FISCAL YEAR 2025 ANNUAL REPORT

Alibaba Health

Alibaba Health Information Technology Limited

Incorporated in Bermuda with limited liability | Stock code: **00241**

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Mr. ZHU Shunyan *(Chairman)* (re-designated as a non-executive Director with effect from September 1, 2024)
Mr. SHEN Difan *(Chief Executive Officer)*
Mr. TU Yanwu

Non-executive Directors
Mr. ZHU Shunyan *(Chairman)* (re-designated as a non-executive Director with effect from September 1, 2024)
Ms. HUANG Jiaojiao
Mr. XU Haipeng

Independent Non-executive Directors
Ms. HUANG Yi Fei (Vanessa)
Dr. SHAO Rong
Ms. WU May Yihong

Audit Committee
Ms. WU May Yihong *(Chairman)*
Ms. HUANG Yi Fei (Vanessa)
Dr. SHAO Rong

Remuneration Committee
Ms. HUANG Yi Fei (Vanessa) *(Chairman)*
Ms. HUANG Jiaojiao
Ms. WU May Yihong

Nomination Committee
Mr. ZHU Shunyan *(Chairman)*
Dr. SHAO Rong
Ms. WU May Yihong

AUTHORIZED REPRESENTATIVES
Mr. SHEN Difan
Ms. TSUI Hiu Leong

JOINT COMPANY SECRETARIES
Ms. TSUI Hiu Leong
Ms. DENG Yan

LEGAL ADVISOR
Fangda Partners

AUDITOR
Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE
Victoria Place
5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
26/F, Tower One
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN PRC
30/F, Greenland Center
Building 9, Zone 4
Wangjing East Park
Chaoyang District
Beijing

PRINCIPAL SHARE REGISTRAR (IN BERMUDA)

Ocorian Management (Bermuda) Ltd.
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

BRANCH SHARE REGISTRAR (IN HONG KONG)

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

China CITIC Bank International Limited
The Hongkong and Shanghai Banking Corporation Limited
China Merchants Bank Co., Ltd.
Bank of Ningbo Co., Ltd
JPMorgan Chase Bank

COMPANY WEBSITE

http://www.irasia.com/listco/hk/alihealth/

CHAIRMAN'S STATEMENT

Dear fellow shareholders,

First of all, on behalf of the Board of Directors and Alibaba Health Information Technology Limited (the "**Company**") or Alibaba Health, together with its subsidiaries, (the "**Group**"), I would like to take this opportunity to express our sincere gratitude to all of our shareholders and the general public for their continued interest and support.

In 2024, China's economy maintained steady progress along the path of pursuing high-quality development, driven by technological innovation in building a modern industrial system. The consumer potential continues to be unleashed, and the digital economy is becoming deeply integrated with the real economy. 2024 was also a year of breakthrough for the Internet healthcare industry as it moved towards intelligent and accessible development. The Government Work Report of the State Council clearly proposes to "step up the application of big data and artificial intelligence in the healthcare sector". The National Health Commission, the National Administration of Traditional Chinese Medicine, and the National Disease Control and Prevention Administration jointly released the "Reference Guidance for Artificial Intelligence Application Scenarios in the Healthcare Industry"^ (《衛生健康行業人工智能應用場景參考指引》), explicitly supporting the in-depth application of AI technologies in medical scenarios. With the continuous increase in policy support and the rapid evolution of technological innovation, the Internet healthcare industry is destined to embrace broader development opportunities and a brighter future. Against this backdrop, Alibaba Health has remained steadfast in its mission of making healthcare services accessible and affordable. We have proactively responded to national policy incentives and driven industry transformation through scientific and technological innovation. As the flagship platform of Alibaba Group in the healthcare sector, Alibaba Health has deeply integrated AI technology with full-chain healthcare and pharmaceutical service capabilities, striving to build an intelligent healthcare ecosystem that synergizes online and offline services. Focusing on user needs, we continued to enhance the accessibility and efficiency of pharmaceutical and healthcare products through AI-enabled intelligent transformation of healthcare services and doctor services, while actively exploring the path of "AI + Healthcare" industry innovation.

