Taimei
太美医疗科技

# 浙江太美醫療科技股份有限公司
# Zhejiang Taimei Medical Technology Co., Ltd.

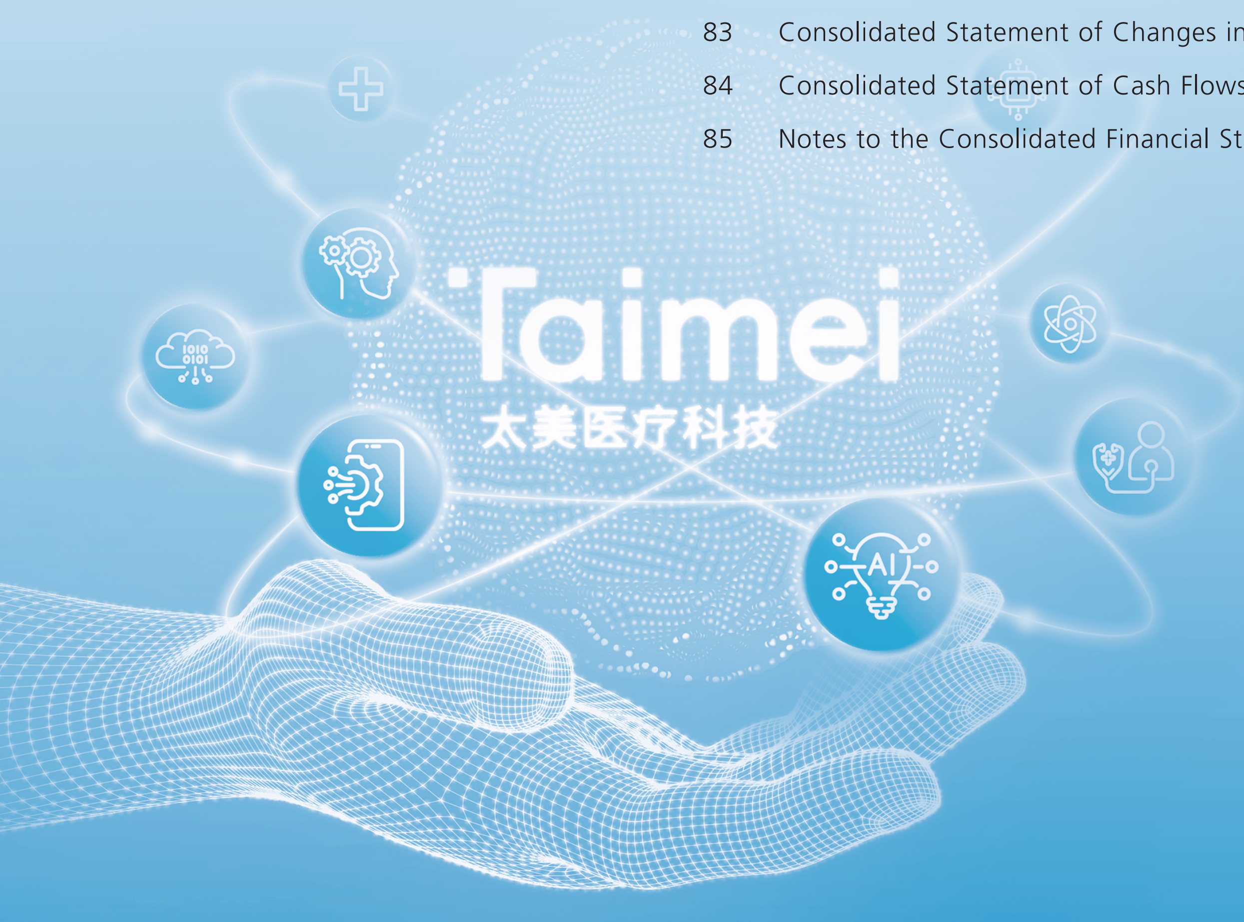
(A joint stock company incorporated in the People's Republic of China with limited liability)
（於中華人民共和國註冊成立的股份有限公司）

**Stock Code 股份代號：2576**


# 2024
## ANNUAL REPORT 年度報告

# Contents





# CORPORATION INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. ZHAO Lu (Chairman of the Board)
Mr. MA Dong
Mr. ZHANG Hongwei
Mr. LU Yiming
Mr. HUANG Yufei
Ms. NI Xiaomei

### Independent Non-Executive Directors

Dr. JIANG Xiao
Dr. LI Zhiguo
Mr. FUNG Che Wai Anthony

## AUDIT COMMITTEE

Mr. FUNG Che Wai Anthony (Chairman)
Dr. JIANG Xiao
Dr. LI Zhiguo

## REMUNERATION AND APPRAISAL COMMITTEE

Dr. LI Zhiguo (Chairman)
Mr. ZHAO Lu
Mr. FUNG Che Wai Anthony

## NOMINATION COMMITTEE

Mr. ZHAO Lu (Chairman)
Dr. JIANG Xiao
Dr. LI Zhiguo
Ms. NI Xiaomei (appointed on March 24, 2025)
Mr. FUNG Che Wai Anthony (appointed on March 24, 2025)

## SUPERVISORY COMMITTEE

Ms. DONG Xiaohan (Chairlady)
Mr. WEN Gang
Mr. CAI Xin

## AUDITOR

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

## JOINT COMPANY SECRETARIES

Ms. NI Xiaomei
Mr. POON Ping Yeung

## AUTHORISED REPRESENTATIVES

Ms. NI Xiaomei
Mr. POON Ping Yeung

## REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

3/F, Building 9
Smart Industry Innovation Park
36 Changsheng South Road, Jiaxing
Zhejiang
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19/F, Golden Centre
188 Des Voeux Road Central
Hong Kong

## H SHARE REGISTRAR

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

## PRINCIPAL BANKERS

**China Minsheng Banking Corp., Ltd.,**
**Jiaxing Sub-branch**
1818 Zuili Road
Nanhu District, Jiaxing
Zhejiang
PRC

**Bank of Hangzhou Co., Ltd.,**
**Jiaxing Sub-branch**
1/F, Yihong Building
1029 Chengnan Road
Nanhu District, Jiaxing
Zhejiang
PRC

## LEGAL ADVISER

***As to Hong Kong Laws***
O'Melveny & Myers
31/F, AIA Central
1 Connaught Road Central
Hong Kong

***As to PRC Laws***
Jingtian & Gongcheng
34/F, Tower 3, China Central Place
77 Jianguo Road
Chaoyang District
Beijing
PRC

## COMPLIANCE ADVISER

Anglo Chinese Corporate Finance, Limited
Room 4001, 40th Floor
Two Exchange Square
8 Connaught Place
Central
Hong Kong

## STOCK CODE

2576

## COMPANY WEBSITE

www.taimei.com

# DEFINITIONS

In this annual report, the following terms shall have the following meanings, except otherwise stated:

| | |
|---|---|
| "affiliate(s)" | with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person |
| "AGM" | the forthcoming 2024 annual general meeting of the Company to be held on Friday, June 13, 2025 |
| "Articles" or "Articles of Association" | the articles of association of our Company (as amended from time to time) |
| "associate(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Audit Committee" | the audit committee of our Board |
| "Board" or "Board of Directors" | the board of Directors |
| "business day" | a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong |
| "CG Code" | the Corporate Governance Code as set out in Appendix C1 to the Listing Rules |
| "China" or "PRC" | the People's Republic of China, excluding, for the purposes of this annual report, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan |
| "Companies Ordinance" | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Company" "our Company" or "Taimei Medical Technology" | Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司), a joint stock company with limited liability incorporated in the PRC, the predecessor of which was Jiaxing Taimei Medical Technology Co., Ltd. (嘉興太美醫療科技有限公司), a limited liability company established in the PRC on June 6, 2013, and if the context requires, includes its predecessor |
| "CRO" | a contract research organization, which provides professional services to pharmaceutical companies and research institutions during the drug development process through contractual agreements |
| "Director(s)" | the director(s) of our Company |
| "Domestic Share(s)" | ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for in Renminbi |

| | |
|---|---|
| "EIT" | enterprise income tax |
| "EIT Law" | the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) |
| "Global Offering" | has the meaning ascribed thereto in the Prospectus |
| "Group", "our Group", "we", "us" or "our", "Zhejiang Taimei Medical" | our Company and all of its subsidiaries, or any one of them as the context may require |
| "H Share(s)" | overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange |
| "H Share Registrar" | Computershare Hong Kong Investor Services Limited |
| "Hong Kong" or "HK" | the Hong Kong Special Administrative Region of the PRC |
| "Hong Kong dollars" or "HK$" | Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong |
| "Hong Kong Stock Exchange" or "Stock Exchange" | The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited |
| "IFRS" | IFRS Accounting Standards |
| "Independent Third Party(ies)" | any person(s) or entity(ies) who/which is not a connected person of our Company within the meaning of the Listing Rules |
| "IRC" | an independent reading center, which provides unbiased reviewing and analysis of clinical trial imaging data for accuracy and consistency |
| "Listing" | the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange |
| "Listing Date" | October 8, 2024, on which the H Shares were first listed and dealings in the H Shares first commenced on the Stock Exchange |
| "Listing Rules" or "Hong Kong Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time) |
| "Main Board" | the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange |
| "Model Code" | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |

# DEFINITIONS

| | |
|---|---|
| "Nomination Committee" | the nomination committee of our Board |
| "PRC Company Law" | the Company Law of the People's Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time |
| "Prospectus" | the prospectus issued by the Company and published on the websites of the Company and the Stock Exchange on September 27, 2024 |
| "Remuneration and Appraisal Committee" | the remuneration and appraisal committee of our Board |
| "Renminbi" or "RMB" | Renminbi, the lawful currency of the PRC |
| "Reporting Period" | year ended December 31, 2024 |
| "Ruansu Enterprise Management" | Xinyu Ruansu Enterprise Management Partnership (Limited Partnership) (新餘軟素企業管理合夥企業(有限合夥)) (formerly known as Shanghai Ruansu Enterprise Management Partnership (Limited Partnership) (上海軟素企業管理合夥企業(有限合夥))) |
| "R&D" | research and development |
| "SaaS" | software-as-a-service |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Shanghai Kunrui" | Shanghai Kunrui Enterprise Management Partnership (Limited Partnership) (上海昆鋭企業管理合夥企業(有限合夥)) (formerly known as Shanghai Kunrui Investment Management Partnership (Limited Partnership) (上海昆鋭投資管理合夥企業(有限合夥))) |
| "Shanghai Shengfang" | Elixir (Shanghai) Clinical Research Co., Ltd. (聖方(上海)醫藥研發有限公司) |
| "Shanghai Xiaoju" | Shanghai Xiaoju Enterprise Management Partnership (Limited Partnership) (上海小橘企業管理合夥企業(有限合夥)) (formerly known as Shanghai Xiaoju Investment Management Partnership (Limited Partnership) (上海小橘投資管理合夥企業(有限合夥))) |
| "Share(s)" | ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both Domestic Shares and H Shares |
| "Shareholder(s)" | holder(s) of our Share(s) |

| | |
|---|---|
| "SMO" | a site management organization, which is a commercial entity that assists clinical trial sites in conducting specific operational tasks for clinical trial |
| "subsidiary(ies)" | has the meaning ascribed thereto under the Listing Rules |
| "substantial shareholder(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Supervisor(s)" | member(s) of our Supervisory Committee |
| "Supervisory Committee" | the supervisory committee of our Company |
| "Taimei Digital Technology" | Shanghai Taimei Digital Technology Co., Ltd. (上海太美數字科技有限公司) (formerly known as Shanghai Taimei Hongsheng Intelligent Technology Limited (上海太美弘聖智能科技有限公司)) |
| "Taimei International" | Shanghai Taimei International Consulting Co., Ltd. (上海太美星際企業諮詢有限公司) |
| "Taimei Xingcheng" | Hangzhou Taimei Xingcheng Pharmaceutical Technology Co., Ltd. (杭州太美星程醫藥科技有限公司) |
| "Taimei Xinghuan" | Shanghai Taimei Xinghuan Digital Technology Co., Ltd. (上海太美星環數字科技有限公司) (formerly known as Shanghai Softium Technology Ltd. (上海軟素科技有限公司) and Shanghai Softium Technology Co., Ltd. (上海軟素科技股份有限公司)) |
| "Taimei Xingyun" | Shanghai Taimei Xingyun Digital Technology Co., Ltd. (上海太美星雲數字科技有限公司) (formerly known as Shanghai Yikai Intelligent Technology Co., Ltd. (上海億鐦智能科技有限公司)) |
| "United States" or "U.S." | the United States of America, its territories, its possessions and all areas subject to its jurisdiction |
| "U.S. dollars", "US$" or "USD" | United States dollars, the lawful currency of the United States |
| "Xinyu Haolin" | Xinyu Haolin Enterprise Management Partnership (Limited Partnership) (新餘浩霖企業管理合夥企業(有限合夥)) (formerly known as Jiaxing Haolin Enterprise Management Partnership (Limited Partnership) (嘉興浩霖企業管理合夥企業(有限合夥))) |
| "Xinyu Nuoming" | Xinyu Taimei Nuoming Enterprise Management Partnership (Limited Partnership) (新餘太美諾銘企業管理合夥企業(有限合夥)) |
| "Xinyu Qiwushi" | Xinyu Qiwushi Medical Technology Partnership (Limited Partnership) (新餘七武士醫療科技合夥企業(有限合夥)) (formerly known as Jiaxing Qiwushi Medical Technology Partnership (Limited Partnership) (嘉興七武士醫療科技合夥企業(有限合夥)) |

# DEFINITIONS

| | |
|---|---|
| "Xinyu Shenkong" | Xinyu Shenkong Enterprise Management Partnership (Limited Partnership) (新餘深空企業管理合夥企業(有限合夥)) |
| "Xinyu Xingmeng" | Xinyu Taimei Xingmeng Enterprise Management Partnership (Limited Partnership) (新餘太美星盟企業管理合夥企業(有限合夥)) |
| "Zhoushan Yijin" | Zhoushan Yijin Investment Management Partnership (Limited Partnership) (舟山憶瑾投資管理合夥企業(有限合夥)) (formerly known as Jiaxing Yijin Enterprise Management Consulting Partnership (Limited Partnership) (嘉興憶瑾企業管理諮詢合夥企業(有限合夥))) |
| "%" | per cent |

*Note:* The English translation of Chinese names of entities included in this annual report is prepared for identification purpose only.

# FINANCIAL HIGHLIGHTS

## PRINCIPAL FINANCIAL DATA AND INDICATORS

| | For the year ended December 31, | | | |
|---|---|---|---|---|
| | **2024** | 2023 | 2022 | 2021 |
| | ***RMB'000*** | *RMB'000* | *RMB'000* | *RMB'000* |
| Revenue | **551,156** | 573,137 | 549,215 | 466,181 |
| Gross Profit | **224,943** | 179,002 | 185,401 | 164,333 |
| Loss before income tax | **(217,405)** | (356,364) | (422,581) | (479,605) |
| Loss for the year | **(217,405)** | (356,379) | (422,581) | (479,611) |
| Loss attributable to: | | | | |
| Owners of the Company for the year | **(214,609)** | (346,778) | (412,907) | (479,611) |
| Non-controlling interests | **(2,796)** | (9,601) | (9,674) | – |

| | As at December 31, | | | |
|---|---|---|---|---|
| | **2024** | 2023 | 2022 | 2021 |
| | ***RMB'000*** | *RMB'000* | *RMB'000* | *RMB'000* |
| Total assets | **1,583,197** | 1,444,672 | 1,825,301 | 1,804,770 |
| Total liabilities | **348,624** | 402,559 | 441,967 | 393,747 |
| Total equity | **1,234,573** | 1,042,113 | 1,383,334 | 1,411,023 |
| Equity attributable to: | | | | |
| Owners of the Company | **1,157,810** | 978,327 | 1,309,937 | 1,411,023 |
| Non-controlling interests | **76,763** | 63,786 | 73,397 | – |

*Note:* The H Shares of the Company were listed on the Main Board of the Stock Exchange on October 8, 2024.

# CHAIRMAN'S STATEMENT

Dear Shareholders,

Greetings! On behalf of all employees of Taimei Medical Technology, I would like to extend my sincere regards and heartfelt appreciation to you. We are deeply grateful for your enduring trust and unwavering support, which have empowered us to navigate the complexities of a rapidly evolving environment with confidence and determination. I am pleased to present to you our annual report for 2024, and to share with you the milestones we have achieved over the past year as well as our outlook for the future.

In 2024, the global pharmaceutical industry accelerated its transformation amid ongoing structural changes, with innovative drugs witnessing major breakthroughs. A number of innovative drugs were approved for market launch globally, offering new hope to patients. In China, revenue from innovative drugs also reached a historic milestone, with various companies surpassing the RMB10 billion threshold. Policy support remained strong, ranging from the optimisation of review and approval procedures to the improvement of the medical insurance reimbursement system, laying a solid foundation for the development of innovative drugs in China. Meanwhile, the rapidly advancing AI technology has injected new momentum into the pharmaceutical industry, with the AI application deepening in innovative drug research and development, clinical trials, and commercialisation, and has emerged as a core competitive advantage in the healthcare sector and driving the intelligent upgrade of the industry.

Amidst such a backdrop, Taimei Medical Technology has aligned itself with the trend and clarified its development strategy of "focusing on core business operations, core products and core customers", successfully seizing development opportunities. In 2024, we successfully listed on the Main Board of the Hong Kong Stock Exchange, ushering in a new chapter. Over the past year, we have made significant progress in areas such as "business expansion, technological innovation and strategic marketing positioning", laying a solid foundation for the Company's long-term development.

In 2024, Taimei Medical Technology achieved total revenue of RMB551 million, representing a slight decrease as compared to 2023. In particular, our revenue from cloud-based software products amounted to RMB209 million, representing a year-on-year growth of 3.6%, and revenue from digital services amounted to RMB342 million, representing a year-on-year decline of 7.4%, primarily attributable to a reduction in the scale adjustment of low-margin business operations. By focusing on its core competitive products and committed to improving internal operational efficiency and profitability, the Company achieved an improvement in gross margin, which increased from 31.2% to 40.8%, representing an increase of 9.6 percentage points, while net loss decreased from RMB356 million to RMB217 million, representing a year-on-year decrease of 39.0%. Excluding listing expenses related to the Global Offering and equity-based payments, the adjusted net loss amounted to RMB57.26 million, representing a year-on-year decrease of 81.9%. The notable improvement in gross margin and the significant reduction in net loss underscore the success of the Company's strategy to "focus on core businesses, core products, and core customers". These efforts have laid a strong foundation for enhancing the Company's competitive edge and accelerating its path toward profitability.

# CHAIRMAN'S STATEMENT

As a digital intelligence platform for life sciences, Taimei Medical Technology remains committed to providing one-stop digital and intelligent solutions for the pharmaceutical and medical device industry, covering critical areas such as pharmaceutical research and development, pharmacovigilance, and pharmaceutical commercialization. In 2024, the Company continued to enhance its suite of professional software products and successfully launched the "Trials Intelligent Clinical Research Collaboration Platform" and the "Wujie Enterprise-Medical Academic Interaction Platform", which fosters connections among various industry participants, including pharmaceutical companies, hospitals (research centers), third-party service providers (including CRO, SMO, etc.), doctors, and patients, etc. Integrated with advanced technologies such as AI and cloud computing, the platforms enable standardized and unified data flow, process collaboration, and resource integration, and significantly improve the overall efficiency of pharmaceutical R&D and post-launch commercial performance, thereby enhancing multilateral values and mutual success. In 2024, our core product, the "Trials Intelligent Clinical Research Collaboration Platform", was recognized as one of the Zhejiang Provincial Outstanding Cases in Digital Economy Development, demonstrating our industry-leading position in digital transformation. Meanwhile, the "Wujie Enterprise-Medical Academic Interaction Platform" empowered our customers to achieve efficient marketing outcomes. We have served over 1,400 pharmaceutical companies and CROs, including 21 out of the top 25 global pharmaceutical companies and 90 companies listed in the "2024 Top 100 Chinese Pharmaceutical Innovative Enterprises", thereby further solidifying our position as a leading digital solution provider in the PRC.

Looking ahead to 2025, we will continue to strive toward our three major goals of "platformization, intelligentization, and internationalization." In terms of technological innovation, we will continue to increase investments in our research and development activities, as part of our active efforts to explore the application and empowerment of AI technology within our existing platforms. The Company will launch the clinical research AI intelligent platform, "Literary Intelligence (文思智能)". The words "Literary Intelligence" refer to the capability of AI technology to deeply analyze clinical research data (being "literature") and make intelligent decisions (being "intelligence"), which covers the entire chain of cognition, reasoning, and optimization, thus implying that "literature creates data values and thinking will drive innovation". Through high-quality vertical data training of clinical research and real-time feedback optimization mechanisms, we will provide end-to-end AI solutions from intelligent scheme design, proactive risk forecast, autonomous data management, intelligent documentation, to intelligent clinical operations. "Literary Intelligence" aims to become the "intelligent empowerment platform for clinical research "by reconstructing the intelligent paradigm of clinical trial design, execution, and analysis through generative AI and dynamic learning algorithms, empowering pharmaceutical companies, CROs, and researchers to achieve higher standards, faster speeds, and more precise and applicable intelligent research and development. "Literary Intelligence" will significantly reduce research and development costs and increase research efficiency for pharmaceutical companies, CROs, and researchers, driving clinical research and development into the AI era. Furthermore, the Company will continue to update and expand its product and service offerings, build closer cooperative ecosystems with customers, accelerate international expansion, and strategize the global positioning of our products and services.

# CHAIRMAN'S STATEMENT

We are fully aware that every phase of our growth depends on the support and trust of our shareholders. Looking ahead, we will continue to plow resources into our core business, optimize our products and services, and consolidate our customer relationships. While actively exploring strategic investment and cooperation opportunities, we will strive to enhance the value of the Company to create more returns for our shareholders. In addition to proactively fulfilling our social responsibilities, we will promote the digital and intelligent transformation of the pharmaceutical industry, making contribution to the public health and wellbeing.

In this accelerating era of intelligence, dear shareholders, the deep integration of AI into healthcare will create infinite possibilities. With years of accumulated data, technology, and industry insight, Taimei Medical Technology remains confident in its future. In this AI-driven age replete with opportunities, we are well positioned to thrive and unleash the power of digital intelligence to make healthcare truly accessible. Last, we once again express our sincere appreciation for your continued support and trust, and we look forward to working hand in hand with you to build a brighter future together.

**ZHAO Lu**
*Chairman of the Board of*
Zhejiang Taimei Medical Technology Co., Ltd.
April 23, 2025

# MANAGEMENT DISCUSSION AND ANALYSIS

## (I) BUSINESS OVERVIEW

The Company, as a digital intelligence platform for life sciences, is engaged in business operations across areas such as pharmaceutical research and development, pharmacovigilance, and pharmaceutical commercialization. Besides our independent and complete line of professional software products, the Company has innovatively developed the "Trials Intelligent Clinical Research Collaboration Platform" and the "Wujie Enterprise-Medical Academic Interaction Platform", which fosters connections among various industry participants, including pharmaceutical companies, hospitals (research centers), third-party service providers (including CRO, SMO, etc.), doctors, and patients, etc. Integrated with advanced technologies such as AI and cloud computing, the platforms enable standardized and unified data flow, process collaboration, and resource integration, and significantly improve the overall efficiency of pharmaceutical R&D and post-launch commercial performance, thereby enhancing multilateral values and mutual success. On our mission of "Unleashing the digitalization potential for ready health accessibility", the Company is building the infrastructure for the future operations of the pharmaceutical industry, which will accelerate the market entry of new drugs, ensure drug safety for patients, make high-quality drugs easily accessible, and reduce patients' medical burden.

In 2024, the Company launched a comprehensive upgrade of its digital intelligence platform, as integrated platforms gradually become a new demand in the digital transformation of the pharmaceutical industry. Our digitalized R&D and commercialization platforms are also undergoing a full upgrade, transitioning from TrialOS and PharmaOS to Trials and Wujie. The upgraded "Trials Intelligent Clinical Research Collaboration Platform" was selected by the Zhejiang Provincial Department of Economy and Information Technology as one of the 2024 Zhejiang Provincial Outstanding Cases in Digital Economy Development. As the Wujie Platform has officially released its enterprise-end and doctor-end products, all related features will be progressively rolled out. Concurrently, we are assisting pharmaceutical companies in building their own digital integration platforms. In 2024, we successfully completed the first phase of Client A's Clinical Operations Integrated Platform, which achieves the integration and intelligent analysis of clinical operations management workflows, document flows, and data flows to enhance the efficiency of its clinical trial management.

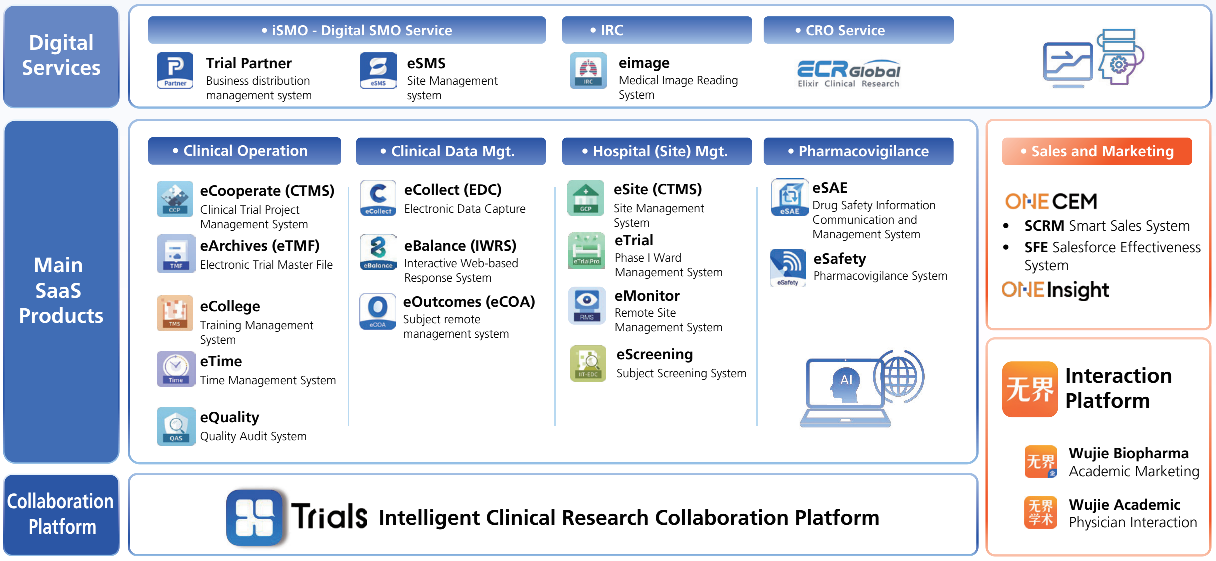
In 2024, the Company focused on its core competitive products and committed to improving internal operational efficiency and profitability. In 2024, our overall business remained stable, with a significant increase in gross profit margin and a substantial decrease in both the net loss and the adjusted net loss compared to last year. In 2024, the Group's total revenue amounted to RMB551.2 million, with a gross profit margin of 40.8%, representing an increase of 9.6 percentage points as compared to 31.2% in 2023, which is a significant improvement in gross profit margin. Our loss for the year decreased from RMB356.4 million in 2023 to RMB217.4 million in 2024, representing a year-on-year decrease of 39.0% in loss. Excluding listing expenses related to the Global Offering in 2024 and equity-based payments, the adjusted net loss amounted to RMB57.3 million, representing a year-on-year decrease of 81.9%.

In March 2024, Taimei Medical Technology published its AI technology application case in clinical trial collection and analysis in Nature, a renowned international academic journal.

As at December 31, 2024, we provided services to over 1,400 pharmaceutical companies and CROs, including 21 out of the top 25 global pharmaceutical companies and 90 companies listed in the "2024 Top 100 Chinese Pharmaceutical Innovative Enterprises". In terms of number of customers, we have become the most widely adopted digital solution provider for pharmaceutical and medical device R&D and commercialization in China.

## Our Industry Solutions

Our solutions for the pharmaceutical and medical device industry consist of cloud-based software, including SaaS products and customized products, and digital services. Our SaaS products and digital services are primarily offered through digital collaboration platforms, including "Trials Intelligent Clinical Research Collaboration Platform" and the "Wujie Enterprise-Medical Academic Interaction Platform", while our customized products are mainly hosted on a private cloud, in-house infrastructure, rather than through "Trials Intelligent Clinical Research Collaboration Platform" and the "Wujie Enterprise-Medical Academic Interaction Platform". The following diagram illustrates our main products and services:




## Digital Collaboration Platforms

Our industry solutions is based on the digital collaboration platform for pharmaceutical and medical device research and development, the "Trials Intelligent Clinical Research Collaboration Platform", and the digital collaboration platform for pharmaceutical and medical device commercialization, the "Wujie Enterprise-Medical Academic Interaction Platform". Staff from pharmaceutical companies, hospitals, CROs/SMOs and other relevant parties can easily manage and use our cloud-based software products and digital services through a unified landing page on the platforms, access the latest information and collaborate online. The underlying technology of our platforms breaks the boundaries between organizations and supports data interoperability among different software products and digital services, enabling efficient R&D and commercialization of innovative drugs and medical devices. The "Trials Intelligent Clinical Research Collaboration Platform", with its new client-side interface and conversation-based interaction, will deliver a more intuitive user experience and facilitate rapid collaboration, further breaking down artificial barriers between different software and services, orienting itself towards users' needs for external collaboration and process management. The "Wujie Enterprise-Medical Academic Interaction Platform" is expected to achieve easier, more efficient, direct and compliant interaction between pharmaceutical companies and physicians by integrating online channels.

### Cloud-based Software

Based on our digital collaboration platforms, we have built a series of software for different types of organizations and roles and covering critical use cases in pharmaceutical and medical device R&D and commercialization. For instance, our software facilitates the planning, tracking and monitoring of site and trial-related activities, and streamlines the management and filing of clinical research documents. Our software can also be used for patient recruitment, patient follow-up, data collection and analysis, as well as sales relationship management, to address the challenges faced by industry participants and improve workflow efficiency. The software that we offer are hosted by a cloud service provider and offered to customers via cloud service, instead of running locally on our customers' devices with no network connection. We offer our SaaS products through the "Trials Intelligent Clinical Research Collaboration Platform" or the "Wujie Enterprise-Medical Academic Interaction Platform", which leverage public cloud service to deliver our SaaS products via the internet across organizations. We also deliver our customized products primarily via private cloud service, which reside on a single organization's in-house infrastructure instead of utilizing the "Trials Intelligent Clinical Research Collaboration Platform" or the "Wujie Enterprise-Medical Academic Interaction Platform".

For our cloud-based software, we generally recognize the revenue over the contract term since our delivery of products and in accordance with our customers' consumption of products or at a point of time when such product is delivered to and accepted by our customers. During the Track Record Period, the majority of our revenue from cloud-based software was derived from SaaS products.

In 2024, 37.9% of our revenue was generated from the sales of our cloud-based software. For our SaaS products, generally, we recognize the revenue over the contract term since our delivery of products and in accordance with our customers' consumption of products.

### Digital Services

Based on our understanding of the industry and to better cater to the demands of different types of customers, we also provide our customers with a range of digital services, primarily assisting IRC, achieving efficient SMO resource distribution and execution, offering pharmacovigilance services and other services to support our customers' R&D and commercialization activities. These digital services are based on our digital collaboration platforms and linked with SaaS products to enable online operation, monitoring and management for improved efficiency and quality. By offering digital services, we further accumulate industry knowledge and insights, which helps enhance our capability to optimize our platforms and software products.

By choosing our digital services, our customers can leverage our service personnel who are well-versed in our software to fulfill their needs with consistent quality and no additional staff overhead. Our IRC service primarily helps pharmaceutical and medical device companies conduct independent reading of medical images. In the meantime, our digital clinical research services include digital SMO business management, which offers integrated service related to training, management, and supervision of SMO service delivery, pharmacovigilance service, and also digital clinical trial services, which enable digitally decomposing and streamlining operations of clinical research for quality, transparency, and efficiency, and realize real-time risk alerts and achieves digital project management. These digital services typically integrate the capabilities of our corresponding cloud-based software and platforms, and therefore our customers would typically also be paid users of the corresponding cloud-based software, though our customers can also use some of our digital services without becoming paid users of our cloud-based software. For example, per customer request, the Company occasionally delivered pharmacovigilance service without leveraging our software.

