 24 grams (0.024kg).

Computers: each computer (including host, monitor, keyboard and mouse) weighs approximately 9kg.

The above estimates were based on average weights of common brands and models and were applicable to waste statistics in most general office environments.

# Environmental, Social and Governance Report (Continued)

## About the Report

The Group is pleased to release the fourth Environmental, Social and Governance Report (“Report” or “ESG Report”), which aims to disclose to the industry participants on the Group’s policy, strategy and performance in relation to sustainable development for FY2024.

## Reporting Scope

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

## Reporting Standard

The Report is compiled in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, the contents of which also complies with the disclosure requirements, the statutory disclosure regulation and the provisions of “comply or explain” under the ESG Reporting Guide, and follows the four reporting principles of “Materiality”, “Quantitativeness”, “Balance” and “Consistency”.

<b>Materiality</b>	The Report follows the materiality principle of the Stock Exchange, and has identified and disclosed the process of the material environmental, social and governance issues with its selection criteria, description on key industry participants, the process and results of industry participants’ involvement, and identification process of important issues and material issue matrix.
<b>Quantitativeness</b>	The statistical standards, methodologies, assumptions, and/or calculation tools used for reporting emissions/energy consumption, if appropriate, as well as the source of conversion factors, are described in the Report.
<b>Balance</b>	The Report impartially presents the Group’s performance for FY2024 to avoid selection, omission or presentation formats that may inappropriately affect the decision or judgment of the reader.
<b>Consistency</b>	The statistical methods used for data disclosure of the Report are the same as those used for the previous year. Clarification will be made in the Report if there are any changes.

## Environmental, Social and Governance Report (Continued)

### Reporting Language

The Report is published in both Chinese and English.

### Report Approval

The Report was reviewed and approved for release by the board of directors of the Group (the “Board”) on 27 June 2024.

### Report Release

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

### Report Feedback

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

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

E-mail: [ir@yiduccloud.cn](mailto:ir@yiduccloud.cn)



## Environmental, Social and Governance Report (Continued)

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

Indicator Content			Respective Section
A. Environmental Scope			
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.	10. Refining environmental management
	A1.1	The types of emissions and respective emissions data.	10.1 Low-carbon management and higher energy efficiency
	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).	10.1 Low-carbon management and higher energy efficiency
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10.3 Reducing waste generation
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10.3 Reducing waste generation
	A1.5	Description of emission target(s) set and steps taken to achieve them.	9.1 Positive response to climate change; 10.1 Low-carbon management and higher energy efficiency
	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.	10.3 Reducing waste generation

## Environmental, Social and Governance Report (Continued)

Indicator Content			Respective Section
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	10.1 Low-carbon management and higher energy efficiency 10.2 Practicing green operations
	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).	10.1 Low carbon management and higher energy efficiency
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	10.2 Practicing green operations
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	9.1 Positive response to climate change; 10.1 Low-carbon management and higher energy efficiency
	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.	10.2 Practicing green operations
	A2.5	Total packaging material used for finished products (in tonnes) and (if applicable) proportion of per unit produced.	N/A, the Company is not engaged in the packaging of finished products
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	9. Climate action and ecological protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	9.Climate action and ecological protection

## Environmental, Social and Governance Report (Continued)

Indicator Content		Respective Section	
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.	9.2 Identifying climate-related risks and opportunities
	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.	9.2 Identifying climate-related risks and opportunities; 9.3 Protecting biodiversity
<b>B. Social Scope</b>			
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, antidiscrimination, and other benefits and welfare.	3.2 Remuneration management and practices; 5. Enabling employees' development
	B1.1	Total workforce by gender, employment type (e.g. fulltime, part-time), age group and geographical region.	5.2 Diversified recruitment channel
	B1.2	Employee turnover rate by gender, age group and geographical region.	5.2 Diversified recruitment channel



## Environmental, Social and Governance Report (Continued)

Indicator Content		Respective Section	
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.	5. Enabling employees' development
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.4 Well-established mechanism for protecting interests of employees
	B2.2	Lost days due to work injury.	5.4 Well-established mechanism for protecting interests of employees
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.4 Well-established mechanism for protecting interests of employees
B3: Development and Training	General Disclosure	Policy on improving employees' knowledge and skills in performing their duties. Descriptions of training activities.	5. Enabling employees' development
	B3.1	The percentage of trained employees by gender and employee category (e.g. senior management, middle management, etc.).	5.3 Scientific talent management system
	B3.2	The average number of training hours completed by each employee by gender and employee category.	5.3 Scientific talent management system

## Environmental, Social and Governance Report (Continued)

Indicator Content			Respective Section
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.	5.4 Well-established mechanism for protecting interests of employees
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	5.4 Well-established mechanism for protecting interests of employees
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.4 Well-established mechanism for protecting interests of employees
B5: Supply Chain Management	General Disclosure	Policies on managing the environmental and social risks of the supply chain.	6. Building a quality supply chain
	B5.1	Number of suppliers by geographical region.	6.2 Building a responsible supply chain together
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are implemented, and how they are implemented and monitored.	6.1 Supplier management; 6.2 Building a responsible supply chain together
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1 Supplier management; 6.2 Building a responsible supply chain together
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1 Supplier management; 6.2 Building a responsible supply chain together

## Environmental, Social and Governance Report (Continued)

Indicator Content			Respective Section
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.	7. Responsible marketing practices
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	7.2 Optimising product quality and customer experience
	B6.2	Number of products and service-related complaints received and how they are dealt with.	7.2 Optimising product quality and customer experience
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	7.4 Safeguarding intellectual property rights
	B6.4	Description of quality assurance process and recall procedures.	7.2 Optimising product quality and customer experience
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	7.3 Data security and customer privacy protection
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.	4. Regulated corporate 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.	4.1 Business ethics system
	B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	4.2 Business ethics complaints and whistle-blowing
	B7.3	Description of anti-corruption training provided to directors and staff.	4.3 Efforts in business ethics culture



## Environmental, Social and Governance Report (Continued)

Indicator Content			Respective Section
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. Commitment to philanthropy
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sports).	8.1 Rural revitalization; 8.2 Community Feedback
	B8.2	Resources contributed (e.g. money, time) to the focus areas.	8.1 Rural revitalization; 8.2 Community Feedback

## 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 2024, 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 <sup>(1)</sup>
Ms. Gong	Beneficial Owner/ Interest in controlled corporation/Interest of spouse	Sweet Panda Limited <sup>(2)</sup>	418,568,075(L) <sup>(3)</sup>	39.41%
Xu Jiming	Beneficial owner/ Interest of spouse	Company	418,568,075(L) <sup>(4)</sup>	39.41%
Yan Jun	Beneficial owner/ Interest of spouse	Company	3,935,300(L) <sup>(5)</sup>	0.37%
Feng Xiaoying	Beneficial owner	Company	3,160,700(L) <sup>(6)</sup>	0.30%
Zeng Ming	Interest in controlled corporation	Perfect Sword Limited <sup>(7)</sup>	2,163,845(L) <sup>(8)</sup>	0.20%

*Notes:*

- (1) The calculation is based on the total number of 1,062,040,859 Shares in issue as at 31 March 2024.
- (2) Sweet Panda Limited is wholly-owned by Ms. Gong.
- (3) Ms. Gong is entitled to receive up to 1,000,000 award shares granted to her under the Post-IPO Share Award Scheme. Ms. Gong's spouse, Mr. Xu Jiming, holds 16,448,329 Shares and is entitled to receive up to 1,021,180 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of those options, 309,750 shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme, and 899,926 award shares granted to him under the Post-IPO Share Award Scheme. Ms. Gong is deemed to be interested in these Shares.
- (4) Represents Mr. Xu Jiming's holding of 16,448,329 Shares, entitlement to receive up to 1,021,180 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of those options, 309,750 Shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme, and 899,926 award shares granted to him under the Post-IPO Share Award Scheme. Sweet Panda Limited is wholly-owned by Ms. Gong, spouse of Mr. Xu Jiming, owns 398,888,890 Shares, while 1,000,000 award shares were granted to Ms. Gong under the Post-IPO Share Award Scheme. Mr. Xu Jiming is deemed to be interested in these Shares.

## Other Information (Continued)

- (5) Represents Mr. Yan Jun's holding of 1,838,670 Shares, entitlement to receive up to 688,085 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, 1,090,500 Shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme, and 190,145 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.
- (6) Represents Ms. Feng Xiaoying's holding of 560,625 Shares, entitlement to receive up to 1,724,400 Shares pursuant to the exercise of options granted to her under the Post-IPO Share Option Scheme, and 875,675 award shares granted to her under the Post-IPO Share Award Scheme.
- (7) Perfect Sword Limited is controlled by Mr. Zeng Ming and his spouse, Ms. Tan Qing.
- (8) Represents Mr. Zeng Ming, through Perfect Sword Limited, is entitled to receive up to 750,000 shares pursuant to the exercise of options granted to it under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of these options, and 1,413,845 shares exercised under the Pre-IPO Share Option Plans. Mr. Zeng Ming is deemed to be interested in these shares.
- (9) The letter (L) denotes a long position in the Shares.

Save as disclosed above, as at 31 March 2024, 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 2024, 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 <sup>(1)</sup>
Sweet Panda Limited <sup>(2)</sup>	Beneficial interest	398,888,890	37.56%
Ms. Gong Yingying <sup>(2)</sup>	Beneficial interest/Interest in a controlled corporation/Interest of spouse	418,568,075	39.41%
Mr. Xu Jiming <sup>(2)</sup>	Beneficial interest/Interest of spouse	418,568,075	39.41%
Sunshine Longevity Limited <sup>(3)</sup>	Beneficial interest	96,068,715	9.05%
Sunshine Life Insurance Corporation Limited <sup>(3)</sup>	Interest in a controlled corporation	96,068,715	9.05%
Sunshine Insurance Group Inc., Ltd. <sup>(3)</sup>	Interest in a controlled corporation	96,068,715	9.05%



## Other Information (Continued)

### Notes:

- (1) The calculation is based on the total number of 1,062,040,859 Shares in issue as at 31 March 2024.
- (2) Sweet Panda Limited is wholly-owned by Ms. Gong. Ms. Gong is entitled to receive up to 1,000,000 award shares granted to her under the Post-IPO Share Award Scheme. Ms. Gong's spouse, Mr. Xu Jiming, holds 16,448,329 Shares and is entitled to receive up to 1,021,180 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Plans, subject to the conditions (including vesting conditions) of those options, 309,750 shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme, and 899,926 award shares granted to him under the Post-IPO Share Award Scheme. Ms. Gong is deemed to be interested in these Shares.
- (3) Sunshine Longevity Limited is wholly-owned by Sunshine Life Insurance Corporation Limited, which is a non-wholly owned subsidiary of Sunshine Insurance Group Inc., Ltd. Under the SFO, each of Sunshine Life Insurance Corporation Limited and Sunshine Insurance Group Inc., Ltd. is deemed to be interested in the Shares held by Sunshine Longevity Limited.

Save as disclosed herein, as at 31 March 2024, no person, other than the Directors and chief executives whose interests are set out in this annual report, had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## Share Schemes

### Pre-IPO Share Option Plans

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

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

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

As of 31 March 2024, the Company has granted options under the Pre-IPO Share Option Plans to 1,173 grantees. The exercise price of the options under the Pre-IPO Share Option Plans is between US\$0.0028 per Share and US\$2.56 per Share. No consideration was payable by the grantees for the grant of options under the Pre-IPO Share Option Plans. As of 31 March 2024, under the Pre-IPO Share Option Plans, 113,324,103 options have been exercised, 396,535 options have been cancelled and 9,921,525 options have been lapsed. The aggregate number of Shares underlying the outstanding options as at 31 March 2024 were 26,793,007 Shares, represents approximately 2.52% of the issued Shares.

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

## Other Information (Continued)

Details and movements of the outstanding options granted under the Pre-IPO ESOP I during the fiscal year ended 31 March 2024 are as follows:

Name of Participant or Category of Participant		Role	Date of Grant	Vesting Period <sup>(1)</sup>	Exercise Price (US\$)	Weighted average closing price immediately before the dates on which the options were exercised (HK\$)	Outstanding as of 1 April 2023	Share options granted during the fiscal year ended 31 March 2024 <sup>(2)</sup>	Exercised during the fiscal year ended 31 March 2024	Lapsed during the fiscal year ended 31 March 2024	Cancelled during the period year ended 31 March 2024	Outstanding as of 31 March 2024
Directors of the Company												
Xu Jiming		Executive Director	24 August 2016	4 years	0.018	6.74	15,000,000	—	15,000,000	—	—	—
			1 December 2020	0 year	0.018	—	50,000	—	—	—	—	50,000
Employees												
In aggregate			9 December 2014 to 1 December 2020	2-4 years	0.0028-0.018	4.21	12,088,985	—	8,736,600	86,250	—	3,266,135
Total						4.21-6.74	27,138,985	—	23,736,600	86,250	—	3,316,135

### Notes:

- (1) The exercise period of the options granted under Pre-IPO ESOP I shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Pre-IPO ESOP I and the share option award agreement signed by the grantee.
- (2) No option was granted under the Pre-IPO ESOP I during the fiscal year ended 31 March 2024, therefore there is no corresponding (1) closing price of the share immediately before the date on which the options were granted, (2) fair value of options at the date of grant and (3) accounting standard and policy adopted to be included.

## Other Information (Continued)

Details and movement of the outstanding options granted under the Pre-IPO ESOP II during the fiscal year ended 31 March 2024 are as follows:

Name of Participant or Category of Participant		Role	Date of Grant	Vesting Period <sup>(1)</sup>	Exercise Price (US\$)	Weighted average closing price immediately before the dates on which the options were exercised (HK\$)	Outstanding as of 1 April 2023	Share options granted during the fiscal year ended 31 March 2024 <sup>(2)</sup>	Exercised during the fiscal year ended 31 March 2024	Lapsed during the fiscal year ended 31 March 2024	Cancelled during the period year ended 31 March 2024	Outstanding as of 31 March 2024
Directors of the Company												
Yan Jun	Executive Director	30 December 2019	4 years	0.018	7.32	208,375	—	104,185	—	—	—	104,190
		1 December 2020	4 years	0.018	—	583,255	—	—	—	—	—	583,255
		11 December 2020	1 year	0.018	—	640	—	—	—	—	—	640
Xu Jiming	Executive Director	30 December 2019	4 years	0.018	6.74	2,282,145	—	1,311,605	—	—	—	970,540
		11 December 2020	1 year	0.018	—	640	—	—	—	—	—	640
Employees												
In aggregate		3 July 2015 to 11 December 2020	2–4 years	0.018–0.0028	6.05	20,005,362	—	698,050	706,095	—	375	18,600,842
Service providers <sup>(3)</sup>												
In aggregate		1 October 2017 to 11 December 2020	0–5 years	0.018–2.56	—	3,231,765	—	—	15,000	—	—	3,216,765
Total						6.05–7.32	26,312,182	—	2,113,840	721,095	375	23,476,872

### Notes:

- (1) The exercise period of the options granted under Pre-IPO ESOP II shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Pre-IPO ESOP II and the share option award agreement signed by the grantee.
- (2) No option was granted under the Pre-IPO ESOP II during the fiscal year ended 31 March 2024, therefore there is no corresponding (1) closing price of the share immediately before the date on which the options were granted, (2) fair value of options at the date of grant and (3) accounting standard and policy adopted to be included.
- (3) Service providers of the Company provides services including but not limited to project design, market analysis, management consulting and technical consulting. The grant of option to the service providers is to remunerate and compensate them for their continuing services to the Group in the same manner the Company remunerate and compensate other employees of the Group, which serves the purpose of the Pre-IPO Share Option Plans i.e. to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company as a whole.



## Other Information (Continued)

### Post-IPO Share Award Scheme

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

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

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

On 25 August 2023, the Board resolved to cancel and propose to re-grant 3,184,506 share awards to 9 awardees ("**Existing Grantees**") pursuant to the terms of the Post-IPO Share Award Scheme. The shareholders of the Company approved the adoption of the scheme mandate limit at the Company's 2023 annual general meeting, hence the condition to re-granting the 3,184,506 share awards to the Existing Grantees have been fulfilled as disclosed in the Company's announcement dated 25 August 2023.

It was also approved at the Company's 2023 annual general meeting that the Post-IPO Share Award Scheme is amended to bring it in line with the amendments to the Listing Rules. The awards granted under the Post-IPO Share Award Scheme prior to the amendment, but not yet vested shall continue to be valid and be vested in accordance with the amended Post-IPO Share Award Scheme.