PHARMACEUTICAL E-COMMERCE BUSINESS

Over the past year, the pharmaceutical e-commerce business continued to reinforce its leading position in the industry. By improving supply chain efficiency, enriching the categories of pharmaceuticals and healthcare products, and enhancing user service experience, we continued to meet the needs of a wide range of users to purchase pharmaceuticals in a convenient and reliable manner. We have entered into strategic cooperation agreements with a number of well-known pharmaceutical companies, maximizing the accessibility of out-of-hospital medications, improved the availability of their products in lower-tier markets, and comprehensively expanded cooperations in digital healthcare services across online retail, category expansion, new drug launches, and disease education. While expanding the scope of cooperation and product collaboration, we also leveraged the combined R&D strengths and big data capabilities of both manufacturers and Alibaba Health to jointly develop market-oriented new products, thereby accelerating the R&D pace of new products and meeting the diverse market demands. Through the supply-side structural reform, we have built a comprehensive and multi-tiered healthcare consumption portal. With an industry-leading breadth of product offerings, we satisfied consumers’ diverse healthcare needs and established a virtuous ecosystem cycle of “full-spectrum supply – precise matching – inclusive access”. Alibaba Health is committed to providing patients with a safer, more accurate and more convenient medication purchasing experience by leveraging its core advantages in the pharmaceutical e-commerce business.

For digital marketing, following the acquisition of the Exclusive Marketing Materials Review Right under the healthcare categories of Alimama in the previous year, Alibaba Health proactively integrated marketing services into the complete solution loop of health brand merchant solutions, forming a multi-engine growth model featuring in “proprietary revenue + platform commission + marketing services”. This model enhanced merchant engagement and advertising scale on the platform, further driving business growth for Alibaba Health. The Group established a dedicated team to formulate tailored marketing strategies for new products, enabling rapid enhancement of user awareness and purchase conversion both within and beyond the Taobao ecosystem. Alibaba Health’s digital capabilities are constantly being brought into play to identify user pain points and better address consumer healthcare needs. Meanwhile, Alibaba Health developed a personalized digital marketing system by combining content-driven education with in-depth exploration of product attributes and target consumer segments. To further build a robust health ecosystem, Tmall Healthcare invested hundreds of millions of funds and focused on three major industry growth drivers, namely “new users, new merchants, and new growth.” We have built a robust healthy ecosystem to support merchants at different stages of development, helping them achieve sustainable and predictable growth. Alibaba Health and its partnered brands will step up the exploration around “quality products, competitive prices, and excellent services”, engaging in diversified and in-depth collaborations covering premium products, rich content, precise services, and customized engagement strategies. These efforts aim to unlock long-term growth potential and jointly build the most trusted healthcare brands and healthcare platforms for consumers in China.

CHAIRMAN'S STATEMENT

HEALTHCARE AND DIGITAL SERVICES BUSINESS

Over the past year, The Group has made ongoing efforts to further optimize the service processes for online consultations, follow-up prescriptions, and chronic disease management, thereby improving the accessibility and efficiency of healthcare services. We have continued to invest resources in attracting high-quality medical professionals and expanding our specialty service capabilities, especially in the area of chronic disease management, to support patients in achieving more effective long-term health management through digital tools and professional services. We offered personalized consultation advice and treatment plans for chronic disease patients, addressing their medication-related inquiries, providing consultations on disease symptoms, as well as conducting health risk assessments and offering preventive recommendations. Guided by the national strategy "Healthy China 2030", the Group is building a leading medical and healthcare service system. Through a variety of channels such as Tmall, Taobao, Alipay, AMap, DingTalk, Freshippo and Quark, the Group aims to achieve precise matching of medical resources with user needs, formulating a complete and full-cycle health management loop covering prevention, diagnosis, treatment, and rehabilitation. As at March 31, 2025, the total number of licensed physicians, pharmacists and nutritionists who contracted with the Group reached nearly 240,000, to provide seamless online-to-offline healthcare services (including, among others, TCM, medical checkups, medical consultation, appointment-making, vaccination, dental care, mental care, optometry and nursing), allowing its users to access convenient, efficient and personalized healthcare management solutions.

The Group continued to set an industry benchmark by expanding the application and implementation of discipline-specific digital intelligent solutions in its internet hospital business, extending from oncology and autoimmune specialties to additional disciplines including neurosurgery, orthopaedics, psychiatry and gynaecology. The digital capabilities enable doctors to refine patient management and deliver more efficient patient education.

The business of Xiaolu TCM continued to grow steadily. As at March 31, 2025, it has gathered 140,000 registered TCM practitioners, forming a nationwide network of 137 dispensing centers, reflecting significant improvement in both the service coverage and quality standard. Xiaolu TCM launched an AI-assisted diagnosis system, leveraging Alibaba Cloud Bailian (阿里雲百煉) platform and fully integrated with the DEEPSEEK reasoning large model. Based on the analysis of millions of clinical case data, the system significantly improves efficiency in scenarios such as doctor-assisted consultations.