In 2024, 62.1% of our revenue was generated from the provision of digital services. For our digital services, we recognize revenue over contract term since our delivery of services and in accordance with the progress of our service obligation performance.

## (II) BUSINESS OUTLOOK AND PROSPECTS

Driven by both the accelerating AI technology evolution and the industrial digital transformation, the Company is standing at the cusp of new transformation and intelligent upgrading. To achieve the vision of "Unleashing the digitalization potential for ready health accessibility" based on our artificial intelligence strategy, the Company strive to create new growth momentum by mainly taking the following key measures in the future:

### Launch an intelligent platform for clinical research

The platform is expected to have the following features:

1. The platform emphasizes AI genetics, covering the entire chain from cognition to reasoning and optimization, achieving self-evolution in clinical research; 2. The platform deeply integrates dynamic learning algorithms (i.e. DLA model), multimodal data fusion technology, and full-process automated decision-making engines, aiming to reconstruct the intelligent paradigm for clinical trial design, execution, and analysis; 3. The platform utilizes research full-chain data as the core driving force, providing end-to-end AI solutions from intelligent scheme design, proactive risk forecast, autonomous data management to adaptive statistical analysis, based on training data of over 4,000 historical trials and real-time feedback optimization mechanisms; 4. By integrating with the Trials platform of Taimei Medical Technology and upgrading the platform to the iTrial intelligent system, "Literary Intelligence" will realize the closed loop of "perception-decision-execution-evolution" in clinical research, becoming the world's first clinical research dedicated AI engine with cross-disease migration learning and self-optimization capabilities, empowering pharmaceutical companies, CROs, and researchers to reduce R&D costs by 30%, increase trial efficiency by 50%, driving the transition of new drug development from "experience-driven" to "wisdom-driven co-creation".

### Continue to update and expand our products and services

We will leverage industry insights and digital technology to standardize more clinical services and enrich our product portfolio in the pharmaceutical and medical device R&D and commercialization areas. We offer comprehensive one-stop solutions, catering to companies of all sizes to meet their diverse needs in the pharmaceutical and medical device industry. We expect to expand our products and services, including incorporating global project operations, risk management, medical writing, and knowledge accumulation and application, to provide a better user experience.

Drawing on our expertise in data security and compliance, we will adopt advanced technologies such as multi-cloud deployment and containerization technology, as well as cloud computing security measures, to improve our offerings. These initiatives will adapt our products to the ever-evolving IT infrastructure of global pharmaceutical and medical device companies, enabling us to provide secure and compliant solutions to meet developing industry needs.

### Expand customer base and build a cooperative ecosystem with clients

We will refine our direct sales model and promotion strategies to broaden our customer base. Leveraging our established brand reputation, we will implement targeted marketing strategies to reach a wider pool of high-quality potential customers. Our targeted marketing initiatives will be tailored to address the specific needs of potential clients, showcasing the value our solutions bring to their unique challenges to ensure a more effective outreach.

We believe that our ability to attract new customers ultimately rests on our capacity to deliver high-quality software and digital services. Our comprehensive product portfolio empowers us to showcase how our offerings streamline operations, heighten efficiency, and deliver exceptional outcomes. By swiftly addressing industry pain points and meeting underserved needs, we will continue to optimize our products (including AI evolution driven by customer needs, where we refine high-frequency requirements from customers' work order systems to rapidly generate AI solution models; and customers' collaborative development modes, where we jointly establish AI laboratories in the vertical sector with top biopharmaceutical companies, sharing intellectual property rights) to align with customer demands, solidifying our role as a trusted partner in their digital transformation journey.

At the same time, the Company intends to expand its customer base and build a cooperative ecosystem with customers. In this regard, the Company is extensively engaged with leading biopharmaceutical enterprises, serving 21 out of the world's top 25 pharmaceutical companies. We have supported a total of 40 NDA/BLA application projects in China, with our AI training dataset covering the entire lifecycle of new drugs. The high customer contract renewal rate ensures continuous data feedback, with an annual increase of over 200 new trial datasets, driving the quarterly iteration and upgrade of our DLA model.

### Expand internationally and foster global collaboration

As Chinese pharmaceutical companies increasingly seek global expansion amid domestic industry growth and R&D advancements, we plan to provide global digital transformation solutions to assist both domestic and international teams in operating efficiently. Through these efforts, we aim to address our customers' digitalization needs for global multi-center clinical research, positioning ourselves as a one-stop digital service platform for Chinese pharmaceutical and medical device companies venturing into the international market.

To capitalize on the global momentum in pharmaceutical and medical device digitalization, we plan to develop international commercialization strategies tailored to overseas markets. Leveraging our early-mover advantage and technological capabilities, we will facilitate the construction of a global interconnected platform and offer advanced digital solutions to international pharmaceutical companies, thereby fostering global pharmaceutical and medical device innovation.

## (III) FINANCIAL REVIEW

### Revenue

| | Year Ended December 31, | | | | Year-on-year change |
|---|---|---|---|---|---|
| | 2024 | | 2023 | | |
| | RMB'000 | % of Revenue | RMB'000 | % of Revenue | (%) |
| **Cloud-based Software** | | | | | |
| – SaaS products | 161,926 | 29.4 | 155,740 | 27.2 | 4.0 |
| – Customized products | 46,685 | 8.5 | 45,613 | 8.0 | 2.4 |
| Subtotal | 208,611 | 37.9 | 201,353 | 35.2 | 3.6 |
| **Digital Services** | 342,512 | 62.1 | 369,931 | 64.5 | (7.4) |
| **Others** | 33 | 0.0 | 1,853 | 0.3 | (98.2) |
| **Total** | 551,156 | 100.0 | 573,137 | 100.0 | (3.8) |

We primarily derive our revenue from (i) the sales of our cloud-based software, including SaaS products and customized products, as well as relevant technical support; and (ii) provision of digital services, primarily including digital clinical research services and IRC services.

Our revenue decreased by 3.8% from RMB573.1 million in 2023 to RMB551.2 million in 2024, which was the combined result of the decline of digital services and increase in cloud-based software.

*Cloud-based Software:* Our revenue from sales of cloud-based software increased by 3.6% from RMB201.4 million in 2023 to RMB208.6 million in 2024, which was primarily attributable to the increase in sales of the SaaS products from RMB155.7 million in 2023 to RMB161.9 million in 2024. The growth was attributed to our continuous product updates, strengthened cross-selling efforts, and a focused strategy on key customers. The revenue from customers using two or more SaaS products increased by 5.0% from RMB1.2 million to RMB1.3 million.

*Digital services:* Our revenue from digital services decreased by 7.4% from RMB369.9 million in 2023 to RMB342.5 million in 2024, mainly due to the intensified market competition, leading to lower average service price in 2024.

### Cost of sales

Our cost of sales decreased by 17.2% from RMB394.1 million in 2023 to RMB326.2 million in 2024, primarily attributable to the optimization and adjustment of the product structure, the streamlining of operating procedures, and the improvement of labor efficiency.

### Gross profit and gross margin

Our gross profit increased by 25.7% from RMB179.0 million in 2023 to RMB224.9 million in 2024. Our gross profit margin increased from 31.2% in 2023 to 40.8% in 2024, primarily due to our effective cost reduction strategy, which included the optimization and adjustment of the product structure, the streamlining of operating procedures, and the improvement to labor efficiency.

### Selling expenses

Our selling expenses decreased by 41.7% from RMB150.2 million in 2023 to RMB87.6 million in 2024, primarily due to sales strategies with enhanced efficiency and streamlining personnel structure.

### Administrative expenses

Our administrative expenses increased from RMB268.9 million in 2023 to RMB321.4 million in 2024, primarily due to a significant increase of RMB111.3 million in our share-based payments primarily related to the acquisition of certain indirect equity interests in a subsidiary of the Company, Taimei Intelligence Pharmaceutical (Shanghai) R&D Co., Ltd. ("太美智研醫藥研發(上海)有限公司", formerly named "聖方(上海)醫藥研發有限公司"), by certain Shareholders in January 2024. Such increase was partially offset by a decrease of RMB59.2 million in staff costs due to our efforts in optimizing management efficiency and streamlining personnel structure.

### Research and development expenses

Our research and development expenses decreased by 48.5% from RMB169.2 million in 2023 to RMB87.1 million in 2024, primarily due to our optimizing R&D efficiency and streamlining personnel structure.

### Net impairment losses on financial and contract assets

We recorded net impairment losses on financial and contract assets of RMB8.4 million in 2023 and RMB3.6 million in 2024. Such change was primarily due to a decrease in contract assets as we completed certain projects.

### Net impairment losses on intangible assets

We recorded net impairment losses on intangible assets of RMB9.8 million in 2024, compared to RMB9.6 million in 2023 due to the impairment of the goodwill arising from the acquisitions of Shanghai Taimei Xinghuan Digital Technology Co., Ltd. ("上海太美星環數字科技有限公司", formerly named "上海軟素科技股份有限公司"), which is a wholly-owned subsidiary of the Company.

### Other income

Our other income decreased from RMB19.4 million in 2023 to RMB18.0 million in 2024, primarily due to the decrease of RMB2.0 million in additional deductible input VAT.

### Other gains – net

Our net other gains increased from RMB11.3 million in 2023 to RMB14.0 million in 2024. This change was primarily due to (i) an increase of RMB8.9 million in net foreign exchange gains, resulting from the fluctuations in the US$ to RMB exchange rate, (ii) partially offset by a provision for an outstanding litigation of RMB4.3 million and a decrease of RMB2.3 million in fair value gains on financial assets at fair value through profit or loss.

### Finance income – net

Our net finance income decreased from RMB40.2 million in 2023 to RMB35.0 million in 2024 primarily due to a decrease of RMB5.9 million in interest income.

### Loss for the year

As a result of the above, we recorded loss for the year of RMB217.4 million in 2024, compared to a loss for the year of RMB356.4 million in 2023.

### Adjusted net loss (non-IFRS measure)

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss as an additional non-IFRS measure, which is not required by, or presented in accordance with, IFRS.

We define adjusted net loss (a non-IFRS measure) as the loss for the year adjusted by adding back share-based payments and listing expenses. We believe the presentation of this non-IFRS measure provides useful information to investors and management in facilitating a comparison of our operating performance from year to year by eliminating potential impacts of these items. However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, an analysis of our results of operations or financial condition as reported under IFRS.

The tables below set forth the reconciliation of our non-IFRS measure presented in accordance with IFRS for the year ended December 31, 2024 indicated:

| | **Year Ended December 31,** | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Loss for the year | **(217,405)** | (356,379) |
| Adjustment: | | |
| Share-based payments | **129,419** | 13,292 |
| – Share-based payments to employees | **36,583** | 13,292 |
| – Share-based compensation to certain shareholders | **92,836** | – |
| Listing expenses | **30,726** | 26,021 |
| – Listing expenses in connection with previous listing preparation | **–** | 12,016 |
| – Listing expenses in connection with the Global Offering | **30,726** | 14,005 |
| Adjusted net loss for the year (a non-IFRS measure) | **(57,260)** | (317,066) |

### Liquidity and capital resource

Our principal use of cash in 2024 was for working capital purposes. Our main source of liquidity has been generated from proceeds from our business operations, the net proceeds from the Global Offering, and bank borrowings. We do not anticipate any changes to the availability of financing to fund our operations in the future.

As at December 31, 2024, the Group had net current assets of RMB1,184.5 million (December 31, 2023: RMB968.3 million) of which cash and cash equivalents, short-term bank deposits, short-term treasury investments, and restricted cash were RMB319.3 million, RMB599.9 million, RMB159.4 million and RMB5.1 million (December 31, 2023: RMB517.9 million, RMB269.2 million, nil and RMB1.5 million), respectively. Total bank borrowing was RMB10.0 million (December 31, 2023: nil) which is repayable within one year.

As at December 31, 2024, the Group's current ratio(1) was 5.05 (December 31, 2023: 3.71) and gearing ratio(2) was 22.0% (December 31, 2023: 27.9%). The Group has sufficient cash to meet its working capital requirements. This strong cash position enables the Group to explore potential business development opportunities to expand in China and overseas.

*Notes:*

(1) Current ratio equals current assets divided by current liabilities as at the same date.

(2) Gearing ratio equals total liabilities divided by total assets and multiplied by 100% as at the same date.

### Pledge of assets

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

### Exchange rate fluctuation risk

During the year ended December 31, 2024, the Group mainly operated in China with most of the transactions settled in Renminbi. The functional currency of the Company and the subsidiaries that operate in the PRC, and the subsidiaries operate in the United States and Singapore are Renminbi, U.S. dollar and Singapore dollar, respectively. For the year ended December 31, 2024, we had currency translation losses of RMB4.3 million (2023: gains of RMB1.9 million) and net foreign exchange gains of RMB17.5 million (2023: gains of RMB8.6 million).

We did not hedge against any fluctuation in foreign currency during the year ended December 31, 2024.

### Future Plan for Material Investment and Capital Assets

The Group does not have any other plans for material investments and capital assets for the Reporting Period and up to the date of this report.

### Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures during the Reporting Period

The Group did not hold or make any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

### Contingent liabilities

As at December 31, 2024, we did not have any material contingent liabilities.

### Capital commitment

As at December 31, 2024, we did not have any material capital commitments.

### Off-balance sheet commitments and arrangements

As at December 31, 2024, we had not entered into any off-balance sheet transactions.

### Employees and remuneration

As at December 31, 2024, we had 627 full-time employees, of whom 619 were based in China, 4 were based in the United States and 4 were based in Singapore. The table below sets forth a breakdown of our full-time employees by function as at December 31, 2024:

| Function | Number of Employees | % of Total |
|---|---|---|
| R&D | 131 | 20.9 |
| Sales and Marketing | 85 | 13.5 |
| Administrative | 87 | 13.9 |
| Professional and Technical Personnel | 324 | 51.7 |
| **Total** | 627 | 100.0 |

Our total remuneration cost for the year ended December 31, 2024, was RMB363.9 million (2023: RMB595.2 million).

# BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of the Directors, Supervisors and senior management are set out as follows:

## EXECUTIVE DIRECTORS

**Mr. ZHAO Lu (趙璐)**, aged 46, is the chairman of our Board and an executive Director. Mr. Zhao has joined our Group since January 2016 as the general manager and has served as a Director since December 2016. He was redesignated as an executive Director on September 21, 2023. Due to work re-arrangement, Mr Zhao ceased to be our general manager with effect from February 11, 2025, details of which are set out in the announcement of the Company dated February 11, 2025. Mr. Zhao is also currently an executive director of Taimei Xingyun, the chairman of the board of directors of Taimei Xinghuan, the chairman of the board of directors of Shanghai Shengfang, an executive director of Taimei Xingcheng and an executive director and the general manager of Taimei Xinghui. He is primarily responsible for strategic planning, execution, operation and overall management of our Group.

Mr. Zhao has more than 23 years of experience in the pharmaceutical and medical science industries. Prior to joining our Group, from August 2000 to March 2001, he was a technician and sales representative at Shanghai Sine Pharmaceuticals Co., Ltd. (上海信誼藥業有限公司), a pharmaceutical manufacturer, where he was primarily responsible for pharmaceutical sales. From March 2001 to April 2008, he was a product manager at the oncology and biotechnology products department at Schering-Plough (China) Co., Ltd. (先靈葆雅(中國)有限公司) (a subsidiary of Merck & Co., Inc. (formerly known as Schering-Plough Corporation) which is a multinational pharmaceutical company listed on the New York Stock Exchange (stock symbol: MRK)) in the PRC, where he was primarily responsible for pharmaceutical sales. Besides, Mr. Zhao was a co-founder of Shanghai Jsure Health Technology Co., Ltd. (上海捷信醫藥科技股份有限公司) (a digital patient solution provider in the pharmaceutical industry), and served as its director from June 2008 to January 2017 and deputy general manager from June 2008 to January 2016, where he was primarily responsible for formulation of business development strategies and market expansion.

Mr. Zhao obtained his bachelor's degree in biotechnology and pharmacy jointly from Shenyang Pharmaceutical University (瀋陽藥科大學) in Liaoning and Jilin University (吉林大學) in Jilin in July 2000. He further obtained his executive master of business administration degree jointly from Fudan University (復旦大學) in Shanghai and National Taiwan University (國立台灣大學) in Taiwan in January 2019.

**Mr. MA Dong (馬東)**, aged 42, is an executive Director and the chief product officer of our Company. He joined our Group as the president of the digital R&D division in December 2014, and has been the chief product officer since February 2024. Mr. Ma has further served as a Director since July 2017, and was redesignated as an executive Director on September 21, 2023. He is also currently an executive director and the general manager of Taimei International. He is primarily responsible for management and operation of the product division and quality assurance division of our Group.

Mr. Ma has more than ten years of experience in clinical research and medical editorials. Prior to joining our Group, from August 2009 to August 2010, he was a project assistant at Shanghai Hengrui Pharmaceuticals Co., Ltd. (上海恒瑞醫藥有限公司), a company principally engaged in pharmaceutical R&D and a wholly-owned subsidiary of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恒瑞醫藥股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600276)), where he was primarily responsible for formulation of clinical research protocols and project management. From November 2012 to May 2014, he was a clinical supervising associate at Parexel China Co., Ltd. (精鼎醫藥研究開發(上海)有限公司), a contract research organization, where he was primarily responsible for supervising clinical research. From May 2014 to December 2014, Mr. Ma worked at WuXi Clinical Development Services (Shanghai) Co., Ltd. (上海康德弘翼醫學臨床研究有限公司) (formerly known as Shanghai Kangde Baorui Clinical Development Co., Ltd. (上海康德保瑞醫學臨床研究有限公司)), a contract research organization and a wholly-owned subsidiary of WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司) (a company listed on the Stock Exchange (stock code: 2359)), where he was primarily responsible for designing clinical research protocols. He also previously worked at Shanghai THINK Advertising Co., Ltd. (上海欣可廣告有限公司) (a marketing service provider).

Mr. Ma obtained his bachelor's degree in basic medicine from Fudan University (復旦大學) in Shanghai in July 2006. He further obtained his master's degree in pharmacology from Shanghai Institute of Pharmaceutical Industry (上海醫藥工業研究院) in Shanghai in June 2009 and his master's degree in business administration from the University of Hong Kong in Hong Kong in December 2020.

**Mr. ZHANG Hongwei (張宏偉)**, aged 45, is an executive Director and the head of the digital marketing division of our Company. He has joined our Group as the head of the digital marketing division since January 2015. Mr. Zhang has further served as a Director since February 2016, and was redesignated as an executive Director on September 21, 2023. He is primarily responsible for management and operation of the digital marketing division of our Group.

Mr. Zhang has more than ten years of experience in the pharmaceutical and medical industries. Prior to joining our Group, from September 2001 to December 2004, he was successively the head of the general manager's office at Shanghai Sine Pharmaceutical Equipment Co., Ltd. (上海信誼製藥裝備有限公司) (a pharmaceutical equipment manufacturer), an assistant to the general manager at Shanxi Xinyitong Pharmaceutical Co., Ltd. (山西信誼通製藥有限公司) (a company principally engaged in manufacturing and sales of pharmaceuticals and medical devices) and a deputy general manager at Shanghai Sine Pharmaceutical Equipment Co., Ltd.. From August 2010 to August 2012, he was a strategic development manager at Sanofi (China) Investment Co., Ltd. (賽諾菲(中國)投資有限公司), an investment management company. From September 2012 to February 2013, he was a manager at LEO Pharma Consultancy (Shanghai) Company Limited (上海勵奧醫藥諮詢有限公司), a company principally engaged in provision of medical consultancy services. From June 2013 to February 2014, Mr. Zhang was a national manager of the patient support division at Bristol Myers Squibb (Shanghai) Trading Co., Ltd. (百時美施貴寶(上海)貿易有限公司), a company principally engaged in marketing and sales of pharmaceuticals, nutritional products and medical devices. From March 2014 to January 2015, he was a national manager of the patient management division at AstraZeneca Investment (China) Co., Ltd. (阿斯利康投資(中國)有限公司), a pharmaceutical company, where he was primarily responsible for patient management.

Mr. Zhang obtained his college degree in pharmaceutical equipment from Shanghai University of Medicine & Health Sciences (上海健康醫學院) (formerly known as Shanghai Medical Equipment College (上海醫療器械高等專科學校) in Shanghai in July 2001. He further obtained his master's degree in business administration from Fudan University (復旦大學) in Shanghai in January 2012.

**Mr. LU Yiming (陸一鳴)**, aged 43, is an executive Director and the chief technology officer of our Company. He joined our Group as the president of the R&D division in May 2018, and has been the chief technology officer since March 2024. Between January 2021 and March 2024, he was a shareholders' representative Supervisor. Mr. Lu was appointed as an executive Director on March 27, 2024. He is primarily responsible for management and operation of the R&D division of our Group.

Mr. Lu has more than 14 years of experience in information technology and software engineering. Prior to joining our Group, from October 2008 to August 2011, he was a senior engineer at Microsoft Inc., a company listed on Nasdaq (stock symbol: MSFT), where he was primarily responsible for designs and R&D of the operating system of the company. From August 2011 to August 2015, he was a senior architect at Box Inc., a company listed on the New York Stock Exchange (stock symbol: BOX), where he was primarily responsible for R&D and system architecture of cloud services for file collaboration. Further, from September 2015 to April 2018, Mr. Lu was a vice president of technology at Beijing Xieli Zhucheng Technology Information Services Co., Ltd. (北京協力築成科技資訊服務股份有限公司) (formerly known as Beijing Xieli Zhucheng Financial Information Service Co., Ltd. (北京協力築成金融資訊服務有限公司)), a company principally engaged in provision of media consultancy, corporate, financial information and venture capital services, where he was primarily responsible for the R&D and management of the company's media platform and venture financing platform.Mr. Lu obtained his bachelor's degree in computer science and technology from Shanghai Jiao Tong University (上海交通大學) in Shanghai in July 2003. He further obtained his master's degree in computer system structure from Shanghai Jiao Tong University (上海交通大學) in Shanghai and his master's degree in information and computer science from the University of California, Irvine in California in March 2006 and September 2008, respectively. Mr. Lu is currently doing an executive master of business administration program at China Europe International Business School (中歐國際工商學院) in Shanghai.

**Mr. HUANG Yufei (黃玉飛)**, aged 45, is an executive Director and the head of the operations assurance division of our Company. He joined our Group as a deputy general manager and the chief technology officer of our Company in May 2015, and has been the head of the operations assurance division since February 2024. Mr. Huang has further served as a Director since June 2016, and was redesignated as an executive Director on September 21, 2023. He is also currently an executive director and the general manager of Taimei Digital Technology. Mr. Huang is primarily responsible for management and operation of the operations assurance division and the product development subdivision under the digital marketing division of our Group.

Mr. Huang has more than 18 years of experience in telecommunications and software technology. Prior to joining our Group, from August 2005 to June 2006, he was a network engineer at China Mobile Communications Group Anhui Co., Ltd. (中國移動通信集團安徽有限公司), a telecommunications company, where he was primarily responsible for managing inter-provincial communication networks. From June 2006 to April 2015, he was a senior engineer at Shanghai Baosight Software Co., Ltd. (上海寶信軟件股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600845), where he was primarily responsible for designing and maintaining the company's products.

Mr. Huang obtained his bachelor's degree in electronic information engineering in June 2002 and his master's degree in communication and information engineering in July 2005, from University of Science and Technology of China (中國科學技術大學) in Anhui.

# BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Ms. NI Xiaomei (倪曉梅)**, aged 54, is an executive Director, the legal director and the Board secretary of our Company. She joined our Group as a deputy general manager, the legal director and the Board secretary in April 2018, and has been the legal director and the Board secretary since then. Ms. Ni has further served as a Director since June 2018, and was redesignated as an executive Director on September 21, 2023. Ms. Ni is primarily responsible for securities-related and legal affairs of our Group and providing support to our Board.

Ms. Ni has more than 17 years of experience in legal related matters. From March 2007 to April 2018, Ms. Ni was a lawyer at Shanghai GF Law Firm (上海市廣發律師事務所), where she was primarily responsible for providing legal services on securities-related, financing and corporate matters.

Ms. Ni obtained her bachelor's degree in industrial design from Shanghai Jiao Tong University (上海交通大學) in Shanghai in July 1992. She further obtained her master's degree in civil and commercial laws from East China University of Political Science and Law (華東政法大學) in Shanghai in December 2007. Ms. Ni obtained her qualification of legal profession from the Ministry of Justice of the PRC (中華人民共和國司法部) in February 2007.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. JIANG Xiao (蔣驍)**, aged 46, has joined our Group since September 2020 as an independent Director and was redesignated as an independent non-executive Director on September 21, 2023. He is primarily responsible for providing independent advice and judgment to our Board.

Dr. Jiang has over 21 years of experience in investment and asset appraisal industries. From February 2003 to July 2024, he worked at and last served as the president and a director of Shanghai Orient Appraisal Co., Ltd. (上海東洲資產評估有限公司) ("**Shanghai Orient**"), a company principally engaged in provision of business valuation and asset appraisal services. He was also a director of Zhoulan Valuation Technology Research (Wuxi) Co., Ltd. (洲瀾估值技術研究(無錫)有限公司) from February 2022 to November 2023 and a director of Zhoulan (Shanghai) Asset Appraisal Co., Ltd. (洲藍(上海)資產評估有限公司) from April 2022 to March 2024, both of which are subsidiaries of Shanghai Orient. From October 2005 to December 2019, he was an executive director of Shanghai Hui Zhi Enterprise Management Consulting Co., Ltd. (上海輝智企業管理諮詢有限公司), a management consultancy firm. From April 2016 to April 2022, Dr. Jiang was an independent director of Angel Yeast Co., Ltd. (安琪酵母股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600298). From December 2018 to December 2021, he was an independent director of Welltrans O&E Co., Ltd. (武漢微創光電股份有限公司), a company listed on the Beijing Stock Exchange (stock code: 430198). From November 2017 to June 2021, Dr. Jiang was an executive director of Shanghai BroadMesse International Creative & Technology Co., Ltd. (上海寬創國際文化科技股份有限公司), a company principally engaged in provision of design, fabrication, installation and technology solutions for exhibitions and events. Since June 2020, he has been an independent director of Techstorm Advanced Material Corporation Limited (道生天合材料科技(上海)股份有限公司), a company principally engaged in manufacturing and development of advanced chemical products related to wind energy, composites and automotives. From June 2021 to December 2022, he was an executive director of Shanghai Zhoulan Technology Co., Ltd. (上海洲瀾科技有限公司), a wholly-owned subsidiary of Shanghai Orient principally engaged in R&D and provision of enterprise consulting services with intelligent solutions. Since November 2022, Dr. Jiang has also been a director of Zhoulan Heyuan (Shanghai) Enterprise Service Co., Ltd. (洲藍郃願(上海)企業服務有限公司), an asset appraisal firm. Since July 2024, he has served as the chairman of the board of directors of Jinzheng (Shanghai) Asset Appraisal Co., Ltd. (金證(上海)資產評估有限公司), a company principally engaged in provision of business valuation and asset appraisal services, where he has been primarily responsible for overseeing the daily management and operation of the company.

Besides, Dr. Jiang has been a director of Shenyang Jinbei Automotive Company Limited (金杯汽車股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600609)) since September 2022, an independent director of Tianfeng Securities Co., Ltd. (天風證券股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601162)) since February 2024, and an independent director of Shanghai Friendess Electronic Technology Corporation Limited (上海柏楚電子科技股份有限公司) (a company listed on the SSE STAR Market (stock code: 688188)) since June 2024.

Dr. Jiang obtained his bachelor's degree in economics and master's degree in economics from Soochow University (蘇州大學) in Jiangsu in June 2000 and July 2003, respectively. Dr. Jiang further obtained his doctor's degree in management from Business School Netherlands in the Netherlands in September 2016. Dr. Jiang obtained his qualification as an asset appraiser from the China Appraisal Society (中國資產評估協會) in June 2008.

**Dr. LI Zhiguo (李治國)**, aged 48, has joined our Group since September 2020 as an independent Director and was redesignated as an independent non-executive Director on September 21, 2023. He is primarily responsible for providing independent advice and judgment to our Board.

Dr. Li has approximately 20 years of experience in academic research and teaching. Dr. Li is currently an associate professor at the School of Management of Fudan University (復旦大學管理學院), where he has been primarily involved in academic research and teaching. Since June 2015, he has also been a supervisor of Shanghai Fuai Green Chemistry Technology Co., Ltd. (上海複愛綠色化學技術有限公司), a company principally engaged in research and manufacturing of green technology chemicals. From October 2018 to March 2023, Dr. Li served as an independent director of Steelmate Co., Ltd. (鐵將軍汽車電子股份有限公司), a company principally engaged in development and manufacturing of automotive parts.

Besides, Dr. Li has been an independent director of Tianjin Jinhaitong Semiconductor Equipment Co., Ltd. (天津金海通半導體設備股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603061)) since December 2020 and Jiangsu Tongda Power Technology Co., Ltd. (江蘇通達動力科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002576)) since June 2022.

Dr. Li obtained his bachelor's degree in telecommunication engineering in July 1997 and his master's degree in national economics in July 2000, from South China University of Technology (華南理工大學) in Guangdong. He further obtained his doctor's degree in management science and engineering from Fudan University (復旦大學) in Shanghai in June 2003.

**Mr. FUNG Che Wai Anthony (馮志偉)**, aged 56, was appointed as an independent non-executive Director on September 21, 2023. He is primarily responsible for providing independent advice and judgment to our Board.

Mr. Fung has more than 32 years of experience in the accounting, consulting services, investor relations and financial management. From August 1992 to September 1999, Mr. Fung was an auditor at Deloitte Touche Tohmatsu, an accounting firm, where he was primarily responsible for providing audit services. From October 1999 to August 2007, he was a director of Winsmart Consultants Limited (弘陞投資顧問有限公司), a financial consulting firm, where he was primarily responsible for advising on pre-listing matters. From January 2008 to August 2010, he was a vice president of NagaCorp Ltd. (金界控股有限公司), a company listed on the Stock Exchange (stock code: 3918), where he was primarily responsible for investor relations matters. From January 2011 to July 2014, he was the chief financial officer and company secretary of Zall Smart Commerce Group Ltd. (卓爾智聯集團有限公司), a company listed on the Stock Exchange (stock code: 2098), where he was primarily responsible for financial management. From July 2014 to April 2017, Mr. Fung served as the chief financial officer and company secretary of Kong Sun Holdings Limited (江山控股有限公司), a company listed on the Stock Exchange (stock code: 295), where he was primarily responsible for financial management. From May 2017 to December 2022, he was the chief financial officer and company secretary of Beijing Enterprises Urban Resources Group Limited (北控城市資源集團有限公司), a company listed on the Stock Exchange (stock code: 3718), where he was primarily responsible for financial management. Mr. Fung also served as an independent non-executive director of FY Financial (Shenzhen) Co., Ltd. (富銀融資租賃(深圳)有限公司) (a company listed on the Stock Exchange (stock code: 8452)) from April 2017 to August 2023, and S&P International Holding Limited (椰豐集團有限公司) (a company listed on the Stock Exchange (stock code: 1695)) from June 2017 to October 2021, where he was primarily responsible for providing independent advice to the board of directors of the aforementioned companies.

Besides, Mr. Fung has been an independent non-executive director of KWG Living Group Holdings Limited (合景悠活集團控股有限公司) (a company listed on the Stock Exchange (stock code: 3913)) since October 2020, Zhong An Group Limited (眾安集團有限公司) (a company listed on the Stock Exchange (stock code: 672)) since November 2021, XXF Group Holdings Limited (喜相逢集團控股有限公司) (a company listed on the Stock Exchange (stock code: 2473)) since October 2023, Dekon Food and Agriculture Group (四川德康農牧食品集團股份有限公司) (a company listed on the Stock Exchange (stock code: 2419)) since October 2023, and Qyuns Therapeutics Co., Ltd. (a company listed on the Stock Exchange (stock code: 2509)) since January 2024, where he has been primarily responsible for providing independent advice to the board of directors of the aforementioned companies.

Mr. Fung obtained his bachelor's degree in accounting from The Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in Hong Kong in October 1992. Mr. Fung has been a fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants since October 2001 and September 2005, respectively.