The scheme mandate limit shall not exceed 10% of the total number of Shares in issue to all share schemes adopted by the Company from time to time. The said scheme mandate limit shall be 105,285,814 Shares, on the basis that there are a total of 1,052,858,149 Shares in issue on the date of approval of the amendment of the Post-IPO Share Award Scheme, being 28 September 2023. In addition, the total number of awards and/or share options which may be granted under the Post-IPO Share Award Scheme and any other share schemes of the Company to the service providers from time to time shall not exceed 1% of the total number of Shares in issue on the date of approval of the amendment of the Post-IPO Share Award Scheme, being 28 September 2023. Thus, the service provider sublimit in respect of the share schemes of the Company shall be 10,528,581 Shares.

## Other Information (Continued)

During the Reporting Period, 15,729,060 Shares had been granted, 1,512,615 awards have been cancelled and 4,092,048 awards have been lapsed under the Post-IPO Share Award Scheme. The total number of awards available for grant under the Post-IPO Share Award Scheme was 98,612,108 Shares, representing 9.28% of the issued shares capital of the Company as at the Latest Practicable Date.

The Post-IPO Share Award Scheme shall be valid and effective for ten years from the Listing Date (after which no awards will be granted), and thereafter for so long as there are any non-vested Shares granted prior to the expiration of the Post-IPO Share Award Scheme, for the purpose of giving effect to the vesting of such Shares or otherwise as may be required in accordance with the provisions of the Post-IPO Share Award Scheme. The vesting period of the Post-IPO Share Award Scheme ranges from 0 to 4 years. Besides that, the vesting of the awards is subject to the award grantee(s) meeting the performance targets to be determined by the Company from time to time. The Company has established an appraisal mechanism to assess the fulfilment of performance targets by its Directors, chief executive and employees, which are linked to the Company's strategic goals and values.

Further details of the Post-IPO Share Award Scheme are set out in the circular of the Company dated 25 August 2023.

## Other Information (Continued)

Details and movement of the outstanding awards granted under the Post-IPO Share Award Scheme during the fiscal year ended 31 March 2024 are as follows<sup>(1)</sup>:

Name of Participant or Category of Participant	Role	Date of Grant	Vesting Period	Closing price of shares immediately before the date on which the awards were granted (HK\$)	Weighted average closing price immediately before the dates on which the awards were vested (HK\$)	Fair value at the date of grant (HK\$) <sup>(2)</sup>	Outstanding as of 1 April 2023	Share awards granted during the fiscal year ended 31 March 2024 <sup>(3)</sup>	Share awards vested during the fiscal year ended 31 March 2024	Lapsed during the fiscal year ended 31 March 2024	Cancelled during the period year ended 31 March 2024	Outstanding as of 31 March 2024
<b>Directors of the Company</b>												
Xu Jiming	Executive	1 October 2021	4 years	25.85	6.06	—	77,438	—	25,812	—	—	51,626
	Director	25 August 2023	4 years	4.13	3.89	4,140,000	—	1,000,000	151,700	—	—	848,300
Yan Jun	Executive	25 August 2023	4 years	4.13	3.89	908,978	—	219,560	29,415	—	—	190,145
	Director											
Feng Xiaoying	Executive	1 July 2021	4 years	40.80	5.92	—	222,000	—	111,000	—	—	111,000
	Director	1 October 2022	4 years	4.82	5.76	—	398,500	—	99,625	—	—	298,875
		25 August 2023	4 years	4.13	—	1,928,412	—	465,800	—	—	—	465,800
Gong Yingying	Executive	27 March 2024	4 years	4.02	—	3,980,000	—	1,000,000	—	—	—	1,000,000
	Director											
<b>Employees</b>												
In aggregate		1 July 2021	0-4 years	40.80	5.78	—	1,748,108	—	739,153	397,380	—	611,575
		1 October 2021	1-4 years	25.85	4.21	—	650,438	—	263,562	39,700	—	347,176
		1 January 2022	2-4 years	21.05	4.12	—	701,850	—	160,025	244,375	—	297,450
		1 April 2022	4 years	9.79	—	—	81,200	—	—	25,300	—	55,900
		1 July 2022	0-4 years	9.36	6.03	—	1,461,600	—	255,267	349,198	62,035	795,100
		1 October 2022	4 years	4.82	5.63	—	8,712,175	—	1,965,655	1,699,945	359,980	4,686,595
		16 January 2023	4 years	6.90	—	—	55,300	—	—	30,000	—	25,300
		1 April 2023	4 years	7.32	—	1,909,056	—	260,800	—	—	—	260,800
		25 August 2023	4 years	4.13	3.95	34,751,160	—	8,394,000	87,150	1,194,275	1,090,600	6,021,975
		29 November 2023	4 years	4.60	—	6,918,216	—	1,527,200	—	76,600	—	1,450,600
		27 March 2024	4 years	4.02	—	11,389,566	—	2,861,700	—	—	—	2,861,700
<b>Service providers<sup>(4)</sup></b>												
In aggregate		1 July 2021	1-4years	40.80	8.13	—	21,675	—	20,400	1,275	—	—
		1 October 2021	1-2years	25.85	8.56	—	1,700	—	1,700	—	—	—
		1 January 2022	3-4years	21.05	8.20	—	114,400	—	40,200	34,000	—	40,200
<b>Total</b>												
				4.02-40.80	3.89-8.56	65,925,388	14,246,384	15,729,060	3,950,664	4,092,048	1,512,615	20,420,117
<b>The five highest paid individuals during the financial year ended 31 March 2024</b>												
In aggregate		1 July 2021	4 years	40.80	5.92	—	222,375	—	111,125	—	—	111,250
		1 October 2021	4 years	25.85	5.98	—	188,401	—	62,799	—	—	125,602
		1 January 2022	4 years	21.05	3.86	—	75,000	—	37,500	—	—	37,500
		1 October 2022	4 years	4.82	5.54	—	708,700	—	146,345	—	123,320	439,035
		25 August 2023	4 years	4.13	3.89	8,718,426	—	2,105,900	151,700	—	—	1,954,200
		27 March 2024	3 years	4.02	—	13,738,960	—	3,452,000	—	—	—	3,452,200
<b>Total</b>												
				4.02-40.80	3.86-5.98	22,457,386	1,194,476	5,557,900	509,469	—	123,320	6,119,587



## Other Information (Continued)

### Notes:

- (1) No amount was paid by selected participants on application or acceptance of the award shares granted to them under the Post-IPO Share Award Scheme.
- (2) Details of the valuation of share award of the Company during the year, including accounting standard and policy adopted for share option schemes are set out in Note 31 and Note 2.2.18 to the consolidated financial statements.
- (3) The vest of the award is subject to the award grantee(s) meeting the performance targets to be determined by the Company from time to time. The Company has established an appraisal mechanism to assess the fulfilment of performance targets by its Directors, chief executive and employees, which are linked to the Company's strategic goals and values. The appraisal mechanism uses a scoring system based on a matrix of qualitative and quantitative indicators that vary according to the roles and responsibilities of the relevant Directors, chief executive and employees. The indicators include, but are not limited to, measures of work quality, efficiency, collaboration, management and strategy. The scoring system evaluates the Directors, chief executive and employees' regular duties and the strategic objectives or tasks assigned for the appraisal period. The Company intends to make reference to this appraisal mechanism to set and review the performance targets of the award grantees periodically.
- (4) Service providers of the Company provides services including but not limited to project design, market analysis, management consulting and technical consulting. The grant of award to the service providers is to remunerate and compensate them for their continuing services to the Group in the same manner the Company remunerate and compensate other employees of the Group, which serves the purpose of the Post-IPO Share Award Scheme i.e. to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company as a whole.

### Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was conditionally adopted pursuant to the resolutions of the Shareholders on 28 December 2020. Pursuant to the resolution of the Board on 25 August 2023, the Post-IPO Share Option Scheme was terminated.

During the Reporting Period, 6,058,500 options have been granted, 1,326,400 options have been cancelled and 2,271,700 options have been lapsed under the Post-IPO share Option Scheme. The Post-IPO Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior to the termination. As at the Latest Practicable Date, there are 18,054,437 granted but unexercised options.

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

## Other Information (Continued)

Details and movement of the outstanding options granted under the Post-IPO Share Option Scheme during the fiscal year ended 31 March 2024 are as follows:

Name of Participant or Category of Participant	Role	Date of Grant	Vesting Period <sup>(1)</sup>	Exercise Price (HK\$)	Closing price of shares immediately before the date on which the options were granted (HK\$)	Weighted average closing price immediately before the dates on which the options were exercised (HK\$)	Fair value at the date of grant (HK\$) <sup>(2)</sup>	Outstanding as of 1 April 2023	Share options granted during the fiscal year ended 31 March 2024 <sup>(3)</sup>	Exercised during the fiscal year ended 31 March 2024	Lapsed during the fiscal year ended 31 March 2024	Cancelled during the period year ended 31 March 2024	Outstanding as of 31 March 2024
<b>Directors of the Company</b>													
Yan Jun	Executive Director	3 July 2023	4 years	5.91	5.75	—	2,747,998	—	1,090,500	—	—	—	1,090,500
Xu Jiming	Executive Director	29 July 2021	4 years	34.52	32.50	—	—	309,750	—	—	—	—	309,750
Feng Xiaoying	Executive Director	22 April 2022	0 year	8.83	8.44	—	—	612,900	—	—	—	—	612,900
		10 October 2022	4 years	4.80	4.51	—	—	512,400	—	—	—	—	512,400
		3 July 2023	4 years	5.91	5.75	—	1,551,669	—	599,100	—	—	—	599,100
<b>Employees</b>													
In aggregate		29 July 2021	4 years	34.52	32.50	—	—	2,003,137	—	—	170,450	—	1,832,687
		10 October 2022	3- 4 years	4.80	4.51	6.00	—	12,938,925	—	117,425	2,090,350	1,304,700	9,426,450
		3 July 2023	4 years	5.91	5.75	—	10,806,620	—	4,368,900	—	—	21,700	4,347,200
<b>Service providers<sup>(4)</sup></b>													
In aggregate		29 July 2021	4 years	34.52	32.50	—	—	10,900	—	—	10,900	—	—
<b>Total</b>				<b>4.51-32.50</b>	<b>6.00</b>	<b>15,106,287</b>	<b>16,388,012</b>	<b>6,058,500</b>	<b>117,425</b>	<b>2,271,700</b>	<b>1,326,400</b>	<b>18,730,987</b>	

Notes:

- (1) The exercise period of the options granted under Post-IPO Share Option Scheme shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Post-IPO Option Scheme and the share option award agreement signed by the grantee.
- (2) Details of the valuation of share option of the Company during the year, including accounting standard and policy adopted for share option schemes are set out in Note 31 and Note 2.2.18 to the consolidated financial statements.
- (3) The exercise of the option is subject to the option grantee(s) meeting the performance targets to be determined by the Company from time to time. The Company has established an appraisal mechanism to assess the fulfilment of performance targets by its Directors, chief executive and employees, which are linked to the Company's strategic goals and values. The appraisal mechanism uses a scoring system based on a matrix of qualitative and quantitative indicators that vary according to the roles and responsibilities of the relevant Directors, chief executive and employees. The indicators include, but are not limited to, measures of work quality, efficiency, collaboration, management and strategy. The scoring system evaluates the Directors, chief executive and employees' regular duties and the strategic objectives or tasks assigned for the appraisal period. The Company intends to make reference to this appraisal mechanism to set and review the performance targets of the option grantees periodically.
- (4) Service providers of the Company provides services including but not limited to project design, market analysis, management consulting and technical consulting. The grant of option to the service providers is to remunerate and compensate them for their continuing services to the Group in the same manner the Company remunerate and compensate other employees of the Group, which serves the purpose of the Post-IPO Share Option Scheme i.e. to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company as a whole.

## Other Information (Continued)

The number of shares that may be issued in respect of options and awards granted under all schemes of our Company during the financial year divided by the weighted average number of shares of the relevant class in issue for the year is 1.25%.

The number of options and awards available for grant under the scheme mandate at the beginning and the end of the financial year ended 31 March 2024 is as follows:

	<b>As of 1 April 2023</b>	<b>As of 31 March 2024</b>
Options available for grant under the Post-IPO Share Option Scheme	73,507,114	—
Awards available for grant under the Post-IPO Share Award Scheme	27,021,094	98,612,108
— Awards available for grant under the service provider sublimit as part of the scheme mandate	— <sup>(1)</sup>	10,528,581
<b>Total options and awards available for grant under the scheme mandate</b>	<b>100,528,208</b>	<b>98,612,108</b>

*Note:* The service provider sublimit was adopted on 28 September 2023.

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



## Other Information (Continued)

### Summary of the Share Option Schemes and Share Award Scheme

	Pre-IPO ESOP I	Pre-IPO ESOP II	Post-IPO Share Award Scheme	Post-IPO Share Option Scheme
1. Purpose	The purposes of this plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors, and consultants and to promote the success of the Company's business by offering these individuals or entities an opportunity to acquire a proprietary interest in the success of the Company. The plan provides for the grant of options to purchase Shares.	The purposes of this plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors, and consultants and to promote the success of the Company's business by offering these individuals or entities an opportunity to acquire a proprietary interest in the success of the Company. The plan provides for the grant of options to purchase Shares.	The purposes of the scheme are: (i) to align the interests of eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.	The purpose of the option scheme is to provide eligible persons with the opportunity to acquire proprietary interests in the Company and to encourage eligible persons to work towards enhancing the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. The Post-IPO Option Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to eligible persons.
2. Participants	Any individual, being an employee or director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group or any affiliate of the Group (including nominees and/or trustees of any employee benefit trust established for them), and any officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate of the Group who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group.			
3. Total number of shares available for issue and the percentage of the issued shares that it represents as at the Latest Practicable Date	As at the Latest Practicable Date, the total number of shares available for issue is 3,291,135, representing approximately 0.31% of the entire issued share capital of the Company as of the Latest Practicable Date.	As at the Latest Practicable Date, the total number of shares available for issue is 23,071,657, representing approximately 2.17% of the entire issued share capital of the Company as of the Latest Practicable Date.	As at the Latest Practicable Date, the total number of shares available for issue is 105,711,348, representing approximately 9.95% of the entire issued share capital of the Company as of the Latest Practicable Date.	As at the Latest Practicable Date, the total number of shares available for issue is 18,054,437, representing approximately 1.70% of the entire issued share capital of the Company as of the Latest Practicable Date.

## Other Information (Continued)

	Pre-IPO ESOP I	Pre-IPO ESOP II	Post-IPO Share Award Scheme	Post-IPO Share Option Scheme
4. Maximum entitlement of each participant	There is no maximum entitlement applicable to an individual participants.	There is no maximum entitlement applicable to an individual participants.	<p>Unless approved by the Shareholders in the manner set out in the scheme rules, the total number of Shares issued and to be issued in respect of all options and awards granted to the participant (excluding any options and awards lapsed in accordance with the terms of relevant scheme of the Company) in any 12 months period shall not exceed 1% of the total number of Shares in issue.</p> <p>Independent shareholders' approval is required if the grants of awards to Director (other than an independent non-executive Director) or chief executive (or any of their associates) will cause the share awards granted to exceed 0.1% of issued shares over any 12-month period. Independent shareholders' approval is required if the grants of share awards and options to a substantial shareholder of the Company or an independent non-executive Director (or any of their associates), in aggregate exceed 0.1% of issued shares over any 12-month period.</p>	<p>Unless approved by the Shareholders in the manner set out in the scheme rules, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the option scheme and share options granted and to be granted under any other share option scheme(s) of the Company to each eligible person (including both exercised and outstanding options) in any 12 months period shall not exceed 1% of the total number of Shares in issue.</p>
5. Period within which the option may be exercised	The administrator in its sole discretion shall determine when an option is to expire, but the term shall not exceed ten (10) years from the date of grant.	The administrator in its sole discretion shall determine when an option is to expire, but the term shall not exceed ten (10) years from the date of grant.	Not applicable	The exercise period is determined by the Board provided that it is not later than the last day of the 10 year period after the date of grant of the options. There is no minimum period for which an option must be held before it can be exercised.
6. Vesting period	The total vesting period of options granted ranges from approximately 0 to 4 years.	The total vesting period of options granted ranges from approximately 0 to 5 years.	The total vesting period of Shares award granted ranges from approximately 0 to 4 years.	The total vesting period of options granted ranges from approximately 0 to 4 years.
7. Purchase price	0.0028–0.018 (US\$)	0.018–2.56 (US\$)	Not applicable	4.8–34.52 (HK\$)

## Other Information (Continued)

	Pre-IPO ESOP I	Pre-IPO ESOP II	Post-IPO Share Award Scheme	Post-IPO Share Option Scheme
8. Basis of determining the exercise price of options granted or the purchase price of the shares awarded	The exercise price shall be determined by the administrator in its sole discretion.	The exercise price shall be determined by the administrator in its sole discretion.	Not applicable	<p>The subscription price shall be such price determined by the Board in its absolute discretion and notified to the eligible person in the Offer and shall be no less than the higher of:</p> <p>(a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date;</p> <p>(b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date; and</p> <p>(c) the nominal value of a Share on the grant date.</p>
9. Remaining life	<p>The plan shall be valid and effective till 15 March 2025.</p> <p>The remaining life of the plan is approximately one years as at the date of this report.</p>	<p>The plan shall be valid and effective till 15 March 2025.</p> <p>The remaining life of the plan is approximately one years as at the date of this report.</p>	<p>The plan shall be valid and effective till 15 January 2031.</p> <p>The remaining life of the plan is approximately seven years as at the date of this report.</p>	The plan was terminated pursuant to the resolution of the Board on 25 August 2023.