On March 19, 2025, the National Healthcare Security Administration, the Ministry of Human Resources and Social Security, the National Health Commission and the National Medical Products Administration jointly issued the "Notice on Strengthening the Collection and Application of Drug Tracking Codes in Healthcare Security and Work Injury Insurance"^ (《關於加強藥品追溯碼在醫療保障和工傷保險領域採集應用的通知》), which mandates the use of drug tracking codes to track drugs throughout the whole process covering production, distribution and usage. It also promotes the comprehensive collection and application of drug tracking codes in healthcare security and work injury insurance, ultimately enabling the tracking codes to be fully collected in medical institutions. Proactively responding to these policy incentives, the "Ma Shang Fang Xin" platform has further promoted the coverage of the entire value chain from drug production, distribution, retail-end pharmacies and healthcare institutions, contributing to improving the transparency, security and compliance of the drug supply chain.

In the application of AI technology, we are committed to driving business innovation with cutting-edge technologies such as big data and artificial intelligence. We have enhanced our operational efficiency and service quality, devoting ourselves to exploring wider application sceneries of large language models, while empowering the overall upgrade of healthcare industry. By applying large language models to provide healthcare services, the Group achieved end-to-end AI integration across its pharmaceutical e-commerce business, including traffic acquisition, supply chain management, and service delivery. Leveraging upgraded AI capabilities, the Group has further enhanced operational efficiency in multiple areas, including optimized search and recommendation models for pharmaceuticals, smart pharmacy supply chain systems, intelligent product operations, and smart customer services. These advancements have not only driven growth in GMV but also enabled it to meet users' demands for faster and more efficient services. Looking ahead, the Group will continue to explore the application of large language models in the healthcare service segment, aiming to further improve efficiency and process quality across the healthcare field, creating more values for the industry.

PUBLIC SERVICE

Alibaba Health is committed to fulfilling its corporate social responsibilities, focusing on the healthcare needs of the disadvantaged while promoting the fair and sustainable development of social health by making healthcare services accessible to all. We continue to invest in initiatives concerning the hearing health of elderly people, promoting public project of Medical Checkups for Blind People, supporting rare disease care, and advancing health education. We are committed to making quality medical and health services more accessible, contributing to the creation of a healthier society. Alibaba Health will continue to focus on disadvantaged groups and address social pain points. It will also lead ecological partners to support Healthy China.

CHAIRMAN'S STATEMENT

The "Care Campaign for Babies with Methylmalonic Acidemias" has solved the problem of rare disease patients not being able to buy specialized formula. By engaging the concerted efforts of specialized formula brands to design an "on-demand supply" model, the initiative ensures the accessibility of specialized food for child patients with rare diseases across 31 provinces, autonomous regions and municipalities. Over 700 families of rare disease patients have registered their demand for specialized formula, with annual needs of more than 30,000 cans of formula collected for child patients with rare diseases.

The "Hearing Aid Campaign" has established the "Hearing Test Centres" in 25 communities across Beijing, Shanghai, and Wuhan, providing free hearing test services for 5,011 senior citizens through self-screening, free consultation, and home test. Meanwhile, the "Medical Checkups for Blind People" public project has offered tailor-made "blind-friendly" public medical checkups to 500 visually impaired individuals in 10 cities, including more than 20 physical examination items for the visually impaired individuals.

Alibaba Health tracking code has launched the "Digitalization of Pharmaceutical Circulation Compliance" project to help reduce carbon emissions and build an efficient pharmaceutical supply chain system. The project has cumulatively provided services to over 1,500 manufacturing enterprises and more than 7,100 operating enterprises, and has cumulatively issued over 8.5 million digital drug inspection reports.

At Alibaba Health, we firmly believe that a company's growth stems not only from creating commercial value but also from giving back to society and nature. We have announced an enhanced version of the distinctive "1-5-100 Public Service Plan". Guided by the principle of "one stretch of Alibaba Health Public Service Forest, five business-related public projects, and participation from one hundred employee families", the plan integrates social responsibility into our corporate gene. We introduced the innovative "Alibaba Health Public Service Forest" program, adopting an "employee volunteer service + ecological remediation" model to foster the coexistence of goodwill and greenery. Alibaba Health will plant one tree for every three hours of voluntary services completed by each of its employees to commemorate their acts of kindness. The Public Service Forest embodies the sense of social responsibility of every Alibaba Health member. It will also stand as our enduring commitment to society and nature.