## SUPERVISORS

**Ms. DONG Xiaohan (董曉晗)**, aged 41, is an employee representative Supervisor and the chairperson of our Supervisory Committee. She first joined our Group in November 2016 and worked as a senior manager of the public relations and marketing division until January 2018, and rejoined our Group in May 2018 and has been the director of the public relations and marketing division since then. She has been our Supervisor and the chairperson of our Supervisory Committee since July 2024. As our Supervisor, she is primarily responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor.

Ms. Dong has more than ten years of experience in marketing. Prior to joining our Group, from July 2007 to June 2008, she was an officer administrator at CIT Finance & Leasing Corporation (美聯信金融租賃有限公司). From June 2008 to June 2010, Ms. Dong worked at and last served as a senior manager at Leo Burnett Black Pen Advertising (Shanghai) Co., Ltd. (李奧貝納黑筆廣告(上海)有限公司), a company principally engaged in provision of advertising and media services, where she was primarily responsible for project promotion and execution. From August 2010 to February 2011, she was a secretary at Beijing Foreign Enterprise Human Resources Service Co., Ltd. (北京外企人力資源服務有限公司), where she was primarily responsible for administrative issues. From March 2011 to September 2015, she was a marketing manager of the Greater China Region at IMS Market Research Consulting (Shanghai) Co., Ltd. (艾美仕市場調研諮詢(上海)有限公司), a company principally engaged in provision of medical science data information and consultancy services, where she was primarily responsible for marketing activities and brand promotion. From October 2015 to November 2016, she worked at Shanghai Huiji Financial Information Services Co., Ltd. (上海匯稷金融資訊服務有限公司), a company principally engaged in provision of finance leases.

Ms. Dong obtained her bachelor's degree in English from Shanghai International Studies University (上海外國語大學) in Shanghai in January 2011.

**Mr. WEN Gang (文綱)**, aged 47, has been a shareholders' representative Supervisor since September 2020. He is primarily responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor.

Mr. Wen has more than ten years of experience in investment. From June 2015 to October 2020, Mr. Wen was a supervisor of Beijing Kangfujiahe Medical Equipment Co., Ltd. (北京康福嘉和醫療器械有限公司).

Besides, since November 2013, Mr. Wen has also been a partner of Ningbo Free Trade Zone Kaifeng Venture Capital Management Co., Ltd. (寧波保税區凱風創業投資管理有限公司), an investment company, where he has been primarily responsible for managing investments in the biomedical sector. Besides, Mr. Wen is also currently a director of Beijing Kaifeng Jingde Management Consulting Co., Ltd. (北京凱風景德管理諮詢有限公司) (a business consultancy firm), Sinovation (Beijing) Medical Technology Co., Ltd. (華科精準(北京)醫療科技有限公司) (a company principally engaged in development of medical robotics and intelligent medical products), Neuracle Technology (Changzhou) Co., Ltd. (博睿康科技股份有限公司) (a company principally engaged in R&D, production, sales and technical service of brain computer interface and medical neuro-electrophysiological equipment), Hangzhou Bioeast BioTech Co., Ltd (杭州博嶽生物技術有限公司) (a company principally engaged in provision of molecular diagnostic reagents and kits for medical science industries), Fang Cun Quan Xiang (Beijing) Technology Co., Ltd. (方寸泉香(北京)科技有限公司) (an internet medical service provider), InsureSmart (Shanghai) Intelligent Technology Co., Ltd. (因朔桔(上海)智能科技有限公司) (an artificial intelligence technology application service provider with a focus on the healthcare and insurance industries), YW MEMS (Suzhou) Co., Ltd. (蘇州原位晶片科技有限責任公司) (a company principally engaged in design and manufacturing of microelectromechanical systems chips), Shanghai Yinlu Information Technology Co., Ltd. (上海飲露資訊科技有限公司) (a company principally engaged in provision of healthcare venture capital advisory services), Beijing Jingyilin International Hospital Management Co., Ltd. (北京菁醫林國際醫院管理有限公司) (a company principally engaged in provision of medical and healthcare services), Hangzhou Tiaoding Data Co., Ltd. (杭州調鼎數據有限公司) (a company principally engaged in providing intelligent information solutions for hospital health management and physical examination centers), Beijing Yaputuo Medical Technology Co., Ltd. (北京亞普拓醫療科技股份有限公司) (a company principally engaged in provision of private healthcare services), Red Cloud Bio Co., Ltd. (南京紅雲生物科技有限公司) (a small molecule drug discovery and development biotech company), Gege Medical Technology (Shanghai) Co., Ltd. (格格醫療科技(上海)有限公司) (a technology-based healthcare services provider) and Wuhan Tian Shi Wei Biotech Co., Ltd. (武漢天時維控股有限公司) (a manufacturer of soluble microcrystalline skin care products).

Mr. Wen obtained his bachelor's degree in clinical medicine and his master's degree in clinical medicine in July 2000 and July 2003, respectively, from Peking Union Medical College (北京協和醫學院) (formerly known as China Union Medical College (中國協和醫科大學)) in Beijing.

**Mr. CAI Xin (蔡鑫)**, aged 44, is a shareholders' representative Supervisor. He joined our Group as a deputy director of the image delivery center of commercial operations division of our Company in September 2017, and was the director of the same center between April 2018 and February 2024. He has been our vice president and the head of the image delivery center of commercial operations division since February 2024. Further, Mr. Cai has been our Supervisor since March 2024. As our Supervisor, he is primarily responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor.

Mr. Cai has more than 15 years of experience in the pharmaceutical industry. Prior to joining our Group, from December 2008 to October 2013, he was a research associate at Washington University in St. Louis in the United States. From October 2013 to May 2015, he was a project manager at Hangzhou Tigermed Consulting Co., Ltd (杭州泰格醫藥科技股份有限公司), a company listed on the Stock Exchange (stock code: 3347) and the Shenzhen Stock Exchange (stock code: 300347), where he was primarily responsible for project management.

From June 2015 to September 2017, Mr. Cai was a client operations manager at Parexel China Co., Ltd. (精鼎醫藥研究開發(上海)有限公司), a contract research organization, where he was primarily responsible for project management and customer support.

Mr. Cai obtained his bachelor's degree in computer science and technology from Wuhan University (武漢大學) in Hubei in June 2002. He further obtained his master's degree in biomedical engineering from Huazhong University of Science and Technology (華中科技大學) in Hubei and his master's degree in business administration from Fudan University (復旦大學) in Shanghai in December 2008 and June 2024, respectively.

## SENIOR MANAGEMENT

**Ms. NI Xiaomei (倪曉梅)** is the executive Director, the legal director and the Board secretary. For further details, see "Executive Directors" in this section.

**Ms. WAN Yunyun (萬韞鋆)**, aged 40, has been appointed as our general manager on February 11, 2025. Ms. Wan joined the Group in February 2016 as a vice president of the business development division of the Company. Between October 2019 to June 2023, Ms. Wan was the president of the business-to-business division of the Company. Since June 2023, she has been the president of the digital services division, a senior vice president and the chief commercial officer of the Company. Ms. Wan is also currently the general manager of a subsidiary of the Company, Shanghai Taimei Xingyun Digital Technology Co., Ltd. (上海太美星雲數字科技有限公司). She is primarily responsible for management and operation of the digital services division of the Group.

Ms. Wan has more than 15 years of experience in the pharmaceutical and medical science industries. Prior to joining the Group, from July 2005 to March 2006, she was an electronic engineer at Compal Electronics Technology (Kunshan) Co., Ltd. (仁寶電子科技(崑山)有限公司), a company principally engaged in manufacturing of electronic devices, where she was primarily responsible for providing assistance in research. From March 2006 to July 2009, she was a client manager at Shanghai Betterway Marketing Services Co., Ltd. (上海百達輝琪營銷服務有限公司), a company principally engaged in provision of advertising services, where she was primarily responsible for project management. From September 2009 to February 2016, she was a vice president of business development and a supervisor of Shanghai Jsure Health Technology Co., Ltd. (上海捷信醫藥科技股份有限公司), a digital patient solution provider in the pharmaceutical industry, where she was primarily responsible for sales of products to enterprises.

Ms. Wan graduated with a major in public relations from Fudan University (復旦大學) in Shanghai in January 2010. She obtained her master's degree in business administration from Fudan University in Shanghai in January 2020 and her master's degree in business administration from China Europe International Business School (中歐國際工商學院) in Shanghai in November 2023. Ms. Wan further obtained her executive master of business administration in hospitality jointly from China Europe International Business School in Shanghai and EHL Hospitality Business School in Switzerland in April 2024.

**Mr. JIANG Chengwen (姜程文)**, aged 43, is our chief financial officer. He joined our Group in September 2023 and has served as our chief financial officer since then. He is primarily responsible for strategic financial planning and overseeing the financial management of our Group.

Mr. Jiang has approximately 15 years of experience in audits, financial management and investment. From October 2008 to October 2012, Mr. Jiang worked at and last served as a senior accountant at Ernst & Young Hua Ming (LLP) Shanghai Branch (安永華明會計師事務所(特殊普通合夥)上海分所), an accounting firm, where he was primarily responsible for audits. From June 2013 to May 2016, he was a senior audit manager at Luye Pharma Group Ltd. (綠葉製藥集團有限公司), a company listed on the Stock Exchange (stock code: 2186), where he was primarily responsible for internal control of the company and financial analyses of projects. From May 2016 to September 2020, Mr. Jiang was a finance director at Luye Medical Group (China) (綠葉醫療集團(中國)), a company principally engaged in provision of healthcare services, where he was primarily responsible for overall financial management. From October 2020 to August 2023, he was the chief financial officer and board secretary at Shulan Health Management Co., Ltd. (樹蘭醫療管理股份有限公司), where he was primarily responsible for overseeing financial and accounting affairs of the company.

Mr. Jiang obtained his bachelor's degree in accounting and finance from Manchester Metropolitan University in the United Kingdom in June 2007. He further obtained his master's degree in professional accountancy from the Chinese University of Hong Kong (香港中文大學) in Hong Kong in November 2021. Mr. Jiang obtained his qualifications as a certified internal auditor from the Institute of Internal Auditors, as a public accountant from the Institute of Public Accountants, as a financial accountant from the Institute of Financial Accountants and as a management accountant from the Institute of Management Accountants in November 2014, May 2019, March 2019 and May 2019, respectively.

# REPORT OF DIRECTORS

The Board is pleased to present its report together with the audited consolidated financial statements of the Company for the year ended December 31, 2024.

## GLOBAL OFFERING

On October 8, 2024, the H Shares were listed on the Main Board of the Stock Exchange. The Prospectus has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.taimei.com).

## PRINCIPAL BUSINESS

The Company is a digital solution provider focused on the pharmaceutical and medical device industry in China, we design and deliver industry-specific software and digital services that facilitate the R&D as well as commercialization of pharmaceuticals and medical devices.

## SUBSIDIARIES

The activities and particulars of the Company's principal subsidiaries are shown under note 12 to the consolidated financial statements.

## RESULTS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated financial statements on pages 79 to 168 of this annual report.

## CONVERTIBLE SECURITIES

The Group did not have any convertible securities, options, warrants or similar rights issued or at any time by the listed issuer or any of its subsidiaries during the year ended December 31, 2024.

## FINAL DIVIDEND

The Board does not recommend payment of a final dividend for the year ended December 31, 2024.

## TAX RELIEF AND EXEMPTION

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.

## ANNUAL GENERAL MEETING

The AGM of the Company will be held on June 13, 2025. The notice of the AGM will be published and dispatched to the Shareholders in due course in the manner as required by the Listing Rules.

## CLOSURE OF REGISTER OF MEMBERS OF H SHARES AND ASCERTAINING OF ELIGIBILITY FOR ATTENDING THE AGM

The register of members of H Shares will be closed from Tuesday, June 10, 2025 to Friday, June 13, 2025, both days inclusive, during which no transfer of H Shares will be registered, in order to determine the holders of the H Shares who are entitled to attend and vote at the forthcoming AGM. To be eligible to attend and vote at the AGM, all properly completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, June 9, 2025 for registration.

# REPORT OF DIRECTORS

## BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position as well as the outlook of the Group's business are provided in the "Management Discussion and Analysis" on pages 13 to 22 of this annual report. Particulars of important events affecting the Group that have occurred after December 31, 2024, if any, can also be found in the notes to the Consolidated Financial Statements.

In addition, more details regarding the Group's performance by reference to financial key performance indicators and environmental policies, as well as compliance with relevant laws and regulations which have a significant impact on the Group, are provided in the "Management Discussion and Analysis" of this annual report. Each of the above-mentioned relevant contents form an integral part of this Report of the Directors.

## PRINCIPAL RISKS AND UNCERTAINTIES

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

- **Customer Retention and Acquisition Risks**
  Failure to continuously provide attractive solutions to retain existing customers or attract new ones may severely impact revenue and business performance.

- **Sustained Losses and Cash Flow Risks**
  Historical net losses and net cash outflows from operating activities may persist, with no guarantee of achieving profitability in the foreseeable future.

- **Technology Adaptation Risks**
  Inability to keep pace with rapid technological advancements (e.g., AI adoption), evolving customer demands, or emerging industry standards could significantly disrupt operations.

- **Emerging Industry and Historical Limitations**
  The industry is nascent and rapidly evolving, with limited operational history. Past financial performance may not indicate future results.

- **Data Accessibility and Analysis Constraints**
  Restrictions on data acquisition, processing, and analysis may hinder the ability to deliver effective solutions.

- **IT Infrastructure and Cybersecurity Risks**
  Reliance on IT systems vulnerable to security breaches (e.g., cyberattacks) could lead to operational disruptions or reputational damage from data leaks.

- **Data Privacy and Regulatory Compliance Risks**
  Strict compliance with data protection laws (e.g., China's Data Security Law and Personal Information Protection Law) is critical. Non-compliance may result in penalties or legal actions.

- **Intense Market Competition Risks**
  Fierce competition from established players and new entrants (e.g., large tech firms) could erode market share if competitive solutions are not maintained.

- **Business Expansion and Management Complexity Risks**
  Rapid growth may strain management capabilities, and new initiatives may fail to meet expectations, impacting operational efficiency.

- **Dependence on Pharmaceutical Industry Dynamics**
  Revenue is highly dependent on spending trends in the pharmaceutical and medical device sectors. Budget cuts or policy shifts in these industries could reduce demand for solutions.

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.

## FINANCIAL HIGHLIGHTS

A summary of the Group's consolidated results and financial positions of the Group is set out on page 9 of this annual report.

## COMPLIANCE WITH LAWS AND REGULATIONS

We may be involved in legal proceedings in the ordinary course of business from time to time. To the best of the Directors' knowledge, information and belief, during the Reporting Period, the Company has complied in material respects with the relevant laws and regulations that have a significant impact on the Company.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material incompliance with all relevant laws and regulations in relation to its business including environmental protection, health and safety, workplace conditions, employment and the environment. We strive to comply with applicable rules, laws, regulations and industry standards on workplace safety and environmental matters. In doing so, our human resources department would, if necessary, adjust our human resources policies to accommodate material changes to relevant labor and safety laws and regulations.

During the Reporting Period, we had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental laws or regulations. For details, please refer to the Company's environmental, social and governance report published on the websites of the Stock Exchange and the Company.

## RELATIONSHIP WITH STAKEHOLDERS

### Employees

As of December 31, 2024, the Group had 627 employees, of which 619 were employees in Chinese Mainland and 8 were employees in Singapore and other regions. Our employees are generally remunerated by way of fixed salary. Our Group utilises an appraisal system for our employees and considers the appraisal results of individual employees in conducting their salary reviews, making promotion decisions and determining the amount of bonuses. We also maintain social insurance cover for our employees in accordance with the applicable PRC laws and the requirements of the local authorities.

Our Group recruits employees based on a number of factors such as their working experience, educational background and vacancy needs. In order to increase the overall competitiveness of our workforce and to attract and retain existing employees and strengthen their knowledge, skill level and quality, our Group places strong emphasis on the training of its employees. We provide trainings across different operational functions, including induction training for new employees, technical training, and training to enhance the employees' knowledge in safety measures when performing their duties.

We believe that our management policies, working environment, employee development opportunities and employee benefits have together contributed to good employer-employee relations and successful employee retention.

### Customers

During the Reporting Period, our customers primarily consisted of pharmaceutical and medical device companies, third-party service providers (e.g. CROs), clinical research institutions and others in PRC and other regions.

For the year ended December 31, 2024, we generated revenue of RMB91.3 million from our five largest customers, which accounted for 16.6% of our total revenue.

### Suppliers

During the Reporting Period, our top suppliers are located in the PRC. Our top suppliers are primarily consisted of property service providers, cloud service providers, SMOs, independent imaging reviewers, and clinical research institutions from our top suppliers.

For the year ended December 31, 2024, we purchased RMB43.2 million from our five largest suppliers, which accounted for 24.7% of our total purchase.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended December 31, 2024 are set out in note 28 to the consolidated financial statements.

## RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2024 are set out on page 83 in the consolidated statement of changes in equity in this annual report.

## DISTRIBUTABLE RESERVES

As at December 31, 2024, pursuant to the relevant laws and regulations, the Company do not have any reserves available for distribution to Shareholders (2023: nil).

## BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company as at December 31, 2024 are set out in note 33 to the consolidated financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended December 31, 2024 are set out in note 16 to the consolidated financial statements.

## SUFFICIENCY OF PUBLIC FLOAT

Since the Listing Date and up to the date of this annual report and based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the PRC that would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

## DIRECTORS AND SUPERVISORS

The Directors and Supervisors during the year ended December 31, 2024 and up to the date of this annual report are set out below:

| Name | Position in the Company |
|---|---|
| **Directors** | |
| Mr. ZHAO Lu | Chairman of the Board and executive Director |
| Mr. MA Dong | Executive Director and chief product officer |
| Mr. ZHANG Hongwei | Executive Director and head of digital marketing division |
| Mr. LU Yiming | Executive Director and chief technology officer |
| Mr. HUANG Yufei | Executive Director and head of operations assurance division |
| Ms. NI Xiaomei | Executive Director, legal director, Board secretary and Joint Company Secretary |
| Mr. WAN Bangxi | Executive Director (resigned on March 12, 2024) |
| Dr. JIANG Xiao | Independent Non-executive Director |
| Dr. LI Zhiguo | Independent Non-executive Director |
| Mr. FUNG Che Wai Anthony | Independent Non-executive Director |
| **Supervisors** | |
| Ms. DONG Xiaohan | Chairlady of the Supervisory Committee |
| Mr. WEN Gang | Supervisor |
| Mr. CAI Xin | Supervisor |
| Mr. LU Yiming | Supervisor (resigned on March 12, 2024) |
| Ms. LI Jiaona | Supervisor (resigned on July 4, 2024) |

To the best of the Board's knowledge, information and belief, the Directors, Supervisors and senior management do not have any relationship amongst them.

Biographical details of the Directors, Supervisors and senior management are set out on pages 23 to 32 of this annual report.

## SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors has entered into a service contract with the Company. The principal particulars of these service contracts comprise (a) a term of office commencing on the date of the approval at the relevant Company's general meeting and ending on the expiration of the term of office of the prevailing session of the Board (with respect to Directors) or a term of office commencing on the date of the approval at the Company's general meeting or the date of the employees' representative assembly (as the case may be) and ending on the expiration of the term of office of the prevailing session of the Supervisory Committee (with respect to Supervisors); and (b) termination provisions in accordance with their respective terms.

According to the Articles of Association, the terms of service of both the Directors and the Supervisors are for three years, and all Directors and Supervisors are subject to re-appointment or re-election upon the expiry of their term.

None of the Directors or Supervisors has or is proposed to have a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

## INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent and remain so as of the date of this annual report.

## DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of December 31, 2024, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Interests in Shares

| Name of Director | Position | Nature of interest | Class of Shares | Number of Shares/ Underlying Shares held | Approximate percentage of shareholding in the class of Shares issued (%)[1] | Approximate percentage of shareholding in the total Shares issued (%)[1] |
|---|---|---|---|---|---|---|
| Mr. ZHAO Lu[2] | Chairman of our Board and executive Director | Beneficial owner; Interests in controlled corporations | Domestic Shares | 178,203,028 | 49.07 | 31.61 |
| | | | H Shares | 1,216,500 | 0.61 | 0.22 |
| Mr. ZHANG Hongwei[3] | Executive Director and president of digital marketing division | Interests in controlled corporations | Domestic Shares | 20,312,190 | 5.59 | 3.60 |

*Notes:*

1. As of December 31, 2024, there were 563,779,000 Shares in total, including 363,186,467 Domestic Shares and 200,592,533 H Shares.

2. As of December 31, 2024, Mr. ZHAO Lu beneficially holds 93,042,388 Domestic Shares. Mr. Zhao is the executive partner of Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming and Xinyu Xingmeng, and is responsible for their respective management. He also held approximately 74.94% partnership interest in Ruansu Enterprise Management. Further, Mr. Zhao is the general partner of Zhoushan Yijin and Xinyu Shenkong, and is responsible for their respective management. As such, under the SFO, Mr. Zhao is deemed to be interested in the 85,160,640 Domestic Shares and 1,216,500 H Shares held by Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming, Xinyu Xingmeng, Zhoushan Yijin and Xinyu Shenkong.

3. As of December 31, 2024, Mr. ZHANG Hongwei held approximately 39.42% in Shanghai Xiaoju as one of its limited partners. As such, under the SFO, Mr. ZHANG Hongwei is deemed to be interested in the 20,312,190 Domestic Shares held by Shanghai Xiaoju.

4. All interests are long positions.

Save as disclosed above, as of December 31, 2024, none of the Directors, Supervisors or chief executives of the Company had or was deemed to have 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) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2024, the following persons (not being a Director, Supervisor or chief executives of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

### Interests in Shares

| Name of Shareholder | Capacity/nature of interest | Number of Shares held | Approximate percentage of shareholding in the relevant proportion of Shares[1] (%) | Approximate percentage of shareholding in the total issued share capital of our Company[1] (%) |
|---|---|---|---|---|
| Tang Lili[2] | Interests in controlled corporations; Interest of spouse | 178,203,028 Domestic Shares | 49.07 | 31.61 |
| Shanghai Kunrui[2] | Beneficial owner | 19,344,866 Domestic Shares | 5.33 | 3.43 |
| Shanghai Xiaoju[2] | Beneficial owner | 20,312,190 Domestic Shares | 5.59 | 3.60 |
| Xinyu Shenkong[2] | Beneficial owner | 18,204,844 Domestic Shares | 5.01 | 3.23 |
| Oriental Power Holdings Limited[3][4] | Interests in controlled corporations | 51,911,405 Domestic Shares | 14.29 | 9.21 |
| | | 12,977,851 H Shares | 6.47 | 2.30 |
| Tencent Holdings Limited[3][4] | Interests in controlled corporations | 51,911,405 Domestic Shares | 14.29 | 9.21 |
| | | 12,977,851 H Shares | 6.47 | 2.30 |
| Tencent Technology (Shenzhen) Company Limited (騰訊科技(深圳)有限公司)[3][4] | Interests in controlled corporations | 51,911,405 Domestic Shares | 14.29 | 9.21 |
| | | 12,977,851 H Shares | 6.47 | 2.30 |

| Name of Shareholder | Capacity/nature of interest | Number of Shares held | Approximate percentage of shareholding in the relevant proportion of Shares[1] (%) | Approximate percentage of shareholding in the total issued share capital of our Company[1] (%) |
|---|---|---|---|---|
| MA Huateng[3] | Interests in controlled corporations | 44,880,821 Domestic Shares | 12.36 | 7.96 |
| | | 11,220,205 H Shares | 5.59 | 1.99 |
| Linzhi Tencent Investment Management Co., Ltd. (林芝騰訊投資管理有限公司)[3] | Beneficial owner | 44,880,821 Domestic Shares | 12.36 | 7.96 |
| | | 11,220,205 H Shares | 5.59 | 1.99 |
| Shenzhen Tencent Industrial Investment Fund Co., Ltd. (深圳市騰訊產業投資基金有限公司)[3] | Interests in controlled corporations | 44,880,821 Domestic Shares | 12.36 | 7.96 |
| | | 11,220,205 H Shares | 5.59 | 1.99 |
| Shenzhen Tencent Ruitou Enterprise Management Co., Ltd. (深圳市騰訊睿投企業管理有限公司)[3] | Interests in controlled corporations | 44,880,821 Domestic Shares | 12.36 | 7.96 |
| | | 11,220,205 H Shares | 5.5.59 | 1.99 |
| Shenzhen Tencent Ruijian Investment Co., Ltd. (深圳市騰訊睿見投資有限公司)[3] | Interests in controlled corporations | 44,880,821 Domestic Shares | 12.36 | 7.96 |
| | | 11,220,205 H Shares | 5.59 | 1.99 |
| Shenzhen Tenglv Enterprise Management Partnership (Limited Partnership) (深圳市藤綠企業管理合夥企業(有限合夥))[3] | Interests in controlled corporations | 44,880,821 Domestic Shares | 12.36 | 7.96 |
| | | 11,220,205 H Shares | 5.59 | 1.99 |
| Shenzhen Tengyuan Enterprise Management Partnership (Limited Partnership) (深圳市藤遠企業管理合夥企業(有限合夥))[3] | Interests in controlled corporations | 44,880,821 Domestic Shares | 12.36 | 7.96 |
| | | 11,220,205 H Shares | 5.59 | 1.99 |
| Shenzhen Tengqing Enterprise Management Co., Ltd. (深圳市藤青企業管理有限公司)[3] | Interests in controlled corporations | 44,880,821 Domestic Shares | 12.36 | 7.96 |
| | | 11,220,205 H Shares | 5.59 | 1.99 |

| Name of Shareholder | Capacity/nature of interest | Number of Shares held | Approximate percentage of shareholding in the relevant proportion of Shares[1] (%) | Approximate percentage of shareholding in the total issued share capital of our Company[1] (%) |
|---|---|---|---|---|
| Jingwei Chuangteng (Hangzhou) Venture Capital Partnership (Limited Partnership) (經緯創騰(杭州)創業投資合夥企業(有限合夥)) ("**Jingwei Chuangteng**")[5] | Beneficial owner | 22,349,533 Domestic Shares | 6.15 | 3.96 |
| | | 28,100,879 H Shares | 14.01 | 4.98 |
| Hangzhou Jingwei Yuanchuang Investment Management Partnership (Limited Partnership) (杭州經緯遠創投資管理合夥企業(有限合夥)) ("**Jingwei Yuanchuang**")[5] | Interests in controlled corporations | 22,349,533 Domestic Shares | 6.15 | 3.96 |
| | | 28,100,879 H Shares | 14.01 | 4.98 |
| Shanghai Jingwei Equity Investment Management Co., Ltd. (上海旌威股權投資管理有限公司) ("**Shanghai Jingwei**")[5] | Interests in controlled corporations | 22,349,533 Domestic Shares | 6.15 | 3.96 |
| | | 28,100,879 H Shares | 14.01 | 4.98 |
| ZUO Lingye[5] | Interests in controlled corporations | 23,908,953 Domestic Shares | 6.58 | 4.24 |
| | | 30,061,593 H Shares | 14.99 | 5.33 |
| Suzhou Northern Lights Zhengyuan Venture Capital Partnership (Limited Partnership) (蘇州北極光正源創業投資合夥企業(有限合夥))[6] | Beneficial owner | 10,139,955 H Shares | 5.06 | 1.80 |
| Suzhou Boyuan Venture Capital Management Partnership (Limited Partnership) (蘇州柏源創業投資管理合夥企業(有限合夥))[6] | Interests in controlled corporations | 15,930,449 H Shares | 7.94 | 2.83 |
| Suzhou Songyuan Entrepreneurship Investment Management Co., Ltd. (蘇州松源創業投資管理有限公司)[6] | Interests in controlled corporations | 15,930,449 H Shares | 7.94 | 2.83 |
| ZHANG Pengpeng[6] | Interests in controlled corporations | 15,930,449 H Shares | 7.94 | 2.83 |

| Name of Shareholder | Capacity/nature of interest | Number of Shares held | Approximate percentage of shareholding in the relevant proportion of Shares[1] (%) | Approximate percentage of shareholding in the total issued share capital of our Company[1] (%) |
|---|---|---|---|---|
| Shanghai Chenxi Venture Capital Center (Limited Partnership) (上海晨熹創業投資中心(有限合夥)) ("**5Y Chenxi**") | Beneficial owner | 11,514,965 H Shares | 5.74 | 2.04 |
| Shanghai Yuanpan Enterprise Management Consulting Partnership (Limited Partnership) (上海源畔企業管理諮詢合夥企業(有限合夥)) | Interests in controlled corporations | 11,514,965 H Shares | 5.74 | 2.04 |
| XUE Qiong | Interests in controlled corporations | 11,514,965 H Shares | 5.74 | 2.04 |
| CHEN Yihai | Interest of spouse | 11,514,965 H Shares | 5.74 | 2.04 |
| Shanghai Xingshang Enterprise Management Consulting Co., Ltd. (上海興尚企業管理諮詢有限公司) ("**Shanghai Xingshang**") | Interests in controlled corporations | 13,297,378 H Shares | 6.63 | 2.36 |
| WANG Zhenting | Interests in controlled corporations | 13,297,378 H Shares | 6.63 | 2.36 |
| LI Luqian | Interest of spouse | 13,297,378 H Shares | 6.63 | 2.36 |
| Shanghai Xingpan Investment Management Consulting Co., Ltd. (上海興畔投資管理諮詢有限公司) ("**Shanghai Xingpan**") | Interests in controlled corporations | 15,538,280 H Shares | 7.75 | 2.76 |
| NI Yuanyuan | Interests in controlled corporations; Interest of spouse | 15,538,280 H Shares | 7.75 | 2.76 |
| LIU Qin | Interests in controlled corporations | 15,538,280 H Shares | 7.75 | 2.76 |
| LOU Yiting | Interest of spouse | 15,538,280 H Shares | 7.75 | 2.76 |
| SHI Jianming | Interests in controlled corporations | 15,538,280 H Shares | 7.75 | 2.76 |

| Name of Shareholder | Capacity/nature of interest | Number of Shares held | Approximate percentage of shareholding in the relevant proportion of Shares[1] *(%)* | Approximate percentage of shareholding in the total issued share capital of our Company[1] *(%)* |
|---|---|---|---|---|
| Tianjin SAIF Shengyuan Investment Management Center (Limited Partnership) (天津賽富盛元投資管理中心(有限合夥))[7] | Interests in controlled corporations | 10,889,262 H Shares | 5.43 | 1.93 |
| YAN Andrew Y[7] | Interests in controlled corporations | 10,889,262 H Shares | 5.43 | 1.93 |
| Zheshang Venture Capital Co., Ltd. (浙商創投股份有限公司) ("**Zheshang VC**")[8] | Beneficial owner; Interests in controlled corporations | 10,094,225 H Shares | 5.03 | 1.79 |
| Ningbo Meishan Bonded Area Dirui Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區迪銳投資管理合夥企業(有限合夥))[9] | Interests in controlled corporations | 10,694,479 H Shares | 5.42 | 1.91 |
| TANG Meng[9] | Interests in controlled corporations | 10,694,479 H Shares | 5.42 | 1.91 |
| ZHANG Xu[10] | Interests in controlled corporations | 12,285,138 H Shares | 6.23 | 2.19 |

*Notes:*

1. As of December 31, 2024, there were 563,779,000 Shares in total, including 363,186,467 Domestic Shares and 200,592,533 H Shares.

2. Mr. Zhao Lu beneficially holds 93,042,388 Domestic Shares. Mr. Zhao is the executive partner of Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming, Xinyu Xingmeng and Shanghai Kunrui, and is responsible for their respective management. As at December 31, 2024, he also held approximately 74.94% partnership interest in Ruansu Enterprise Management. Further, Mr. Zhao is the general partner of Zhoushan Yijin and Xinyu Shenkong, and is responsible for their respective management. As such, under the SFO, Mr. Zhao is deemed to be interested in the 85,160,640 Domestic Shares and 1,216,500 H Shares held by Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming, Xinyu Xingmeng, Zhoushan Yijin and Xinyu Shenkong.