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

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

## Material litigation

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



## Other Information (Continued)

### 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 2024 and 2023.

Purpose	% of use of proceeds	Net proceeds (RMB million)	Amount used		Unutilised amount as at 31 March 2024 (RMB million)	Expected time of full utilisation
			Unutilised amount as at 31 March 2023 (RMB million)	for the fiscal year ended 31 March 2024 (RMB million)		
Strengthen our core capabilities	35%	1,339	1,085	452	633	31 March 2025
Further our business expansion	35%	1,339	614	484	130	31 March 2025
Further enrich our ecosystem through strategic partnerships, investments and acquisitions	20%	765	748	36	712	31 March 2025 <sup>(1)</sup>
Working capital and general corporate purposes	10%	382	263	138	125	31 March 2025

Note:

- (1) The Board currently expects to fully utilize the net proceeds by 31 March 2025 in light of the volatile macroeconomic environment in recent years and the impact of the COVID-19 outbreak.

The above Net Proceeds were translated with spot rates on the Listing Date, while the cash and cash equivalents, term deposits, pledged bank deposits, restricted bank balance and deposits as of 31 March 2024 were translated with spot rates on its balance sheet date.

As of 31 March 2024, the Company had utilised RMB2,225 million of the Net Proceeds.

# CORPORATE GOVERNANCE REPORT

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

## Corporate Governance Practices

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

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

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

## Corporate Culture

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

## Corporate Governance Report (Continued)

### Corporate Strategy

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

### Board of Directors

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

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

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

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



## Corporate Governance Report (Continued)

### Board Composition

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

#### Executive Directors

Ms. Gong Yingying (*Chairlady*)  
Mr. Xu Jiming (*Chief Executive Officer*)  
Dr. Yan Jun  
Ms. Feng Xiaoying

#### Non-executive Director

Mr. Zeng Ming

#### Independent Non-executive Directors

Dr. Ma Wei-Ying  
Ms. Pan Rongrong  
Prof. Zhang Linqi

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

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

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

### Chairperson and Chief Executive Officer

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

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

## Corporate Governance Report (Continued)

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

### Independent Non-executive Directors

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

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

### Independent View

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

### Appointment and Re-election of Directors

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date/the respective appointment dates or until the third annual general meeting of the Company after the Listing Date/the respective appointment dates. Each of the appointments shall, subject always to re-election as and when required under the Articles of Association, be automatically renewed for successive periods of three years until terminated 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. Each of the appointments shall, subject always to re-election as and when required under the Articles of Association, be automatically renewed for successive periods of three years until terminated in accordance with their respective terms and conditions of the appointment letters.

## Corporate Governance Report (Continued)

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

Accordingly, Dr. Ma Wei-Ying, Ms. Pan Rongrong and Prof. Zhang Linqi shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

### **Responsibilities, Accountabilities and Contributions of the Board and Management**

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

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

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

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

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

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



## Corporate Governance Report (Continued)

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

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

### Continuous Professional Development of Directors

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

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

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

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

## Corporate Governance Report (Continued)

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

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

### Board Committees

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

## Corporate Governance Report (Continued)

### Audit Committee

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

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

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 March 2024. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

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

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

### Remuneration Committee

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

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

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



## Corporate Governance Report (Continued)

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

Remuneration bands	Number of Individuals
RMB6,000,000 to RMB7,000,000	1
RMB7,000,000 to RMB8,000,000	1
RMB15,000,000 to RMB16,000,000	1
RMB19,000,000 to RMB20,000,000	1
<b>Total</b>	<b>4</b>

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

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

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

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

## Corporate Governance Report (Continued)

### Nomination Committee

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

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

During the Reporting Period, the Nomination Committee held one meeting to review the structure, size and composition of the Board, re-election matters of Directors, the independence of independent non-executive Directors and diversity policy for board members were reviewed and discussed. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

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

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

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

## Corporate Governance Report (Continued)

### Board Diversity Policy and Nomination Policy

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

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

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

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

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

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

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



## Corporate Governance Report (Continued)

### Workforce Diversity

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

As at 31 March 2024, the gender ratio in the workforce (including senior management) is 379 (male): 523 (female). For further details of gender ratio together with the relevant data, please refer to the section headed “Enabling Employees’ Development” under the ESG Report.

### Corporate Governance Functions

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

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

### Board Meetings and Directors’ Attendance Records

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

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

## Corporate Governance Report (Continued)

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

Name of Directors	Board meeting(s)	Attendance/Number of Meeting(s)			
		Audit Committee meeting(s)	Remuneration Committee meeting(s)	Nomination Committee meeting(s)	General meeting(s)
Executive Directors					
Ms. Gong Yingying	4/4	N/A	1/1	1/1	1/1
Mr. Xu Jiming	4/4	N/A	N/A	N/A	1/1
Dr. Yan Jun	4/4	N/A	N/A	N/A	1/1
Ms. Feng Xiaoying	4/4	N/A	N/A	N/A	1/1
Non-executive Directors					
Mr. Zeng Ming	4/4	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

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

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

## Corporate Governance Report (Continued)

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

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

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

### Risk Management and Internal Controls

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

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

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

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

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



## Corporate Governance Report (Continued)

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

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

Based on the result of the Internal Control Review, the Board, as supported by the Audit Committee, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 March 2024, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function, ensured the adequacy of resources, staff qualifications and experiences, training programmes and budget of the Company’s accounting, internal audit, financial reporting functions as well as those relating to the ESG performance and reporting.

### Whistleblowing Policy

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

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

### Inside Information

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

### Dividend Policy

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

## Corporate Governance Report (Continued)

### Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 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 2024.

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

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

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

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

### Auditor's Remuneration

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

Category of services	Fee paid/ payable RMB'000
Auditor of the Company	3,900
Other audit services and non-audit services	2,015
<b>Total</b>	<b>5,915</b>

## Corporate Governance Report (Continued)

### Joint Company Secretaries

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

Ms. Feng has been appointed as our joint company secretary with effect from 1 February 2023. Biography of Ms. Feng is set out in the section headed "Directors and Senior Management — Executive Directors — Ms. Feng Xiaoying" on page 41 of this annual report.

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

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

### Communications with Shareholders and Investors

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

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

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



## Corporate Governance Report (Continued)

During the year ended 31 March 2024, the Company reviewed the implementation and effectiveness of the shareholders communication policy, including the multiple communication channels for shareholders in place and the steps taken to handle shareholders' enquiries mentioned above, and ensuring timely dissemination of information to Shareholders, mainly through the Company's announcements, results announcements, interim and annual reports, general meeting(s), as well as by making available all the disclosures published to the Stock Exchange's website and the corporate communications on the Company's website. The Board considered that the shareholders communication policy has been properly implemented and effective.

### Shareholders' Rights

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

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

### Procedures for Shareholders to Convene Extraordinary General Meeting

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

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

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

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

## Corporate Governance Report (Continued)

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 19/F., Golden Centre, 188 Des Voeux Road Central, Hong Kong. The notice must (i) include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules; and (ii) be signed by the Shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal information.

### Putting Forward Proposals at General Meetings

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

### Putting Forward Enquiries to the Board

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

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

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

**Email:** ir@yiduccloud.cn

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

### Change in Constitutional Documents

On 27 June 2024, the Board resolved to propose certain amendments to the current amended and restated memorandum and articles of association of the Company which was adopted on 26 August 2022, subject to approval by the Shareholders at the forthcoming annual general meeting. For more details, please refer to the announcement of the Company dated 27 June 2024.

# 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"), which are set out on pages 159 to 259, comprise:

- the consolidated balance sheet as at 31 March 2024;
- 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, comprising material accounting policy information and other explanatory information.

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards 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.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong

羅兵咸永道會計師事務所，香港中環太子大廈22樓

T: +852 2289 8888, F: +852 2810 9888, [www.pwchk.com](http://www.pwchk.com)



# Independent Auditor’s Report (Continued)

## Independence

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

## Key Audit Matters

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

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

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b><i>Revenue recognition for bundled contracts in big data platform and solutions segment</i></b></p> <p>Refer to notes 2.1.3 and 5 to the consolidated financial statements.</p> <p>During the year ended 31 March 2024, the Group recognised revenue of RMB313.6 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>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"><li>• 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;</li><li>• 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;</li></ul>

## Independent Auditor's Report (Continued)

### Key Audit Matter

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

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

### How our audit addressed the Key Audit Matter

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

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

# Independent Auditor’s Report (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b><i>Expected credit losses assessment of trade receivables and contract assets</i></b></p> <p>Refer to notes 3.1, 4(a), 5 and 21 to the consolidated financial statements.</p> <p>As at 31 March 2024, the gross amount of the Group’s trade receivables and contract assets amounted to RMB770.0 million. Management recognised provision for loss allowance of approximately RMB182.8 million on these trade receivables and contract assets as at 31 March 2024 based on the expected credit losses assessment of trade receivables and contract assets.</p> <p>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.</p>	<p>Our procedures in relation to the judgements and estimates used in the expected credit losses assessment of trade receivables and contract assets included:</p> <ul style="list-style-type: none"><li>• 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;</li><li>• 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;</li></ul>



## Independent Auditor's Report (Continued)

### Key Audit Matter

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 using the roll rate model or external credit ratings model (where available). Roll rate model first grouped the customers based on their different risk characteristics, and then calculated their respective historical credit losses rate. Where the significant customers shared external credit ratings characteristics and lack of historical loss rates to draw on, the management calculated their respective historical credit losses rate based on external rating data issued by domestic or foreign rating agencies. The models further incorporated forward-looking adjustments to reflect the management's forecasts of macroeconomic factors in different scenarios, such as Consumer Price Index, which affects the customers' ability to settle the receivables.

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

### How our audit addressed the Key Audit Matter

- 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; (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 (4) where using external credit ratings model, tested the reliable and accuracy of external rating data used; and
- Tested the mathematical accuracy of the calculation of the expected credit losses.

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

## Independent Auditor's Report (Continued)

### Other Information

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

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

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

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

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

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

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

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

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

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

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

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



## Independent Auditor's Report (Continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Ka On.

**PricewaterhouseCoopers**  
*Certified Public Accountants*  
Hong Kong,  
27 June 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 March	
		2024	2023
	Notes	RMB'000	RMB'000
Revenue from contracts with customers	5	807,076	804,700
Cost of sales and services	5, 8	(467,631)	(530,170)
<b>Gross profit</b>		<b>339,445</b>	<b>274,530</b>
Selling and marketing expenses	8	(208,909)	(271,637)
Administrative expenses	8	(171,300)	(231,989)
Research and development expenses	8	(232,927)	(342,519)
Net impairment losses on financial assets and contract assets	3.1(b)(iii)	(104,905)	(61,953)
Impairment of non-financial assets	10	37	(3,287)
Other income	6	155,583	97,349
Other gains/(losses) — net	7	3,057	(90,543)
<b>Operating loss</b>		<b>(219,919)</b>	<b>(630,049)</b>
Finance income		10,510	7,998
Finance costs		(3,311)	(2,611)
Finance income — net	11	7,199	5,387
Share of losses from investments in associates	13	(8,473)	(4,277)
<b>Loss before income tax</b>		<b>(221,193)</b>	<b>(628,939)</b>
Income tax expense	14	(49)	(3,422)
<b>Loss for the year</b>		<b>(221,242)</b>	<b>(632,361)</b>
<b>Loss is attributable to:</b>			
Owners of the Company		(194,944)	(627,966)
Non-controlling interests		(26,298)	(4,395)
		<b>(221,242)</b>	<b>(632,361)</b>

## Consolidated Statement of Comprehensive Income (Continued)

	Notes	Year ended 31 March	
		2024 RMB'000	2023 RMB'000
<b>Other comprehensive income/(loss)</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Currency translation differences		217,649	489,998
<i>Item that will be reclassified to profit or loss:</i>			
Currency translation differences		(122,837)	(189,942)
<b>Other comprehensive income for the year, net of tax</b>		94,812	300,056
<b>Total comprehensive loss for the year</b>		(126,430)	(332,305)
<b>Total comprehensive loss for the year is attributable to:</b>			
Owners of the Company		(104,593)	(328,520)
Non-controlling interests		(21,837)	(3,785)
		(126,430)	(332,305)
<b>Loss per share, basic and diluted (RMB)</b>	15	(0.19)	(0.63)

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



# CONSOLIDATED BALANCE SHEET

		As at 31 March	
		2024	2023
		RMB'000	RMB'000
	Notes		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	80,508	72,584
Right-of-use assets	17	12,433	11,249
Intangible assets	18	39,119	39,531
Deferred income tax assets	35	294	345
Investments accounted for using the equity method	13	32,717	5,282
Investments measured at amortized cost	24	191,565	240,510
Financial assets at fair value through profit or loss	19, 25	21,357	23,115
Pledged bank deposits	19, 26	5,842	1,262
Restricted bank balance and deposits	19, 26	6,289	6,208
Total non-current assets		390,124	400,086
<b>Current assets</b>			
Inventories	22	4,407	3,733
Trade receivables	19, 21	496,367	474,498
Contract assets	5	90,820	123,706
Other financial assets at amortised cost	19, 20	51,401	81,843
Investments measured at amortized cost	24	249,854	—
Financial assets at fair value through profit or loss	19, 25	70,151	230,093
Pledged bank deposits	19, 26	6,232	2,077
Restricted bank balance and deposits	19, 26	14,486	—
Term deposits	19, 26	1,969,452	2,339,699
Cash and cash equivalents	19, 26	1,407,620	1,172,793
Other current assets	27	73,284	82,980
Total current assets		4,434,074	4,511,422
<b>Total assets</b>		<b>4,824,198</b>	<b>4,911,508</b>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	28	135	131
Treasury shares		(4,524)	(1)
Other reserves	29	13,088,220	12,948,250
Accumulated deficits	30	(9,060,960)	(8,866,016)
		4,022,871	4,082,364
Non-controlling interests		69,122	73,787
<b>Total equity</b>		<b>4,091,993</b>	<b>4,156,151</b>

## Consolidated Balance Sheet (Continued)

		<b>As at 31 March</b>	
		<b>2024</b>	<b>2023</b>
	Notes	RMB'000	RMB'000
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	17, 19	6,415	4,590
Deferred income	33	71,295	79,761
Total non-current liabilities		77,710	84,351
<b>Current liabilities</b>			
Borrowings	23	80,000	—
Trade and other payables	19, 32	296,385	386,863
Deferred income	33	—	4,208
Salary and welfare payable	34	207,432	200,615
Contract liabilities	5	49,831	56,943
Current income tax liabilities		234	1,539
Lease liabilities	17, 19	8,786	9,538
Provisions		11,827	11,300
Total current liabilities		654,495	671,006
<b>Total liabilities</b>		732,205	755,357
<b>Total equity and total liabilities</b>		4,824,198	4,911,508

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

The financial statements on pages 159 to 259 were approved by the Board of Directors on 27 June 2024 and were signed on its behalf:

**Gong Yingying**

Director

**Feng Xiaoying**

Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Attributable to owners of the Company				Non-controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Accumulated deficits RMB'000	Sub-total RMB'000	
<b>Balance at 1 April 2023</b>		131	(1)	12,948,250	(8,866,016)	4,082,364	4,156,151
<b>Comprehensive loss</b>							
Loss for the year		—	—	—	(194,944)	(194,944)	(221,242)
Currency translation differences		—	—	90,351	—	90,351	94,812
<b>Total comprehensive loss for the year</b>		—	—	90,351	(194,944)	(104,593)	(126,430)
<b>Transactions with owners in their capacity as owners:</b>							
Share-based compensation	31	—	—	58,710	—	58,710	58,710
Acquisition of treasury shares		—	(4,523)	—	—	(4,523)	(4,523)
Issuance of ordinary shares	28	—	—	—	—	—	—
Exercise of option and vest of Share Award Scheme	28	4	—	6,276	—	6,280	6,280
Capital injection from non-controlling interests		—	—	—	—	—	1,805
Disposal of minority interest of subsidiary	29	—	—	(15,367)	—	(15,367)	15,367
<b>Total transactions with owners in their capacity as owners</b>		4	(4,523)	49,619	—	45,100	17,172
<b>Balance at 31 March 2024</b>		135	(4,524)	13,088,220	(9,060,960)	4,022,871	4,091,993
<b>Balance at 1 April 2022</b>		124	(1)	12,227,727	(8,238,050)	3,989,800	4,007,466
<b>Comprehensive loss</b>							
Loss for the year		—	—	—	(627,966)	(627,966)	(4,395)
Currency translation differences		—	—	299,446	—	299,446	610
<b>Total comprehensive loss for the year</b>		—	—	299,446	(627,966)	(328,520)	(3,785)
<b>Transactions with owners in their capacity as owners:</b>							
Share-based compensation	31	—	—	99,035	—	99,035	—
Issuance of ordinary shares	28	2	—	(2)	—	—	—
Exercise of option and vest of Share Award Scheme	28	5	—	5,460	—	5,465	—
Disposal of minority interest of subsidiary	29	—	—	316,584	—	316,584	59,906
<b>Total transactions with owners in their capacity as owners</b>		7	—	421,077	—	421,084	59,906
<b>Balance at 31 March 2023</b>		131	(1)	12,948,250	(8,866,016)	4,082,364	4,156,151

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 March	
		2024	2023
		RMB'000	RMB'000
	Notes		
<b>Cash flows from operating activities</b>			
Cash used in operations	36(a)	(333,731)	(361,176)
Interest received	11	10,510	7,998
Interest paid	11	(1,859)	(2,611)
Income tax paid		(1,303)	(1,224)
<b>Net cash used in operating activities</b>		<b>(326,383)</b>	<b>(357,013)</b>
<b>Cash flows from investing activities</b>			
Placement of term deposits		(3,209,857)	(3,620,733)
Payments for investments in wealth management products	25	(1,953,672)	(2,502,010)
Payment for long-term investments measured at amortized cost	24	(191,565)	(234,833)
Payments for property, plant and equipment		(39,233)	(17,588)
Payments for investments accounted for using the equity method	13	(36,367)	(3,833)
Payments for acquisition of intangible assets		(1,580)	(3,591)
Payments for investments in venture capital fund	25	(851)	(23,115)
Proceeds from the redemption of term deposits		3,646,483	1,701,006
Interest on term deposits and restricted bank balance and deposits received		125,845	49,614
Proceeds from the redemption of wealth management products	25	2,124,429	2,312,232
Proceeds from disposal of property, plant and equipment		165	—
Proceeds from disposal of investments in venture capital fund		2,729	—
Proceeds from disposal of investments accounted for using the equity method	13	—	2,592
Proceeds from disposal of subsidiary		377	—
<b>Net cash generated from/(used in) investing activities</b>		<b>466,903</b>	<b>(2,340,259)</b>
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings	23	78,548	—
Proceeds from exercise of option		6,280	5,465
Capital injection from non-controlling interests		1,805	—
Principal elements of lease payments	17(b)	(4,425)	(20,501)
Proceeds from disposal of minority interest of subsidiary		—	376,491
<b>Net cash generated from financing activities</b>		<b>82,208</b>	<b>361,455</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>222,728</b>	<b>(2,335,817)</b>
Cash and cash equivalents at beginning of the year		1,172,793	3,408,505
Exchange effect on cash and cash equivalents		12,099	100,105
<b>Cash and cash equivalents at end of the year</b>		<b>1,407,620</b>	<b>1,172,793</b>

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 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, and iii) health management platform and solutions in the People’s Republic of China (“PRC”), Brunei and Singapore.

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

## 2 Summary of 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 Material accounting policies

#### 2.1.1 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”), Beijing Causa Health Technology Co., Ltd. (“Beijing Causa Health”) 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. Tianjin Causa Health Management Co., Ltd. (“Tianjin Causa Health”) and Tianjin Joyful Life Health Management Co., Ltd. (“WFOE companies”), have entered into contractual arrangements with Tianjin Happy Life, Yidu Cloud Guizhou, Beijing Causa Health and Beijing Zhongshi Hanming and its respective equity holders on 24 January 2017, 10 October 2018, 26 February 2024 and 26 January 2024, respectively.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (Continued)

### 2.1 Material accounting policies (Continued)

#### 2.1.1 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.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.1 Material accounting policies (continued)

#### 2.1.1 Basis of preparation (continued)

##### (i) **Contractual arrangements (continued)**

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

##### (ii) **Compliance with IFRSs**

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

The preparation of consolidated financial statements in conformity with IFRSs 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.

##### (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 2023:

- Amendment to IFRS 16 — Lease liability in a sale and leaseback
- Amendment to IAS 1 — Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 — Supplier finance arrangements

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



Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

2 Summary of accounting policies (continued)

2.1 Material accounting policies (continued)

2.1.1 Basis of preparation (continued)

(v) *New standards and interpretations not yet adopted*

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

	Effective for annual periods beginning on or after
Amendments to IAS 21 — Lack of Exchangeability	1 January 2025

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.

2.1.2 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.

## Notes to the Consolidated Financial Statements (Continued)

*(Expressed in RMB unless otherwise indicated)*

## 2 Summary of accounting policies (continued)

### 2.1 Material accounting policies (continued)

#### 2.1.3 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 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.

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.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.1 Material accounting policies (continued)

#### 2.1.3 Revenue recognition (continued)

The following is a description of the accounting policy for the principal revenue streams of the Group.

**(a) Big data platform and solutions**

Big data platform and solutions consists of the Company's flagship big data platform applications and other solutions services that are provided to their customers mainly hospitals, regulators and policy makers.

**(i) Provision of bundled contracts**

Big data platform applications and solutions consist primarily of the development and construction of big data platform in the healthcare industry, including the sales of hardware, development of software applications and the provision of other related services. The project-based big data platform applications and solutions are provided through integrating the hardware, software and other related services, all of which are highly interdependent and interrelated with each other and represent multiple inputs to a combined output (i.e. the integrated solution) that is transferred to the customer. Accordingly, the integrated solution is accounted for as a single performance obligation.

Revenue is generally recognised at a point in time when the integrated solution (comprises mainly hardware, software and other related services for a project) is delivered to the customer's designated place, inspected and accepted by the customer. For certain integrated solution contracts where the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment from the customer for its performance completed to date, the revenue is recognised over time. Based on the progress towards complete satisfaction of the contracts using input method which is determined as the proportion of the costs incurred for the work performed to date relative to the estimated total costs to complete the contract, to the extent that the amount can be measured reliably and its recovery is considered probable.

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

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.1 Material accounting policies (continued)

#### 2.1.3 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.

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

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

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

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



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.1 Material accounting policies (continued)

#### 2.1.3 Revenue recognition (continued)

##### (b) Life sciences solutions

Life sciences solutions consist primarily of the provision of pharmaceutical development cooperation services and customized pharmaceutical research report to customers who are mainly pharmaceutical companies.

##### (i) Pharmaceutical development cooperation services

The performance obligation is satisfied over time as the output in the form of data collection and analysis documentation is made available for the customer to consume simultaneously over the course of the arrangement during the clinical trial. Accordingly, the Group recognises revenue over time using input method where the progress of the performance obligation is measured by the proportion of actual costs incurred to the total costs expected to complete the contract. Costs included in the measure of progress include direct labour and third-party costs (such as payments to investigators and other third-party expenditures).

##### (ii) Customized pharmaceutical research report

For the revenue derived from customized pharmaceutical research report, the Group recognises revenue over time using input method since the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment from the customer for performance completed to date. Progress on the performance obligation is measured by the proportion of actual costs incurred to the total costs expected to complete the contract. Costs included in the measure of progress include direct labour and third-party costs (such as payments to investigators and other third-party expenditures).

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

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

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.1 Material accounting policies (continued)

#### 2.1.3 Revenue recognition (continued)

##### (c) *Health management platform and solutions*

Health management platform and solutions consist primarily of (i) the provision of health management platform application and solution services to insurance companies, (ii) distribution of insurance companies' products, (iii) sales of pharmaceutical products, and sales of related hardware and other services, (iv) deliver one-stop analytics-driven solutions and offer coordinated and personalized digital therapies that integrates traditional treatment with out-of-hospital care and lifestyle interventions.

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

The Group provides health management platform application and solution packages which consist of multiple applications and services to their customers.

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

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

##### (ii) *Distribution of insurance companies' products*

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

##### (iii) *Sales of pharmaceutical products*

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

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies

#### 2.2.1 Principles of consolidation and equity accounting

##### (i) **Subsidiaries**

Subsidiaries are all entities 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 2.2.2).

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.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.1 Principles of consolidation and equity accounting (continued)

##### (iii) *Equity method (continued)*

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 2.2.9.

##### (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 IFRSs.

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



## Notes to the Consolidated Financial Statements (Continued)

*(Expressed in RMB unless otherwise indicated)*

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.2 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.

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.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.3 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.

#### 2.2.4 Segment reporting

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

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

#### 2.2.5 Foreign currency translation

##### (i) **Functional and presentation currency**

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

##### (ii) **Transactions and balances**

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

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

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.5 Foreign currency translation (continued)

##### (ii) Transactions and balances (continued)

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

##### (iii) Group companies

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

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

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.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.5 Foreign currency translation (continued)

##### (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.

#### 2.2.6 Property, plant and equipment

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

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

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

- |                               |            |
|-------------------------------|------------|
| • Electronic equipment        | 3 years    |
| • Leasehold improvement       | 1–10 years |
| • Office furniture and Others | 3–5 years  |



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.6 Property, plant and equipment (continued)

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.2.9).

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

#### 2.2.7 Intangible assets

##### (i) **Goodwill**

Goodwill is measured as described in note 2.2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

##### (ii) **License, technology and software**

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

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.7 Intangible assets (continued)

##### (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.

##### (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     |

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.7 Intangible assets (continued)

##### (iv) Amortization methods and periods (continued)

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 expiry. 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 expiry. The GSP license has been fully impaired, please refer to note 18 for details.

#### 2.2.8 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.

## Notes to the Consolidated Financial Statements (Continued)

*(Expressed in RMB unless otherwise indicated)*

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.9 Investments and other financial assets

##### **(i) Classification**

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

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

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

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

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

##### **(ii) Recognition and derecognition**

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



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.9 Investments and other financial assets (continued)

##### (iii) Measurement

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

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

##### *Debt instruments*

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

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

##### *Equity instruments*

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

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

## Notes to the Consolidated Financial Statements (Continued)

*(Expressed in RMB unless otherwise indicated)*

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.9 Investments and other financial assets (continued)

##### *(iv) Impairment*

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

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

#### 2.2.10 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.

#### 2.2.11 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.

#### 2.2.12 Cash and cash equivalents

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

#### 2.2.13 Term deposits, restricted bank balance and deposits and pledge bank deposit.

Term deposits represent short-term bank deposits with original maturities over three months. Restricted bank balance and deposits with initial terms over one year are deposited in an escrow account with bank for certain limited purposes, with initial terms more than three months but less than one year is deposit in general account but restricted due to litigation. The term deposits and restricted bank balance and deposits are unsecured and carry fixed interest per annum for the years ended 31 March 2024 and 2023.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.14 Share capital

Ordinary shares are classified as equity (note 28).

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.

#### 2.2.15 Trade and other payables

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

#### 2.2.16 Current and deferred income tax

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

##### (i) Current income tax

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

## Notes to the Consolidated Financial Statements (Continued)

*(Expressed in RMB unless otherwise indicated)*

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.16 Current and deferred income tax (continued)

##### **(ii) Deferred income tax**

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

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

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

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

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



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.17 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.

##### (ii) **Pension obligations**

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

##### (iii) **Medical and other benefits**

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

##### (iv) **Housing benefits**

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

#### 2.2.18 Share-based compensation

Share-based compensation benefits are provided to eligible persons 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 eligible persons 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);
- Including the impact of any vesting conditions (for example, remaining an employee of the entity over a specified time period and performance conditions).

## Notes to the Consolidated Financial Statements (Continued)

*(Expressed in RMB unless otherwise indicated)*

### 2 Summary of accounting policies (continued)

#### 2.2 Other accounting policies (continued)

##### 2.2.18 Share-based compensation (continued)

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.

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.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.19 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.

#### 2.2.20 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.

## Notes to the Consolidated Financial Statements (Continued)

*(Expressed in RMB unless otherwise indicated)*

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.21 Leases

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

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

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

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

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

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



## Notes to the Consolidated Financial Statements (Continued)

*(Expressed in RMB unless otherwise indicated)*

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.1 Leases (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security,
- If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

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

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.

## Notes to the Consolidated Financial Statements (Continued)

*(Expressed in RMB unless otherwise indicated)*

## 2 Summary of accounting policies (continued)

### 2.2 Other accounting policies (continued)

#### 2.2.21 Leases (continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

#### 2.2.22 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.

#### 2.2.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the other income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property and equipment, and other non-current assets are included in the liabilities and are credited to consolidated statements of comprehensive income on a straight-line basis over the expected lives of the related assets.

#### 2.2.24 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see note 7 below.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see note 11 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

## 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 subsidiaries operate in the Brunei are US\$, RMB and Brunei Dollar ("BND"), respectively. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary.

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

###### (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 cash and cash equivalents, pledged bank deposits, term deposits, restricted bank balance and deposits and wealthy management products, details of which have been disclosed in notes 25 and 26.

## 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

##### (i) Risk management

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, pledged bank deposits, term deposits, restricted bank balance and deposits and long-term investments measured at amortized cost placed with banks and financial institutions, as well as contract assets, trade receivables and other financial assets at amortised cost. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage this risk, deposits are mainly placed with state-owned financial institutions in the PRC and international financial institutions outside of the PRC. There has been no recent history of default in relation to these financial institutions.

##### (ii) Impairment of financial assets and contract assets

The Group has the following types of financial assets and contract assets that are subject to expected credit loss model:

- contract assets
- trade receivables
- other financial assets at amortised cost

While cash and cash equivalents, pledged bank deposits, term deposits, restricted bank balance and deposits with the maturity over three months and long-term investments measured at amortized cost are also subject to the impairment requirements of IFRS 9, the identified impairment loss was nil.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all contract assets and trade receivables.

To measure the expected credit losses, contract assets and trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.



## 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 and contract assets (continued)*

The expected loss rates are based on the historical credit losses rate and adjusted to incorporate forward-looking adjustments to reflect the management's forecasts of macroeconomic factors in different scenarios which affects the customers' ability to settle the receivables. The Group has identified economic policies, macroeconomic conditions, industry risks, probabilities of default and expected operating performance of the debtors in which it sells its services to be the most relevant factors, and accordingly adjusts the historical losses rates based on expected changes in these factors.

For other financial assets at amortised cost, management makes collective periodic assessments as well as individual assessment on the recoverability based on historical settlement records, experience and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

##### (iii) *Net impairment losses on financial assets and contract assets recognised in profit or loss*

During the years ended 31 March 2024 and 2023, the following losses were recognised in profit or loss in relation to impaired financial assets:

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
<b>Impairment losses</b>		
Movement in loss allowance for trade receivables (note 21)	(100,367)	(55,619)
Movement in loss allowance for contract assets (note 5)	1,793	(5,383)
Movement in loss allowance for other financial assets at amortised cost (note 20)	(6,331)	(951)
Net impairment losses on financial assets and contract assets	(104,905)	(61,953)

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate cash and cash equivalents, and term deposits.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>At 31 March 2024</b>					
Trade and other payables (excluding tax payables)	281,907	—	—	—	281,907
Lease liabilities	9,223	1,428	1,206	42,049	53,906
	291,130	1,428	1,206	42,049	335,813
<b>At 31 March 2023</b>					
Trade and other payables (excluding tax payables)	376,691	—	—	—	376,691
Lease liabilities	9,999	953	542	39,630	51,124
	386,690	953	542	39,630	427,815

#### 3.2 Capital management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern and support the sustainable growth of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance equity holders' value in the long term.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 3 Financial risk management (continued)

#### 3.2 Capital management (continued)

The Group monitors capital on basis of liability-to-asset ratio. This ratio is calculated as total liabilities divided by total assets. The liability-to-asset ratio of the Group as at 31 March 2024 and 2023 were as follow:

	As at 31 March	
	2024 RMB'000	2023 RMB'000
The liability-to-asset ratio	15%	15%

The Group monitors capital (including share capital and shares held for the Share Incentive Plans (note 31) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. In the opinion of the directors of the Company, the Group's capital risk is low.