Looking ahead, we remain highly confident in the long-term growth potential of Alibaba Health. Technological innovation continues to serve as the core engine driving industrial transformation. Meanwhile, meeting the multi-level and diversified healthcare needs of the people remains our unwavering mission. Alibaba Health will maintain its focus on AI-driven growth, deepen collaboration with ecological partners, and continuously enhance user experience and service quality. We are confident in our ability to ride the wave in the opportunity-rich blue ocean of digital health, continuously creating long-term value for our users, society, and shareholders.

ZHU Shunyan
Chairman

May 19, 2025

BUSINESS REVIEW

In FY2025, the "Internet + Healthcare" industry has undergone continuous and progressive advancement. Guided by the Central Economic Work Conference's strategy to "expand domestic demand and boost the dynamism and reliability of the domestic economy", the National Health Commission, in collaboration with other ministries and commissions, are further advancing and strengthening the reforms in "demand-side management". A series of policies have been introduced to further encourage systematic measures including optimizing the medical insurance payment mechanisms, expanding the coverage of online diagnosis and treatment, and encouraging innovative healthcare models, to promote the high-quality, multi-tiered and inclusive development of the healthcare industry. On April 7, 2025, 12 departments including the Ministry of Commerce and the National Health Commission jointly issued the Notice on "Special Action Plan to Promote Healthy Consumption"^ (《促進健康消費專項行動方案》), which clearly outlines the optimization of the structure of health-related products supply chains, encouraging the development of niche sectors such as nutritional supplements, traditional Chinese medicine ("**TCM**") wellness, health monitoring and elderly care products and services, while supporting e-commerce platforms in expanding market coverage. The Government Work Report of the Two Sessions in 2025 highlights the "implementation of special actions to boost consumption", supported by the issue of ultra-long-term special treasury bonds of RMB300 billion to promote trade-in of consumer goods, directly integrating this initiative to health consumption. Alibaba Health actively participated in these targeted initiatives, leveraging government subsidies to lower consumption barriers and addressing users' demand for replacing products through "direct discounts and subsidies" models.

Besides, in the field of healthcare innovation, the Government Work Report of the Two Sessions further clarify and solidify the research, development and application of artificial intelligence ("**AI**"), supporting the widespread adoption of large-scale models, with a strategic focus on AI application in key sectors such as healthcare and education. In July 2024, the National Health Commission, the National Administration of Traditional Chinese Medicine, and the National Disease Control and Prevention Administration jointly released the "Reference Guidance for Artificial Intelligence Application Scenarios in the Healthcare Industry"^ (《衛生健康行業人工智能應用場景參考指引》), providing clear direction and references for AI applications in the healthcare industry. The guidance covers application scenarios across four major sectors of "AI+" namely, medical services management, primary health services, health industry development, and medical scientific research, establishing a standardized foundation for Alibaba Health's active exploration in the field of medical AI. During the Reporting Period, following government policy guidance, actively responding to initiatives, the various business operations of Alibaba Health continued to maintain stable growth.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group achieved a steady growth in revenue, with its total revenue reaching RMB30,598.3 million, representing an increase of 13.2% year-on-year. The net profit reached RMB1,432.0 million, representing an increase of 62.2% year-on-year. The adjusted net profit totaled RMB1,949.7 million, representing an increase of 35.6% year-on-year, and adjusted net profit margin improved from 5.3% to 6.4%. The business of the Tmall Healthcare Platform continued to grow at a steady pace, along with the healthy growth in the annual GMV and the continued increase in the number of paid annual active users ("**AAU**") (those who made one or more actual purchase(s) on the Tmall Healthcare Platform within the past 12 months) during the Reporting Period. As at March 31, 2025, both the number of online proprietary merchants and the number of merchants with transactions on the Tmall Healthcare Platform sustained rapid growth, and as at the end of the Reporting Period, the number of merchants with transactions served increasing by 35% year-on-year to 48,300, along with the number of online SKUs increasing by more than 91% year-on-year to 133 million.

As at March 31, 2025, the effective GMV of direct online stores maintained a healthy growth, with the number of AAUs and the membership of direct sales business continue to rise. SKUs from direct sales business increased by 33.6% year-on-year to 1.23 million. Meanwhile, the Group continued to enhance user experience for chronic disease patients, achieving both growth in the number of chronic disease users and a 9% year-on-year increase in average duration of therapy (DOT) per user. During the Reporting Period, the Group further integrated and optimized its pharmaceutical logistics network with a focus on improving overall logistics experience. While maintaining a consistently high next-day delivery rate for medications, next-day delivery services were progressively expanded to cover 13 cities, including Guangzhou, Ningbo, Jinhua, Jiaxing, Shaoxing, Huzhou, Taizhou and Wenzhou.