   Ms. Tang Lili held 95% partnership interest in Zhoushan Yijin and 99% partnership interest in Xinyu Shenkong as their respective sole limited partner as of December 31, 2024. As such, under the SFO, Ms. Tang is deemed to be interested in the 23,585,382 Domestic Shares held by Zhoushan Yijin and Xinyu Shenkong. Besides, Ms. Tang is the spouse of Mr. Zhao. As such, she is deemed to be interested in the H Shares and the Domestic Shares in which Mr. Zhao is interested and is deemed to be interested.

3. Linzhi Tencent Investment Management Co., Ltd. (林芝騰訊投資管理有限公司) is wholly owned by) Shenzhen Tencent Industrial Investment Fund Co., Ltd. (深圳市騰訊產業投資基金有限公司), which is a subsidiary of Tencent Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock codes: 700 (HKD counter) and 80700 (RMB counter)).

4. Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)) is managed by its general partner, Suzhou Yaoyi Enterprise Management Co., Ltd. (蘇州垚益企業管理有限公司) which is wholly owned by Shenzhen Zeyi Consultancy Co., Ltd. (深圳市澤益諮詢有限公司). Suzhou Tencent Phase I Investment Fund Partnership (Limited Partnership) (蘇州騰訊一期跟投基金合夥企業(有限合夥)) is the largest limited partner of Suzhou Paiyi Venture Capital Partnership L.P..

5. The general partner of Jingwei Chuangteng is Jingwei Yuanchuang, whose general partner is Shanghai Jingwei, which was in turn held as to 80% by ZUO Lingye as at December 31, 2024.

   Besides, the general partner of Suzhou Jingwei Chuangbo Investment Center (Limited Partnership) (蘇州經緯創博投資中心(有限合夥)) is Suzhou Weichuang Investment Management Partnership (Limited Partnership) (蘇州緯創投資管理合夥企業(有限合夥)), whose general partner is Shanghai Jingyi Investment Management Co., Ltd. (上海經熠投資管理有限公司), which was in turn held as to 80% by ZUO Lingye as at December 31, 2024.

   As such, under the SFO, each of Jingwei Yuanchuang and Shanghai Jingwei is deemed to be interested in the 22,349,533 Domestic Shares and 28,100,879 H Shares held by Jingwei Chuangteng, and ZUO Lingye is deemed to be interested in the 23,908,953 Domestic Shares and 30,061,593 H Shares held by Jingwei Chuangteng and Suzhou Jingwei Chuangbo Investment Center (Limited Partnership).

6. The general partner of each Suzhou Northern Lights Zhengyuan Venture Capital Partnership (Limited Partnership) (蘇州北極光正源創業投資合夥企業(有限合夥) and Suzhou Northern Lights Hongyuan Venture Capital Partnership (Limited Partnership) (蘇州北極光泓源創業投資合夥企業(有限合夥) is Suzhou Boyuan Venture Capital Management Partnership (Limited Partnership) (蘇州柏源創業投資管理合夥企業(有限合夥)), whose general partner is Suzhou Songyuan Entrepreneurship Investment Management Co., Ltd. (蘇州松源創業投資管理有限公司), which was held as to 50% by ZHANG Pengpeng (張朋朋), 25% by LI Lixin (李立新) and 25% by YANG Lei (楊磊), respectively. As such, under the SFO, each of Suzhou Boyuan Venture Capital Management Partnership (Limited Partnership), Suzhou Songyuan Entrepreneurship Investment Management Co., Ltd. and ZHANG Pengpeng is deemed to be interested in the 15,930,449 Domestic Shares and 15,930,449 H Shares held by Suzhou Northern Lights Zhengyuan Venture Capital Partnership (Limited Partnership) and Suzhou Northern Lights Hongyuan Venture Capital Partnership (Limited Partnership).

7. The general partner of Suzhou SAIF Puxin Medical and Health Industry Investment Center (Limited Partnership) (蘇州賽富璞鑫醫療健康產業投資中心(有限合夥)) is Suzhou SAIF Puxin Venture Capital Center (Limited Partnership) (蘇州賽富璞鑫創業投資中心(有限合夥)), whose general partner is Tianjin SAIF Shengyuan Investment Management Center (Limited Partnership) (天津賽富盛元投資管理中心(有限合夥)), which is managed by its executive partner, YAN Andrew Y.

   The general partner of Nanjing SAIF Hengzhun Venture Capital Fund (Limited Partnership) (南京賽富衡准創業投資基金(有限合夥)) is Jiaxing SAIF Hengshun Investment Management Partnership (Limited Partnership) (嘉興賽富恒順投資管理合夥企業(有限合夥)), whose general partner is Tianjin SAIF Shengyuan Investment Management Center (Limited Partnership).

   The general partner of Huangshan SAIF Tourism Cultural Industry Development Fund (Limited Partnership) (黃山賽富旅遊文化產業發展基金(有限合夥)) is Mount Huangshan Saifu Fund Management Co., Ltd. (黃山賽富基金管理有限責任公司), which was held as to 80% by Tianjin SAIF Shengyuan Investment Management Center (Limited Partnership) as of December 31, 2024.

   As such, under the SFO, each of Tianjin SAIF Shengyuan Investment Management Center (Limited Partnership) and YAN Andrew Y is deemed to be interested in the 10,889,262 H Shares held by Suzhou SAIF Puxin Medical and Health Industry Investment Center (Limited Partnership), Nanjing SAIF Hengzhun Venture Capital Fund (Limited Partnership) and Huangshan SAIF Tourism Cultural Industry Development Fund (Limited Partnership).

8. Zheshang VC is a limited liability company listed on the National Equities Exchange And Quotations (stock code: 834089). It beneficially holds 1,609,427 H Shares.

   The general partner of Hangzhou Yangjian Investment Partnership (Limited Partnership) (杭州仰健投資合夥企業(有限合夥)) is Zhejiang Haipeng Investment Management Co., Ltd. (浙江海鵬投資管理有限公司), which is a wholly-owned subsidiary of Zheshang VC.

   The general partner of Hangzhou Qizhen Future Innovation Equity Investment Partnership (Limited Partnership) (杭州啟真未來創新股權投資合夥企業(有限合夥)) is Zheshang VC.

   As such, under the SFO, Zheshang VC is deemed to be interested in the 8,484,798 H Shares held by Hangzhou Yangjian Investment Partnership (Limited Partnership) and Hangzhou Qizhen Future Innovation Equity Investment Partnership (Limited Partnership).

9. The general partner of each of Aochuan Bangde Investment Partnership (Limited Partnership) (蘇州市相城區奧傳邦德投資合夥企業(有限合夥)), Ningbo Jinjiao Langqiu Investment Partnership (Limited Partnership) (寧波金蛟朗秋投資合夥企業(有限合夥)) and Ningbo Xuri Xinzhu Investment Partnership (Limited Partnership) (寧波旭日新竹投資合夥企業(有限合夥)) is Ningbo Meishan Bonded Area Dirui Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區迪鋭投資管理合夥企業(有限合夥)), whose general partner is TANG Meng. As such, under the SFO, each of Ningbo Meishan Bonded Area Dirui Investment Management Partnership (Limited Partnership) and TANG Meng is deemed to be interested in the 8,505,665 Domestic Shares and 10,694,479 H Shares held by Aochuan Bangde Investment Partnership (Limited Partnership), Ningbo Jinjiao Langqiu Investment Partnership (Limited Partnership) and Ningbo Xuri Xinzhu Investment Partnership (Limited Partnership).

10. The general partner of Chengdu SBCVC Tiantou Venture Capital Center (Limited Partnership) (成都軟銀天投創業投資中心(有限合夥)) is Chongqing SBCVC Investment Management Co., Ltd. (重慶軟銀投資管理有限公司), which was held as to 95% by ZHANG Xu as of December 31, 2024.

    The general partner of Ningbo SBCVC Stable Growth Investment Partnership (Limited Partnership) (寧波軟銀穩定成長投資合夥企業(有限合夥)) is Shanghai Xinbo Jieyi Private Fund Management Partnership (Limited Partnership) (上海欣博傑益私募基金管理合夥企業(有限合夥)), whose general partner is Shanghai Guanhe Lanzheng Investment Management Co., Ltd (上海觀禾覽正投資管理有限公司), which was held as to 90% by ZHANG Xu as of December 31, 2024.

    The general partner of Jiaxing SBCVC Venture Capital Partnership (Limited Partnership) (嘉興軟銀創業投資合夥企業(有限合夥)) is Ningbo Ruanku Investment Co., Ltd. (寧波軟庫投資有限公司), which was held as to 60% by ZHANG Xu as of December 31, 2024.

    As such, under the SFO, ZHANG Xu is deemed to be interested in the 9,770,766 Domestic Shares and 12,285,138 H Shares held by Chengdu SBCVC Tiantou Venture Capital Center (Limited Partnership), Ningbo SBCVC Stable Growth Investment Partnership (Limited Partnership) and Jiaxing SBCVC Venture Capital Partnership (Limited Partnership).

11. All interests are long positions.

Save as disclosed above, as of December 31, 2024, the Company had not been notified by any other persons (other than the Directors, Supervisors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period, was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors or Supervisors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or Supervisors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

## ISSUANCE OF DEBENTURES

During the year ended December 31, 2024, no issuance of debentures was made by the Company.

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

To the knowledge of the Board, none of the Directors or their associates had any interests in any business which competes or is likely to compete, directly or indirectly, with the businesses of the Group for the year ended December 31, 2024.

## RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details on related party transactions for the year ended December 31, 2024 are set out in note 36 to the consolidated financial statements in this annual report.

None of the related party transactions constituted a connected transaction or continuing connected transaction which is subject to the Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules; and (ii) there was no connected transaction nor continuing connected transaction of the Group which has to be disclosed in accordance with the Chapter 14A of the Listing Rules during the Reporting Period.

## DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director or Supervisor or an entity connected with a Director or Supervisor was materially interested, either directly or indirectly, in any transaction, arrangement or contract which is significance in relation to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party subsisting during the year ended December 31, 2024.

## CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

No contract of significance was entered into between the Company, or one of its subsidiary companies, and a Controlling Shareholder or any of its subsidiaries during the year ended December 31, 2024.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2024 between the Company and a person other than a Director or Supervisors or any person engaged in the full-time employment of the Company.

## LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

The Company has not entered into any new loan agreements containing any covenant relating to specific performance of the controlling shareholder, which is required to be disclosed in accordance with rule 13.18 of the Listing Rules during the year ended December 31, 2024.

## DIRECTORS' PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions arising out of corporate activities against the Directors and officers of the Company and its associated companies as at the date of this annual report.

Except for such insurances, at no time during the year and up to the date of this annual report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company or associated companies.

## STAFF, EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

As of the date of this annual report, the Group had 627 employees, of which 619 were employees in Chinese Mainland and 8 were employees in Singapore and other regions. Our employees are generally remunerated by way of fixed salary. Our remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. A remuneration and Appraisal committee was set up for reviewing the Company's emolument policy and structure for all remuneration of the Directors and senior management of the Company, having regard to the Company's operating results, individual performance of the Directors and senior management and comparable market practices.

Details of the emoluments of the Directors and the Supervisors and five highest paid individuals for the year ended December 31, 2024 are set out in notes 8 and 37 to the consolidated financial statements.

For the year ended December 31, 2024, no emoluments were paid by the Group to any Director, Supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived or agreed to waive any emoluments for the year ended December 31, 2024.

## RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Full-time employees in the PRC participate in various government-funded defined contribution pension schemes, whereby employees are entitled to monthly pensions calculated according to certain formulas. Relevant government agencies are responsible for paying pensions to such retired employees. The Company makes monthly contributions to such pension schemes. Under such plans, the Group has no further payment obligations for post-retirement benefits other than the contributions made. Contributions to such plans are expensed as incurred and contributions paid to such defined contribution pension plans for an employee cannot be used to reduce the Company's future liability to such defined contribution pension plans (even if the related employee leaves).

Details of the retirement and employee benefits scheme of the Company are set out in note 8 to the consolidated financial statements.

## EMPLOYEE SHARE SCHEME

Our Company has established seven Employee Shareholding Platforms, namely Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming and Xinyu Xingmeng.

We have adopted the Employee Share Scheme in respect of the Employee Shareholding Platforms. The Employee Share Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve the grant of options or share awards by our Company to subscribe for the Shares after the Listing. Given the underlying Shares under the Employee Share Scheme had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the awards under the Employee Share Scheme.

### Purpose

The purpose of the Employee Share Scheme is to recognize the contribution to our Group by our employees.

### Eligibility

Pursuant to the Employee Share Scheme, eligible participants of the Employee Share Scheme shall be employees of our Group. The Employee Share Scheme further provides that the following persons shall not be participants under the Employee Share Scheme:

- independent non-executive Directors;
- distributors, customers, suppliers, business partners or competitors of our Group, or persons holding interests in the aforementioned entities; and
- any persons who/which do not qualify as a shareholder or partner.

### Participation by Selected Participants

The executive partner of the Employee Shareholding Platforms is Mr. Zhao, who is responsible for their respective management.

The selected participants under the Employee Share Scheme (the "**Participants**") are granted awards in the form of economic interests in the Employee Shareholding Platforms and become indirectly interested in our Company through their respective interests as limited partners of the relevant Employee Shareholding Platforms upon acquisition of partnership interests in the relevant Employee Shareholding Platforms. The Participants are not entitled to any voting rights in our Company through the relevant Employee Shareholding Platforms.

### Restrictions on Transfers

Participants shall not gift, pledge or otherwise encumber their respective interests in the Employee Shareholding Platforms. Except with the prior consent of the executive partner of the Employee Shareholding Platforms and our Company, Participants shall not dispose of or transfer their respective interests in the Employee Shareholding Platforms.

### Arrangements for Departing Employees

During the service period as specified in the relevant employee shareholding agreement entered into between our Company and the Participant, for a Participant departs from our Group:

- where the Participant terminates the employment with our Group or the employment is terminated by our Group as a result of his/her violation of the Employee Share Scheme, the employment contract or internal policies of our Group, the executive partner of the relevant Employee Shareholding Platform shall be entitled to request the Participant to transfer to him or any other employee of our Group as approved by him the Participant's partnership interests in the relevant Employee Shareholding Platform, at a consideration determined in accordance with the Employee Share Scheme (subject to any set-off in the amount of loss caused to our Group or the relevant Employee Shareholding Platform);

- where the employment is terminated by our Group or the employment is not renewed upon expiry of the employment contract and there is no wrongdoing on the part of the Participant, the executive partner of the relevant Employee Shareholding Platform shall be entitled to request the Participant to transfer to him or any other employee of our Group as approved by him the Participant's partnership interests in the relevant Employee Shareholding Platform, at a consideration determined in accordance with the Employee Share Scheme;

- where the Participant retires, he/she shall be deemed as being employed by our Group; and

- where the employment with our Group comes to an end by reason of death, being reported missing, or becoming no longer capable of discharging his/her duties or losing civil capacity as a result of disabilities or illness on the part of the Participant, upon consent from our Company and the executive partner of the relevant Employee Shareholding Platform, the Participant may transfer his/her partnership interests in the relevant Employee Shareholding Platform to his/her lawful successor or agent, and shall be treated as if his/her employment with our Group subsisted.

After the service period as specified in the relevant employee shareholding agreement entered into between our Company and the Participant or where there is no such service period specified therein, where the Participant departs from our Group, he/she may transfer all or part of his/her partnership interests in the relevant Employee Shareholding Platform to the executive partner of the relevant Employee Shareholding Platform or any other employee of our Group as approved by the executive partner, at a consideration determined between the relevant parties, except:

- where the Participant commits a serious breach of the Employee Share Scheme or internal policies of our Group, the executive partner of the relevant Employee Shareholding Platform shall be entitled to request the Participant to transfer to him or any other employee of our Group as approved by him the Participant's partnership interests in the relevant Employee Shareholding Platform, at a consideration determined in accordance with the Employee Share Scheme (subject to any set-off in the amount of loss caused to our Group or the relevant Employee Shareholding Platform); and

- where the Participants dies, is reported missing, or becomes no longer capable of discharge his/her duties or loses civil capacity as a result of disabilities or illness, upon consent from our Company and the executive partner of the relevant Employee Shareholding Platform, the Participant may transfer his/her partnership interests in the relevant Employee Shareholding Platform to his/her lawful successor or agent.

## EQUITY-LINKED AGREEMENTS

No equity-linked agreement was entered into by the Company at any time during or subsisted at the end of the year ended December 31, 2024.

## MATERIAL LEGAL PROCEEDINGS

During the Reporting Period and up to the date of this annual report, no member of the Group was involved in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## CHARITABLE DONATIONS

For the year ended December 31, 2024, the Group made charitable and other donations of RMB10,000 (2023: nil).

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OR SALE OF TREASURY SHARES

From the Listing Date up to December 31, 2024, except for the Global Offering in connection with the Listing, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any securities of the Company or sold any treasury Shares (as defined under the Listing Rules). As at December 31, 2024, the Company did not hold any treasury Shares (as defined under the Listing Rules).

## USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The H Shares were first listed on the Main Board of the Stock Exchange on October 8, 2024. After deducting underwriting fees, commissions and other related listing expenses, the total net proceeds of the Global Offering amounted to approximately HK$259.5 million (the "**Net Proceeds**"). The Net Proceeds have been allocated and utilized in accordance with the intended purposes and proportions as set out in the Prospectus during the Reporting Period.

The following table sets out the status of the use of the Net Proceeds and a summary of their utilization as at December 31, 2024 together with the expected timeline of use:

| | Intended use of net proceeds | Allocation of net proceeds | Percentage of total Net Proceeds | Amount of net proceeds utilized up to December 31, 2024 | Balance of net proceeds unutilized as at December 31, 2024 | Intended timetable for use of the unutilized net proceeds[note] |
|---|---|---|---|---|---|---|
| (i) | To improve and upgrade our TrialOS Platform and PharmaOS Platform and their respective cloud-based software and digital services | HK$90.8 million | 35% | HK$1.4 million | HK$89.4 million | By/before December 31, 2029 |
| (ii) | To improve our core technology and R&D capabilities | HK$77.9 million | 30% | HK$2.1 million | HK$75.8 million | Before December 31, 2029 |
| (iii) | For strengthen our sales and marketing capabilities | HK$26.0 million | 10% | – | HK$26.0 million | Before December 31, 2029 |
| (iv) | For selectively pursue strategic investments and acquisitions | HK$38.9 million | 15% | – | HK$38.9 million | Before December 31, 2029 |
| (v) | For our working capital and general corporate purposes | HK$25.9 million | 10% | HK$1.8 million | HK$24.1 million | Before December 31, 2029 |
| **Total** | – | HK$259.5 million | 100% | HK$5.3 million | HK$254.2 million | – |

*Note:* The expected timeline to use the remaining proceeds is prepared based on the best estimate made by the Group, which is subject to change based on future developments and events which may be outside of the Group's control.

## COMPLIANCE WITH THE CG CODE

The Company is committed to maintaining high corporate governance standards. Principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" of this annual report.

## AUDIT COMMITTEE

The Audit Committee has been established with written terms of reference in compliance with the Listing Rules and the CG code. The Audit Committee comprises three members, including three independent non-executive Directors, namely Mr. FUNG Che Wai Anthony, Dr. JIANG Xiao and Dr. LI Zhiguo. Mr. FUNG Che Wai Anthony, who holds the appropriate professional qualifications as required under Rules 3.10(2) of the Listing Rules, is the chairman of the Audit Committee.

The Audit Committee, together with the management, has reviewed the accounting policies and practices adopted by the Group, as well as the internal control matters. The Audit Committee has reviewed and considered that the annual financial results for the year ended December 31, 2024 are in compliance with the relevant accounting standards, rules and regulations, and appropriate disclosures have been duly made.

## AUDITOR

The consolidated financial statements of the Group for the ended December 31, 2024 have been audited by PricewaterhouseCoopers.

PricewaterhouseCoopers shall retire and being eligible, offer itself for re-appointment, and a resolution to this effect shall be proposed at the AGM.

## EVENTS AFTER THE REPORTING PERIOD

### Change of general manager

Due to work re-arrangement, Mr. ZHAO Lu, an executive Director, the chairman of the Board and the general manager of the Company, ceased to serve as the general manager of the Company with effect from February 11, 2025. Mr. Zhao has continued to serve as an executive Director and the chairman of the Board, primarily responsible for overall strategic planning and execution of the Group and development of the Group's overseas business. On February 11, 2025, the Board resolved to appoint Ms. WAN Yunyun as the general manager of the Company with effect from the same date. Following such appointment, Ms. WAN Yunyun would serve as the general manager, the president of the digital services division, a senior vice president and the chief commercial officer of the Company, primarily responsible for daily management and operation of the Group, as well as management and operation of the digital services division of the Group. For further details, please refer to the announcement of the Company dated February 11, 2025.

### Appointment of members of Nomination Committee

In light of the consultation conclusions of "Review of Corporate Governance Code and Related Listing Rules" published by The Stock Exchange of Hong Kong Limited on December 19, 2024, and with regard to the actual circumstances of the Company, on March 24, 2025, Ms. NI Xiaomei (an executive Director) and Mr. FUNG Che Wai Anthony (an independent non-executive Director) have been appointed as members of the Nomination Committee, with effect from March 24, 2025. For further details, please refer to the announcement of the Company dated March 24, 2025.

Save as disclosed above, there were no events subsequent to the Reporting Period that have significantly affected the Group up to the date of this annual report.

# REPORT OF DIRECTORS

## OTHER DISCLOSURES

During the Reporting Period, the Company other than trade credits granted in the ordinary course of business did not make any advance to any entity.

During the Reporting Period, the Company did not have any breach in relation to loan agreements.

During the Reporting Period, the Company did not have any information about any guarantee regarding the financial performance of a company or business acquired needed to be disclosed.

During the Reporting Period, there was no pledge of shares by the controlling shareholders.

On behalf of the Board
**Mr. ZHAO Lu**
*Chairman of the Board*
PRC, April 23, 2025

# REPORT OF THE SUPERVISORY COMMITTEE

In 2024, the Supervisory Committee, in strict accordance with the PRC Company Law, the Articles, the rules of procedure of the Supervisory Committee and other relevant provisions, diligently and responsibly performed various duties and obligations, and exercised their supervisory duties according to law. The Supervisory Committee effectively supervised the standardization and effectiveness of corporate governance, the rationality and legitimacy of major decisions and important operational activities of the Company, and the strategic and forward-looking decision-making of the Directors and senior management personnel of the Company, thereby effectively safeguarding the legitimate rights and interests of the Company and all Shareholders.

During the Reporting Period, the Supervisory Committee prudently reviewed the Company's operation and development plans, effectively monitored the Company's financial activities and supervised the Company's management in formulating major policies and decisions, and provided reasonable suggestions and advice to the Board, to prevent any act that is prejudicial to the interests of the Company and its shareholders.

The Supervisory Committee considers that the decision-making matters and processes of the Company during the year were legal and effective, Directors and the senior management of the Company strictly complied with the laws and regulation and the Articles, conscientiously implemented the resolutions of the general meetings and the Board meetings, the internal control system of the Company has been improved, and the risk prevention and control capability of the Company has been gradually enhanced.

In 2025, the Supervisory Committee will continue to strengthen its supervision of the Company to ensure that the Company's operations are compliance with laws and regulations. At the same time, the Supervisory Committee will further enhance the professional ability, to facilitate better performance of its duties, thereby exerting the independence professionalism and effectiveness of the supervision of the Supervisory Committee and improving the level of corporate governance.

On behalf of the Supervisory Committee
**DONG Xiaohan**
*Chairlady of Supervisory Committee*
Zhejiang, the PRC
April 23, 2025

# CORPORATE GOVERNANCE REPORT

The Group is committed to maintaining high standards of corporate governance and believes that such high standards are essential in providing a framework to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the principles and code provisions set out in Part 2 of the CG Code as its own code to govern its corporate governance practices. For the period from the Listing Date up to December 31, 2024, the Company has complied with all applicable code provisions of the CG Code except for the deviations as explained below. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Code provision C.2.1 of the CG Code to be explained under the paragraph headed "**Chairman and Chief Executive Officer**" below:

Under paragraph C.5.1 of the CG Code, Board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication. As the Company was only first listed on the Stock Exchange on October 8, 2024, no meeting was held by the Board during the period from the Listing Date up to December 31, 2024. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the CG Code.

Under paragraph D.3.3 of the CG Code, members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the auditors. As the Company was only first listed on the Stock Exchange on October 8, 2024, no meeting was held by the Audit Committee during the period from the Listing Date up to December 31, 2024. The Company expects to continue to convene at least two regular meetings in each financial year at approximately semi-annually intervals in accordance with code provision D.3.3 of the CG Code.

Under paragraph F.1.1 of the CG Code, an issuer should have a policy on payment of dividends.The Company currently expects to retain all future earnings for use in operation and expansion of our business, and currently does not have any dividend policy to declare or pay any dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board and subject to the Articles of Association and the Company Law of the PRC (《中華人民共和國公司法》), and will depend on a number of factors, including the Group's financial performance and business operation, capital requirements and contractual restrictions. No dividend shall be declared or payable except out of profits and reserves lawfully available for distribution. As confirmed by the legal adviser to the Company as to PRC laws, according to the PRC laws, any future net profit that the Company makes will have to be first applied to make up for its historically accumulated losses, after which the Company will be obliged to allocate 10% of its net profit to its statutory common reserve fund until such fund has reached more than 50% of its registered capital. The Company will therefore only be able to declare dividends after (i) all its historically accumulated losses have been made up for; and (ii) the Company has allocated sufficient net profit to its statutory common reserve fund as described above. The Board will review the Company's status periodically and consider adopting a dividend policy if and when appropriate.

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.

## CORPORATE CULTURE AND VALUE

The Company is dedicated to its mission of "Making Health Accessible through the Power of Digitalization." In pursuit of this mission, we are establishing the infrastructure for the future of the biopharma industry to ensure faster product launches, enhanced drug safety, improved drug accessibility and a reduced medical burden.

## BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interest of the Company.

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

### Board Composition

The Board currently comprises nine Directors, consisting of six executive Directors and three independent non-executive Directors. The members of the Board of the Company during the Reporting Period and as at the date of this annual report are listed as follows:

| Name | Position at the Company |
|---|---|
| Directors | |
| Mr. ZHAO Lu | Chairman of the Board and executive Director |
| Mr. MA Dong | Executive Director |
| Mr. ZHANG Hongwei | Executive Director |
| Mr. LU Yiming | Executive Director |
| Mr. HUANG Yufei | Executive Director |
| Ms. NI Xiaomei | Executive Director |
| Dr. JIANG Xiao | Independent Non-executive Director |
| Dr. LI Zhiguo | Independent Non-executive Director |
| Mr. FUNG Che Wai Anthony | Independent Non-executive Director |

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

The biographical information of the Directors is set out in the section headed "Biographies of Directors, Supervisors and Senior Management" of this annual report.

To the best knowledge of the Company, there are no financial, business, family, or other material relationships among members of the Board.

### Chairman and Chief Executive Officer

Under paragraph C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the period from the Listing Date up to December 31, 2024, Mr. ZHAO Lu ("**Mr. Zhao**") was the chairman of the Board and the general manager (equivalent to the chief executive officer) of the Company. With experience in the pharmaceutical and medical science industries and having joined the Group since January 2016, Mr. Zhao is in charge of strategic planning, execution, operation and overall management of the Group. Despite the fact that the roles of the chairman of the Board and the general manager of the Company were both performed by Mr. Zhao during the period from the Listing Date up to December 31, 2024, which constituted a deviation from paragraph C.2.1 of the CG Code during the Reporting Period, the Board considers that vesting the roles of both the chairman of the Board and the general manager in Mr. Zhao had the benefit of ensuring consistent leadership and more effective and efficient overall strategic planning of the Group. The balance of power and authority is ensured by the operation of the Board, the Supervisory Committee, and the senior management of the Company, each of which comprises experienced and diverse individuals. The Board currently comprises six executive Directors and three independent non-executive Directors. Therefore, the Board possesses a strong independence element in its composition.

Due to work re-arrangement, Mr. Zhao ceased to serve as the general manager of the Company with effect from February 11, 2025. Mr. Zhao has continued to serve as an executive Director and the chairman of the Board, primarily responsible for overall strategic planning and execution of the Group and development of the Group's overseas business. On February 11, 2025, the Board resolved to appoint Ms. WAN Yunyun as the general manager of the Company with effect from the same date. Following such appointment, Ms. WAN Yunyun would serve as the general manager, the president of the digital services division, a senior vice president and the chief commercial officer of the Company, primarily responsible for daily management and operation of the Group, as well as management and operation of the digital services division of the Group. For further details, please refer to the announcement of the Company dated February 11, 2025.

### Independent Non-Executive Directors

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

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

*Independent View*

In order to ensure that independent views and input are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors including the following:

- required character, integrity, expertise, experience and stability to fulfil their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the chairman of the Board meets with the independent non-executive Directors regularly without the presence of the executive Directors.

The Board reviews the implementation and effectiveness of the above mechanisms on an annual basis.

**Appointment and Re-election of Directors**

According to the Articles of Association, Directors (including non-executive Directors) shall be elected by the general meeting with a three-year term. The term of office of Directors shall last from the date on which the Directors take office to the expiration of the term of office of the current Board of Directors. Upon the expiration of the term, the Directors may be re-elected and serve consecutive terms.

**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 directing and supervising the Company's 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 executive Directors and 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.

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.

The Directors shall disclose to the Company details of other offices held by them.

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

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

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

### Continuous Professional Development of Directors

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

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

Directors should 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 year ended December 31, 2024, the Company organized training sessions conducted by the legal advisers for all Directors. The training sessions covered a wide range of relevant topics including directors' duties and responsibilities, continuing connected transaction, disclosure of interests and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

The training records of the Directors for the year ended December 31, 2024 are summarized as follows:

| Name of Directors | Attending training, briefings, seminars, conferences and workshops relevant to the Company's industry and business, director's duties and/or corporate governance | Reading news alerts, newspapers, journals, magazines and publications relevant to the Company's industry and business, director's duties and/or corporate governance |
|---|---|---|
| **Executive Directors** | | |
| Mr. ZHAO Lu | ✓ | ✓ |
| Mr. MA Dong | ✓ | ✓ |
| Mr. ZHANG Hongwei | ✓ | ✓ |
| Mr. LU Yiming | ✓ | ✓ |
| Mr. HUANG Yufei | ✓ | ✓ |
| Ms. NI Xiaomei | ✓ | ✓ |
| **Independent Non-executive Directors** | | |
| Dr. JIANG Xiao | ✓ | ✓ |
| Dr. LI Zhiguo | ✓ | ✓ |
| Mr. FUNG Che Wai Anthony | ✓ | ✓ |

## BOARD COMMITTEES

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

### Audit Committee

The Audit Committee has been established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the CG Code. As at the date of this annual report, the Audit Committee comprises three members, including three independent non-executive Directors, namely Mr. FUNG Che Wai Anthony, Dr. JIANG Xiao and Dr. LI Zhiguo. Mr. FUNG Che Wai Anthony is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems, overseeing the audit process, and performing other duties and responsibilities as assigned by the Board, which includes amongst other things:

- proposing to the Board the appointment and replacement of external audit firms;
- supervising the implementation of the internal audit system;
- liaising between the internal audit department and external auditors;
- reviewing the financial information and related disclosures;
- developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board; and
- other duties conferred by the Board.

As the Company was only listed on the Stock Exchange on October 8, 2024, no meeting was held by the Audit Committee for the period from the Listing Date to December 31, 2024. Up to the date of annual report, the Audit Committee had met three times on February 28, March 20, and April 23, 2025, respectively, during which, matters such as annual financial results and report for the year ended December 31, 2024, significant issues on the financial reporting, operational and compliance controls, effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors, engagement of non-audit services and relevant scope of works, connected transactions, arrangements for employees to raise concerns about possible improprieties were considered.

### Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee has been established with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of part 2 of the CG Code. As at the date of this annual report, the Remuneration and Appraisal Committee comprises three members, including two independent non-executive Directors namely Dr. LI Zhiguo and Mr. FUNG Che Wai Anthony, and one executive Director namely Mr. ZHAO Lu. Dr. LI Zhiguo is the chairman of the Remuneration and Appraisal Committee.

The terms of reference of the Remuneration and Appraisal Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Remuneration and Appraisal Committee are to develop remuneration and appraisal policies of the Directors, evaluate the performance, make recommendations on the remuneration packages of the Directors and senior management and evaluate and make recommendations on employee benefits, which include amongst other things:

- establishing, reviewing and making recommendations to the Board on the policy and structure concerning remuneration and appraisal of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and appraisal;

- determining the terms of the specific remuneration package of each Director and members of senior management;

- reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time;

- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and

- other duties conferred by the Board.