#### 3.3 Fair value estimation

##### (a) Financial assets and liabilities

##### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements As at 31 March 2024	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets at fair value through profit or loss</b>				
Wealth management products	—	—	70,151	70,151
Investment in venture capital fund	—	—	21,357	21,357
<b>Total financial assets</b>	—	—	91,508	91,508

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 3 Financial risk management (continued)

#### 3.3 Fair value estimation (continued)

##### (a) Financial assets and liabilities (continued)

##### (i) Fair value hierarchy (continued)

Recurring fair value measurements As at 31 March 2023	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets at fair value through profit or loss</b>				
Wealth management products	—	—	230,093	230,093
Investment in venture capital fund	—	—	23,115	23,115
<b>Total financial assets</b>	—	—	253,208	253,208

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

##### (ii) Valuation techniques used to determine fair values

As at 31 March 2024, investments in venture capital fund are subject to the terms and conditions set forth in the offering prospectus of each fund. The fair value of the investments in venture capital fund are based primarily on the portion of the net asset value ("NAV") reported by the fund that is attributable to the Group. The NAV is derived from the fair value of these fund at the reporting date of the Group (the vast majority of the financial assets reported by the fund are measured at fair value), and the Group understands and evaluates the valuations provided by the general partners of the fund and make necessary adjustments based on the results of the evaluation. The Group has not made any adjustments to the underlying values.



## 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)

##### (iii) Fair value measurements using significant unobservable inputs (level 3)

	Wealth management products RMB'000	Loan to a third party with warrants to purchase their preferred shares RMB'000	Investment in unlisted equity securities RMB'000	Investment in venture capital fund RMB'000	Total RMB'000
<b>Opening balance at 1 April 2023</b>	230,093	—	—	23,115	253,208
Acquisitions	1,953,672	—	—	851	1,954,523
Disposal	(2,124,429)	—	—	(2,729)	(2,127,158)
Changes in fair value recognized in profit or loss	10,818	—	—	(633)	10,185
Currency translation differences	(3)	—	—	753	750
<b>Closing balance at 31 March 2024</b>	70,151	—	—	21,357	91,508
<b>Opening balance at 1 April 2022</b>	25,000	11,927	8,570	7,891	53,388
Acquisitions	2,502,010	—	—	10,669	2,512,679
Disposal	(2,312,232)	—	—	—	(2,312,232)
Changes in fair value recognized in profit or loss	15,315	(11,927)	(9,241)	3,848	(2,005)
Currency translation differences	—	—	671	707	1,378
<b>Closing balance at 31 March 2023</b>	230,093	—	—	23,115	253,208

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 3 Financial risk management (continued)

#### 3.3 Fair value estimation (continued)

##### (a) Financial assets and liabilities (continued)

##### (iii) 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		
	2024	2023		2024	2023	
	RMB'000	RMB'000				
Financial assets at fair value through profit or loss — Wealth management products	70,151	230,093	Expected interest rate	1.65%–2.5%	1.65%–2.85%	The higher the interest rate, the higher the fair value
Financial assets at fair value through profit or loss — Investment in venture capital fund	21,357	23,115	NAV of the fund	/	/	The higher the NAV, the higher the fair value

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 2024 would have been approximately RMB0.1 million (2023: RMB0.4 million) lower/higher.

If the fair values of financial assets at fair value through profit or loss — Investment in venture capital fund held by the Group had been 10% higher/lower, the loss before income tax for the year ended 31 March 2024 would have been approximately RMB2.1 million (2023: RMB2.3 million) lower/higher.

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended 31 March 2024 and 2023, except that certain financial liabilities were transferred out of level 3 of fair value hierarchy classifications.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 4 Critical estimates and judgements

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

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

#### (a) Revenue recognition

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

###### ***Big data platform and solutions — Provision of bundled contracts and Health management platform and solutions — Provision of bundled contracts***

When the bundled contracts exist in these principal revenue streams, the Group need to identify the number of performance obligations included in the bundled contracts, to estimate the stand-alone selling price of each performance obligation, and to allocate the total transaction prices from customers to each performance obligation of bundled contracts based on its relative stand-alone selling price. Management estimates the stand-alone selling price at contract inception mainly based on the Group's separate transactions in similar circumstances to similar customers. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a reasonable margin. The Group is required to exercise considerable judgement in relation to estimating the stand-alone selling price.

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

##### (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 using input method, either recognised over the contract service period on a straight-line basis or recognised based on the progress towards complete satisfaction in the contracts 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.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 4 Critical estimates, judgements (continued)

#### (a) Revenue recognition (continued)

##### (ii) Input method of revenue recognition (continued)

##### ***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.

#### (b) Impairment assessment of trade receivables and contract assets

The Group has used roll rate model or external credit ratings model (where available) to calculate Expected Credit Loss (“ECL”) for the trade receivables and contract assets. The provision rates are based on nature, size and industry of customers and external credit ratings as groupings of various debtors that shared same credit risk characteristics. The roll rate model and external credit ratings model are based on the Group’s historical default rates and external rating data issued by domestic or foreign rating agencies, 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.

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

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



## 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 information 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

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 — net, share of losses from investments in associates, and income tax expense 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 2024 and 2023 is as follows:

	Year ended 31 March 2024			
	Big data platform and solutions	Life sciences solutions	Health management platform and solutions	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	313,634	324,044	169,398	807,076
Cost of sales and services	(176,699)	(219,998)	(70,934)	(467,631)
Gross profit	136,935	104,046	98,464	339,445

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 5 Segment information (continued)

#### (a) Disaggregation of revenue from contracts with customers (continued)

	Year ended 31 March 2023			
	Big data platform and solutions RMB'000	Life sciences solutions RMB'000	Health management platform and solutions RMB'000	Total RMB'000
Revenue from contracts with customers	221,863	252,884	329,953	804,700
Cost of sales and services	(125,997)	(208,647)	(195,526)	(530,170)
Gross profit	95,866	44,237	134,427	274,530

For the year ended 31 March 2024 and 2023, the geographical information on the total revenue is as follows:

	Year ended 31 March			
	2024		2023	
	RMB'000	%	RMB'000	%
Mainland China	694,215	86%	622,241	77%
Brunei	87,988	11%	79,000	10%
Rest of the world	24,873	3%	103,459	13%
	807,076	100%	804,700	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 year ended 31 March 2024 and 2023, the Group earns approximately 86% and 14%, 77% and 23% of total revenue from external customers located in the PRC and other countries, respectively. As at 31 March 2024 and 2023, majority of the non-current assets of the Group were located in the PRC and Brunei.

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Segment revenue		
— recognised over time	368,894	386,437
— recognised at a point in time	438,182	418,263
	807,076	804,700
Segment revenue		
— gross	660,514	687,626
— net	146,562	117,074
	807,076	804,700

The major customers which contributed more than 10% of the total revenue of the Group for the years ended 31 March 2024 and 2023 are listed as below:

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Percentage of revenue from the major customers to the total revenue of the Group		
Client A (Big data platform and solutions)	11 %	10%
Client B (Health management platform and solutions)	*	11%

\* represents that the amount of aggregate revenue from such customer is less than 10% of the total revenue for the year.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 5 Segment information (continued)

#### (b) Contract assets and contract liabilities

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

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Contract assets (i)		
Big data platform and solutions	1,705	25,606
Life sciences solutions	101,467	111,628
Health management and services	852	1,469
	104,024	138,703
Less: allowance for impairment of contract assets	(13,204)	(14,997)
	90,820	123,706
Contract liabilities (ii)		
Big data platform and solutions	12,994	16,748
Life sciences solutions	33,218	36,002
Health management platform and solutions	3,619	4,193
	49,831	56,943

- (i) Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer.
- (ii) Contract liabilities mainly arise from the advance payments from customers of the i) big data platform and solutions, ii) life sciences solutions upon which the performance obligations have been established while the underlying services are yet to be provided.



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 5 Segment information (continued)

#### (c) Revenue recognised in relation to contract liabilities

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

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Big data platform and solutions	13,526	6,219
Life sciences solutions	24,450	10,818
Health management platform and solutions	814	2,531
Total	38,790	19,568

#### (d) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations as at 31 March 2024 and 2023:

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Big data platform and solutions	509,719	490,460
Life sciences solutions	273,255	305,347
Health management platform and solutions	122,890	120,657
Total	905,864	916,464

Management expects that 39% and 43% of the transaction price allocated to the unsatisfied contracts as at 31 March 2024 and 2023 will be recognized as revenue within one year. The remaining 61% and 57% will be recognized over one year.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 5 Segment information (continued)

#### (e) Impairment and risk exposure

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all contract assets.

On the basis as described in note 3.1(b), the loss allowance for contract assets as at 31 March 2024 and 2023 are determined as follows:

As at 31 March 2024 and 2023, the loss allowance of impaired contract assets is determined as follows:

	<b>As at 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Expected loss rate	12.69%	10.81%
Gross carrying amount — contract assets	104,024	138,703
Loss allowance	13,204	14,997

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

	<b>Year ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
At beginning of the year	14,997	9,614
(Reversal)/provision for impairment of contract assets	(1,793)	5,383
At end of the year	13,204	14,997

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 6 Other income

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Government grants (i)	21,018	22,299
Interest income (ii)	132,784	70,765
Value added tax ("VAT") refund and VAT reduction	1,781	4,285
	155,583	97,349

(i) **Government grants**

Government grants comprise funds for scientific and innovation research projects, awards for scientific and technological innovation enterprises and rent subsidies.

(ii) Interest income is from investments measured at amortised cost, pledged bank deposits, term deposits and restricted bank balance and deposits.

### 7 Other gains/(losses) — net

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Net fair value gains/(losses) on financial assets at fair value through profit or loss (i)	10,185	(2,005)
Net foreign exchange losses	(4,422)	(84,614)
Donation	(2,880)	(539)
Provision for legal claims	(1,126)	(5,069)
Individual income tax refunds	710	1,512
Gains on termination of right-of-use assets	21	1,873
Losses on disposal of investments accounted for using the equity method	—	(1,119)
Other items	569	(582)
	3,057	(90,543)

(i) Net fair value gains/(losses) on financial assets at fair value through profit or loss consists of fair value changes of (a) wealth management products; and (b) investment in venture capital fund (note 25).

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 8 Expenses by nature

Expenses included in cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses are further analysed as follows:

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Employee benefits expenses (note 9)	566,252	777,702
Outsourcing services fee	239,834	184,059
Consulting and other professional fee	71,394	80,378
Travelling, entertainment and general office expenses	56,364	63,520
Cost of sales	54,012	166,152
Depreciation of property, plant and equipment (note 16)	28,741	24,033
Promotion and advertising expenses	25,220	34,349
Depreciation of right-of-use assets (note 17)	10,429	15,063
Amortization of intangible assets (note 18)	7,944	7,255
Labour dispatching	7,071	11,958
Taxes and surcharges	6,530	4,993
Auditors' remuneration	5,915	5,939
— Auditor of the Company	3,900	3,900
Other expenses	1,061	914
Total cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses	1,080,767	1,376,315



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 9 Employee benefits expenses

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Wages, salaries and bonuses	408,462	553,267
Pension costs — defined contribution plans (i)	36,816	45,802
Other social security costs	22,105	32,319
Housing benefits	28,348	34,618
Share-based compensation expenses (note 31)	58,710	99,035
Other employee welfare	11,811	12,661
	566,252	777,702

- (i) Employees of the Group are required to participate in a defined contribution plan administrated and operated by the local municipal government. The Group contributes funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the plan to fund the retirement benefits of the employees.

The Group also provides an annuity plan to some senior employees, which is also a defined contribution plan.

The Group has no other material obligation for the payment of retirement benefits associated with these plans beyond the annual contributions described above. During the year ended 31 March 2024 and 2023, no forfeited contributions were utilized by the Group to reduce its contributions for the current year.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 9 Employee benefits expenses (continued)

#### (ii) Five highest paid individuals

The five individuals whose emoluments are the highest in the Group for the years ended 31 March 2024 and 2023 include 3 and 2 directors respectively whose emoluments are reflected in the analysis shown in note 43. The emoluments payable to the remaining 2 and 3 individuals are as follows:

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Wages and salaries	2,228	3,979
Bonuses	258	1,779
Pension costs — defined contribution plans	36	100
Other social security costs	92	123
Housing benefits	26	73
Share-based compensation expenses	14,368	16,905
	17,008	22,959

The emoluments of the 2, 3 individuals fell within the following bands:

	Year ended 31 March	
	2024	2023
Emoluments bands:		
HK\$7,500,001 to HK\$8,000,000	—	1
HK\$8,500,001 to HK\$9,000,000	1	1
HK\$9,500,001 to HK\$10,000,000	1	1
	2	3

During the years ended 31 March 2024 and 2023, 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	
	2024 RMB'000	2023 RMB'000
Impairment losses charged on:		
Intangible assets (note 18)	—	(3,260)
Inventories (note 22)	(769)	(27)
Prepayments	806	—
	37	(3,287)

### 11 Finance income — net

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
<b>Finance income</b>		
Interest income on current deposits	10,510	7,998
<b>Finance costs</b>		
Interest expenses for lease liabilities	(1,859)	(2,611)
Interest expenses for borrowings	(1,452)	—
<b>Finance income — net</b>	7,199	5,387

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 12 Subsidiaries

The Group's principal subsidiaries at 31 March 2024 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	Paid in capital	Ownership interest			
				held by the Group as		Ownership interest held by non-controlling interests as at	
				at 31 March		31 March	
				2024	2023	2024	2023
<b>Major Subsidiaries</b>							
Golden Panda Limited	Hong Kong/ 23 December 2014	Investment holding	US\$1	100.00%	100.00%	—	—
Bright Panda Limited	BVI/22 May 2020	Investment holding	—	100.00%	100.00%	—	—
EVYD Technology Limited	BVI/8 June 2020	Investment holding	US\$1,000	65.43%	70.10%	34.57%	29.90%
EVYD Technology Sdn Bhd	Brunei/27 April 2020	Technology services	BND35	65.43%	70.10%	34.57%	29.90%
EVYD Research Private Limited	Singapore/ 9 October 2019	Technology services	US\$5,956,175	65.43%	70.10%	34.57%	29.90%
Nanjing Yiyi Cloud Big Data Technology Co., Ltd. (南京懿醫雲大數據科技有限公司)	PRC/31 August 2018	Computer technology R&D	RMB370,280,700	100.00%	100.00%	—	—
Beijing Yiyi Cloud Technology Co., Ltd. (北京懿醫雲科技有限公司) ("Beijing Yiyi Cloud")	PRC/15 January 2015	Computer technology R&D	RMB923,555,836	100.00%	100.00%	—	—
Tianjin New Happy Life Technology Co., Ltd. (天津新開心生活科技有限公司)	PRC/28 May 2018	Medical technology development	RMB163,418,600	100.00%	100.00%	—	—
Shanghai Yizhi Medical Technology Co., Ltd. (上海懿智醫療科技有限公司)	PRC/21 January 2019	Medical technology development	RMB145,000,000	100.00%	100.00%	—	—
Nanjing Yiyi Cloud Medical Data Research Institute Co., Ltd. (南京醫基雲醫療數據研究院有限公司)	PRC/27 September 2018	Medical technology development	RMB3,000,000	85.00%	85.00%	15.00%	15.00%
Beijing Xinwen Medical Certificate Technology Co., Ltd. (北京新文醫證科技有限公司)	PRC/10 October 2020	Technology services	RMB38,423,200	100.00%	100.00%	—	—
Tianjin Joyful Life Health Management Co., Ltd. (天津幸福生命健康管理有限公司)	PRC/3 August 2020	Computer technology R&D	—	100.00%	100.00%	—	—
Tianjin Joyful Life Technology Co., Ltd. (天津幸福生命科技有限公司) ("Tianjin Joyful Life")	PRC/7 November 2016	Computer technology R&D	RMB10,776,600	100.00%	100.00%	—	—
Ningbo Century Kangtai Technology Co., Ltd. (寧波世紀康泰科技有限公司)	PRC/20 February 2020	Technology services	—	100.00%	100.00%	—	—
Tianjin Causa Health Management Co., Ltd. (天津因數健康管理有限公司)	PRC/27 July 2020	Medical technology development	—	100.00%	100.00%	—	—
Sichuan Dada Pharmaceutical Co., Ltd. (四川達達醫藥有限公司)	PRC/31 May 2022	Medical technology development	RMB2,583,500	100.00%	100.00%	—	—



## 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	Paid in capital	Ownership interest held by the Group as at 31 March		Ownership interest held by non-controlling interests as at 31 March	
				2024	2023	2024	2023
Major VIEs and VIE's subsidiaries							
Guizhou Yidu Cloud Technology Co., Ltd. (貴州醫渡雲技術有限公司) ("Yidu Cloud Guizhou")	PRC/10 July 2018	Computer technology R&D	RMB4,000,000	100.00%	100.00%	—	—
Beijing Zhongshi Hanming Enterprise Co., Ltd. (北京中世漢明實業有限公司) ("Beijing Zhongshi Hanming")	PRC/8 June 2010	Computer technology R&D	RMB33,500,000	100.00%	100.00%	—	—
Tianjin Happy Life Technology Co., Ltd. (天津開心生活科技有限公司) ("Tianjin Happy Life")	PRC/23 January 2017	Medical technology development	—	100.00%	100.00%	—	—
Beijing Causa Health Technology Co., Ltd. (北京因數健康科技有限公司)	PRC/12 April 2017	Medical technology development	RMB4,500,000	100.00%	100.00%	—	—
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%	—	—
Yidu Cloud (Guangzhou) Technology Co., Ltd. (醫渡雲(廣州)技術有限公司)	PRC/22 April 2019	Computer technology R&D	RMB30,000,000	100.00%	100.00%	—	—
Yinshu insurance broker co., Ltd. (因數保險經紀有限公司)	PRC/3 July 2008	Insurance brokerage	RMB50,000,000	100.00%	100.00%	—	—
Beijing Yier Technology Co., Ltd. (北京醫二科技有限公司)	PRC/23 April 2023	Medical vertical domain AI R&D	—	100.00%	—	—	—

(a) As at 31 March 2024, the total non-controlling interests are RMB69.1 million (2023: RMB73.8 million).