The remuneration of the Directors and senior management is determined with reference to the level of remuneration paid by comparable companies, the time commitment and responsibilities of Directors and senior management, and the employment conditions of the Company and its subsidiaries and consolidated affiliated entities. The level of remuneration takes into consideration the remuneration required to attract and retain to manage the Company successfully. No Director or senior management of the Company is involved in deciding his/her own remuneration.

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration (excluding share-based compensation) for senior management (excluding Directors and Supervisors) of the Company by band for the year ended December 31, 2024 falls within the following bands:

| **Remuneration band** *(RMB)* | **Number of Individuals** |
|---|---|
| 2,500,000-3,000,000 | 1 |

As the Company was only listed on the Stock Exchange on October 8, 2024, no meeting was held by the Remuneration and Appraisal Committee for the period from the Listing Date to December 31, 2024. Up to the date of annual report, the Remuneration and Appraisal Committee had met one time on March 20, 2025, respectively, during which, matters such as remuneration policy and structure of the Company and the remuneration packages of the Directors and other related matters were discussed.

### Nomination Committee

The Nomination Committee was established with written terms of reference in compliance with paragraph B.3 of part 2 of the CG Code. As at the date of this annual report, the Nomination Committee comprises five members, including three independent non-executive Directors namely Dr. JIANG Xiao and Dr. LI Zhiguo and Mr. FUNG Che Wai Anthony, and two executive Directors namely Mr. ZHAO Lu and Ms. NI Xiaomei. Mr. ZHAO Lu is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Nomination Committee are to make recommendations to the Board in relation to the appointment and removal of Directors which includes, amongst other things:

- reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any proposed changes;
- identifying, selecting or making recommendations to the Board on the selection of individuals nominated for directorship;
- assessing the independence of independent non-executive Directors;
- to assist the Board in maintaining a board skills matrix;
- to support the Company's regular evaluation of the Board's performance;
- making recommendations to the Board on relevant matters relating to the appointment, re-appointment and removal of the Directors; and
- other duties conferred by the Board.

As the Company was only listed on the Stock Exchange on October 8, 2024, no meeting was held by the Nomination Committee for the period from the Listing Date to December 31, 2024. Up to the date of annual report, the Nomination Committee had met two times on February 11, March 20, 2025, respectively, during which, matters such as appointment of general manager, structure, size and composition of the Board and the independence of the independent non-executive Directors were discussed.

#### *Board Diversity*

The Company has adopted a board diversity policy (the "**Board Diversity Policy**") to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

The Nomination Committee has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable the Company to maintain a high standard of operation. The Directors have a balanced mix of knowledge and skills, including but not limited to overall business management, R&D, engineering, law, audits and project management. They obtained degrees in various majors including biotechnology, pharmacy, computer science and technology, business administration, accounting, economics, electronic information engineering, telecommunication engineering and law. In addition, we have taken steps to promote and enhance gender diversity at all levels of the Company, and the Board currently comprises one female Director and eight male Directors. Furthermore, the Board has a relatively wide range of ages, ranging from 41 years old to 55 years old.

The Company aims to maintain at least 10% female representation in our Board and the current composition of our Board satisfies this target gender ratio. The Company will take opportunities to promote gender diversity at all levels of the Company, including but not limited to our Board and the senior management levels. The Company will encourage the Board members to recommend female director candidates and take other actions to help achieve greater board diversity, for example, inviting some of our outstanding female staff at the middle to senior levels to attend and observe the Board meetings, and providing training to the female staff who display leadership and potential. This will also allow our Board to understand more about these potential female candidates before they are nominated to the Board and provide opportunities for potential female candidates to prepare themselves for discharging a Director's duties. The Company will also continue to ensure that there is gender diversity when recruiting staff at the middle to senior levels so that our Company will have a pipeline of female senior management and potential successors to our Board. As such, we are of the view that our Board will be offered chances to identify competent female staff at the middle to senior levels to be nominated as a Director in the future with a pipeline of female candidates.

During the year ended December 31, 2024, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant. As at December 31, 2024, the gender ratio in the workforce including senior management) is 40.2% (male): 59.8% (female). For further details of gender ratio and initiatives taken to improve gender diversity together with the relevant data, please refer to the section headed "**Social aspects**" under the environmental, social and governance report of the Company published on the websites of the Stock Exchange and the Company. The Directors are of the opinion that gender diversity has been achieved on senior management and workforce level with reference to the current circumstances of the Company.

*Director Nomination*

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 Chairman of the Board of Directors 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 FUNCTIONS

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

From the Listing Date up to the date of this report, the Audit Committee had reviewed the Company's policies and practices on compliance with legal and regulatory requirements, training and continuous professional development of Directors and senior management, the corporate governance policies and practices, the compliance of the Model Code, and the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

## BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

Since the Listing Date, the Company adopts the practice of holding Board meetings regularly, at least four times a year for Board meetings, and at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication.

As the Company was only listed on the Stock Exchange on October 8, 2024, no meeting was held by the Board for the period from the Listing Date to December 31, 2024. Up to the date of annual report, the Board had met four times on February 11, February 28, March 24, and April 23, 2025, respectively, during which, matters such as election of the general manager, publication of profit announcement, election of new members of the Nomination Committee and amending terms of reference of the Nomination Committee, and reviewing and approving this annual report, as well as the environmental, social and governance report of the Company, etc. were discussed.

The attendance records of each Director at the meetings of the Board and each of Board committees of the Company held since the Listing Date up to the date of this annual report are set out below:

| | Attendance/Number of Meeting(s) | | | | |
|---|---|---|---|---|---|
| **Name of Directors** | **Board meeting(s)** | **Audit Committee Meeting(s)** | **Remuneration and Appraisal Committee meeting(s)** | **Nomination Committee meeting(s)** | **General meeting(s)** |
| **Executive Directors** | | | | | |
| Mr. ZHAO Lu | 4/4 | 0/0 | 1/1 | 2/2 | 0/0 |
| Mr. MA Dong | 4/4 | 0/0 | 0/0 | 0/0 | 0/0 |
| Mr. ZHANG Hongwei | 4/4 | 0/0 | 0/0 | 0/0 | 0/0 |
| Mr. LU Yiming | 4/4 | 0/0 | 0/0 | 0/0 | 0/0 |
| Mr. HUANG Yufei | 4/4 | 0/0 | 0/0 | 0/0 | 0/0 |
| Ms. NI Xiaomei*note* | 4/4 | 0/0 | 0/0 | 0/0 | 0/0 |
| **Independent Non-executive Directors** | | | | | |
| Dr. JIANG Xiao | 4/4 | 3/3 | 0/0 | 2/2 | 0/0 |
| Dr. LI Zhiguo | 4/4 | 3/3 | 1/1 | 2/2 | 0/0 |
| Mr. FUNG Che Wai Anthony*note* | 4/4 | 3/3 | 1/1 | 0/0 | 0/0 |

*Note:* Each of Ms. NI Xiaomei and Mr. FUNG Che Wai Anthony was appointed as a member of the Nomination Committee with effect from March 24, 2025.

Board meetings include regular meetings and extraordinary meetings. Regular board meetings shall be held at least four times a year and shall be convened by the chairman. Notice of a regular board meeting shall be given to all Directors and Supervisors at least 14 days in advance.

An extraordinary board meeting may be held by request of shareholders representing more than 10% of the voting shares or by request of more than one-third of the Directors or the Supervisory Committee of the Company where they think if necessary. Notice of an extraordinary Board meeting shall be given to all Directors at least 3 days in advance.

The Board shall keep minutes on matters discussed at meetings of the Board, including any concerns or objections raised by the Directors. The minutes shall be signed by the Directors present at the meeting. Minutes of the board meeting shall be kept as the Company's record for a period of 10 years.

The Board and each Director also have separate and independent access to the senior management whenever necessary.

## 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. During the Reporting Period, the Board, with the assistance of the Audit Committee, has reviewed of the effectiveness of the risk management and internal control system of the Group and considered the system effective and adequate.

The Company has a designated risk management and internal control team (Internal Audit Department) which is responsible for identifying and monitoring the Company's risks and internal control issues and reports directly to the Board of any findings and follow-up actions. Risks and internal control issues are identified through close watch of regulatory environment, market conditions and issues or matters concerning competitors or other industry participants. All departments of the Company are required to adhere to the Company's internal control procedures and report to the team of any risks or internal control issues. Once any potential risk or internal control issue is identified, a cross department meeting will be held to address such issue and to the extent necessary, new policies will be established to manage such risk. The risk management and internal control system described above 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. In any case, the Board believes that there are no material internal control deficiencies.

The risk management and internal control team (Internal Audit Department) also assist the Board in their review of the adequacy and effectiveness of the risk management and internal control systems on an annual basis covering the preceding financial year.

The Board reviewed the effectiveness of the Group's risk management and internal control systems, including the financial, operational and compliance controls, for the year ended December 31, 2024, and considered that such systems are effective and adequate. The annual review also covered 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 Company's environmental, social and governance performance and reporting.

## CYBERSECURITY AND DATA SECURITY

Our data arrangement and security measures have evolved to cover all stages of data security management, including data classification, collection, transmission, storage, secure utilization, compliance, disclosure, destruction and leakage prevention, ensuring strict compliance with relevant domestic and overseas laws and regulations, including HIPPA and GDPR. We also implement heightened requirements on the protection of personal information and sensitive data to safeguard our growth based on our platform-based model. In addition, we leverage confidentiality agreements with our employees, customers and suppliers to safeguard data security through collaboration. As laws and regulations on data security are constantly evolving, we have been closely monitoring the latest legislative progress, and we intend to update our data security policies strictly in compliance with existing and future laws and regulations that are applicable to us.

## WHISTLEBLOWING POLICY

We have adopted a whistleblowing policy, which allows employees and relevant third parties who deal with the Group to voice concerns, in confidence and anonymity, with the integrity department of the Company about misconduct, malpractice or irregularities in any matters related to the Group who then conducts an investigation into the matter and later report on the findings of such investigation to the Audit Committee.

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

## PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Board will conduct regular review and assessment of inside information, discuss with the management or authorized persons of the Company about disclosure of inside information who have responsibility to report to the Board once any inside information is identified for dissemination.

## ANTI-CORRUPTION AND ANTI-FRAUD POLICY

The Company has adopted an Anti-Bribery and Anti-Corruption Policy, which sets forth the obligations and responsibilities of the Company on the prevention of corruption and bribery practices and provide standards and guidelines for all employees. The Company and its employees are subject to anti-bribery and anti-corruption laws and regulations in the jurisdictions where their business is conducted. The anti-corruption policy will be reviewed on a regular basis, and any conduct or activity in violation of the policy will be reported to the legal and compliance department of the Company.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding all dealings by Directors, Supervisors, and relevant employees of the Group, who are likely to be in possession of unpublished inside information of the Company, since the Listing Date.

Specific enquiries have been made to all the Directors and Supervisors, all Directors and Supervisors have confirmed that they have complied with the Model Code from the Listing Date up to the date of this annual report. No incident of non-compliance of the Model Code by the recent employees was noted by the Company for the aforesaid 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 December 31, 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 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 auditors of the Company, Messrs. PricewaterhouseCoopers, in respect of audit services and non-audit services for the year ended December 31, 2024 is set out below:

| **Category of services** | **Fee paid/ payable** *RMB'000* |
|---|---|
| Audit services | 2,800 |
| Non-audit services | 0 |
| Total | 2,800 |

## JOINT COMPANY SECRETARIES

The joint company secretaries are responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

The current joint company secretaries are Ms. NI Xiaomei and Mr. POON Ping Yeung. The biographical details of Ms. NI Xiaomei are set out in the section headed "Directors, Supervisors and Senior Management – Biographical Details of Senior Management" of this annual report. In order to uphold good corporate governance and ensure compliance with the Listing Rules, the Company also engaged Mr. POON Ping Yeung, a manager of the listed and fiduciary corporate services of Trident Corporate Services (Asia) Limited, as another joint company secretary to assist Ms. NI in discharging his duties as company secretary of the Company. Mr. POON's primary corporate contact person at the Company is Ms. NI.

In compliance with Rule 3.29 of the Listing Rules, each of Ms. NI and Mr. POON has undertaken not less than 15 hours of relevant professional training for the year ended December 31, 2024.

## SHAREHOLDERS' COMMUNICATION POLICY AND INVESTOR RELATIONS

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 recognises the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions.

The Company has adopted a Shareholders' Communication Policy, which complies with the Listing Rules and provides all Shareholders with equal access to such information, in order to keep Shareholders informed of its performance, operations and significant business developments. The Shareholders' Communication Policy of the Company is available on the website of the Company. 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 chairperson of the Board as well as the chairpersons of the Nomination Committee, the Remuneration and Appraisal Committee and the Audit Committee or, in their absence, other members of the respective committees, are available to answer Shareholders' questions at general meeting. 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. Shareholders may raise questions or make a request through designated channels for the Company's information to the extent such information is publicly available.

Please refer to page 2 of this annual report for the address of the Company's H Share Registrar and contact details of the Company. Shareholders can contact Computershare Hong Kong Investor Services Limited, the Company's H Share Registrar, for questions about their shareholdings. For putting forward enquiries to the Board, please refer to the section headed "Putting Forward Enquiries to the Board" below.

To promote effective communication, the Company maintains a website (www.taimei.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. As the Company was only listed on the Stock Exchange on October 8, 2024, the Board shall review the implementation and effectiveness of Shareholders' Communication Policy during the financial year ending December 31, 2025. The Board shall continue to review the implementation and effectiveness of the Shareholders' Communication Policy on an annual basis and amend its terms as and when necessary.

## SHAREHOLDERS' RIGHTS

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

According to the Articles of Association, Shareholder(s) individually or jointly holding more than 10% of the issued voting shares of the Company may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting and stating the subject of the meeting. The Board shall, pursuant to relevant laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, give a written reply on whether to agree or disagree to convene the extraordinary general meeting within 10 days after receipt of the request.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. In the event of any change to the original proposal, the consent of relevant shareholder(s) shall be obtained.

If the Board does not agree to convene the extraordinary general meeting or fails to give a reply within 10 days after receipt of the request, shareholder(s) severally or jointly holding more than 10% of the issued voting shares of the Company shall be entitled to propose and request in writing to the Supervisory Committee to convene an extraordinary general meeting. The Supervisory Committee shall decide whether to convene the extraordinary general meeting within 10 days after receipt of the request in accordance with the provisions of laws, administrative regulations and the Articles of Association, and give a written reply to the shareholders.

If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal, the consent of relevant shareholder(s) shall be obtained.

If the Supervisory Committee fails to give the notice of such a meeting within the specified time limit, it shall be deemed to have failed to convene or preside over the meeting, in which case, shareholders individually or collectively holding more than 10% of the issued voting shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own.

Prior to the announcement of the resolution of the general meeting, the proportion of the issued voting shares of the Company individually or collectively held by the shareholders who convene the meeting shall not be less than 10%.

When the Supervisory Committee or shareholders decide to convene a general meeting on their own, they shall notify the Board in writing and make filing with the stock exchange in the place where the Company's shares are listed. Before the announcement of the resolution of the general meeting, the ratio of the total number of the shares with voting rights held by the convening shareholders shall not be less than 10%. The Supervisory Committee or the convening shareholders shall submit relevant supporting evidence to the stock exchange in the place where the Company's shares are listed upon issuance of the notice of the general meeting and the announcement of the resolutions of the general meeting.

If the Supervisory Committee or shareholders convene a general meeting on their own, the Company shall bear the reasonable expenses incurred thereby and deduct the expenses from the amount owed by the Company to the delinquent Directors.

### Procedures for Putting Forward a Proposal at The General Meeting

Pursuant to Article 53 of the Articles of Association, Shareholders holding, individually or in aggregate, more than 1% of the shares of the Company may propose ad hoc motions to the Board in writing 10 days before the convening of such general meeting. The proposal shall have definite topics and specific matters for resolution. The convener shall, within 2 days after the receipt of the proposal, issue a supplementary notice to inform the general meeting of the contents of the ad hoc motions, and shall submit the proposal to the general meeting for consideration, provided that no proposal shall be submitted if it is in violation of any law, administrative regulation or the Articles of Association or not within the scope of duties and powers of the general meeting.

### Procedures for Shareholders to Nominate Candidates of Directors and Supervisors

Pursuant to the Articles of Association, where the Company convenes a general meeting, Shareholders holding, individually or in aggregate, 1% or more of the shares of the Company may, no less than 10 days prior to the date of convening the general meeting, put forward an ad hoc proposal and submit it to the Board in writing to nominate a candidate as a Director and a candidate as a non-employee representative Supervisor. The written notices shall include (i) the intention to nominate a candidate as a Director or Supervisor and the acceptance of nomination by such nominee, and (ii) the relevant written materials of the nominated candidate shall be given to the Company no less than 7 days prior to the date of convening the general meeting. The information and biography of the nominated candidate shall comply with the requirements under the Rule 13.51(2) of the Listing Rules.

Upon receipt of the above notice from a Shareholder after publication of the notice of general meeting, in order to provide Shareholders sufficient time to consider the proposal of election of a candidate as a Director or a Supervisor, the Company shall, if necessary, adjourn its general meeting, and no less than 10 business days prior to the date of convening the general meeting, publish an announcement or issue a supplementary circular in respect of disclosing the particulars of the Director or Supervisor candidate pursuant to Rules 13.70 and 13.74 of the Listing Rules. At the general meeting, voting on each candidate as a Director or Supervisor shall be handled as separate matters. In the case of ad hoc addition or replacement of any Director or Supervisor, the Board of Directors or the Supervisory Committee of the Company shall, respectively, put forward a proposal to the general meeting for such election or replacement.

### 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.

### Contact Details

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

Address: 3/F, Building 9 Smart Industry Innovation Park 36 Changsheng South Road, Jiaxing Zhejiang PRC
Email: ir@taimei.com

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

During the period from the Listing Date to the date of this annual report, no changes have been made to the said Articles of Association. The Articles of Association is available on the websites of the Company and the Stock Exchange.

# INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Zhejiang Taimei Medical Technology Co., Ltd.**
(incorporated in the People's Republic of China with limited liability)

## OPINION

### What we have audited

The consolidated financial statements of Zhejiang Taimei Medical Technology Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which are set out on pages 79 to 168, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive loss 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 December 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.

### 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.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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 on sales of software-as-a-service products ("SaaS products") and provision of digital services
- Impairment assessment of goodwill arising from acquisition of Shanghai Taimei Xinghuan Digital Technology Co., Ltd. ("Taimei Xinghuan")

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Revenue recognition on sales of SaaS products and provision of digital services**<br><br>Refer to Note 6 to the consolidated financial statements.<br><br>During the year ended 31 December 2024, the Group recognised revenue of RMB161.9 million and RMB342.5 million for sales of SaaS products and provision of digital services respectively.<br><br>SaaS products mainly include a subscription for unlimited access to, or a limited number of usages of, the cloud-based software over the contract period. Revenue from SaaS products provided on a subscription basis is recognised over the period of the contract on ratable basis. Revenue from SaaS products provided on usage-based is recognised in the period in which the usage occurs.<br><br>Revenue from provision of digital services is recognised over time using output method, where the progress of the performance obligation is measured by the completion progress of projects. | Our procedures to address this key audit matter included:<br><br>– We understood, evaluated and tested the Group's key controls in relation to revenue recognition on sales of SaaS products and provision of digital services, including the management's measurement of the completion progress of single performance obligation, information technology general controls related to complex IT environments and key reports generated from system with the assistance of our internal information technology specialists.<br><br>– We understood the Group's accounting policy on revenue recognition on sales of SaaS products and provision of digital services, examined the contract terms, on a sample basis, and assessed the appropriateness of management's identification of performance obligations based on the contractual agreements. |

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| We focused on this area as auditing revenue from SaaS products and digital services required a significant extent of effort due to large volume of revenue contracts, and the evaluation of the management's measurement of the completion progress of a single performance obligation during the year. | – We tested, on a sample basis, the revenue transactions by examining the key contract terms including contract price, contract period and tracing to relevant supporting documents, including:<br><br>• the resources utilization data recorded in relevant system with the assistance of our internal information technology specialists for revenue from SaaS products provided on usage-basis;<br><br>• the confirmation of completion acknowledged by customers for revenue from SaaS products on ratable basis; and<br><br>• the completion progress of projects provided by the management and the relevant progress records acknowledged by customers for revenue from provision of digital services.<br><br>– We tested whether the revenue transactions were recognised in the appropriate period, on a sample basis, by tracing to the supporting documents.<br><br>– We performed confirmation procedures, on a sample basis, with main customers for contract prices and key contract terms.<br><br>Based on the procedures performed, we considered that the Group's revenue recognition in relation to sales of SaaS products and provision of digital services were supported by the evidence obtained. |

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Impairment assessment of goodwill arising from acquisition of Taimei Xinghuan**<br><br>Refer to Note 18 to the consolidated financial statements.<br><br>As of 31 December 2024, the Group recorded goodwill arising from acquisition of Taimei Xinghuan, comprising of original costs of RMB139.6 million and related impairment provision of RMB102.6 million.<br><br>The management performs impairment assessment on goodwill, with the assistance of external independent valuer, annually or more frequently if events or changes in circumstances indicate that they might be impaired. To assess the impairment, the goodwill has been allocated to the cash-generating unit ("CGU") level. The impairment assessment is based on recoverable amount which is the higher of fair value less costs of disposal and value in use, and requires significant management's judgements on key assumptions including annual growth rate, terminal growth rate and pre-tax discount rate applicable to the CGU.<br><br>We focused on this area due to the significance of the carrying amount of goodwill and the estimation of recoverable amount involved high degree of subjectivity and estimation uncertainty. | Our procedures to address this key audit matter included:<br><br>– We obtained understanding of management's internal control and assessment process of goodwill impairment and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. We evaluated the outcome of prior period impairment assessment of the goodwill to assess the effectiveness of the management's estimation process.<br><br>– We evaluated and tested the key controls over the management impairment assessment of goodwill.<br><br>– We evaluated management's identification of CGUs and the allocation of goodwill to the CGUs.<br><br>– We assessed the competence, capabilities and objectivity of external independent valuer engaged by the Group by assessing its qualification, relevant experience and relationship with the Group.<br><br>– We assessed the appropriateness of valuation model with assistance of our internal valuation experts. |

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| | – We assessed the appropriateness of the key assumptions adopted by the management including:<br><br>• the annual growth rate by comparing to historical results, examining the approved management budget of CGU and taking into consideration of industry information;<br><br>• the pre-tax discount rate and terminal growth rate by comparing to the comparable companies and available market data with assistance of internal valuation experts;<br><br>– We tested the mathematical accuracy of impairment computation.<br><br>– We assessed the management's sensitivity analysis on the key assumptions to evaluate the potential impacts on the recoverable amount.<br><br>– We assessed the adequacy of the disclosures related to goodwill impairment in the context of the applicable financial reporting framework.<br><br>Based on the procedures performed, we considered that the management's judgement and key assumptions adopted in impairment assessment of goodwill were supported by the evidence obtained. |

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Zhejiang Taimei Medical Technology Co., Ltd. 2024 Annual Report (the "annual report") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including corporation information, management discussion and analysis and biographies of directors, supervisors and senior management prior to the date of this auditor's report. The remaining other information, including definitions, financial highlights, chairman's statement, report of directors, report of supervisory committee, corporate governance report and the other sections to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

## 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 judgment 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is CHAN Chiu Kong, Edmond.

**PricewaterhouseCoopers**
Certified Public Accountants
Hong Kong, 24 March 2025

# CONSOLIDATED INCOME STATEMENT

| | | Year ended December 31, | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Note* | **RMB'000** | RMB'000 |
| **Revenue** | *6* | **551,156** | 573,137 |
| Cost of sales | *7* | **(326,213)** | (394,135) |
| **Gross profit** | | **224,943** | 179,002 |
| Selling expenses | *7* | **(87,571)** | (150,207) |
| Administrative expenses | *7* | **(321,415)** | (268,913) |
| Research and development expenses | *7* | **(87,054)** | (169,191) |
| Net impairment losses on financial and contract assets | *3.1(b)* | **(3,591)** | (8,402) |
| Net impairment losses on intangible assets | *18(b)* | **(9,795)** | (9,572) |
| Other income | *9* | **18,020** | 19,419 |
| Other gains – net | *10* | **14,011** | 11,277 |
| **Operating loss** | | **(252,452)** | (396,587) |
| Finance income | | **35,774** | 41,654 |
| Finance cost | | **(727)** | (1,431) |
| **Finance income – net** | *11* | **35,047** | 40,223 |
| **Loss before income tax** | | **(217,405)** | (356,364) |
| Income tax expenses | *13* | **–** | (15) |
| **Loss for the year** | | **(217,405)** | (356,379) |
| **Loss attributable to:** | | | |
| Owners of the Company | | **(214,609)** | (346,778) |
| Non-controlling interests | | **(2,796)** | (9,601) |
| | | **(217,405)** | (356,379) |
| **Loss per share for loss attributable to owners of the Company** | | | |
| Basic and diluted loss per share (RMB) | *14* | **(0.39)** | (0.64) |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

| | Note | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| **Loss for the year** | | **(217,405)** | (356,379) |
| **Other comprehensive (losses)/income** | | | |
| *Item that may be reclassified to profit or loss* | | | |
| Exchange differences on translation of foreign operations | | **(4,271)** | 1,866 |
| **Other comprehensive (losses)/income for the year, net of taxes** | | **(4,271)** | 1,866 |
| **Total comprehensive loss for the year** | | **(221,676)** | (354,513) |
| **Total comprehensive loss for the year attributable to:** | | | |
| Owners of the Company | | **(218,839)** | (344,902) |
| Non-controlling interests | *12(b)(ii)* | **(2,837)** | (9,611) |
| | | **(221,676)** | (354,513) |

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

# CONSOLIDATED BALANCE SHEET

| | Note | As at December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | *16* | **12,201** | 21,942 |
| Right-of-use assets | *17* | **23,003** | 19,347 |
| Intangible assets | *18* | **58,181** | 72,191 |
| Restricted cash | *27(b)* | **–** | 5,000 |
| Long-term receivables | *24* | **12,712** | – |
| | | **106,097** | 118,480 |
| **Current assets** | | | |
| Contract fulfilment cost | *20* | **3,546** | 14,024 |
| Contract assets | *6(a)* | **16,614** | 21,419 |
| Trade and notes receivables | *22* | **170,013** | 146,257 |
| Other receivables and prepayments | *23* | **82,444** | 74,998 |
| Financial assets at fair value through profit or loss | *25* | **120,792** | 280,826 |
| Short-term treasury investments | *26* | **159,374** | – |
| Restricted cash | *27(b)* | **5,100** | 1,511 |
| Short-term bank deposits | *27(c)* | **599,920** | 269,233 |
| Cash and cash equivalents | *27(a)* | **319,297** | 517,924 |
| | | **1,477,100** | 1,326,192 |
| **Total assets** | | **1,583,197** | 1,444,672 |
| **Equity** | | | |
| **Equity attributable to owners of the Company** | | | |
| Share capital | *28* | **563,779** | 538,000 |
| Other reserves | *29* | **2,295,189** | 1,922,646 |
| Currency translation reserves | | **1,919** | 6,149 |
| Accumulated losses | | **(1,703,077)** | (1,488,468) |
| | | **1,157,810** | 978,327 |
| **Non-controlling interests** | | **76,763** | 63,786 |
| **Total equity** | | **1,234,573** | 1,042,113 |

# CONSOLIDATED BALANCE SHEET

| | | As at December 31, | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Note* | **RMB'000** | RMB'000 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | *17* | **13,283** | 2,781 |
| Deferred revenue | *34* | **7,402** | 8,174 |
| Warrant liabilities | *30* | **35,347** | 33,735 |
| | | **56,032** | 44,690 |
| **Current liabilities** | | | |
| Borrowings | *33* | **10,004** | – |
| Trade and other payables | *32* | **184,418** | 208,176 |
| Lease liabilities | *17* | **11,471** | 12,308 |
| Contract liabilities | *6(b)* | **86,699** | 137,385 |
| | | **292,592** | 357,869 |
| **Total liabilities** | | **348,624** | 402,559 |
| **Total equity and liabilities** | | **1,583,197** | 1,444,672 |
| **Net current assets** | | **1,184,508** | 968,323 |
| **Total assets less current liabilities** | | **1,290,605** | 1,086,803 |

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

The consolidated financial statements on pages 79 to 168 were approved and authorised for issue by the Board of Directors of the Company on March 24, 2025 and were signed on its behalf by:

Zhao Lu
*Director*

Ni Xiaomei
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | | Equity attributable to owners of the Company | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Note | Share capital RMB'000 | Other reserves RMB'000 | Currency translation reserves RMB'000 | Accumulated losses RMB'000 | Total RMB'000 | Non-controlling interests RMB'000 | Total equity RMB'000 |
| **As at January 1, 2024** | | 538,000 | 1,922,646 | 6,149 | (1,488,468) | 978,327 | 63,786 | 1,042,113 |
| **Comprehensive loss** | | | | | | | | |
| Loss for the year | | – | – | – | (214,609) | (214,609) | (2,796) | (217,405) |
| Exchange differences on translation of foreign operations | | – | – | (4,230) | – | (4,230) | (41) | (4,271) |
| **Total comprehensive loss** | | – | – | (4,230) | (214,609) | (218,839) | (2,837) | (221,676) |
| **Transactions with owners** | | | | | | | | |
| Issuance of ordinary shares relating to initial public offering ("IPO"), net of underwriting commissions and other issuance costs | *28* | 25,779 | 258,938 | – | – | 284,717 | – | 284,717 |
| Share-based payments | *7, 31* | – | 36,583 | – | – | 36,583 | – | 36,583 |
| Transactions with non-controlling interests | *12(b)(iv)* | – | 77,022 | – | – | 77,022 | 15,814 | 92,836 |
| **Total transactions with owners** | | 25,779 | 372,543 | – | – | 398,322 | 15,814 | 414,136 |
| **As at December 31, 2024** | | 563,779 | 2,295,189 | 1,919 | (1,703,077) | 1,157,810 | 76,763 | 1,234,573 |
| **As at January 1, 2023** | | 538,000 | 1,909,354 | 4,273 | (1,141,690) | 1,309,937 | 73,397 | 1,383,334 |
| **Comprehensive income/(loss)** | | | | | | | | |
| Loss for the year | | – | – | – | (346,778) | (346,778) | (9,601) | (356,379) |
| Exchange differences on translation of foreign operations | | – | – | 1,876 | – | 1,876 | (10) | 1,866 |
| **Total comprehensive income/(loss)** | | – | – | 1,876 | (346,778) | (344,902) | (9,611) | (354,513) |
| **Transactions with owners** | | | | | | | | |
| Share-based payments | *7, 31* | – | 13,292 | – | – | 13,292 | – | 13,292 |
| **Total transactions with owners** | | – | 13,292 | – | – | 13,292 | – | 13,292 |
| **As at December 31, 2023** | | 538,000 | 1,922,646 | 6,149 | (1,488,468) | 978,327 | 63,786 | 1,042,113 |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash used in operations | 35 | **(201,615)** | (351,149) |
| Income tax paid | | **–** | (15) |
| Net cash used in operating activities | | **(201,615)** | (351,164) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | **(5,682)** | (4,359) |
| Purchase of intangible assets | | **–** | (5,117) |
| Dividend income from financial assets at fair value through profit and loss | 9 | **1,275** | – |
| Proceeds from disposal of property, plant and equipment | | **336** | – |
| Placement of short-term bank deposits | | **(846,102)** | (345,415) |
| Redemption of short-term bank deposits | | **525,881** | 407,340 |
| Placement of short-term treasury investments | | **(154,844)** | – |
| Interest income | | **31,893** | 20,316 |
| Purchase of short-term investments measured at fair value through profit or loss | 25(a) | **(235,000)** | (362,500) |
| Proceeds from disposal of short-term investments measured at fair value through profit or loss | 25(a) | **398,563** | 527,423 |
| Net cash (used in)/generated from investing activities | | **(283,680)** | 237,688 |
| **Cash flows from financing activities** | | | |
| Net proceeds from issuance of ordinary shares relating to the IPO by deduction of the underwriting commission and levies | | **291,057** | – |
| Proceeds from borrowings | 33 | **10,000** | – |
| Principal elements of lease payments | 35(b) | **(14,710)** | (30,781) |
| Interests elements of lease payments | 35(b) | **(723)** | (1,431) |
| Payment of listing expense in relation to IPO | | **(4,588)** | (7,069) |
| Net cash generated from/(used in) financing activities | | **281,036** | (39,281) |
| **Net decrease in cash and cash equivalents** | | **(204,259)** | (152,757) |
| Cash and cash equivalents at beginning of year | | **517,924** | 666,742 |
| Effect of foreign exchange rates changes | | **5,632** | 3,939 |
| **Cash and cash equivalents at end of year** | | **319,297** | 517,924 |

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

## 1 GENERAL INFORMATION

Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司) (the "Company") was established under its former name, Jiaxing Taimei Medical Technology Co., Ltd. (嘉興太美醫療科技有限公司), as a limited liability company in the People's Republic of China (the "PRC") on June 6, 2013. The Company completed its conversion into a joint stock limited company on September 11, 2020.

The Company and its subsidiaries (together, the "Group") are primarily engaged in providing digital solutions for life sciences R&D and commercialisation mainly in the PRC and certain overseas countries and regions.

The ultimate controlling shareholder of the Group is Mr. Zhao Lu (趙璐先生).

On October 8, 2024, the Company completed its IPO and was successfully listed on Main Board of the Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise. These financial statements were approved for issue by the Board of Directors on March 24, 2025.

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

### 2.1 Basis of preparation

*(a) Compliance with IFRS Accounting Standards (IFRS)*

The consolidated financial statements of the Group have been prepared in accordance with IFRS and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and the disclosure requirements of Hong Kong Companies Ordinance Cap. 622.

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

Other than those material accounting policies information as disclosed in the notes to the relevant financial line items or transactions in the consolidated financial statements, a summary of the other accounting policies information has been set out in Note 41 to the consolidated financial statements.

*(b) Historical cost convention*

The consolidated financial statements have been prepared under the historical cost convention, except for the following:

- certain financial assets and liabilities (including derivative instruments) – measured at fair value; and

- contingent consideration – measured at fair value

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (Continued)

### 2.2 Changes in accounting policy and disclosures

*(a) Amended standards adopted by the Group*

The Group has applied the following standards and amendments for the first time for its financial year commencing 1 January 2024:

| | |
|---|---|
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants |
| Amendments to IFRS 16 | Lease liability in sale and leaseback |
| 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 years and are not expected to significantly affect the current or future years.

*(b) New standards and amendments not yet adopted*

The followings are new standards and amendments that have been issued but are not effective for the year ended December 31, 2024, and have not been early adopted by the Group. The Group plans to adopt these new standards and amendments when they become effective:

| **Standards and amendments** | | **Effective for accounting periods beginning on or after** |
|---|---|---|
| IAS 21 (Amendment) | Lack of Exchangeability | January 1, 2025 |
| IFRS 7 and IFRS 9 (Amendment) | Amendments to the Classification and Measurement of Financial Instruments | January 1, 2026 |
| Annual Improvements to IFRS | Annual Improvements to IFRS Accounting Standards | January 1, 2026 |
| IFRS 19 | Subsidiaries without public accountability: disclosures | January 1, 2027 |
| IFRS 18 | Presentation and disclosure in financial statements | January 1, 2027 |

According to the assessment made by the directors of the Company, these new standards and amendments are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective.

## 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 program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

*(a) Market risk*

*(i) Foreign exchange risk*

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"). 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 Company's Functional Currency is Renminbi ("RMB"). The Company's subsidiaries were incorporated in mainland China, the United States and Singapore and these subsidiaries considered RMB, US dollars ("USD") and Singapore dollars ("SGD") as their Functional Currency respectively.

The Group is primarily exposed to changes in USD/RMB and HKD/RMB exchange rates. As at December 31, 2024, if USD or HKD had strengthened/weakened by 10% against RMB with all other variables held constant, the Group's loss before income tax for the year would have been RMB61,317,000 lower/higher and RMB28,281,000 lower/higher respectively (December 31, 2023: USD/RMB: RMB60,528,000 lower/higher and HKD/RMB: nil) as a result of foreign exchange gains/losses on translation of USD or HKD denominated cash and cash equivalents, short-term treasury investments, and short-term bank deposits.

*(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 (Note 27), restricted cash (Note 27), short-term bank deposits (Note 27), short-term treasury investments (Note 26), financial assets at fair value through profit or loss (Note 25) and long-term receivables (Note 24).

Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The Group's cash flow interest-rate risk arises from borrowings. The interest rates and repayments of borrowings are disclosed in Note 33. The Group did not use any interest rate swap contracts or other financial instruments to ledge against its interest rate risk. Management will continue to monitor interest rate risk exposure and will consider hedging significant interest rate risk exposure should the need arises.

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

*(b) Credit risk*

Credit risk arises from cash and cash equivalents, restricted cash, short-term bank deposits, short-term treasury investments, financial assets at fair value through profit or loss, as well as trade and notes receivables, contract assets, long-term receivables and other receivables. 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.

*Risk Management*

To manage this risk, cash and cash equivalents, restricted cash, short-term bank deposits, short-term treasury investments and short-term investments measured at fair value through profit or loss are mainly placed with reputable commercial banks and other financial institutions which are all high-credit-quality financial institutions in mainland China, Hong Kong, Singapore and Cayman Islands.

To manage risk arising from trade and notes receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. The credit period granted to the customers is usually around 30 to 120 days.

For other financial assets carried at amortised cost (excluding input value-added tax ("VAT") to be deducted and prepayments), management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

*Impairment of financial assets and contract assets*

The Group has three types of financial assets that are subject to the expected credit loss model ("ECL model"):

- cash and cash equivalents, restricted cash, short-term bank deposits;
- trade and notes receivables, contract assets and long-term receivables; and
- short-term treasury investments and other receivables.

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

*(b) Credit risk (Continued)*

*Impairment of financial assets and contract assets (Continued)*

(i) Cash and cash equivalents, restricted cash and short-term bank deposits

To manage risk arising from cash and cash equivalents, restricted cash and short-term bank deposits, the Group only transacts with reputable commercial banks in mainland China, Hong Kong and Singapore. There has been no recent history of default in relation to these commercial banks. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents, restricted cash and short-term bank deposits are also subject to the impairment requirements of IFRS 9, while the identified impairment loss was immaterial.

(ii) Trade and notes receivables, contract assets and long-term receivables

For trade and notes receivables, contract assets and long-term receivables, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables, contract assets and long-term receivables. To measure the expected credit losses, trade and notes receivables, contract assets and long-term receivables have been grouped based on shared credit risk characteristics and aging, while the identified impairment loss of notes receivables was immaterial.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over 5 years and probability of default of counter parties on an ongoing basis throughout each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("GDP") and Consumer Price Index ("CPI") to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The main exposure to credit risk at each of the reporting dates is the carrying value of the Group's trade and notes receivables, contract assets and long-term receivables. On that basis, the loss allowance was determined as follows for trade receivables, contract assets and long-term receivables.

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

*(b) Credit risk (Continued)*

*Impairment of financial assets and contract assets (Continued)*

(ii) Trade and notes receivables, contract assets and long-term receivables (Continued)

Trade receivables and contract assets

| At December 31, 2024 | Up to 3 months | 3 to 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | Over 4 years | Individual | Total |
|---|---|---|---|---|---|---|---|---|---|
| Expected credit loss rate | 2.63% | 5.05% | 9.13% | 21.71% | 53.93% | 80.65% | 100.00% | 13.83% | N.A. |
| Gross carrying amount – trade receivables (RMB'000) | 77,227 | 38,446 | 28,371 | 29,877 | 8,633 | 2,532 | 453 | 3,145 | 188,684 |
| Gross carrying amount – contract assets (RMB'000) | 12,294 | 1,523 | 2,456 | 1,233 | – | – | – | – | 17,506 |
| Loss allowance (RMB'000) | (2,350) | (2,017) | (2,815) | (6,753) | (4,656) | (2,042) | (453) | (435) | (21,521) |

| At December 31, 2023 | Up to 3 months | 3 to 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | Over 4 years | Individual | Total |
|---|---|---|---|---|---|---|---|---|---|
| Expected credit loss rate | 3.07% | 5.96% | 10.86% | 29.40% | 73.57% | 94.00% | 100.00% | 43.76% | N.A. |
| Gross carrying amount – trade receivables (RMB'000) | 75,749 | 32,068 | 30,763 | 17,640 | 2,796 | 1,100 | 149 | 2,644 | 162,909 |
| Gross carrying amount – contract assets (RMB'000) | 12,488 | 1,065 | 9,326 | – | – | – | – | – | 22,879 |
| Loss allowance (RMB'000) | (2,713) | (1,976) | (4,352) | (5,186) | (2,057) | (1,034) | (149) | (1,157) | (18,624) |

Long-term receivables

| | Long-term receivables RMB'000 | Expected credit loss rate % | Loss allowance RMB'000 |
|---|---|---|---|
| Payment by instalment sales contract | 12,800 | 0.69% | (88) |

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

*(b) Credit risk (Continued)*

*Impairment of financial assets and contract assets (Continued)*

(iii) Short-term treasury investments and other receivables

Short-term treasury investments are low-credit-risk fund products with fixed return. The underlying assets of these short-term treasury investments are United States treasury bonds with maturities within one year and cash. Other receivables mainly include refundable deposits and others. The Group applies a three stage approach to measure ECL of short-term treasury investments and other receivables prescribed by IFRS 9. Management makes periodic collective assessments as well as individual assessment on the recoverability of short-term treasury investments and other receivables based on historical settlement records and past experiences incorporating forward-looking information. Impairment on short-term treasury investments and other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a short-term treasury investments or other receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. ECL model for short-term treasury investments and other receivables, is summarised below:

- Short-term treasury investments and other receivables that are not credit-impaired on initial recognition are classified in Stage 1 and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis;

- If a significant increase in credit risk (as defined below) since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis; and

- If the financial instrument is credit-impaired (as defined below), the financial instrument is then moved to Stage 3. The expected credit loss is measured on lifetime basis.

As there has been no significant increase in credit risk since initial recognition, all of the Group's short-term treasury investments and other receivables as at December 31, 2024 were classified in Stage 1 and their expected credit losses were measured on a 12-month basis.

Trade and notes receivables, contracts assets, long-term receivables and short-term treasury investments and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

*(b) Credit risk (Continued)*

*Impairment of financial assets and contract assets (Continued)*

(iii) Short-term treasury investments and other receivables (Continued)

The movement of loss allowance for trade and notes receivables, contract assets, other receivables, short-term treasury investments and long-term receivables are as below:

| | Trade and notes receivables RMB'000 | Contract assets RMB'000 | Other receivables RMB'000 | Short-term treasury investments RMB'000 | Long-term receivables RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|
| **Opening loss allowance as at January 1, 2024** | (17,164) | (1,460) | (641) | – | – | (19,265) |
| (Increase)/decrease in loss allowance recognised in profit or loss during the year | (4,155) | 568 | 319 | (235) | (88) | (3,591) |
| Receivables written off during the year as uncollectable | 690 | – | – | – | – | 690 |
| Currency translation differences | * | – | * | * | * | * |
| **As at December 31, 2024** | (20,629) | (892) | (322) | (235) | (88) | (22,166) |
| **Opening loss allowance as at January 1, 2023** | (10,070) | (1,369) | (567) | – | – | (12,006) |
| Increase in loss allowance recognised in profit or loss during the year | (8,238) | (91) | (73) | – | – | (8,402) |
| Receivables written off during the year as uncollectable | 1,145 | – | – | – | – | 1,145 |
| Currency translation differences | (1) | – | (1) | – | – | (2) |
| **As at December 31, 2023** | (17,164) | (1,460) | (641) | – | – | (19,265) |

* represents that the amount is less than RMB1,000 for the year.

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

*(c) Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their 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 | Total RMB'000 |
|---|---|---|---|---|
| **At December 31, 2024** | | | | |
| Borrowings | 10,133 | – | – | 10,133 |
| Lease liabilities | 12,348 | 10,552 | 3,107 | 26,007 |
| Trade and other payables (excluding staff salaries and welfare payables, taxes payables and others) | 110,657 | – | – | 110,657 |
| | 133,138 | 10,552 | 3,107 | 146,797 |
| **At December 31, 2023** | | | | |
| Lease liabilities | 12,669 | 2,403 | 446 | 15,518 |
| Trade and other payables (excluding staff salaries and welfare payables, taxes payables and others) | 83,423 | – | – | 83,423 |
| | 96,092 | 2,403 | 446 | 98,941 |

The Group recognises warrant liabilities issued to investors of a subsidiary at fair value through profit or loss (Note 30). Accordingly, the warrant liabilities issued to investors are managed on a fair value basis rather than by maturing dates.

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital (including share capital and other reserves) 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. The Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

The Group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The gearing ratio were as follows:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Total liabilities | **348,624** | 402,559 |
| Total assets | **1,583,197** | 1,444,672 |
| **Gearing ratio** | **22.02%** | 27.87% |

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.3 Fair value estimation

*(a) 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.

| | Level 1<br>RMB'000 | Level 2<br>RMB'000 | Level 3<br>RMB'000 | Total<br>RMB'000 |
|---|---|---|---|---|
| **As at December 31, 2024** | | | | |
| Assets: | | | | |
| – Financial assets at FVPL | – | – | 120,792 | 120,792 |
| Liabilities: | | | | |
| – Warrant liabilities | – | – | 35,347 | 35,347 |
| **As at December 31, 2023** | | | | |
| Assets: | | | | |
| – Financial assets at FVPL | – | – | 280,826 | 280,826 |
| Liabilities: | | | | |
| – Warrant liabilities | – | – | 33,735 | 33,735 |

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading 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. This is the case for unlisted debt and equity investment.

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.3 Fair value estimation (Continued)

*(b) Valuation techniques used to determine fair values*

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of trade and notes receivables, other receivables, short-term treasury investments, short-term bank deposits, restricted cash, and cash and cash equivalents approximated to their carrying amounts.

The fair value of trade and other payables and borrowings approximated to their carrying amounts. The fair value of long-term receivables was disclosed in Note 24.

*(c) Fair value measurements using significant unobservable inputs (Level 3)*

The following table presents the changes in Level 3 items including financial assets and liabilities at fair value through profit or loss for the year ended December 31, 2024:

| | Short-term investment measured at fair value through profit and loss (Note 25(a)) RMB'000 | Contingent consideration (Note 25(b)) RMB'000 | Warrant liabilities (Note 30) RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| **At January 1, 2024** | **278,769** | **2,057** | **(33,735)** | **247,091** |
| Additions | **235,000** | **–** | **–** | **235,000** |
| Disposals | **(398,563)** | **–** | **–** | **(398,563)** |
| Fair value changes | **5,586** | **(2,057)** | **(1,612)** | **1,917** |
| **At December 31, 2024** | **120,792** | **–** | **(35,347)** | **85,445** |
| **At January 1, 2023** | 435,751 | 4,156 | (32,232) | 407,675 |
| Additions | 362,500 | – | – | 362,500 |
| Disposals | (527,423) | – | – | (527,423) |
| Fair value changes | 7,941 | (2,099) | (1,503) | 4,339 |
| **At December 31, 2023** | 278,769 | 2,057 | (33,735) | 247,091 |

## 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.3 Fair value estimation (Continued)

*(c) Fair value measurements using significant unobservable inputs (Level 3) (Continued)*

The following table summarises the quantitative information about the significant unobservable inputs used in short-term investment measured at fair value through profit and loss of Level 3 fair value measurements.

*At December 31, 2024*

| Description | Unobservable inputs | Range of inputs | Relationship of unobservable inputs to fair value |
|---|---|---|---|
| Wealth management products | Expected rate of return | 2.80%-3.82% | The higher the expected rate of return, the higher the fair value |
| Warrant liabilities | Discount rate | 1.08%-1.14% | The higher the discount rate, the lower the fair value |

*At December 31, 2023*

| Description | Unobservable inputs | Range of inputs | Relationship of unobservable inputs to fair value |
|---|---|---|---|
| Wealth management products | Expected rate of return | 2.13%-6.00% | The higher the expected rate of return, the higher the fair value |
| Contingent consideration | Discount rate | 2.06% | The higher the discount rate, the lower the fair value |
| Warrant liabilities | Discount rate | 2.21%-2.30% | The higher the discount rate, the lower the fair value |

If the fair values of wealth management products which were measured at fair value through profit or loss held by the Group had been 1% lower/higher, the loss before income tax for the year ended December 31, 2024 would have been approximately RMB1,208,000 (2023: RMB2,788,000) higher/lower, respectively.

If the discount rate of warrant liabilities which were measured at fair value through profit or loss held by the Group had been 1% lower/higher, the loss before income tax for the year ended December 31, 2024 would have been approximately RMB516,000 (2023: RMB737,000) higher/lower, respectively.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### 4.1 Impairment of goodwill and other non-financial assets

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Judgement is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statement.

### 4.2 Fair value of financial assets and liabilities at fair value through profit or loss

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment 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. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3(c).

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

### 4.3 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about the expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 3.1(b). Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated income statement.

### 4.4 Income taxes and deferred income tax

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

For temporary differences or tax losses which give rise to deferred income tax assets, the Group assesses the likelihood that the deferred income tax assets could be recovered. Deferred income tax assets are recognised based on the Group's estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

## 5 SEGMENT INFORMATION

The Group's business activities are mainly in providing cloud-based software products including software-as-a-service products ("SaaS products") and customised products, digital services and others, for which discrete financial information is available, are regularly reviewed and evaluated by the executive directors of the Company, who are the chief operating decision makers. As a result of this evaluation, the executive directors of the Company consider that the Group's operation is operated and managed as a single segment and no segment information is presented, accordingly.

For the year ended December 31, 2024, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue.

### (a) Geographical information

The Group mainly operates its businesses in mainland China. The following table shows the Group's total consolidated revenue by location of the customers during the year ended December 31, 2024:

| | **Year ended December 31,** | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Mainland China | **522,090** | 567,569 |
| Singapore | **20,034** | 895 |
| Korea | **5,298** | 2,717 |
| Others | **3,734** | 1,956 |
| | **551,156** | 573,137 |

### (b) Non-current assets

The total of the non-current assets including property, plant and equipment, right-of-use assets and intangible assets as at December 31, 2024, broken down by the location of the assets, is as follows:

| | **As at December 31,** | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Mainland China | **90,839** | 107,927 |
| Singapore | **1,296** | 2,584 |
| The United States | **1,250** | 2,969 |
| | **93,385** | 113,480 |

## 6 REVENUE

Revenue for the year ended December 31, 2024 is as follows:

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Cloud-based software products | | |
| – SaaS products | **161,926** | 155,740 |
| – customised products | **46,685** | 45,613 |
| Digital services | **342,512** | 369,931 |
| Other services | **33** | 1,853 |
| | **551,156** | 573,137 |

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Recognised over time | **520,955** | 545,832 |
| Recognised at a point in time | **30,201** | 27,305 |
| | **551,156** | 573,137 |

## 6 REVENUE (Continued)

### (a) Contract assets

Contract assets are reclassified to trade receivables when the Group's right to the considerations becomes unconditional. The Group has recognised the following contract assets with customers:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Contract assets | **17,506** | 22,879 |
| Less: loss allowance | **(892)** | (1,460) |
| | **16,614** | 21,419 |

### (b) Contract liabilities

The Group has recognised the following liabilities related to contracts with customers:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Contract liabilities | **86,699** | 137,385 |

### (c) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the year ended December 31, 2024 is included in the contract liabilities at the beginning of the year:

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Revenue recognised that were included in the contract liabilities at the beginning of the year | **104,877** | 117,272 |

Management expects that all of the transaction price allocated to the unsatisfied contracts as at December 31, 2024 will be recognised as revenue within one year.

## 6 REVENUE (Continued)

### (d) Accounting policies of revenue recognition

Revenue is recognised when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, 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 customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- 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.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines relative standalone selling prices based on its standard price list, taking into consideration market conditions and its overall pricing strategy.

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

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a 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 the consideration is due.

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 liability when the payment is made or a 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.

The Group mainly derives revenue separately or in combination from sales of cloud-based software products, provision of digital services and other services.

## 6 REVENUE (Continued)

### (d) Accounting policies of revenue recognition (Continued)

*(i) SaaS products*

The Group offers SaaS products and software related services to customers. SaaS products mainly include a subscription for unlimited access to, or a limited number of usages of, the cloud-based software over the contract period.

Independent medical imaging review software products are usage-based software, and their revenue is recognised based on the numbers of imaging review endpoints provided to customers. The revenue of other SaaS software products is recognised on a subscription basis and is recognised ratably over the contract term.

The Group provides software related services to its customers including system configuration and implementation services. These services are determined to be a separate performance obligation considering, a) customers' accesses are granted upon purchase and customers can start using the software immediately by following the user manual, b) these services do not involve the modification or writing of additional software code, but rather involves setting up the software's existing code to function in a particular way for customers' benefits. Revenue is recognised over time since the Group 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.

*(ii) Customised products*

The Group also provides customised software, primarily pharmaceutical marketing software, and related technical support services to life sciences companies.

Revenue of customised software products is recognised at a point in time when customised software is provided to the customer and accepted by the customer through a confirmation letter or an email of completion.

Related technical support services can be purchased separately from customised software at customers' decision and is determined to be a separate performance obligation. Revenue of related technical support services is recognised over time since the output in the form of services is provided for customers to consume simultaneously over the course of the arrangement during the contract term. Revenue is recognised ratably over the contract term.

## 6 REVENUE (Continued)

### (d) Accounting policies of revenue recognition (Continued)

*(iii) Provision of digital services*

The Group developed a suite of digital services that are primarily built on the Group's software. The Group provides several separate services as follow:

- Digital clinical research service; and
- Independent reading center ("IRC") services

Digital clinical research service primarily consisted of digital site management organizations ("digital SMO") business management services, clinical research services and data cleaning, analysis and management services. Digital clinical research service can be purchased separately at customers' decision. They are clearly separately distinct from any other products and services. Since the Group's IRC services, digital SMO business management services and clinical research services each provide significant integration services and a combined output to customers, each of them is determined as a single performance obligation.

The performance obligation of data cleaning, analysis and management services, digital SMO business management services and clinic research services is satisfied over time since the output in the form of services is delivered for the customer to consume simultaneously over the course of the arrangement during the contract term. The performance obligation of IRC services is satisfied over time since the Group 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. The Group recognises revenue over time using output method where the progress of the performance obligation is measured by the completion progress of the project.

For digital SMO business management services, the Group is primarily responsible for fulfilling digital services and has discretion in establishing prices and vender selection. Accordingly, the Group acts as a principal, and the revenue is presented on a gross basis.

*(iv) Provision of other services*

The Group provides conference services to customers separately, which is a single performance obligation for each contract. Revenue is recognised at a point in time when these services are provided to the customer and accepted by the customer.

## 7 EXPENSES BY NATURE

The expenses charged to cost of sales, selling expenses, administrative expenses and research and development expenses are analysed below:

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Employee benefit expenses (excluding share-based payments) *(Note 8)* | **363,852** | 595,174 |
| Clinical research related costs | **153,463** | 167,457 |
| Share-based compensation to certain shareholders *(Note 12(b)(iv))* | **92,836** | – |
| Share-based payments *(Note 31(c))* | **36,583** | 13,292 |
| Costs of IT infrastructure and data service | **32,871** | 37,496 |
| Listing expenses in relation to IPO *(Note 1)* | **30,726** | 14,005 |
| Office, business development and travelling expenses | **26,976** | 49,776 |
| Depreciation of right-of-use assets *(Note 17(b))* | **20,760** | 28,058 |
| Consulting and professional service fees | **19,017** | 15,632 |
| Depreciation of property, plant and equipment *(Note 16(a))* | **14,971** | 19,849 |
| Amortisation of intangible assets *(Note 18(a))* | **4,215** | 4,055 |
| Listing expenses in relation to previous listing preparation | **–** | 12,016 |
| Short-term rental expenses | **799** | 3,514 |
| Auditor's remuneration | | |
| – Audit services | **2,800** | – |
| Other expenses | **22,384** | 22,122 |
| | **822,253** | 982,446 |

## 8 EMPLOYEE BENEFIT EXPENSES

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Wages, salaries and bonuses | **307,053** | 512,642 |
| Contributions to pension plans *(a)* | **26,870** | 37,978 |
| Other social security costs, housing benefits and other employee benefits | **29,929** | 44,554 |
| Share-based payments *(Note 31(c))* | **36,583** | 13,292 |
| | **400,435** | 608,466 |

## 8 EMPLOYEE BENEFIT EXPENSES (Continued)

### (a) Pensions – defined contribution plans

As stipulated by rules and regulations in mainland China, the Group has participated in state-sponsored defined contribution retirement plans for its employees in mainland China. The Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

The Group also makes payments to other defined contribution plans and defined benefit plans for the benefit of employees employed by subsidiaries outside of mainland China.

During the year ended December 31, 2024, there was no forfeited defined contribution to offset existing contribution under the defined contribution schemes.

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 3 (2023: 3) of the directors and none of the supervisors respectively for the year ended December 31, 2024, whose emoluments are disclosed in the Note 37. The emoluments payable/paid to the five highest paid individuals, excluding 3 (2023: 3) highest paid directors during the year are as follows:

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Wages and salaries | **4,374** | 6,112 |
| Bonuses | **36** | 552 |
| Contributions to pension plans | **149** | – |
| Other social security costs, housing benefits and other employee benefits | **221** | – |
| Share-based payments | **889** | – |
| | **5,669** | 6,664 |

## 8 EMPLOYEE BENEFIT EXPENSES (Continued)

### (c) The emoluments fell within the following bands:

| | Year ended December 31, 2024 | 2023 |
|---|---|---|
| Nil to HKD2,500,000 | – | – |
| HKD2,500,001 to HKD3,000,000 | – | 1 |
| HKD3,000,001 to HKD3,500,000 | 2 | – |
| HKD4,500,001 to HKD5,000,000 | – | 1 |
| | 2 | 2 |

## 9 OTHER INCOME

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Government grants *(a)* | 15,460 | 16,273 |
| Dividend income from financial assets at fair value through profit and loss | 1,275 | – |
| Additional deductible input VAT *(b)* | – | 1,980 |
| Others | 1,285 | 1,166 |
| | 18,020 | 19,419 |

(a) Governments grants received during the year primarily comprised the financial subsidies received from various local government authorities in mainland China. There are no unfulfilled conditions or contingencies relating to these income.

(b) On 20 March 2019, the Ministry of Finance, the State Taxation Administration and General Customs Administration announced that from 1 April 2019 to 31 December 2021, taxpayers engaging in providing modern services are allowed to deduct an extra 10% of the deductible input VAT for the then current period from the payable tax. In March 2022, the effective period of this tax incentive policy was extended to 31 December 2022. On 9 January 2023, the Ministry of Finance, the State Taxation Administration and General Customs Administration announced that from 1 January 2023 to 31 December 2023, taxpayers engaging in providing modern services are allowed to deduct an extra 5% of the deductible input VAT for the then current period from the payable tax.

## 10 OTHER GAINS – NET

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Fair value gains on financial assets at fair value through profit or loss *(Note 25(c))* | **3,529** | 5,842 |
| Net foreign exchange gains | **17,480** | 8,649 |
| Fair value losses of warrant liabilities *(Note 3.3(c))* | **(1,612)** | (1,503) |
| Losses on disposal of property, plant and equipment | **(168)** | – |
| Gains/(losses) on termination of leasing contracts | **41** | (105) |
| Donations | **–** | (270) |
| Others | **(5,259)** | (1,336) |
| | **14,011** | 11,277 |

## 11 FINANCE INCOME – NET

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| ***Finance income:*** | | |
| Interest income from bank | **34,637** | 41,654 |
| Interest income from short-term treasury investments *(Note 26)* | **1,137** | – |
| | **35,774** | 41,654 |
| ***Finance cost:*** | | |
| Interest expenses on bank borrowings *(Note 33)* | **(4)** | – |
| Interest charges on lease liabilities *(Note 17(b))* | **(723)** | (1,431) |
| | **(727)** | (1,431) |
| | **35,047** | 40,223 |

## 12 SUBSIDIARIES

### (a) Subsidiaries of the Group

The Company's subsidiaries as at December 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country/region of incorporation or registration is also their principal place of business.

| Name of entity* | Effective interest held in terms of % As at December 31, 2024 | 2023 | Date of establishment/ incorporation | Issued capital/ paid in capital | Business activities | Place of incorporation and type of legal entity |
|---|---|---|---|---|---|---|
| **Directly held by the Company:** | | | | | | |
| Shanghai Taimei Xingyun Digital Technology Co., Ltd. ("上海太美星雲數字科技有限公司") | 100% | 100% | 17 September 2017 | RMB20,000,000 | Provision of technical services and R&D support | China, limited liability company |
| Taimei Intelligence Pharmaceutical R&D Co., Ltd. ("太美智研醫藥研發(上海)有限公司", formerly named "聖方(上海)醫藥研發有限公司", "Taimei Zhiyan") | 72.51% | 78.51% | 20 November 2019 | RMB127,368,421 | Provision of clinical operation services, data management services and statistical analysis services | China, limited liability company |
| Hangzhou Taimei Xingcheng Pharmaceutical Technology Co., Ltd. ("杭州太美星程醫藥科技有限公司") | 100% | 100% | 24 June 2020 | RMB100,000,000 | Provision of independent image evaluation services | China, limited liability company |
| Shanghai Taimei Xinghuan Digital Technology Co., Ltd. ("上海太美星環數字科技有限公司", formerly named "上海軟素科技股份有限公司", "Taimei Xinghuan") | 100% | 100% | 21 May 2008 | RMB152,000,000 | Provision of pharmaceutical marketing solutions | China, limited liability company |
| Shanghai Taimei Digital Technology Co., Ltd. ("上海太美數字科技有限公司") | 100% | 100% | 22 January 2021 | RMB30,000,000 | Provision of technical services and R&D support | China, limited liability company |
| Beijing Nuoming Technology Co., Ltd. ("北京諾銘科技有限公司", "Beijing Nuoming") | 100% | 100% | 29 November 2019 | RMB1,000,000 | Provision of institution digitalisation solutions | China, limited liability company |
| Guangzhou Taimei Xinglian Technology Co., Ltd. ("廣州太美星聯科技有限公司") (i) | N.a. | 100% | 25 April 2021 | – | Provision of software products and technical services | China, limited liability company |
| Shanghai Taimei International Consulting Co., Ltd. ("上海太美星際企業諮詢有限公司") | 100% | 100% | 20 July 2021 | RMB130,000,000 | Investment holdings and management | China, limited liability company |
| Shanghai Taimei Xinghui Enterprise Management Co., Ltd. ("上海太美星輝企業管理有限公司") | 100% | 100% | 8 February 2021 | RMB500,000 | Investment holdings and management | China, limited liability company |

## 12 SUBSIDIARIES (Continued)

### (a) Subsidiaries of the Group (Continued)

| Name of entity* | Effective interest held in terms of % As at December 31, 2024 | 2023 | Date of establishment/ incorporation | Issued capital/ paid in capital | Business activities | Place of incorporation and type of legal entity |
|---|---|---|---|---|---|---|
| Xinyu Gongchuang Enterprise Management Partnership (Limited Partnership) ("新余共創企業管理合夥企業(有限合夥)") | 100% | 100% | 5 March 2021 | – | Investment holdings and management | China, limited partnership |
| **Indirectly held by the Company:** | | | | | | |
| Shanghai Elixir Haichuang Pharmaceutical Research and Development Co., Ltd. ("上海聖方海創醫藥研發有限公司") | 72.51% | 78.51% | 14 October 2022 | RMB14,231,000 | Investment holdings and management | China, limited liability company |
| Taimei (Singapore) Medical Technology PTE. Ltd. | 100% | 100% | 27 August 2021 | USD16,790,000 | Provision of technical services and investment holdings | Singapore, limited liability company |
| Taimei Technology, Inc. | 100% | 100% | 21 September 2021 | USD5 | Provision of software products and technical services | United States, limited liability company |
| Shanghai Shengxin Pharmaceutical Technology Co., Ltd. ("上海聖馨醫藥科技有限公司") | 72.51% | 78.51% | 14 August 2023 | RMB5,000,000- | Investment holdings and management | China, limited liability company |
| Elixir Clinical Research (Singapore) PTE. Ltd. | 72.51% | 78.51% | 19 December 2022 | USD100,000- | Provision of software products and technical services and investment holdings | Singapore, limited liability company |
| Elixir Clinical Research, Inc. | 72.51% | 78.51% | 27 August 2021 | USD10 | Provision of software products and technical services and investment holdings | United States, limited liability company |

(i) Guangzhou Taimei Xinglian Technology Co., Ltd was deregistered on May 20, 2024.