### 13 Investments accounted for using the equity method

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
At beginning of the year	5,282	9,915
Additions (a)	36,367	3,833
Share of losses from investments in associates (b)	(8,473)	(4,277)
Disposal of associates	—	(4,189)
Currency translation differences	(459)	—
At end of the year	32,717	5,282

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 13 Investments accounted for using the equity method (continued)

#### (a) Additions

Pursuant to the investment agreement dated 28 October 2022, the Group made an additional cash contribution of US\$5.0 million (equivalent to approximately RMB36.4 million) to YD Capital I L.P. during this period.

- (b) Set out below are the associates of the Group as at 31 March 2024 and 2023. 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	Principal activities	% of ownership interest as at		Nature of relationship	Measurement method	Carrying amount as at 31 March	
			31 March	2023			2024	2023
			2024	2023			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	Medical technology development	4.67%	4.67%	Associate	Equity method	1,395	1,444
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	Investment activities	49.00%	49.00%	Associate	Equity method	—	—
Beijing Yiduyun Management Consulting Co., Ltd. (北京醫渡雲管理諮詢有限公司)	PRC	Management consultation	49.00%	49.00%	Associate	Equity method	5	5
YD Capital I L.P.	Cayman Islands	Investment activities	40.00%	40.00%	Associate	Equity method	31,051	3,833
Causa Investment Management Company Limited	Cayman Islands	Investment consultation	49.00%	—	Associate	Equity method	266	—
<b>Total equity account investments</b>							<b>32,717</b>	<b>5,282</b>

- (i) The Group's share of loss of Yiduyun Private Equity Fund Management (Beijing) Partnership (Limited Partnership) and the amount of share of loss from investment in associates recognized already exceed the Group's investment in the associate. Therefore, the Group has not shared further loss of Yiduyun Private Equity Fund Management (Beijing) Partnership (Limited Partnership) and the related unrecognized share of loss amounted to approximately RMB187,836 and RMB2,384 respectively for year ended 31 March, 2024 and 2023.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 14 Income tax expense

#### (a) Cayman Islands

The Company is incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to Cayman Islands income tax.

#### (b) Hong Kong Income Tax

Subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5% for assessable profits earned in Hong Kong before 1 April 2018. Starting from the financial year commencing on 1 April 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HK\$2 million and 16.5% for any assessable profits in excess of HK\$2 million.

#### (c) Singapore Income Tax

Singapore income tax rate is 17%. No Singapore profits tax was provided for as there was no estimated assessable profit that was subject to Singapore profits tax.

#### (d) Brunei Income Tax

EVYD Technology Sdn Bhd ("EVYD") is incorporated in Brunei and subject to Brunei income tax rate of 18.5%. The Brunei Economic Development Board granted EVYD an income tax exemption for a period of 5 years, which is effective from October 2020.

#### (e) PRC Enterprise Income Tax ("EIT")

The income tax provision of the Group in respect of its operations in the PRC was subject to statutory tax rate of 25% on the assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

Beijing Yiyi Cloud Technology Co., Ltd. and Yidu Cloud (Beijing) Technology Co., Ltd. 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 2024. This status is subject to a requirement that Beijing Yiyi Cloud and Yidu Cloud Beijing reapply for HNTEs status every three years.

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

According to the Corporate Income Tax ("CIT") Law, distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on treaties or arrangements between the PRC central government and governments of other countries or regions where the foreign investors are incorporated, upon the distribution of profits to overseas-incorporated immediate holding companies. During the years ended 31 March 2024 and 2023, no deferred income tax liability on WHT was accrued as at the end of each reporting period because the subsidiaries of the Group were cumulatively loss making.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 14 Income tax expense (continued)

#### (f) PRC Withholding Tax ("WHT") (continued)

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Current income tax (credit)/expense	(2)	2,529
Deferred income tax expense (note 35)	51	893
Income tax expense	49	3,422

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	
	2024 RMB'000	2023 RMB'000
Loss before income tax expense	(221,193)	(628,939)
Tax calculated at statutory tax rate of 25%	(55,298)	(157,235)
Tax effects of:		
Effect of preferential tax rates	14,764	45,676
Effect of different tax rates	6,081	4,123
Expenses not deductible for tax purposes	1,781	1,242
Research and development tax credit	(17,304)	(20,091)
Tax losses and temporary differences for which no deferred income tax asset was recognised	58,076	139,974
Utilisation of previously unrecognised tax losses	(8,051)	(10,267)
	49	3,422
Unused tax losses for which no deferred income tax assets has been recognised for entities subject to the income tax rate of 25%	28,052	40,518
Unused tax losses for which no deferred income tax assets has been recognised for entities subject to the income tax rate of 15%	29,041	82,205
	57,093	122,723



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 14 Income tax expense (continued)

#### (f) PRC Withholding Tax ("WHT") (continued)

The expiry dates of the unused tax losses as of the respective balance sheet dates are listed as below.

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Year ending 31 March 2024	56,183	65,001
Year ending 31 March 2025	97,420	106,921
Year ending 31 March 2026	124,438	128,461
Year ending 31 March 2027	184,006	184,765
Year ending 31 March 2028	380,994	381,155
Year ending 31 March 2029	430,493	318,285
Year ending 31 March 2030	259,053	259,053
Year ending 31 March 2031	205,500	205,500
Year ending 31 March 2032	353,544	353,544
Year ending 31 March 2033	548,031	548,031
Year ending 31 March 2034	188,481	—
	2,828,143	2,550,716

### 15 Loss per share

- (a) Basic loss per share for the years ended 31 March 2024 and 2023 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	
	2024 RMB'000	2023 RMB'000
Loss attributable to owners of the Company	(194,944)	(627,966)
Weighted average number of ordinary shares in issue ('000)	1,051,620	995,204
Basic loss per share (RMB yuan)	(0.19)	(0.63)

## 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 2024 and 2023, 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 2024 and 2023 are same as basic loss per share for the respective years.

### 16 Property, plant and equipment

	Electronic equipment RMB'000	Office furniture and Others RMB'000	Leasehold improvement RMB'000	Total RMB'000
<b>Cost:</b>				
At 1 April 2023	116,788	3,123	67,264	187,175
Additions	32,993	1,169	3,540	37,702
Disposal	(2,572)	(1,029)	—	(3,601)
At 31 March 2024	147,209	3,263	70,804	221,276
<b>Accumulated depreciation:</b>				
At 1 April 2023	(87,968)	(2,428)	(24,195)	(114,591)
Depreciation	(21,464)	(845)	(6,432)	(28,741)
Disposal	1,641	923	—	2,564
At 31 March 2024	(107,791)	(2,350)	(30,627)	(140,768)
<b>Net carrying amount:</b>				
At 1 April 2023	28,820	695	43,069	72,584
At 31 March 2024	39,418	913	40,177	80,508

## 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 and Others RMB'000	Leasehold improvement RMB'000	Total RMB'000
<b>Cost:</b>				
At 1 April 2022	104,781	2,910	43,838	151,529
Additions	14,523	285	23,426	38,234
Disposal	(2,516)	(72)	—	(2,588)
At 31 March 2023	116,788	3,123	67,264	187,175
<b>Accumulated depreciation:</b>				
At 1 April 2022	(74,498)	(1,909)	(15,778)	(92,185)
Depreciation	(15,054)	(562)	(8,417)	(24,033)
Disposal	1,584	43	—	1,627
At 31 March 2023	(87,968)	(2,428)	(24,195)	(114,591)
<b>Net carrying amount:</b>				
At 1 April 2022	30,283	1,001	28,060	59,344
At 31 March 2023	28,820	695	43,069	72,584

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

	<b>Year ended 31 March</b>	
	2024 RMB'000	2023 RMB'000
Cost of sales and services	1,443	817
Administrative expenses	7,084	13,697
Research and development expenses	17,470	7,834
Selling and marketing expenses	2,744	1,685
	28,741	24,033

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 17 Leases

#### (a) Amounts recognised in the consolidated balance sheets

	As at 31 March	
	2024 RMB'000	2023 RMB'000
<b>Right-of-use assets (i)</b>		
Buildings	12,433	11,249
<b>Lease liabilities</b>		
Current	8,786	9,538
Non-current	6,415	4,590
	15,201	14,128

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

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
<b>Cost</b>		
At beginning of the year	50,835	106,246
Additions	11,768	11,300
Lease expiration	(4,949)	—
Termination of lease contracts	(85)	(66,711)
At end of the year	57,569	50,835
<b>Accumulated depreciation</b>		
At beginning of the year	(39,586)	(62,865)
Depreciation charged for the year	(10,429)	(15,063)
Lease expiration	4,862	—
Termination of lease contracts	17	38,342
At end of the year	(45,136)	(39,586)
<b>Net carrying amount</b>		
At end of the year	12,433	11,249



## 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	
	2024 RMB'000	2023 RMB'000
Depreciation charge of right-of-use assets	10,429	15,063
Interest expense	1,859	2,611
Expense relating to short-term leases	4,565	5,969

The total cash outflow for leases for the years ended 31 March 2024 and 2023 were approximately RMB10.8 million and RMB29.1 million respectively.

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Principal elements of lease payments	(4,425)	(20,501)
Interest expense of leases payments	(1,859)	(2,611)
Short-term lease expenses	(4,565)	(5,969)
	(10,849)	(29,081)

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 18 Intangible assets

	Goodwill RMB'000	License RMB'000	Technology RMB'000	Software RMB'000	Total RMB'000
<b>Cost:</b>					
At 1 April 2023	4,362	36,613	3,900	24,991	69,866
Additions	—	—	—	7,544	7,544
Disposal	—	—	—	(166)	(166)
At 31 March 2024	4,362	36,613	3,900	32,369	77,244
<b>Accumulated amortization</b>					
At 1 April 2023	(4,362)	(11,026)	(3,900)	(11,047)	(30,335)
Impairment (a)	—	—	—	—	—
Amortization (b)	—	(1,606)	—	(6,338)	(7,944)
Disposal	—	—	—	154	154
At 31 March 2024	(4,362)	(12,632)	(3,900)	(17,231)	(38,125)
<b>Net carrying amount:</b>					
At 1 April 2023	—	25,587	—	13,944	39,531
At 31 March 2024	—	23,981	—	15,138	39,119

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 18 Intangible assets (Continued)

	Goodwill RMB'000	License RMB'000	Technology RMB'000	Software RMB'000	Total RMB'000
<b>Cost:</b>					
At 1 April 2022	4,362	33,451	3,900	13,359	55,072
Additions	—	3,162	—	11,640	14,802
Disposal	—	—	—	(8)	(8)
At 31 March 2023	4,362	36,613	3,900	24,991	69,866
<b>Accumulated amortization</b>					
At 1 April 2022	(4,362)	(7,794)	(3,900)	(3,767)	(19,823)
Impairment (a)	—	(1,558)	—	(1,702)	(3,260)
Amortization (b)	—	(1,674)	—	(5,581)	(7,255)
Disposal	—	—	—	3	3
At 31 March 2023	(4,362)	(11,026)	(3,900)	(11,047)	(30,335)
<b>Net carrying amount:</b>					
At 1 April 2022	—	25,657	—	9,592	35,249
At 31 March 2023	—	25,587	—	13,944	39,531

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 18 Intangible assets (continued)

- (a) As of 31 March 2024, the Group has made no provisions for impairment of intangible assets.

As of 31 March 2023, the Group plans to close the business of Causa Health — Medical digital center and has made provisions for impairment of software amounted to RMB1.7 million.

As of 31 March 2023, the Group plans to close the business of Sichuan Dada Pharmaceutical Co., Ltd. and has made provisions for impairment of GSP license amounted to RMB1.6 million.

- (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	
	2024	2023
	RMB'000	RMB'000
Cost of sales and services	1,122	179
Administrative expenses	1,331	2,366
Research and development expenses	2,267	2,360
Selling and marketing expenses	3,224	2,350
	7,944	7,255



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 19 Financial instruments by category

		As at 31 March	
		2024	2023
	Notes	RMB'000	RMB'000
<b>Financial assets</b>			
Financial assets at amortised cost:			
Trade receivables	21	496,367	474,498
Other financial assets at amortised cost	20	51,401	81,843
Cash and cash equivalents	26	1,407,620	1,172,793
Pledged bank deposits	26	12,074	3,339
Term deposits	26	1,969,452	2,339,699
Restricted bank balance and deposits	26	20,775	6,208
Financial assets at fair value through profit or loss	25	91,508	253,208
		4,049,197	4,331,588
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
Trade and other payables (excluding tax payables)	32	281,907	376,691
Lease liabilities	17	15,201	14,128
		297,108	390,819

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	
	2024 RMB'000	2023 RMB'000
Deposits of Share Award Scheme Trusts (a)	22,785	26,449
Rental, projects and other deposits	17,067	18,368
Payments on behalf of the third parties (b)	2,088	3,882
Advances to staff	1,965	2,335
Interests receivable	1,010	21,151
Others	16,008	12,849
	60,923	85,034
Less: provision for impairment of other receivables (c)	(9,522)	(3,191)
	51,401	81,843

- (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.
- (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.

## 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 (continued)

On the basis as described in note 3.1(b), the loss allowance for other financial assets at amortised cost as at 31 March 2024 and 2023 are determined as follows:

- (i) As at 31 March 2024, 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	9,522	100%	9,522	The likelihood of recovery is low

- (ii) As at 31 March 2023, the loss allowance of individually impaired other financial assets at amortised cost is determined as follows:

Individual	Other financial assets at amortised cost	Expected credit loss rate	Loss allowance	Reason
Other financial assets at amortised cost	3,191	100%	3,191	The likelihood of recovery is low

### 21 Trade receivables

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Trade receivables from contracts with customers		
— Third parties	665,995	581,506
Less: allowance for impairment of trade receivables	(169,628)	(107,008)
	496,367	474,498

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 21 Trade receivables (continued)

- (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	
	2024 RMB'000	2023 RMB'000
— Up to 3 months	278,888	239,847
— 3 to 6 months	58,128	17,520
— 6 months to 1 year	107,855	93,067
— 1–2 years	97,787	178,274
— Over 2 years	123,337	52,798
	665,995	581,506
Less: allowance for impairment of trade receivables	(169,628)	(107,008)
	496,367	474,498

(b) **Fair values of trade receivables**

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 21 Trade receivables (continued)

#### (c) Impairment and risk exposure

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

On the basis as described in note 3.1(b), the loss allowance for trade receivables as at 31 March 2024 and 2023 is determined as follows:

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

At 31 March 2024 Individual	Trade receivables	Expected credit loss rate	Loss allowance	Reason
Trade receivables	99,373	76%	75,495	The likelihood of recovery is low

	Current	No more than 1 year past due	1 year to 2 years past due	More than 2 years past due	Total
<b>At 31 March 2024</b>					
Expected loss rate	7.0%	7.3%	23.3%	58.5%	16.6%
Gross carrying amount					
— trade receivables	329,453	88,981	62,356	85,832	566,622
<b>Loss allowance</b>	22,899	6,512	14,520	50,202	94,133

## 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 do not share same risk characteristics with others:

At 31 March 2023 Individual	Trade receivables	Expected credit loss rate	Loss allowance	Reason
Trade receivables	44,894	100%	44,894	The likelihood of recovery is low

For trade receivables that share same risk characteristics with others:

	Current	No more than 1 year past due	1 year to 2 years past due	More than 2 years past due	Total
<b>At 31 March 2023</b>					
Expected loss rate	3.5%	5.4%	20.3%	53.7%	11.6%
Gross carrying amount					
— trade receivables	256,058	86,476	167,163	26,915	536,612
<b>Loss allowance</b>	9,019	4,670	33,985	14,440	62,114

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

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
At beginning of the year	(107,008)	(85,729)
Provision for impairment of trade receivables	(100,367)	(55,619)
Write off of trade receivables	37,747	34,340
At end of the year	(169,628)	(107,008)

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 22 Inventories

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Purchased goods — at cost	7,753	6,310
Less: provisions for impairment (note 10)	(3,346)	(2,577)
	4,407	3,733

(i) **Amounts recognized in profit or loss**

Inventories recognized as cost of sales and services during the years ended 31 March 2024 and 2023 amounted to approximately RMB54.0 million and RMB166.2 million, respectively.