* The English names of the companies referred above represent the best effort made by management of the Company to translate the Chinese names as some of them have not registered any official English names.

## 12 SUBSIDIARIES (Continued)

### (b) Non-controlling interests

Set out below is summarised financial information for Taimei Zhiyan and its subsidiaries that has non-controlling interests that are material to the Group. The amounts disclosed for Taimei Zhiyan and its subsidiaries are before inter-company eliminations.

*(i) Summarised consolidated balance sheet*

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Current assets | **390,311** | 394,054 |
| Current liabilities | **(100,345)** | (92,914) |
| Current net assets | **289,966** | 301,140 |
| Non-current assets | **5,441** | 3,914 |
| Non-current liabilities | **(36,766)** | (35,555) |
| Non-current net liabilities | **(31,325)** | (31,641) |
| Net assets | **258,641** | 269,499 |
| Accumulated non-controlling interests | **76,763** | 63,786 |

*(ii) Summarised consolidated income statement and statement of comprehensive loss*

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Revenue | **156,080** | 159,318 |
| Loss for the year | **(11,490)** | (44,687) |
| Other comprehensive loss | **(147)** | (42) |
| Total comprehensive loss | **(11,637)** | (44,729) |
| Total comprehensive loss allocated to non-controlling interests | **(2,837)** | (9,611) |

## 12 SUBSIDIARIES (Continued)

### (b) Non-controlling interests (Continued)

*(iii) Summarised consolidated statement of cash flows*

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Cash flow used in operating activities | **(32,509)** | (54,183) |
| Cash flow (used in)/generated from investing activities | **(30,682)** | 5,520 |
| Cash flow generated from/(used in) financing activities | **18,218** | (4,323) |
| Net decrease in cash and cash equivalents | **(44,973)** | (52,986) |

*(iv) Transaction with non-controlling interests*

*Transfer of shares of a subsidiary to certain shareholders*

During the year ended December 31, 2024, the Company transferred 6% shares of its subsidiary, Taimei Zhiyan, to certain shareholders of the Company with nil consideration, considering the continued support from these shareholders. The fair value of these shares at the time was RMB92,836,000 and the Group recognised an increase of share-based compensation expenses to certain shareholders of RMB92,836,000 (Note 7), an increase of non-controlling interests of RMB15,814,000 and an increase in equity attributable to owners of the Company of RMB77,022,000. The effect of changes in the ownership interest of Taimei Zhiyan on the equity attributable to owners of the Company during the year is summarised as follows:

| | Year ended December 31, 2024 RMB'000 |
|---|---|
| Share-based compensation expenses to certain shareholders *(Note 7)* | **92,836** |
| Carrying amount of non-controlling interests disposed off | **(15,814)** |
| Carrying amount recognised within equity | **77,022** |

## 13 INCOME TAX EXPENSES

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Current income tax | **–** | 15 |
| Deferred income tax *(Note 19)* | **–** | – |
| Income tax expense | **–** | 15 |

## 13 INCOME TAX EXPENSES (Continued)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the consolidated entities as follows:

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Loss before income tax | **(217,405)** | (356,364) |
| Tax calculated at statutory tax rates applicable to each group entity *(a)* | **(21,677)** | (59,038) |
| Tax effects of: | | |
| Super deduction for research and development expenses *(b)* | **(13,147)** | (26,375) |
| Share-based payment expenses not deductible for tax purpose | **19,258** | 1,994 |
| Expenses not deductible for tax purpose | **665** | 971 |
| Tax losses for which no deferred income tax asset was recognised *(c)* | **14,856** | 80,909 |
| Other temporary difference for which no deferred income tax asset was recognised | **2,785** | 2,178 |
| Utilisation of previously unrecognised tax losses and temporary differences | **(2,740)** | (624) |
| Income tax expense | **–** | 15 |

### (a) Statutory tax rate

*(i) Corporate income tax in mainland China ("CIT")*

The income tax provision of the Group in respect of its operations in the mainland China was subject to statutory tax rate of 25% on the assessable profits, based on the existing legislation, interpretations and practices in respect thereof.

The Company, Taimei Zhiyan. Hangzhou Taimei Xingcheng Pharmaceutical Technology Co., Ltd., Shanghai Taimei Xingyun Digital Technology Co., Ltd. and Shanghai Taimei Digital Technology Co., Ltd. were qualified as "High and New Technology Enterprises" ("HNTEs") under the relevant PRC laws and regulations. Accordingly, these entities were entitled to a preferential income tax rate of 15% on the assessable profits during the year ended December 31, 2024.

During the year ended December 31, 2024, certain subsidiaries in the mainland China that qualified as "small low-profit enterprises" under the Enterprise Income Tax Law of the PRC enjoyed a preferential income tax rate of 20% (2023: 20%).

*(ii) 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 during the year ended December 31, 2024 (2023: 17%).

## 13 INCOME TAX EXPENSES (Continued)

### (a) Statutory tax rate (Continued)

*(iii) The United States income tax*

The United States income tax rate divided into federal tax and state tax. The Federal CIT is 21% and the State CITs range from 1% to 12%. No United States profits tax was provided for as there was no estimated assessable profit that was subject to the United States profits tax during the year ended December 31, 2024. (2023: The Federal CIT is 21% and the State CITs range from 1% to 12%).

### (b) Super deduction for research and development expenses

According to the relevant laws and regulations promulgated by the State Taxation Administration of the People's Republic of China, for the period from January 1, 2023 to December 31, 2024, enterprises engaging in qualified research and development activities are entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction").

The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the year ended December 31, 2024.

**(c)** The Group only recognises deferred income tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilise those tax losses. Management will continue to assess the recognition of deferred income tax assets in future reporting periods. As at December 31, 2024, the Group did not recognise deferred income tax assets of RMB314,934,000 (December 31, 2023: RMB286,247,000) respectively. The expiration dates of unused tax losses for which no deferred income tax asset has been recognised are as follows:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| 2023 | **–** | 321 |
| 2024 | **1,483** | 2,490 |
| 2025 | **2,314** | 6,677 |
| 2026 | **14,605** | 64,039 |
| 2027 | **63,195** | 133,590 |
| 2028 | **118,303** | 193,336 |
| 2029 | **154,680** | 152,370 |
| 2030 | **226,364** | 214,045 |
| 2031 | **324,241** | 290,428 |
| 2032 | **404,270** | 333,821 |
| 2033 | **402,474** | 355,429 |
| 2034 | **24,809** | – |
| Indefinitely | **111,774** | 79,029 |
| | **1,848,512** | 1,825,575 |

## 14 LOSS PER SHARE

### Basic

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue (Note 28) during the year ended December 31, 2024.

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| Loss attributable to owners of the Company (RMB'000) | **(214,609)** | (346,778) |
| Weighted average number of ordinary shares in issue (thousand shares) | **543,916** | 538,000 |
| Basic loss per share (expressed in RMB per share) | **(0.39)** | (0.64) |

### Diluted

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 year ended December 31, 2024, the potential ordinary shares, i.e. restricted shares issued under the Company's and the subsidiary's share incentive plan, were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended December 31, 2024 is the same as basic loss per share (2023: same as basic loss per share).

## 15 DIVIDENDS

No dividend had been declared or paid by the Company during the year ended December 31, 2024 (2023: nil).

## 16 PROPERTY, PLANT AND EQUIPMENT

| | Server and electronic equipment RMB'000 | Furniture and office equipment RMB'000 | Transportation equipment and vehicles RMB'000 | Leasehold improvements RMB'000 | Construction in progress RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|
| **Year ended December 31, 2024** | | | | | | |
| Opening net book amount | 7,026 | 3,013 | 727 | 11,137 | 39 | 21,942 |
| Additions | 793 | – | 268 | 3,458 | 1,163 | 5,682 |
| Transfer | – | – | – | 1,202 | (1,202) | – |
| Disposals | (504) | – | – | – | – | (504) |
| Depreciation charge *(Note 7)* | (3,641) | (895) | (237) | (10,198) | – | (14,971) |
| Currency translation differences | 59 | – | – | (7) | – | 52 |
| **Closing net book amount** | 3,733 | 2,118 | 758 | 5,592 | – | 12,201 |
| **At December 31, 2024** | | | | | | |
| Cost | 16,153 | 5,088 | 2,449 | 51,371 | – | 75,061 |
| Accumulated depreciation | (12,420) | (2,970) | (1,691) | (45,779) | – | (62,860) |
| **Net book amount** | 3,733 | 2,118 | 758 | 5,592 | – | 12,201 |
| **Year ended December 31, 2023** | | | | | | |
| Opening net book amount | 10,881 | 3,336 | 780 | 21,675 | 710 | 37,382 |
| Additions | 435 | 651 | 385 | 1,391 | 1,509 | 4,371 |
| Transfer | 372 | – | – | 1,834 | (2,206) | – |
| Depreciation charge *(Note 7)* | (4,685) | (974) | (441) | (13,749) | – | (19,849) |
| Currency translation differences | 23 | – | 3 | (14) | 26 | 38 |
| **Closing net book amount** | 7,026 | 3,013 | 727 | 11,137 | 39 | 21,942 |
| **At December 31, 2023** | | | | | | |
| Cost | 19,736 | 5,088 | 2,181 | 46,718 | 39 | 73,762 |
| Accumulated depreciation | (12,710) | (2,075) | (1,454) | (35,581) | – | (51,820) |
| **Net book amount** | 7,026 | 3,013 | 727 | 11,137 | 39 | 21,942 |

## 16 PROPERTY, PLANT AND EQUIPMENT (Continued)

**(a)** Depreciation charges were expensed off in the following categories in the consolidated income statement:

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Cost of sales | **1,120** | 1,123 |
| Selling expenses | **1,061** | 1,248 |
| Administrative expenses | **12,018** | 16,261 |
| Research and development expenses | **772** | 1,217 |
| | **14,971** | 19,849 |

**(b) Accounting policies of property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. 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.

Construction in progress mainly represents leasehold improvements under construction, which is stated at actual construction cost less accumulated impairment losses. Construction in progress is transferred to appropriate categories of property and equipment upon the completion of their respective construction and depreciated over their respective estimated useful lives.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

| | |
|---|---|
| Server and electronic equipment | 5 years |
| Furniture and office equipment | 5 years |
| Transportation equipment and vehicles | 5 years |
| Leasehold improvements | shorter of estimated useful lives and remaining lease terms |

## 16 PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Accounting policies of property, plant and equipment (Continued)

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

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains – net" in the consolidated income statement.

## 17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets includes leased buildings.

### (a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| **Right-of-use assets** | | |
| Leased buildings | **23,003** | 19,347 |
| **Lease liabilities** | | |
| Current | **11,471** | 12,308 |
| Non-current | **13,283** | 2,781 |
| | **24,754** | 15,089 |

## 17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

### (b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| **Depreciation charge of right-of-use assets** | | |
| Leased buildings *(Note 7)* | **20,760** | 28,058 |
| Interest expense *(Note 11)* | **723** | 1,431 |

The total cash outflow for leases for the year ended December 31, 2024 were RMB16,232,000 (2023: RMB35,726,000).

Depreciation charges were expensed off in the following categories in the consolidated income statement:

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Cost of sales | **7,909** | 9,172 |
| Selling expenses | **1,600** | 2,021 |
| Administrative expenses | **8,590** | 11,080 |
| Research and development expenses | **2,661** | 5,785 |
| | **20,760** | 28,058 |

## 17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

### (c) The movements in right-of-use assets in the consolidated balance sheet are as follows:

| | Right-of-use assets RMB'000 |
|---|---|
| **Year ended December 31, 2024** | |
| Opening net book amount | **19,347** |
| Additions | **24,495** |
| Termination of lease contracts | **(79)** |
| Depreciation charge *(Note 7)* | **(20,760)** |
| Currency translation differences | ***** |
| **Closing net book amount** | **23,003** |
| **As at December 31, 2024** | |
| Cost | **42,750** |
| Accumulated depreciation | **(19,747)** |
| **Net book amount** | **23,003** |
| **Year ended December 31, 2023** | |
| Opening net book amount | 47,500 |
| Additions | 1,620 |
| Termination of lease contracts | (1,780) |
| Depreciation charge *(Note 7)* | (28,058) |
| Currency translation differences | 65 |
| **Closing net book amount** | 19,347 |
| **As at December 31, 2023** | |
| Cost | 83,094 |
| Accumulated depreciation | (63,747) |
| **Net book amount** | 19,347 |

* represents that the amount is less than RMB1,000 for the year.

## 17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

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

The Group leases properties and offices and land use right as lessee. Rental contracts are typically made for fixed periods of 16 months to 38 months (2023: 14 months to 5 years) but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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.

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;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- 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.

## 17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

### (d) The Group's leasing activities and how these are accounted for (Continued)

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 Group, which does not have recent third party financing; and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

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; and

- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases 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. Low-value assets comprise equipment and small items of office furniture.

## 18 INTANGIBLE ASSETS

| | Goodwill RMB'000 | Software RMB'000 | Patent RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| **Year ended December 31, 2024** | | | | |
| Opening net book amount | **46,803** | **10,222** | **15,166** | **72,191** |
| Amortisation charge *(a) (Note 7)* | **–** | **(1,415)** | **(2,800)** | **(4,215)** |
| Impairment *(b)* | **(9,795)** | **–** | **–** | **(9,795)** |
| **Closing net book amount** | **37,008** | **8,807** | **12,366** | **58,181** |
| **As at December 31, 2024** | | | | |
| Cost | **161,126** | **12,951** | **29,900** | **203,977** |
| Accumulated amortisation | **–** | **(4,144)** | **(16,330)** | **(20,474)** |
| Accumulated impairment *(b)* | **(124,118)** | **–** | **(1,204)** | **(125,322)** |
| **Net book amount** | **37,008** | **8,807** | **12,366** | **58,181** |
| **Year ended December 31, 2023** | | | | |
| Opening net book amount | 55,171 | 6,265 | 19,265 | 80,701 |
| Additions | – | 5,117 | – | 5,117 |
| Amortisation charge *(a) (Note 7)* | – | (1,160) | (2,895) | (4,055) |
| Impairment *(b)* | (8,368) | – | (1,204) | (9,572) |
| **Closing net book amount** | 46,803 | 10,222 | 15,166 | 72,191 |
| **As at December 31, 2023** | | | | |
| Cost | 161,126 | 12,951 | 29,900 | 203,977 |
| Accumulated amortisation | – | (2,729) | (13,530) | (16,259) |
| Accumulated impairment *(b)* | (114,323) | – | (1,204) | (115,527) |
| **Net book amount** | 46,803 | 10,222 | 15,166 | 72,191 |

**(a)** Amortisation charges were expensed off in the following categories in the consolidated income statement:

| | **Year ended December 31,** | |
|---|---|---|
| | **2024 RMB'000** | 2023 RMB'000 |
| Cost of sales | **144** | 93 |
| Selling expenses | **48** | 108 |
| Administrative expenses | **3,649** | 3,516 |
| Research and development expenses | **374** | 338 |
| | **4,215** | 4,055 |

## 18 INTANGIBLE ASSETS (Continued)

### (b) Impairment of goodwill

The goodwill balance arose from the acquisitions of Taimei Xinghuan on June 28, 2019 and Beijing Nuoming on November 29, 2019, amounting to RMB139,646,000 and RMB21,480,000, respectively. Taimei Xinghuan is primarily engaged in provision of pharmaceutical marketing solutions. Beijing Nuoming is mainly engaged in provision of institution digitalisation solutions. The following is a summary of goodwill allocation for CGUs:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| **Cost** | | |
| Taimei Xinghuan | **139,646** | 139,646 |
| Beijing Nuoming | **21,480** | 21,480 |
| | **161,126** | 161,126 |
| **Accumulated impairment** | | |
| Taimei Xinghuan | **(102,638)** | (92,843) |
| Beijing Nuoming | **(21,480)** | (21,480) |
| | **(124,118)** | (114,323) |
| **Closing net book amount** | **37,008** | 46,803 |

The Group carries out its impairment test on goodwill with assistance of external independent valuer by comparing the recoverable amounts of CGUs to the carrying amounts. Goodwill arising from the acquisition of Taimei Xinghuan and Beijing Nuoming was monitored separately and assessed as separate CGUs for the purpose of impairment testing.

## 18 INTANGIBLE ASSETS (Continued)

### (b) Impairment of goodwill (Continued)

*CGU of Taimei Xinghuan*

The impairment reviews of the goodwill arising from the acquisition of Taimei Xinghuan have been conducted by management as at December 31, 2024. For the purposes of the impairment review, the recoverable amount of the CGU of Taimei Xinghuan is determined based on value-in-use calculations by using the discounted cash flow method. The key assumptions used in the value-in-use calculations of CGU of Taimei Xinghuan are as follows:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| Annual growth rate | **10.0%-25.0%** | 10.0%-42.9% |
| Terminal growth rate | **2.0%** | 2.0% |
| Pre-tax discount rate | **15.3%** | 15.4% |

Affected by the intense industry competition, national policies issued and the impact of the Group's strategic adjustments, the estimated recoverable amount of the CGU of Taimei Xinghuan was below its carrying amount and therefore provision for impairment of RMB9,795,000 was recorded for the year ended December 31, 2024.

The estimated recoverable amount of the CGU of Taimei Xinghuan exceeded its carrying amount as at December 31, 2023 and management therefore concluded that no further provision is required in 2023.

The Group performed the sensitivity analysis based on the assumption that annual growth rate, terminal growth rate and pre-tax discount rate have been changed. The following table sets out the impact of variations in each of the key assumptions for goodwill impairment testing. Had these estimated key assumptions been changed as below, the recoverable amounts would have increased/(decreased) as follows:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Annual growth rate increased by 1% | **6,053** | 15,035 |
| Annual growth rate decreased by 1% | **(5,866)** | (14,612) |
| Terminal growth rate increased by 0.5% | **1,766** | 3,971 |
| Terminal growth rate decreased by 0.5% | **(1,638)** | (3,686) |
| Pre-tax discount rate increased by 1% | **(4,338)** | (10,802) |
| Pre-tax discount rate decreased by 1% | **5,083** | 12,748 |

If the revenue annual growth rate used in the value in use calculation had been 1% lower than management's estimations as at December 31, 2024, the Group would have had to recognise an additional impairment provision of goodwill of RMB5,866,000 (December 31, 2023: RMB13,163,000).

## 18 INTANGIBLE ASSETS (Continued)

### (b) Impairment of goodwill (Continued)

*CGU of Taimei Xinghuan (Continued)*

If the terminal growth rate used in the value in use calculation had been 0.5% lower than management's estimations as at December 31, 2024, the Group would have had to recognise an additional impairment provision of goodwill of RMB1,638,000 (December 31, 2023: RMB2,237,000).

If the pre-tax discount rate used in the value in use calculation had been 1% higher than management's estimations as at December 31, 2024, the Group would have had to recognise an additional impairment provision of goodwill of RMB4,338,000 (December 31, 2023: RMB9,353,000).

*CGU of Beijing Nuoming*

In April 2023, the Group reassessed the business performance of Beijing Nuoming and decided to cease its business in order to improve operating efficiency. Beijing Nuoming has made provision for impairment of goodwill and patent for RMB8,368,000 and RMB1,204,000, respectively.

Key assumptions and sensitivity analysis for CGU of Beijing Nuoming are not applicable as at December 31, 2024 since the goodwill of Beijing Nuoming has been fully impaired.

### (c) Accounting polices of intangible assets

*(i) Goodwill*

Goodwill is measured as described in Note 41.1(a). 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 ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs 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.

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 (CGU).

## 18 INTANGIBLE ASSETS (Continued)

### (c) Accounting polices of intangible assets (Continued)

*(ii) Research and development expenditure*

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognised as intangible assets when the following criteria are met:

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

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Other development expenditures that do not meet these 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.

*(iii) Amortisation methods and periods*

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

| | |
|---|---|
| Software | 2-10 years |
| Patent | 10 years |

The estimated useful lives of software and patent of the Group have been determined based on the period during which the software is expected to bring economic benefits to the Group, or the software's unlimited licence period, the period stipulated in the patent which covered be renewed without significant cost.

## 19 DEFERRED INCOME TAX ASSETS AND LIABILITIES

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

| | As at December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Deferred income tax assets: | | |
| – to be recovered within 12 months | 3,633 | 2,083 |
| – to be recovered after more than 12 months | 1,858 | 5,662 |
| Offset by deferred income tax liabilities | (5,491) | (7,745) |
| Net deferred income tax assets | – | – |
| Deferred income tax liabilities: | | |
| – to be recovered within 12 months | (1,689) | (5,030) |
| – to be recovered after more than 12 months | (3,802) | (2,715) |
| Offset by deferred income tax assets | 5,491 | 7,745 |
| Net deferred income tax liabilities | – | – |

| Deferred income tax assets | Tax losses RMB'000 | Credit loss allowance RMB'000 | Lease liabilities RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| **At January 1, 2024** | 2,311 | 2,083 | 3,351 | 7,745 |
| (Charged)/credited to the consolidated income statement | (2,162) | (223) | 131 | (2,254) |
| **At December 31, 2024** | 149 | 1,860 | 3,482 | 5,491 |
| **At January 1, 2023** | 2,829 | 1,427 | 11,316 | 15,572 |
| (Charged)/credited to the consolidated income statement | (518) | 656 | (7,965) | (7,827) |
| **At December 31, 2023** | 2,311 | 2,083 | 3,351 | 7,745 |

## 19 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

| Deferred income tax liabilities | Fair value adjustment on assets upon acquisition RMB'000 | Right-of-use assets RMB'000 | Fair value changes on financial assets carried at FVPL RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| **At January 1, 2024** | **(2,277)** | **(4,632)** | **(836)** | **(7,745)** |
| Credited to the consolidated income statement | **422** | **1,115** | **717** | **2,254** |
| **At December 31, 2024** | **(1,855)** | **(3,517)** | **(119)** | **(5,491)** |
| **At January 1, 2023** | (3,019) | (11,930) | (623) | (15,572) |
| Credited/(charged) to the consolidated income statement | 742 | 7,298 | (213) | 7,827 |
| **At December 31, 2023** | (2,277) | (4,632) | (836) | (7,745) |

## 20 CONTRACT FULFILMENT COST

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Contract fulfilment cost *(a)* | **3,546** | 14,024 |
| Less: allowance for losses of contract fulfilment cost | **–** | – |
| | **3,546** | 14,024 |

Contract fulfilment cost is recognised from the costs incurred to fulfil contracts of customised software, which will be recognised to cost of sales mainly within 2-6 months when the Group's related performance obligations are satisfied and hence the related revenue is recognised.

## 20 CONTRACT FULFILMENT COST (Continued)

### (a) Contract fulfilment cost

The Group also recognises contract fulfilment cost from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

The contract fulfilment cost recognised shall be amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of contract fulfilment cost recognised exceeds:

- the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates; less
- the costs that relate directly to providing those services and that have not been recognised as expenses

Provision for losses was recognised when the carrying amount of the contract fulfilment cost exceeds its net realisable value.

## 21 FINANCIAL INSTRUMENTS BY CATEGORY

The Group held the following financial instruments:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| **Financial assets:** | | |
| Financial assets at amortised cost: | | |
| – trade and notes receivables *(Note 22)* | **170,013** | 146,257 |
| – other receivables *(Note 23)* | **8,548** | 13,982 |
| – long-term receivables *(Note 24)* | **12,712** | – |
| – short-term treasury investments *(Note 26)* | **159,374** | – |
| – restricted cash *(Note 27(b))* | **5,100** | 6,511 |
| – short-term bank deposits *(Note 27(c))* | **599,920** | 269,233 |
| – cash and cash equivalents *(Note 27(a))* | **319,297** | 517,924 |
| Financial assets at fair value through profit or loss *(Note 25)* | **120,792** | 280,826 |
| | **1,395,756** | 1,234,733 |
| **Financial liabilities:** | | |
| Financial liabilities at amortised cost: | | |
| – borrowings *(Note 33)* | **10,004** | – |
| – lease liabilities *(Note 17)* | **24,754** | 15,089 |
| – trade and other payables (excluding staff salaries and welfare payables, taxes payables and others) *(Note 32)* | **110,657** | 83,423 |
| Financial liabilities at fair value through profit or loss: | | |
| – warrant liabilities *(Note 30)* | **35,347** | 33,735 |
| | **180,762** | 132,247 |

## 22 TRADE AND NOTES RECEIVABLES

| | As at December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Notes receivables *(a)* | **1,958** | 512 |
| Provision for impairment | **–** | – |
| | **1,958** | 512 |
| Trade receivables *(b)* | **188,684** | 162,909 |
| Provision for impairment | **(20,629)** | (17,164) |
| | **168,055** | 145,745 |
| | **170,013** | 146,257 |

The carrying amounts of the Group's trade and notes receivables, excluding provision for impairment, were denominated in the following currencies:

| | As at December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| RMB | **187,302** | 163,272 |
| SGD | **3,005** | 128 |
| USD | **335** | 21 |
| | **190,642** | 163,421 |

## 22 TRADE AND NOTES RECEIVABLES (Continued)

### (a) Notes receivables

The aging of notes receivables is within 180 days, which is within the Group's credit terms.

### (b) Trade receivables

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly around 30 to 120 days. The aging analysis of the trade receivables based on date of revenue recognition is as follows:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Up to 3 months | **79,957** | 75,749 |
| 3 months to 6 months | **38,446** | 32,072 |
| 6 months to 1 year | **28,371** | 30,773 |
| 1 to 2 years | **29,904** | 19,500 |
| 2 to 3 years | **9,021** | 3,566 |
| More than 3 years | **2,985** | 1,249 |
| | **188,684** | 162,909 |

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

The Group does not hold any collateral as security over these debtors.

Trade and notes receivables are amounts due from customers for platform and software sold or digital services performed in the ordinary course of business. If collection of trade and notes receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and notes 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 and notes receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, allowance for impairment.

## 23 OTHER RECEIVABLES AND PREPAYMENTS

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Other receivables *(a)* | | |
| – refundable deposits *(i)* | **7,671** | 12,589 |
| – others *(ii)* | **1,199** | 2,034 |
| Gross other receivables | **8,870** | 14,623 |
| Less: provision for impairment | **(322)** | (641) |
| | **8,548** | 13,982 |
| Prepayments for products and services | **51,351** | 24,953 |
| Listing expenses in relation to IPO to be capitalised | **–** | 9,107 |
| Deductible input VAT | **22,545** | 26,956 |
| | **82,444** | 74,998 |

As at December 31, 2024, the fair values of other receivables of the Group, except for the prepayments and deductible input VAT which are not financial assets, approximated their carrying amounts (December 31, 2023: same).

The carrying amounts of the Group's other receivables and prepayments, excluding provision for impairment, were denominated in the following currencies:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| RMB | **79,909** | 68,302 |
| SGD | **2,814** | 2,034 |
| USD | **43** | 5,303 |
| | **82,766** | 75,639 |

## 23 OTHER RECEIVABLES AND PREPAYMENTS (Continued)

### (a) Other receivables

*(i) Refundable deposits*

Refundable deposits consisted primarily of security deposits for rents and projects.

*(ii) Others*

Others primarily included staff advance.

The carrying amounts of the Company's other receivables and prepayments, excluding provision for impairment, were all denominated in RMB.

As at December 31, 2024, the fair value of other receivables of the Company, except for the prepayments and deductible input VAT which are not financial assets, approximated their carrying amounts (December 31, 2023: same).

## 24 LONG-TERM RECEIVABLES

Long-term receivables represented the receivables due for settlement by instalments, which are generally between 1 to 5 years. Long-term receivables contain significant financing components. Accordingly, these receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method. The portion due for settlement within 1 year is reclassified to trade receivables. The balance of long-term receivables was analysed in the following table.

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Payment by instalment sales contract | **15,529** | – |
| Less: due within one year | **(2,729)** | – |
| | **12,800** | – |
| Less: provision for impairment | **(88)** | – |
| | **12,712** | – |

The fair value of long-term receivables as at December 31, 2024 is RMB12,725,000 (December 31, 2023: nil).

All of the Group's long-term receivables were denominated in SGD.

## 25 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### Classification of financial assets at fair value through profit or loss

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 loss (FVOCI).

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

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| **Current assets** | | |
| Short-term investments measured at fair value through profit or loss *(a)* | **120,792** | 278,769 |
| Contingent consideration *(b)* | **–** | 2,057 |
| | **120,792** | 280,826 |

*(a) Short-term investments measured at fair value through profit or loss*

Short-term investments measured at fair value through profit or loss represented the wealth management products issued by reputable banks in mainland China. The wealth management products were non-principal protected with maturity of less than 1 year.

The movements of the wealth management products during the year ended December 31, 2024 are as follows:

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| At beginning of the year | **278,769** | 435,751 |
| Additions | **235,000** | 362,500 |
| Disposals | **(398,563)** | (527,423) |
| Fair value changes | **5,586** | 7,941 |
| At end of the year | **120,792** | 278,769 |

## 25 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

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

*(b) Contingent consideration*

The movement of the contingent consideration during the year ended December 31, 2024 are as follows:

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| At beginning of the year | **2,057** | 4,156 |
| Fair value changes | **(2,057)** | (2,099) |
| At end of the year | **–** | 2,057 |

The contingent consideration arose from the acquisitions of Taimei Xinghuan on June 28, 2019. The equity acquisition agreements of Taimei Xinghuan include terms on contingent consideration based on its business performance of the years ended December 31, 2019, 2020 and 2021.

The fair values are measured using a valuation technique with unobservable inputs. The major assumptions used in the valuation is the discount rate of cash flow from contingent consideration for the year ended December 31, 2024 (Note 3.3(c)).

During the year ended December 31, 2024, management of the Group reassessed the recoverability of the contingent consideration and expected that it was unlikely to receive from the former founder of Taimei Xinghuan. Management of the Group concluded that the fair value of the contingent consideration was reduced to zero.

*(c) Amounts recognised in the consolidated income statement*

During the year ended December 31, 2024, the following fair value gains/(losses) were recognised in the consolidated income statement:

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Short-term investments measured at fair value through profit or loss | **5,586** | 7,941 |
| Contingent consideration | **(2,057)** | (2,099) |
| | **3,529** | 5,842 |

*(d) Risk exposure and fair value measurements*

Information about the Group's exposure to financial risk and information about the methods and assumptions used in determining fair value are set out in Note 3.3(c).

## 26 SHORT-TERM TREASURY INVESTMENTS

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Short-term treasury investments *(i)* | | |
| – principal deposits | **158,472** | – |
| – interest receivable | **1,137** | – |
| Gross short-term treasury investments | **159,609** | – |
| Less: provision for impairment | **(235)** | – |
| | **159,374** | – |

(i) During the year ended December 31, 2024, the Group purchased several fund products. These products were all redeemable at any time with a fixed interest return of 3%. The underlying assets of these products were primary short-term United States treasury bonds.

Short-term treasury investments, excluding provision for impairment, were denominated in the following currencies:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| HKD | **94,405** | – |
| USD | **65,204** | – |
| | **159,609** | – |

### (a) Accounting polices of short-term treasury investments

At initial recognition, the Group measures a short-term treasury investment at its fair value plus transaction costs that are directly attributable to the acquisition of the short-term treasury investments.

Short-term treasury investments with fixed return are held for collection of contractual cash flows where those cash flows represent solely payments of principle and interest and are subsequently measured at amortised cost. Interest income from short-term treasury investments is included in finance income using effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains – net", together with foreign exchange gains and losses. Impairment losses are presented as "Net impairment losses on financial and contract assets" in the consolidated income statement.

The Group assesses on a forward-looking basis the expected credit losses associated with short-term treasury investments. The impairment methodology applied is disclosed in Note 3.1(b).

## 27 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND SHORT-TERM BANK DEPOSITS

### (a) Cash and cash equivalents

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Cash at banks | **924,317** | 793,668 |
| Less: restricted cash *(b)* | **(5,100)** | (6,511) |
| Less: short-term bank deposits with initial term of over three months *(c)* | **(599,920)** | (269,233) |
| Cash and cash equivalents | **319,297** | 517,924 |

Cash and cash equivalents were denominated in the following currencies:

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| HKD | **188,401** | – |
| RMB | **113,456** | 174,910 |
| USD | **16,543** | 330,725 |
| SGD | **581** | 1,217 |
| EUR | **316** | 11,072 |
| | **319,297** | 517,924 |

### (b) Restricted cash

As at December 31, 2024, RMB100,000 was restricted guarantee deposits at bank for letters of guarantee and RMB5,000,000 was restricted due to an outstanding litigation (December 31, 2023: RMB1,511,000 restricted guarantee deposits at bank for letters of guarantee and RMB5,000,000 due to an outstanding litigation).

The courts of the litigation ruled to freeze the Group's bank deposits of RMB5,000,000 during the year ended December 31, 2023 as a provisional measure to preserve property before the decision of these litigations, which has no bearing on the merits of the claims.

As at December 31, 2024, restricted cash of RMB5,100,000 was disclosed in current assets according to their maturity date (December 31,2023: RMB1,511,000 in non-current assets and RMB5,000,000 in current assets).

Restricted cash was denominated in RMB.

## 27 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND SHORT-TERM BANK DEPOSITS (Continued)

### (c) Short-term bank deposits

Short-term bank deposits were deposits with initial terms of over three months and were neither past due nor impaired. The directors of the Company considered that the carrying amount of the short-term bank deposits with initial terms of over three months approximated to their fair values as at December 31, 2024.

Short-term bank deposits were denominated in USD.

## 28 SHARE CAPITAL

| | Number of ordinary shares | Share capital RMB'000 |
|---|---|---|
| **At January 1, 2023, and December 31, 2023** | 538,000,000 | 538,000 |
| **At January 1, 2024** | **538,000,000** | **538,000** |
| Issuance of ordinary shares relating to IPO | **25,779,000** | **25,779** |
| **At December 31, 2024** | **563,779,000** | **563,779** |

In October 2024, the Company completed its IPO and listed on the Main Board of the Stock Exchange of Hong Kong Limited. 25,779,000 ordinary shares at HKD13.00 per share were issued and fully paid. The issuance of 25,779,000 ordinary shares, net of underwriting commission and other issuance cost, led to an increase of share capital and share premium by RMB25,779,000 and RMB258,938,000, respectively.

## 29 OTHER RESERVES

| | Share premium RMB'000 | Capital reserve RMB'000 | Treasury shares RMB'000 | Share-based payments RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|
| **At January 1,2024** | **1,129,641** | **218,273** | **–** | **574,732** | **1,922,646** |
| Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs *(Note 28)* | **258,938** | **–** | **–** | **–** | **258,938** |
| Share-based payments to Mr. Zhao Lu *(a)* | **–** | **–** | **–** | **19,879** | **19,879** |
| Share-based payments to employees *(Note 31)* | **–** | **–** | **–** | **16,704** | **16,704** |
| Transaction with non-controlling interests *(Note 12(b)(iv))* | **–** | **77,022** | **–** | **–** | **77,022** |
| **At December 31, 2024** | **1,388,579** | **295,295** | **–** | **611,315** | **2,295,189** |
| **At January 1,2023** | 1,129,641 | 218,273 | – | 561,440 | 1,909,354 |
| Share-based payments to Mr. Zhao Lu *(b)* | – | – | – | 2,018 | 2,018 |
| Share-based payments to employees *(Note 31)* | – | – | – | 11,274 | 11,274 |
| **At December 31, 2023** | 1,129,641 | 218,273 | – | 574,732 | 1,922,646 |

(a) During the year ended December 31, 2024, pursuant to an equity transfer agreement entered into between Mr. Wan Bangxi (萬幫喜先生) and Mr. Zhao Lu, Mr. Wan Bangxi transferred 74,000 shares to Mr. Zhao Lu with total consideration of RMB220,000 and the fair value of these shares at the time was RMB20,099,000. The difference between the fair value and consideration was recognised as share-based payments with total amount of RMB19,879,000.

(b) During the year ended December 31, 2023, pursuant to an equity transfer agreement entered into between Mr. Li Shenjia (李申嘉先生) and Mr. Zhao Lu, Mr. Li Shenjia transferred 269,000 shares to Mr. Zhao Lu with total consideration of RMB2,018,000 and the fair value of these shares at the time was RMB4,036,000. The difference between the fair value and consideration was recognised as share-based payments with total amount of RMB2,018,000.

## 30 WARRANT LIABILITIES

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Warrant liabilities *(a)* | **35,347** | 33,735 |

(a) During the year ended December 31, 2022, third-party investors (the "Non-controlling Shareholders") subscribed for 21.49% of the equity interest in one subsidiary of the Group, by way of capital injection for an aggregate amount of USD50,000,000 (equivalent to RMB330,140,000). Pursuant to the agreement entered into between the Non-controlling Shareholders and the subsidiary, a warrant was issued to the Non-controlling Shareholders that they had right to subscribe new shares (an aggregate amount of subscription price being less than USD20,000,000) in the subsequent round of the subsidiary's equity financing with an 80% financing price of any other investors in such round. Proceeds received from the Non-controlling Shareholders were recorded in the capital reserve, the non-controlling interests and warrant liabilities. Since the directors believe that the subsidiary of the Group will not start the subsequent round of equity financing before December 31, 2025, the warrant liabilities is classified as non-current liabilities with maturity of over 1 year.

Warrant liabilities were initially recognised at fair value of RMB28,796,000 and subsequently re-measured to their fair. Changes of fair value of RMB1,612,000 were recorded in "other gains – net" in consolidated income statement (2023: RMB1,503,000) (Note 10).

## 31 SHARE-BASED PAYMENTS

Starting from 2016, the board of directors approved share award schemes ("restricted shares") for the purpose of providing incentive for certain directors, senior management members and employees contributing to the Group. The Group receives services from employees as consideration for equity instruments of the Company or a certain subsidiary under the above schemes.

The restricted shares awarded vest in tranches from the grant date over a certain service period. Once the vesting conditions of restricted shares are met, ordinary shares are considered duly and validly issued to the holder, and free of restrictions on transfer.

## 31 SHARE-BASED PAYMENTS (Continued)

### (a) Restricted shares issued by the Company

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

| | Number of restricted shares | Weighted average grant date fair value per restricted share (RMB) |
|---|---|---|
| Outstanding as at January 1, 2024 | **55,972,242** | **7.53** |
| Forfeited during the year | **(6,135,701)** | **5.86** |
| Outstanding as at December 31, 2024 | **49,836,541** | **7.85** |
| Outstanding as at January 1, 2023 | 56,176,413 | 7.53 |
| Granted during the year | 336,001 | 11.56 |
| Forfeited during the year | (540,172) | 10.40 |
| Outstanding as at December 31, 2023 | 55,972,242 | 7.53 |

The fair value of restricted shares at the grant date was determined by reference to the fair value of the underlying ordinary shares of the Company on the respective dates of grant.

## 31 SHARE-BASED PAYMENTS (Continued)

### (a) Restricted shares issued by the Company (Continued)

Restricted shares of the Company outstanding at the end of the year have the following vesting period and exercise prices:

| Grant date | Vesting period | Exercise price (RMB) | Number of restricted shares As at December 31, 2024 | Number of restricted shares As at December 31, 2023 |
|---|---|---|---|---|
| March 27, 2017 | 2 years | 0.03 | **4,058,376** | 4,058,376 |
| April 18, 2017 | 4 years | 0.26 | **42,650** | 42,650 |
| August 2, 2017 | 2 years | 0.03 | **8,007,865** | 8,007,865 |
| October 26, 2017 | 2 years | 0.03 | **5,411,844** | 5,411,844 |
| November 30, 2017 | 2 years | 0.03 | **1,934,487** | 4,836,217 |
| November 30, 2017 | 4 years | 0.26 | **128,045** | 128,045 |
| November 30, 2017 | upon IPO | 0.03-1.06 | **902,147** | 1,201,716 |
| August 14, 2019 | upon IPO | 0.03 | **10,657,240** | 12,957,713 |
| August 15, 2019 | upon IPO | 0.03 | **2,813,792** | 2,813,792 |
| June 29, 2020 | upon IPO | 0.03-3.80 | **4,709,750** | 4,744,148 |
| August 19, 2020 | upon IPO | 4.99-5.49 | **966,367** | 1,207,494 |
| November 26, 2020 | upon IPO | 0.03 | **4,462,717** | 4,462,717 |
| December 28, 2020 | upon IPO | 0.09 | **–** | 34,404 |
| March 12, 2021 | upon IPO | 0.00-0.03 | **5,202,460** | 5,202,460 |
| November 12, 2021 | upon IPO | 7.50 | **364,800** | 526,800 |
| October 15, 2023 | 3 years | 0.86 | **174,001** | 336,001 |
| | | | **49,836,541** | 55,972,242 |

## 31 SHARE-BASED PAYMENTS (Continued)

### (b) Restricted shares issued by a subsidiary

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

| | Number of RSUs | Weighted average grant date fair value per RSU (RMB) |
|---|---|---|
| Outstanding as at January 1, 2024 | **500,500** | **12.12** |
| Forfeited during the year | **(50,000)** | **12.12** |
| Outstanding as at December 31, 2024 | **450,500** | **12.12** |
| Outstanding as at January 1, 2023 | 5,797,500 | 12.12 |
| Forfeited during the year | (5,297,000) | 12.12 |
| Outstanding as at December 31, 2023 | 500,500 | 12.12 |

The fair value of restricted shares at the grant date was determined by reference to the fair value of the underlying ordinary shares of a subsidiary on the dates of grant.

Restricted shares of a subsidiary outstanding at the end of the year have the following vesting period and exercise prices:

| | | | Number of restricted shares | |
|---|---|---|---|---|
| **Grant date** | **Vesting period** | **Exercise price (RMB)** | **As at December 31, 2024** | As at December 31, 2023 |
| November 18, 2021 | 5 years | 2.00 | **50,500** | 100,500 |
| November 8, 2022 | 5 years | 1.00 | **400,000** | 400,000 |
| | | | **450,500** | 500,500 |

## 31 SHARE-BASED PAYMENTS (Continued)

### (c) Share-based payments recorded during the year ended December 31, 2024.

During the year ended December 31, 2024, the amounts of share-based payments were charged in the following categories in the consolidated income statement. The share-based payments include the expenses recognised in the consolidated income statement for certain share transfer transactions between shareholders (Note 29(a)).

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Selling expenses | **5,347** | 979 |
| Administrative expenses | **30,811** | 12,304 |
| Research and development expenses | **426** | 9 |
| | **36,583** | 13,292 |

## 32 TRADE AND OTHER PAYABLES

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Trade payables – third parties | **99,961** | 70,720 |
| Other payables – third parties | **9,210** | 7,219 |
| Payables for listing expenses in relation to IPO | **1,486** | 5,484 |
| VAT payables related to contract liabilities | **6,188** | 8,896 |
| Staff salaries and welfare payables | **54,650** | 100,261 |
| Accrued taxes other than income tax | **5,765** | 10,434 |
| Provision for an outstanding litigation *(b)* | **4,313** | 1,000 |
| Others | **2,845** | 4,162 |
| | **184,418** | 208,176 |

(a) The carrying amounts of trade and other payables are considered to be approximated their fair values, due to their short-term nature.

(b) The Group was involved in an outstanding litigation. Based on the Group's litigation counsels legal opinion, the directors of the Group made provision of RMB4,313,000 as at December 31, 2024 (December 31, 2023: RMB1,000,000).

## 32 TRADE AND OTHER PAYABLES (Continued)

Aging analysis of the trade payables based on purchase date is as follows:

| | As at December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Up to 3 months | **54,715** | 50,340 |
| 3 months to 6 months | **14,141** | 8,757 |
| 6 months to 1 year | **13,858** | 10,445 |
| 1 to 2 years | **17,088** | 1,178 |
| More than 2 years | **159** | – |
| | **99,961** | 70,720 |

## 33 BORROWINGS

| | As at December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| **Unsecured** | | |
| Short-term bank borrowing | **10,000** | – |
| Interest payable | **4** | – |
| | **10,004** | – |

The Group's borrowings are all denominated in RMB.

As at December 31, 2024, the Group's borrowings were repayable as follows:

| | As at December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Up to 6 months | **10,000** | – |

## 33 BORROWINGS (Continued)

The aggregate principal amounts of bank borrowings and applicable interest rates were as follows:

| | As at December 31, 2024 | | As at December 31, 2023 | |
|---|---|---|---|---|
| | Amount RMB'000 | Interest rate Per annum | Amount RMB'000 | Interest rate Per annum |
| RMB bank borrowings | **10,000** | **2.65%** | – | N.A |

The fair values of short-term bank borrowings equal to their carrying amount as the discounting impact is not significant.

## 34 DEFERRED REVENUE

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| **Non-current** | | |
| Government grants *(a)* | **7,402** | 8,174 |

(a) Deferred income mainly represents government grants received but yet to be recognised in consolidated income statement.

## 35 CASH FLOW INFORMATION

### (a) Cash used in operations

| | Year ended December 31, 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Loss before income tax | **(217,405)** | (356,364) |
| Adjustments for | | |
| – Depreciation of property, plant and equipment *(Note 16(a))* | **14,971** | 19,849 |
| – Amortisation of intangible assets *(Note 18(a))* | **4,215** | 4,055 |
| – Depreciation of right-of-use assets *(Note 17(b))* | **20,760** | 28,058 |
| – Provision for impairment of financial assets and contract assets *(Note 3.1(b))* | **3,591** | 8,402 |
| – Provision for impairment of intangible assets *(Note 18(b))* | **9,795** | 9,572 |
| – Share-based payments *(Note 7)* | **36,583** | 13,292 |
| – Share-based compensation to certain shareholders *(Note 7)* | **92,836** | – |
| – Finance income *(Note 11)* | **(35,774)** | (41,654) |
| – Finance costs *(Note 11)* | **727** | 1,431 |
| – Net foreign exchange gains | **(11,350)** | (12,586) |
| – Fair value gains on financial assets at fair value through profit or loss *(Note 10)* | **(3,529)** | (5,842) |
| – Fair value losses of warrant liabilities *(Note 10)* | **1,612** | 1,503 |
| – Dividend income from financial assets at fair value through profit or loss *(Note 9)* | **(1,275)** | – |
| – (Gains)/losses on termination of leasing contracts *(Note 10)* | **(41)** | 105 |
| – Losses on disposal of property, plant and equipment *(Note 10)* | **168** | – |
| | **(84,116)** | (330,179) |
| Change in operating assets and liabilities: | | |
| – Decrease in contract assets | **5,373** | 12,021 |
| – Increase in trade and other receivables | **(44,145)** | (20,907) |
| – Increase in long-term receivables | **(12,800)** | – |
| – Decrease/(increase) in contract fulfilment cost | **10,478** | (5,820) |
| – Decrease/(increase) in restricted cash | **1,411** | (5,021) |
| – Decrease in trade and other payables | **(26,358)** | (6,113) |
| – (Decrease)/Increase in contract liabilities | **(50,686)** | 853 |
| – (Decrease)/increase in deferred revenue | **(772)** | 4,017 |
| Net cash used in operations | **(201,615)** | (351,149) |

## 35 CASH FLOW INFORMATION (Continued)

### (b) Reconciliation of liabilities from financing activities

| | Liabilities from financing activities | | | |
|---|---|---|---|---|
| | Lease liabilities RMB'000 | Warrant liabilities RMB'000 | Borrowings RMB'000 | Total RMB'000 |
| **Net debt as at January 1, 2024** | **(15,089)** | **(33,735)** | **–** | **(48,824)** |
| Cash flows | **15,433** | **–** | **(10,000)** | **5,433** |
| Additions of lease liabilities | **(24,495)** | **–** | **–** | **(24,495)** |
| Termination of lease contracts | **120** | **–** | **–** | **120** |
| Fair value changes of warrant liabilities | **–** | **(1,612)** | **–** | **(1,612)** |
| Finance costs recognised | **(723)** | **–** | **(4)** | **(727)** |
| **Net debt as at December 31, 2024** | **(24,754)** | **(35,347)** | **(10,004)** | **(70,105)** |
| **Net debt as at January 1, 2023** | (45,860) | (32,232) | – | (78,092) |
| Cash flows | 32,212 | – | – | 32,212 |
| Additions of lease liabilities | (1,620) | – | – | (1,620) |
| Termination of lease contracts | 1,610 | – | – | 1,610 |
| Fair value changes of warrant liabilities | – | (1,503) | – | (1,503) |
| Finance costs recognised | (1,431) | – | – | (1,431) |
| **Net debt as at December 31, 2023** | (15,089) | (33,735) | – | (48,824) |

### (c) Major non-cash transactions

Other than non-cash transactions described elsewhere in this consolidated financial statements, there were no other material non-cash transactions in financing activities during the year ended December 31, 2024 (2023: nil).

## 36 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

### (a) Transactions with related parties

In the opinion of the Company's directors, the related party transactions were conducted in the ordinary course of business and based on terms mutually agreed by the underlying parties. Related party transactions of the Group during the year ended December 31, 2024 include:

#### *(i) Key management compensations*

Key management includes directors (executive and non-executive) and senior management of the Company. The compensation paid or payable to key management for employee services is shown below:

| | Year ended December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| Wages and salaries | **22,672** | 12,604 |
| Bonuses | **863** | 5,879 |
| Contributions to pension plans | **623** | 614 |
| Other social security costs, housing benefits and other employee benefits | **658** | 750 |
| Share-based payments | **31,082** | 7,456 |
| | **55,898** | 27,303 |

As at 31 December 2024, compensation of RMB2,070,000 (December 31, 2023: RMB1,996,000) has not been paid to key management, respectively.

## 37 BENEFITS AND INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

The remuneration of every director, supervisor and chief executive for the year ended December 31, 2024 were set out below:

| Name of Directors | Fees RMB'000 | Wages and salaries RMB'000 | Bonuses RMB'000 | Contributions to pension plans RMB'000 | Share-based payments RMB'000 | Other social security costs, housing benefits and other employee benefits RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|
| ***Executive directors*** | | | | | | | |
| – Mr. Zhao Lu (趙璐先生) *(i)* | – | 8,343 | – | 71 | 19,879 | 74 | 28,367 |
| – Mr. Ma Dong (馬東先生) | – | 1,642 | 133 | 63 | 1,605 | 66 | 3,509 |
| – Mr. Zhang Hongwei (張宏偉先生) | – | 1,365 | 109 | 70 | – | 74 | 1,618 |
| – Mr. Huang Yufei (黃玉飛先生) | – | 1,354 | 108 | 70 | – | 74 | 1,606 |
| – Mr. Wan Bangxi (萬幫喜先生) *(ii)* | – | 357 | – | 18 | 89 | 19 | 483 |
| – Ms. Ni Xiaomei (倪曉梅女士) | – | 2,792 | 108 | 70 | 7,643 | 74 | 10,687 |
| – Mr. Lu Yiming (陸一鳴先生) *(iii)* | – | 1,292 | 108 | 70 | 1,130 | 74 | 2,674 |
| ***Independent non-executive directors*** | | | | | | | |
| – Mr. Jiang Xiao (蔣驍先生) | 180 | – | – | – | – | – | 180 |
| – Mr. Li Zhiguo (李治國先生) | 180 | – | – | – | – | – | 180 |
| – Mr. FUNG Che Wai Anthony (馮志偉先生) | 222 | – | – | – | – | – | 222 |
| ***Supervisors*** | | | | | | | |
| – Ms. Li Jiaona (李嬌娜女士) *(iv)* | – | 51 | – | 4 | – | 5 | 60 |
| – Mr. Wen Gang (文綱先生) | – | – | – | – | – | – | – |
| – Mr. Cai Xin (蔡鑫先生) *(v)* | – | 1,292 | 109 | 70 | 670 | 74 | 2,215 |
| – Ms. Dong Xiaohan (董曉晗女士) *(vi)* | – | 1,052 | 88 | 47 | 66 | 50 | 1,303 |
| | 582 | 19,540 | 763 | 553 | 31,082 | 584 | 53,104 |

## 37 BENEFITS AND INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE (Continued)

The remuneration of every director and supervisor for the year ended December 31, 2023 were set out below:

| Name of Directors | Fees RMB'000 | Wages and salaries RMB'000 | Bonuses RMB'000 | Contributions to pension plans RMB'000 | Share-based payments RMB'000 | Other social security costs, housing benefits and other employee benefits RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|
| ***Executive directors*** | | | | | | | |
| – Mr. Zhao Lu (趙璐先生) | – | 2,608 | 1,029 | 95 | 2,018 | 105 | 5,855 |
| – Mr. Ma Dong (馬東先生) | – | 1,700 | 397 | 131 | (408) | 116 | 1,936 |
| – Mr. Zhang Hongwei (張宏偉先生) | – | 873 | 331 | 24 | – | 26 | 1,254 |
| – Mr. Huang Yufei (黃玉飛先生) | – | 866 | 750 | 50 | – | 56 | 1,722 |
| – Mr. Wan Bangxi (萬幫喜先生) | – | 922 | 441 | 24 | (516) | 26 | 897 |
| – Ms. Ni Xiaomei (倪曉梅女士) | – | 819 | 675 | 41 | (1,284) | 50 | 301 |
| ***Independent non-executive directors*** | | | | | | | |
| – Mr. Jiang Xiao (蔣驍先生) | 75 | – | – | – | – | – | 75 |
| – Mr. Li Zhiguo (李治國先生) | 75 | – | – | – | – | – | 75 |
| – Ms. Yin Huifang (陰慧芳女士) *(vii)* | 75 | – | – | – | – | – | 75 |
| – Mr. FUNG Che Wai Anthony (馮志偉先生) *(viii)* | – | – | – | – | – | – | – |
| ***Supervisors*** | | | | | | | |
| – Ms. Li Jiaona (李嬌娜女士) | – | 73 | 24 | 6 | – | 7 | 110 |
| – Mr. Wen Gang (文綱先生) | – | – | – | – | – | – | – |
| – Mr. Lu Yiming (陸一鳴先生) | – | 819 | 441 | 50 | (160) | 56 | 1,206 |
| | 225 | 8,680 | 4,088 | 421 | (350) | 442 | 13,506 |

Notes:

(i) Mr. Zhao Lu was the chairman of the board and the general manager (equivalent to the chief executive officer) of the Company in 2024. He resigned from the position of the general manager and Ms. Wan Yunyun (萬韞鋆女士) was appointed as the general manager in February 2025.

(ii) Mr. Wan Bangxi resigned from the position of an executive director in March 2024.

(iii) Mr. Lu Yiming resigned from the position of a supervisor and was appointed as an executive director in March 2024.

(iv) Ms. Li Jiaona resigned from the position of a supervisor in July 2024.

(v) Mr. Cai Xin was appointed as a supervisor in March 2024.

(vi) Ms. Dong Xiaohan was appointed as a supervisor in July 2024.

(vii) Ms. Yin Huifang resigned from the position of an independent non-executive director in September 2023.

(viii) Mr. FUNG Che Wai Anthony was appointed as the Company's independent non-executive director in September 2023.

## 37 BENEFITS AND INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE (Continued)

All of these individuals have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office during the year ended December 31, 2024 (2023: nil).

### (a) Directors' and supervisors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors or supervisors for the year ended December 31, 2024 (2023: nil).

### (b) Consideration provided to third parties for making available directors' and supervisors' services

No consideration was provided to third parties for making available directors' or supervisors' services during the year ended December 31, 2024 (2023: nil).

### (c) Information about loans, quasi-loans or other dealings in favour of directors and supervisors, controlled bodies corporate by and connected entities with such directors and supervisors

No loans, quasi-loans or other dealings were entered into by the Company in favour of directors or supervisors, controlled bodies corporate by and connected entities with such directors or supervisors during the year ended December 31, 2024 (2023: nil).

### (d) Directors' and supervisors' 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 or a supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended December 31, 2024 (2023: nil).

## 38 CONTINGENCIES AND COMMITMENTS

### (a) Contingencies

As at December 31, 2024, other than those disclosed elsewhere in Note 32 of consolidated financial statements, there were no significant contingencies items for the Group (December 31, 2023: refer to Note 32).

### (b) Commitments

As at December 31, 2024, the Group did not have any significant capital commitments (December 31, 2023: nil).

## 39 EVENTS AFTER THE BALANCE SHEET DATE

There is no other material subsequent event undertaken by the Group after December 31, 2024 (December 31, 2023: nil).

## 40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

### (a) Balance sheet of the Company

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| **Assets** | | |
| **Non-current assets** | | |
| Property, plant and equipment | **3,989** | 6,846 |
| Intangible assets | **7,320** | 8,503 |
| Investments in subsidiaries | **402,974** | 359,236 |
| Restricted cash | **–** | 5,000 |
| | **414,283** | 379,585 |
| **Current assets** | | |
| Contract fulfilment cost | **998** | 10,986 |
| Contract assets | **10,943** | 8,502 |
| Trade and notes receivables | **125,752** | 91,769 |
| Other receivables and prepayments | **297,613** | 288,022 |
| Financial assets at fair value through profit or loss | **120,792** | 280,826 |
| Short-term treasury investments | **94,224** | – |
| Short-term bank deposits | **322,876** | 18,352 |
| Restricted cash | **5,100** | 1,140 |
| Cash and cash equivalents | **245,359** | 419,494 |
| | **1,223,657** | 1,119,091 |
| **Total assets** | **1,637,940** | 1,498,676 |
| **Equity** | | |
| Share capital | **563,779** | 538,000 |
| Other reserves | **1,997,670** | 1,702,929 |
| Accumulated losses | **(1,263,114)** | (1,186,448) |
| | **1,298,335** | 1,054,481 |
| **Total equity** | **1,298,335** | 1,054,481 |

## 40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

### (a) Balance sheet of the Company (Continued)

| | As at December 31, | |
|---|---|---|
| | **2024** | 2023 |
| | **RMB'000** | RMB'000 |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade and other payables | **275,315** | 338,044 |
| Contract liabilities | **64,290** | 106,151 |
| | **339,605** | 444,195 |
| **Total liabilities** | **339,605** | 444,195 |
| **Total equity and liabilities** | **1,637,940** | 1,498,676 |

The balance sheet of the Company was approved and authorised for issue by the Board of Directors of the Company on March 24, 2025 and were signed on its behalf by

*Director*

*Director*

## 40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

### (b) Reserve movement of the Company

| | Share premium RMB'000 | Share-based payments RMB'000 | Total RMB'000 |
|---|---|---|---|
| **At January 1, 2024** | **1,129,641** | **573,288** | **1,702,929** |
| Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs | **258,938** | **–** | **258,938** |
| Share-based payments | **–** | **15,924** | **15,924** |
| Share-based payments to Mr. Zhao Lu | **–** | **19,879** | **19,879** |
| **At December 31, 2024** | **1,388,579** | **609,091** | **1,997,670** |
| **At January 1, 2023** | 1,129,641 | 558,819 | 1,688,460 |
| Share-based payments | – | 12,451 | 12,451 |
| Share-based payments to Mr. Zhao Lu | – | 2,018 | 2,018 |
| **At December 31, 2023** | 1,129,641 | 573,288 | 1,702,929 |

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES

### 41.1 Subsidiaries

*(a) Consolidation*

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.

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 income statement, consolidated statements of comprehensive loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

### 41.1 Subsidiaries (Continued)

*(a) Consolidation (Continued)*

*Business combinations*

The acquisition method of accounting is used to account for all business combinations, other than business combination under common control, 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.

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

### 41.1 Subsidiaries (Continued)

*(b) 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 loss 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.

### 41.2 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 Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value, with the 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, joint venture 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.

### 41.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive directors of the Company that makes strategic decisions.

### 41.4 Foreign currency translation

*(a) 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 and its subsidiaries in the mainland China is RMB. The subsidiaries outside mainland China were incorporated in Singapore and United States, and these subsidiaries considered SGD and USD as their Functional Currency respectively. As the major operations of the Group are within the mainland China, the Group determined to present its consolidated financial statement in RMB.

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

### 41.4 Foreign currency translation (Continued)

*(b) 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.

All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within "other gains – net".

*(c) 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 income statement and statement of comprehensive loss are translated at average exchange rates (unless this average 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 rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive loss.

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, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

### 41.5 Impairment of non-financial assets other than goodwill

Non-financial assets other than goodwill and intangible assets that have an indefinite useful life 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.

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

### 41.6 Investments and other financial assets

*(a) Classification*

Investments and other financial assets are classified as described in Note 21.

*(b) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, being 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.

*(c) 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 three 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 – net", together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains – net. Interest income from these financial assets is included in "finance income" using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains – net" and impairment losses are presented as separate line item in the consolidated income statement.

- 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 – net in the period in which it arises.

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

### 41.6 Investments and other financial assets (Continued)

*(d) 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 and notes receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

### 41.7 Cash and cash equivalents

For the purpose of presentation in the consolidated 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.

### 41.8 Restricted cash and short-term bank deposits

Cash restricted for guaranteed deposits for bank borrowings or issuance of notes payables or other purpose were included in the restricted cash on the consolidated balance sheet.

Bank deposits with initial terms of over three months but within 1 year were included in the short-term bank deposits on the consolidated balance sheet.

### 41.9 Share capital

Ordinary shares and share capital from owners are classified as equity.

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

### 41.10 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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 fair value and subsequently measured at amortised cost using the effective interest method.

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

### 41.11 Borrowings and borrowing costs

*(a) Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as "other income" or "finance costs".

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

*(b) Borrowing costs*

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

During the year ended December 31, 2024, no borrowing costs were capitalized (2023: nil).

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

### 41.12 Provisions

Provisions for legal claims and onerous contracts are recognised when the Group has a present legal or contractual 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.

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.

### 41.13 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the consolidated income statement, 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.

*(a) Current 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet dates 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.

*(b) 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.

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

### 41.13 Current and deferred income tax (Continued)

*(b) Deferred income tax (Continued)*

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 Group 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 when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current 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 loss or directly in equity. In this case, the tax is also recognised in other comprehensive loss or directly in equity, respectively.

### 41.14 Employee benefits

*(a) Short-term obligations*

Liabilities for wages, salaries and bonus, including non-monetary benefits, annual leave 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 consolidated balance sheet.

*(b) Pension obligations and other social welfare benefits*

Full-time employees of the Group in mainland China are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labour regulation requires that the Group make contributions to the government for these benefits based on certain percentage of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the required contributions. There are no forfeited contributions that may be used by the Group to reduce the existing level of contribution. The Group also makes payments to other defined contribution plans and defined benefit plans for the benefit of employees employed by subsidiaries outside of mainland China.

*(c) Employee leave entitlement*

Employee entitlement to annual leave is recognised when they have accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employees entitlement to sick leave and maternity leave are not recognised until the time of leave.

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

### 41.15 Share-based payments

*(a) Share-based payments to employee*

The Group operates certain share incentive plans, under which the Group receives services from employees as consideration for equity instruments of the Company or certain subsidiary. The fair value of the services received in exchange for the grant of the equity instruments is recognised as an expense in the consolidated income statement. The total expenses are recognised over the vesting period, over which all of the specified vesting conditions are to be satisfied.

The total amount to be expensed is determined by reference to the fair value of the Company's or certain subsidiaries' shares at the grant date.

The Group may modify the terms and conditions of share incentive awards granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognised for the services received over the remainder of the vesting period.

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.

*(b) Share-based compensation to shareholders*

If the identifiable consideration received by the Group appears to be less than the fair value of the equity instruments transferred to shareholders, which indicated that the Group received other unidentifiable consideration. The Group measures the share-based payment as the difference between the fair value of equity instruments transferred and the identifiable consideration at the transaction date.

### 41.16 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. Note 9 provides further information on how the Group accounts for government grants.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred revenue and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

## 41 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

### 41.17 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets. Financial assets have subsequently become credit-impaired, for which interest revenue is calculated by applying the effective interest rate to their amortised cost.

Interest income earned from short-term bank deposits that are held for cash management purposes is presented as finance income. Gains from short-term investments measured at fair value through profit or loss (Note 25) are included in "other gains – net".

### 41.18 Loss per share

*(i) Basic loss per share*

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and

- 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 loss per share*

Diluted loss per share adjusts the figures used in the determination of basic loss 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.

Taimei
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