### 23 Borrowings

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Borrowings relating to bills discounted (a)	78,548	—
Interest payable	1,452	—
	80,000	—

- (a) As at 31 March 2024, the borrowings were generated from a discount to a bank acceptance notes amounted to RMB80.0 million. All of the bank acceptance notes were issued among the subsidiaries of the Group for intragroup transactions.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 24 Investments measured at amortised cost

	As at 31 March	
	2024 RMB'000	2023 RMB'000
<b>Non-Current assets</b>		
Fixed rate notes (a)	191,565	240,510
<b>Current assets</b>		
Fixed rate notes (b)	248,325	—
Interest receivables (a)	1,529	—
	249,854	—

- (a) Long-term investments measured at amortised cost are investments of fixed rate notes issued by JP Morgan Chase Financial Company LLC with a maturity of three years, where the contractual cash flows are solely payments of principal and interests.
- (b) Short-term investments measured at amortized cost are investments of fixed rate notes issued by Goldman Sachs Finance Corp International Ltd with a maturity of two years, where the contractual cash flows are solely payments of principal and interests. The notes was reclassified as current assets as at 31 March 2024 considering the maturity date of 2 June 2024.



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 25 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	
	2024 RMB'000	2023 RMB'000
<b>Non-current assets</b>		
Investment in venture capital fund (i)	21,357	23,115
<b>Current assets</b>		
Investment in wealth management products (ii)	70,151	230,093

- (i) On 12 May 2021, the Company entered into an subscription agreement with Bits x Bites Growth Fund I, L.P. for a subscription of US\$1.5 million in this venture capital fund, of which the remaining US\$0.15 million will be paid by 2026.

On 11 May 2022, the Company entered into an subscription agreement with TruMed Health Innovation Fund LP for a subscription of US\$3 million in this venture capital fund, of which the remaining US\$1.61 million will be paid by 2028.

- (ii) The wealth management products ("WMP") of the Group as at 31 March 2024 were purchased from local banks in China. The WMP were principal protected with maturity within 3 months. The expected interest rate of WMP was 1.65%–2.5% per annum and interest will be paid on the maturity date.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 25 Financial assets at fair value through profit or loss (continued)

#### (b) Amounts recognised in profit or loss

During the years, the following gains/(losses) were recognised in profit or loss:

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Fair value changes on investments in wealth management products	10,818	15,315
Fair value changes on investment in venture capital fund	(633)	3,848
Fair value changes on loan to a third party with warrants to purchase their preferred shares	—	(11,927)
Fair value changes on investment in unlisted equity securities	—	(9,241)
	10,185	(2,005)

#### (c) Risk exposure and fair value measurements

Information about the Group's exposure to financial risk is provided in note 3.1 and information about the methods and assumptions used in determining fair value are set out in note 3.3.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 26 Cash and bank balances

#### (a) Cash and cash equivalents

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Bank balances, term deposits, pledged bank deposits and restricted bank balance and deposits	3,409,921	3,522,039
Less:	(2,002,301)	(2,349,246)
Term deposits	(1,969,452)	(2,339,699)
Pledged bank deposits	(12,074)	(3,339)
Restricted bank balance and deposits with initial terms over three months*	(20,775)	(6,208)
Cash and cash equivalents	1,407,620	1,172,793

\* Restricted bank balance and deposits included i) deposits in an escrow account with China CITIC Bank Ningbo Branch base on a certain percentage of the registered capital of Yinshu insurance broker co., Ltd for the operation of insurance brokerage business. ii) deposits in a legally frozen account with China CITIC Bank Beijing Branch according to the litigation.

The directors of the Company considered that the carrying amount of the term deposits, pledged bank deposits and restricted bank balance and deposits with initial terms over three months approximated to their fair value as at 31 March 2024 and 2023.

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 2024 and 2023 are 4.75% and 4.65% respectively.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 26 Cash and bank balances (continued)

#### (a) Cash and cash equivalents (continued)

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

	As at 31 March	
	2024 RMB'000	2023 RMB'000
US\$	2,688,422	2,527,296
RMB	712,606	904,732
HK\$	2,229	86,577
SGD (Singapore Dollar)	6,411	2,829
BND	253	605
	3,409,921	3,522,039

#### (b) Pledged bank deposits

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Non-current assets	5,842	1,262
Current assets	6,232	2,077
	12,074	3,339

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

Pledged bank deposits of the Group are all denominated in RMB and carried interests at market rates at 0.6% as at 31 March 2024.



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 26 Cash and bank balances (continued)

#### (c) Restricted bank balance and deposits

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Restricted bank balance and deposits with original maturities over three months but less than one year	14,486	—
Restricted bank balance and deposits with original maturities over one year	6,289	6,208
	20,775	6,208

### 27 Other current assets

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Prepayment :		
Prepaid cloud storage and other service fee	44,712	54,795
Advance payments to suppliers for inventories	2,034	1,974
Others	1,912	2,157
Deductible input VAT	26,008	25,963
Less: provision for impairment of prepayment (note 10)	(1,382)	(1,909)
	73,284	82,980

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 28 Share capital

	Number of shares	Share capital US\$'000	Share capital RMB'000
<b>Issued:</b>			
At 1 April 2022	987,141,040	20	124
Newly issued ordinary shares (a)	12,536,037	—	2
Exercise of option vesting	35,880,708	1	5
<b>At 31 March 2023</b>	<b>1,035,557,785</b>	<b>21</b>	<b>131</b>
At 1 April 2023	1,035,557,785	21	131
Newly issued ordinary shares (a)	515,209	—	—
Exercise of option vesting	25,967,865	1	4
<b>At 31 March 2024</b>	<b>1,062,040,859</b>	<b>22</b>	<b>135</b>

#### (a) Newly issued ordinary shares

The Company issued new shares under the Post-IPO Share Award Scheme in order to grant eligible persons Award Shares.

The number of newly issued ordinary shares is 515,209 shares during the year ended 31 March 2024, and the share capital amount confirmed is RMB72.1 which is negligible.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 29 Other reserves

	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Share premium RMB'000	Other reserves RMB'000	Total RMB'000
<b>At 1 April 2023</b>	363,099	550,864	11,852,812	181,475	12,948,250
Share-based compensation (note 31)	58,710	—	—	—	58,710
Exercise of option vesting	(101,470)	—	107,746	—	6,276
Vesting of Post-IPO Share Award Scheme	(55,605)	—	55,605	—	—
Issuance of ordinary shares	—	—	—	—	—
Disposal of minority interest of subsidiary	—	—	(15,367)	—	(15,367)
Currency translation differences	—	90,351	—	—	90,351
<b>At 31 March 2024</b>	264,734	641,215	12,000,796	181,475	13,088,220

	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Share premium RMB'000	Other reserves RMB'000	Total RMB'000
<b>At 1 April 2022</b>	426,565	251,418	11,368,269	181,475	12,227,727
Share-based compensation (note 31)	99,035	—	—	—	99,035
Exercise of option vesting	(104,595)	—	110,055	—	5,460
Vesting of Post-IPO Share Award Scheme	(57,904)	—	57,904	—	—
Issuance of ordinary shares	(2)	—	—	—	(2)
Disposal of minority interest of subsidiary	—	—	316,584	—	316,584
Currency translation differences	—	299,446	—	—	299,446
<b>At 31 March 2023</b>	363,099	550,864	11,852,812	181,475	12,948,250

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 30 Accumulated deficits

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
At beginning of the year	8,866,016	8,238,050
Net loss for the year	194,944	627,966
At end of the year	9,060,960	8,866,016

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

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

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



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 31 Share-based compensation (continued)

#### (a) Share Option Scheme (continued)

##### 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 and service providers. The vesting period of the Post-IPO Share Option Scheme is 0 to 4 years subject to employees and service providers' continuous service to the Company. In addition, the Directors established performance conditions for certain employees, against the attainment of these conditions the options vested to them. The performance conditions include business, financials and operations for the Group's business segments. The Company granted 6,058,500 options to its employees under Post-IPO Share Option Scheme for the year ended 31 March 2024. Pursuant to the resolution of the Board on 25 August 2023, the Post-IPO Share Option Scheme was terminated.

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

	Year ended 31 March			
	2024		2023	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
At beginning of the year	US\$0.406	69,839,179	US\$0.301	96,321,362
Granted during the year	US\$0.754	6,058,500	US\$0.614	18,979,900
Exercised during the year	US\$0.016	(25,967,865)	US\$0.022	(35,880,708)
Forfeited during the year	US\$0.664	(4,405,820)	US\$1.198	(9,581,375)
At end of the year	US\$0.650	45,523,994	US\$0.406	69,839,179

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 31 Share-based compensation (continued)

#### (a) Share Option Scheme (continued)

##### Post-IPO Share Option Scheme (continued)

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 2024	31 March 2023
2014	2024	US\$0.0028	—	150,000
2015	2025 or 2035	US\$0.0028 or 0.018	261,920	820,755
2016	2026	US\$0.018	13,107,175	20,689,345
2017	2027	US\$0.018	1,617,850	11,936,250
2018	2028	US\$0.018	1,303,770	4,474,445
2019	2029	US\$0.018	4,805,100	8,836,535
2020	2030	US\$0.018	5,697,192	6,530,172
2021	2031	US\$0.018 or 4.438	2,142,437	2,337,452
2022	2032	US\$0.615 or 1.126	10,551,750	14,064,225
2023	2026 or 2027	US\$0.754	6,036,800	—
<b>Total</b>			<b>45,523,994</b>	<b>69,839,179</b>

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 2024. Key assumptions for the year ended 31 March 2024 are set as below:

	Year ended 31 March 2024		Year ended 31 March 2023
Grant date	3 July 2023	10 October 2022	22 April 2022
Fair value per ordinary share	HK\$5.46	HK\$4.33	HK\$8.43
Exercise price	HK\$5.91	HK\$4.80	HK\$8.83
Risk-free interest rate	3.7%	3.7%	3.0%
Dividend yield	—	—	—
Volatility	47%	48%	48%
Expected terms	10 years	10 years	10 years

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

The weighted average remaining contractual life of share options outstanding as at 31 March 2023 and 31 March 2024 is 5.66 year and 6.20 year, respectively.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 31 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 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. On 28 September 2023, The shareholders approved at the Company's 2023 annual general meeting that the Post-Share Award Scheme is amended to bring it in line with the amendments to the Listing Rules. The awards granted under the Post-IPO Share Award Scheme prior to the amendment, but not yet vested shall continue to be valid and be vested in accordance with the amended Post-IPO Share Award Scheme. 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 105,285,214 Shares without Shareholders' approval subject to a limit of 10% of the total number of issued Shares at the date of approval of the amendment of the Post-IPO Share Award Scheme. The vesting period of the Post-IPO Share Award Scheme is 0 to 4 years subject to employees and service providers' continuous service. Besides that, the Directors established performance conditions for certain employees, against the attainment of these conditions the options vested to them. The performance conditions include business, financials and operations for the Group's business segments.

#### (i) Grant of the shares under the Post-IPO Share Award Scheme during the year ended 31 March 2024

On 1 April 2023, 25 August 2023, 29 November 2023 and 27 March 2024, 260,800, 10,079,360, 1,527,200 and 3,861,700 shares were granted to eligible persons, respectively. Altogether, 15,729,060 shares and 14,538,100 shares were granted during the year ended 31 March 2024 and 2023.

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

The fair value of shares granted on 1 April 2023 was assessed to approximate to the market price of the grant date at the amount of HK\$7.32 each (equivalent to RMB1,729,605 in total).

The fair value of shares granted on 25 August 2023 was assessed to approximate to the market price of the grant date at the amount of HK\$4.14 each (equivalent to RMB37,806,067 in total).

The fair value of shares granted on 29 November 2023 was assessed to approximate to the market price of the grant date at the amount of HK\$4.53 each (equivalent to RMB6,304,570 in total).

The fair value of shares granted on 27 March 2024 was assessed to approximate to the market price of the grant date at the amount of HK\$3.98 each (equivalent to RMB13,940,196 in total).

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 31 Share-based compensation (continued)

#### (b) Post-IPO Share Award Scheme (continued)

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

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

	Number of shares under Post-IPO Share Award Scheme	Weighted average fair value per shares (HK\$)
As at 1 April 2023	14,246,384	27.44
Granted during the period	15,729,060	4.19
Vested during the period	(3,950,664)	15.38
Forfeited during the period	(5,604,663)	8.42
As at 31 March 2024	20,420,117	56.52

### 32 Trade and other payables

	As at 31 March	
	2024	2023
	RMB'000	RMB'000
Trade payables (c)	170,373	160,426
Tax payables	14,478	10,172
Notes payable	4,611	—
Other payables:		
— Payables for consulting and other service fee	41,119	45,266
— Insurance premium collection payables (b)	24,986	130,673
— Payables for repurchase of options	11,096	10,747
— Insurance claims collection payables	8,808	—
— Reimbursement payable to employees	5,841	7,370
— Accrual for marketing and sales promotion expenses	5,619	6,469
— Payables for leasehold improvement	422	5,698
— Payables for purchase of fixed assets	365	1,953
— Others	8,667	8,089
	296,385	386,863



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 32 Trade and other payables (continued)

- (a) The carrying amounts of trade and other payables are considered to be approximated to their fair values, due to their short-term nature.
- (b) Insurance premium collection payables are insurance premiums collected on behalf of insurance companies but not yet remitted to them as at 31 March 2024
- (c) Aging analysis of the trade payables based on invoice date at the end of each reporting period are as follows:

	As at 31 March	
	2024 RMB'000	2023 RMB'000
— Up to 3 months	49,902	55,009
— 3 to 6 months	9,673	5,955
— 6 months to 1 year	20,160	28,441
— 1 to 2 years	31,815	69,306
— 2 to 3 years	57,576	1,317
— Over 3 years	1,247	398
	170,373	160,426

### 33 Deferred income

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Deferred government grants	71,295	83,969
Less: amounts to be realised within the next 12 months	—	(4,208)
Non-current	71,295	79,761

Deferred government grants received but yet to recognize in other income amounted to approximately of RMB71.3 million and RMB84.0 million, respectively, as at 31 March 2024 and 31 March 2023. These government grants are mainly for funding industry development and research and development expenditures undertaken by the Group.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 34 Salary and welfare payable

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Wages, salaries and bonuses	173,769	154,743
Pension costs — defined contribution plans	29,831	40,171
Other social security costs	1,550	3,029
Housing benefits	2,045	2,198
Others	237	474
	207,432	200,615

### 35 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	
	2024 RMB'000	2023 RMB'000
Deferred income tax assets:		
— Deferred income tax assets to be recovered after more than 12 months	204	252
— Deferred income tax assets to be recovered within 12 months	1,402	1,574
	1,606	1,826
Deferred income tax liabilities:		
— Deferred income tax liabilities to be settled after more than 12 months	(109)	(145)
— Deferred income tax liabilities to be settled within 12 months	(1,203)	(1,336)
	(1,312)	(1,481)
	294	345

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 35 Deferred income tax assets and liabilities (continued)

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

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
At beginning of the year	345	1,238
Charged to income tax expense (note 14)	(51)	(893)
At end of the year	294	345

(c) The gross movements in deferred income tax assets and deferred income tax liabilities during the years are as follows:

	Deferred income tax assets-lease liabilities RMB'000	Deferred income tax liabilities- right-of-use assets RMB'000	Total RMB'000
<b>As at 1 April 2023</b>	1,826	(1,481)	345
(Charged)/credited to profit or loss	(220)	169	(51)
<b>As at 31 March 2024</b>	1,606	(1,312)	294

	Deferred income tax assets-lease liabilities RMB'000	Deferred income tax liabilities- right-of-use assets RMB'000	Total RMB'000
<b>As at 1 April 2022</b>	7,248	(6,010)	1,238
(Charged)/credited to profit or loss	(5,422)	4,529	(893)
<b>As at 31 March 2023</b>	1,826	(1,481)	345

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 36 Cash flow information

#### (a) Cash used in operations

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

	Notes	Year ended 31 March	
		2024 RMB'000	2023 RMB'000
Loss before income tax:		(221,193)	(628,939)
Adjustments for:			
Depreciation and amortization	8	47,114	46,351
Impairment of non-financial assets	10	(37)	3,287
Share-based compensation	31	58,710	99,035
Other income — interest on term deposits and restricted bank balance and deposits	6	(132,784)	(70,765)
Losses on disposal of property, plant and equipment, right of use and intangible assets		(21)	499
Share of loss of associates	13	8,473	4,277
Net fair value (gains)/losses on financial assets at fair value through profit or loss	7	(10,185)	2,005
Net impairment losses on financial assets and contract assets recognised in profit or loss	3.1	104,905	61,953
Finance income — net	11	(7,199)	(5,387)
Exchange losses	7	4,422	84,614
The operating cash flows before movements in working capital		(147,795)	(403,070)
Change in working capital :			
— Pledged bank deposits		(8,735)	(3,339)
— Inventories		(1,443)	1,976
— Other current assets		10,546	(44,498)
— Trade receivables		(122,236)	(7,411)
— Contract assets		34,679	29,660
— Other financial assets at amortised cost		8,867	9,013
— Trade and other payables		(93,867)	35,800
— Salary and welfare payable		6,817	(5,041)
— Contract liabilities		(7,112)	23,687
— Provisions		527	5,058
— Income tax liabilities		(1,305)	1,294
— Deferred income		(12,674)	(4,305)
Cash used in operations		(333,731)	(361,176)



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 36 Cash flow information (continued)

#### (b) Net debt reconciliation

	As at 31 March	
	2024 RMB'000	2023 RMB'000
Cash and cash equivalents	1,407,620	1,172,793
Borrowings	(80,000)	—
Lease liabilities	(15,201)	(14,128)
<b>Net cash</b>	<b>1,312,419</b>	<b>1,158,665</b>
Cash and liquid investments	1,407,620	1,172,793
Gross debt	(95,201)	(14,128)
<b>Net cash</b>	<b>1,312,419</b>	<b>1,158,665</b>

	Leases RMB'000	Borrowings RMB'000	Cash and cash equivalents RMB'000	Total RMB'000
<b>Net debt as at 1 April 2023</b>	(14,128)	—	1,172,793	1,158,665
Cash flows	4,425	(78,548)	222,728	148,605
Deduction of lease liabilities	(3,639)	—	—	(3,639)
Foreign exchange adjustments	—	—	12,099	12,099
Finance costs recognised	(1,859)	(1,452)	—	(3,311)
<b>Net debt as at 31 March 2024</b>	<b>(15,201)</b>	<b>(80,000)</b>	<b>1,407,620</b>	<b>1,312,419</b>
<b>Net debt as at 1 April 2022</b>	(52,165)	—	3,408,505	3,356,340
Cash flows	20,501	—	(2,335,817)	(2,315,316)
Deduction of lease liabilities	20,147	—	—	20,147
Foreign exchange adjustments	—	—	100,105	100,105
Finance costs recognised	(2,611)	—	—	(2,611)
<b>Net debt as at 31 March 2023</b>	<b>(14,128)</b>	<b>—</b>	<b>1,172,793</b>	<b>1,158,665</b>

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 36 Cash flow information (continued)

#### (c) Non-cash investing and financing activities

	Note	As at 31 March	
		2024 RMB'000	2023 RMB'000
Acquisition of right of use	17	11,768	11,300
Share-based compensation	9	58,710	99,035

### 37 Contingencies

The Group did not have any material contingent liabilities as of 31 March 2024 and 2023.

### 38 Dividend

No dividend has been paid or declared by the Company or the companies now comprising the Group during the years ended 31 March 2024 and 2023.

### 39 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	
	2024 RMB'000	2023 RMB'000
Property, plant and equipment	—	2,332

#### (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	
	2024 RMB'000	2023 RMB'000
Within 1 year	2,267	4,027

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 39 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	
	2024 RMB'000	2023 RMB'000
Investment accounted for using the equity method	244,075	271,035
Investment in venture capital fund	12,513	12,944
	256,588	283,979

### 40 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.

#### 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	
	2024 RMB'000	2023 RMB'000
Wages, salaries and bonuses	36,985	11,124
Pension costs — defined contribution plans	165	249
Other social security costs	90	171
Housing benefits	106	181
Share-based compensation	13,397	(270)
	50,743	11,455

### 41 Events occurring after the reporting period

There were no material subsequent events during the period from April 1, 2024 to the approval date of these consolidated financial statements by the Board on June 27, 2024.

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 42 Balance sheet and reserve movement of the Company

#### (a) Balance sheet of the Company

	<b>As at 31 March</b>	
	2024	2023
	RMB'000	RMB'000
<b>Assets</b>		
<b>Non-current assets</b>		
Investments in subsidiaries	1,047,082	975,055
Investments measured at amortized cost	—	240,510
Financial assets at fair value through profit or loss	11,890	11,634
Total non-current assets	1,058,972	1,227,199
<b>Current assets</b>		
Other financial assets at amortised cost	5,226,376	3,730,544
Investments measured at amortized cost	248,325	—
Term deposits	760,730	2,252,613
Cash and cash equivalents	572,525	91,787
Other current assets	460	542
Total current assets	6,808,416	6,075,486
<b>Total assets</b>	<b>7,867,388</b>	<b>7,302,685</b>
<b>Equity</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	135	131
Treasury shares	(4,524)	(1)
Other reserves	12,849,999	12,567,363
Accumulated deficits	(5,208,121)	(5,297,613)
<b>Total equity</b>	<b>7,637,489</b>	<b>7,269,880</b>



## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 42 Balance sheet and reserve movement of the Company (Continued)

#### (a) Balance sheet of the Company (Continued)

	As at 31 March	
	2024 RMB'000	2023 RMB'000
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	229,899	32,805
Total current liabilities	229,899	32,805
<b>Total liabilities</b>	229,899	32,805
<b>Total equity and total liabilities</b>	7,867,388	7,302,685

The balance sheet of the Company was approved by the Board of Directors on 27 June 2024 and was signed on its behalf:

**Gong Yingying**

Director

**Feng Xiaoying**

Director

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 42 Balance sheet and reserve movement of the Company (continued)

#### (b) Reserve movement of the Company

	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Other Comprehensive Income reserve RMB'000	Share premium RMB'000	Other reserves RMB'000	Total RMB'000
At 1 April 2023	363,099	646,519	—	11,536,228	21,517	12,567,363
Issuance of ordinary shares	—	—	—	—	—	—
Share-based compensation (note 31)	58,710	—	—	—	—	58,710
Exercise of option vesting	(101,470)	—	—	107,746	—	6,276
Vesting of Post-IPO Share Award Scheme	(55,605)	—	—	55,605	—	—
Currency translation differences	—	217,650	—	—	—	217,650
At 31 March 2024	264,734	864,169	—	11,699,579	21,517	12,849,999

	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Other Comprehensive Income reserve RMB'000	Share premium RMB'000	Other reserves RMB'000	Total RMB'000
At 1 April 2022	426,565	156,521	—	11,368,269	21,517	11,972,872
Issuance of ordinary shares	(2)	—	—	—	—	(2)
Share-based compensation (note 31)	99,035	—	—	—	—	99,035
Exercise of option vesting	(104,595)	—	—	110,055	—	5,460
Vesting of Post-IPO Share Award Scheme	(57,904)	—	—	57,904	—	—
Currency translation differences	—	489,998	—	—	—	489,998
At 31 March 2023	363,099	646,519	—	11,536,228	21,517	12,567,363

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 43 Benefits and interests of directors

#### (a) Directors' emoluments

The remuneration of every director and the chief executive officer for the year ended 31 March 2024 was set out below:

	Notes	Wages, salaries and bonuses RMB'000	Pension costs — defined contribution plans RMB'000	Other social security costs RMB'000	Housing benefits RMB'000	Share-based compensation expenses RMB'000	Total RMB'000
For the year ended 31 March 2024							
<b>Executive directors</b>							
Ms. Gong Yingying	(ii)	17,682	23	14	17	1,885	19,621
Mr. Xu Jiming	(iii)	11,392	66	41	48	3,956	15,503
Mr. Yan Jun	(iv)	2,998	60	35	41	3,087	6,221
Ms. Feng Xiaoying	(v)	4,273	16	—	—	3,534	7,823
Mr. Zeng Ming	(viii)	160	—	—	—	935	1,095
Mr. Ma Weiying	(ix)	160	—	—	—	—	160
Ms. Pan Rongrong	(x)	160	—	—	—	—	160
Mr. Zhang Lingqi	(xi)	160	—	—	—	—	160
		36,985	165	90	106	13,397	50,743

The remuneration of every director and the chief executive officer for the year ended 31 March 2023 was set out below:

	Notes	Wages, salaries and bonuses RMB'000	Pension costs — defined contribution plans RMB'000	Other social security costs RMB'000	Housing benefits RMB'000	Share-based compensation expenses (f) RMB'000	Total RMB'000
For the year ended 31 March 2023							
<b>Executive directors</b>							
Ms. Gong Yingying	(ii)	693	—	—	—	—	693
Mr. Xu Jiming	(iii)	497	11	6	8	724	1,246
Mr. Yan Jun	(iv)	2,681	61	37	45	(982)	1,842
Ms. Feng Xiaoying	(v)	668	3	17	—	1,028	1,716
Ms. Yang Jing	(vi)	1,321	46	28	33	(33)	1,395
Ms. Zhang Shi	(vii)	1,464	35	21	25	(4,964)	(3,419)
Mr. Zeng Ming	(viii)	160	—	—	—	1,963	2,123
Mr. Ma Weiying	(ix)	160	—	—	—	—	160
Ms. Pan Rongrong	(x)	160	—	—	—	—	160
Mr. Zhang Lingqi	(xi)	160	—	—	—	—	160
		7,964	156	109	111	(2,264)	6,076

## Notes to the Consolidated Financial Statements (Continued)

(Expressed in RMB unless otherwise indicated)

### 43 Benefits and interests of directors (continued)

#### (a) Directors' emoluments (continued)

- (i) The emoluments of these directors were paid by owners of the Group.
- (ii) Ms. Gong Yingying was appointed as a director with effect from 9 December 2014.
- (iii) Mr. Xu Jiming was appointed as a director with effect from 1 February 2023.
- (iv) Mr. Yan Jun was appointed as a director with effect from 16 August 2020.
- (v) Ms. Feng Xiaoying was appointed as a director with effect from 1 February 2023.
- (vi) Ms. Yang Jing was appointed as a director with effect from 14 August 2018 to 1 February 2023.
- (vii) Ms. Zhang Shi was appointed as a director with effect from 3 July 2020 to 1 February 2023.
- (viii) Mr. Zeng Ming was appointed as a director with effect from 25 June 2021.
- (ix) Mr. Ma Weiying was appointed as a director with effect from 15 January 2021.
- (x) Ms. Pan Rongrong was appointed as a director with effect from 15 January 2021.
- (xi) Mr. Zhang Linqi was appointed as a director with effect from 15 January 2021.

#### (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 2024 and 2023.

#### (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 2024 and 2023.

#### (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 2024 and 2023.

#### (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 2024 and 2023.

#### (f) Certain batches of shares and options granted to these directors in prior years have been forfeited due to not meeting vesting conditions. The management has accordingly reversed related share-based compensation expenses, which led to a negative figures of share-based compensation expenses for the year ended 31 March 2023.



# FINANCIAL SUMMARY

## Condensed consolidated statement of comprehensive income

	Years ended 31 March				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Revenue	807,076	804,700	1,237,200	867,036	558,083
Gross profit	339,445	274,530	399,445	327,336	146,537
Operating loss	(219,919)	(630,049)	(767,398)	(453,286)	(597,428)
Loss before income tax	(221,193)	(628,939)	(766,846)	(3,693,400)	(1,510,895)
Loss for the year	(221,242)	(632,361)	(766,360)	(3,694,817)	(1,511,428)

## Condensed consolidated balance sheet

	As at 31 March				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Non-current assets	390,124	400,086	170,612	99,749	143,557
Current assets	4,434,074	4,511,422	4,552,198	5,150,145	1,159,672
Total assets	4,824,198	4,911,508	4,722,810	5,249,894	1,303,229
Non-current liabilities	77,710	84,351	103,761	83,122	1,623,338
Current liabilities	654,495	671,006	611,583	414,584	3,406,155
Total liabilities	732,205	755,357	715,344	497,706	5,029,493
Total equity	4,091,993	4,156,151	4,007,466	4,752,188	(3,726,264)

# DEFINITIONS

<b>“Articles of Association”</b>	the articles of association of the Company
<b>“associate”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Beijing Causa Health”</b>	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
<b>“Beijing Yiyi Cloud”</b>	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
<b>“Beijing Zhongshi Hanming”</b>	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
<b>“Board”</b>	the board of Directors
<b>“China” or “PRC”</b>	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
<b>“Companies Ordinance”</b>	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
<b>“Company”, “our Company”, or “the Company”</b>	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
<b>“Consolidated Affiliated Entity(ies)”</b>	entities we control through the Contractual Arrangements, namely our Onshore Holdcos and their respective subsidiaries
<b>“Contractual Arrangement(s)”</b>	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”
<b>“Controlling Shareholder(s)”</b>	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Ms. Gong and Sweet Panda Limited
<b>“Corporate Governance Code” or “the CG Code”</b>	the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 of the Listing Rules, as amended, supplemented or otherwise modified from time to time

## Definitions (Continued)

<b>"Director(s)"</b>	the director(s) of our Company
<b>"Global Offering"</b>	the Hong Kong Public Offering and the International Offering as defined and described in the Prospectus
<b>"Group", "we" or "us"</b>	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
<b>"HK" or "Hong Kong"</b>	the Hong Kong Special Administrative Region of the People's Republic of China
<b>"IFRS"</b>	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
<b>"Latest Practicable Date"</b>	18 July 2024, being the latest practicable date prior to the printing of this annual report for ascertaining certain information contained herein
<b>"Listing"</b>	the listing of the Shares on the Main Board of the Stock Exchange
<b>"Listing Date"</b>	15 January 2021, the date on which the Shares were listed on the Stock Exchange
<b>"Listing Rules"</b>	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
<b>"Main Board"</b>	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
<b>"Model Code"</b>	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
<b>"Ms. Gong"</b>	Ms. Gong Yingying, our founder, executive Director, Chairlady and our Controlling Shareholder
<b>"Onshore Holdcos"</b>	Yidu Cloud Guizhou, Tianjin Happy Life, Beijing Causa Health and Beijing Zhongshi Hanming
<b>"Post-IPO Share Award Scheme"</b>	the post-IPO share award scheme approved and adopted by our Company on 28 December 2020 with effect from Listing and amended on 28 September 2023

## Definitions (Continued)

<b>"Post-IPO Share Option Scheme"</b>	the post-IPO share option scheme approved and adopted by our Company on 28 December 2020 with effect from Listing and terminated on 25 August 2023
<b>"PRC Legal Adviser"</b>	Han Kun Law Offices, our legal adviser on PRC law
<b>"Pre-IPO Share Option Plans"</b>	the two pre-IPO share option plans adopted by the Company on 16 March 2015 as amended from time to time
<b>"Prospectus"</b>	the prospectus of the Company dated 31 December 2020
<b>"Registered Shareholders"</b>	the registered shareholders of the Onshore Holdcos
<b>"Reporting Period"</b>	the fiscal year ended 31 March 2024
<b>"RMB"</b>	Renminbi, the lawful currency of China
<b>"SFO"</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
<b>"Share(s)"</b>	Ordinary share(s) in the share capital of our Company, currently with a par value of US\$0.00002 each
<b>"Shareholder(s)"</b>	holder(s) of the Share(s)
<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited
<b>"subsidiary" or "subsidiaries"</b>	has the meaning ascribed thereto in section 15 of the Companies Ordinance
<b>"Tianjin Causa Health Management"</b>	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
<b>"Tianjin Happy Life"</b>	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
<b>"Tianjin Joyful Life"</b>	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
<b>"Tianjin Joyful Life Health Management"</b>	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



## Definitions (Continued)

<b>“Tianjin New Happy Life”</b>	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
<b>“United States” or “U.S.”</b>	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
<b>“US\$”</b>	United States dollars, the lawful currency of the United States
<b>“WFOE(s)”</b>	Beijing Yiyi Cloud, Tianjin New Happy Life, Tianjin Causa Health Management and Tianjin Joyful Life Health Management
<b>“Yidu Cloud Beijing”</b>	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
<b>“Yidu Cloud Guizhou”</b>	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
<b>“%”</b>	per cent







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