In the healthcare services segment, as at the end of the Reporting Period, the total number of licensed physicians, pharmacists and nutritionists who contracted with the Group to provide online health consultation services continued to grow and reached nearly 240,000 (including Xiaolu TCM).

As the flagship healthcare platform of Alibaba Group Holding Limited ("**Alibaba Holding**", together with its subsidiaries, "**Alibaba Group**"), the Group upholds its aspiration in making healthcare services accessible and affordable while adhering to the highest industry standards of compliance and service quality. With this in mind, the Group will continue to consolidate and strengthen its established competitive strengths and business foundations in healthcare, while proactively exploring innovative business models and fostering industry development for the future to align with the evolving needs of its customers. The Group will utilize its leading digital technology and operational capabilities, with "cloud-based infrastructure" as its foundation, "cloud-based pharmacy" as its core, and "cloud-based hospital" as its growth driver to provide affordable, convenient, efficient and reliable medical and healthcare services to hundreds of millions of families.

Pharmaceutical E-commerce Business

The Group's pharmaceutical e-commerce business remains user-centric, fully leveraging its well-established brand strengths and resources accumulated over the years. Leveraging its strengths in e-commerce, big data and cloud computing, the Group operates through an integrated model combining Tmall Healthcare E-commerce Platform, pharmaceutical direct sales business and e-commerce advertising business. The Group actively expands its cooperation with recognized upstream manufacturers and distributors in pharmaceutical, nutritional, healthcare, and medical device segments, so as to provide a comprehensive internet-based health solutions that are tailored to users' diverse needs. During the Reporting Period, by actively operating the advertising business within the Tmall healthcare categories (for further details, please refer to the announcement of the Company dated November 28, 2023), continuously empowering merchants and enhancing manufacturers' operational service capabilities, the Group achieved rapid growth in revenue as compared to the Corresponding Period.

- ***Pharmaceutical E-Commerce Platform Business – Tmall Healthcare Platform***

  During the Reporting Period, as a leading online pharmaceutical and healthcare products service platform in China, Tmall Healthcare Platform continued to leverage its digital capabilities to drive business innovation. By collaborating with business and industry partners to jointly explore new development trends, expand market boundaries and focus on user demand trends, the Group provides users with more accessible and quality healthcare services. During the Reporting Period, the annual GMV and the number of AAUs continued to increase. The number of merchants with transactions served increased rapidly by 35% year-on-year to 48,300, and online SKUs grew by over 91% to 133 million as at March 31, 2025.

  The injection of the advertising business (for further details, please refer to the announcement of the Company dated November 28, 2023) further enhanced the comprehensiveness of the Tmall Healthcare Platform business model. During the Reporting Period, while providing more customized services to merchants, the Group actively promoted the business growth of merchants and improved the merchant experience and satisfaction, achieving rapid growth in revenue year-on-year.

- ***Pharmaceutical Direct Sales Business***

  Adhering to its operation motto of "authenticity, affordability, professionalism and reliability", the Group's pharmaceutical direct sales business is committed to providing consumers from Tmall, Taobao, Alipay, Ele.me and other segments with comprehensive and affordable healthcare services, including prescription drugs, over-the-counter (OTC) drugs, nutritional supplements, medical devices and contact lenses.

During the Reporting Period, the revenue of the pharmaceutical direct sales business reached RMB26,124.4 million, representing an increase of 10.0% year-on-year. During the Reporting Period, by adopting a refined consumer-centric operational approach, the Group further expanded collaborations with different manufacturers in the industry to broaden its business and products so as to meet the diversified needs of consumers. The number of AAUs and average revenue per user ("**ARPU**") of direct online stores continued to grow, with SKUs increasing by 33.6% year-on-year to 1.23 million. During the Reporting Period, the Group further integrated and optimized its pharmaceutical logistics network with a focus on improving overall logistics experience. While maintaining a consistently high next-day delivery rate for medications, next-day delivery services were progressively expanded to cover 13 cities, including Guangzhou, Ningbo, Jinhua, Jiaxing, Shaoxing, Huzhou, Taizhou and Wenzhou.

Healthcare and Digital Services Business

During the Reporting Period, the Group continued to enhance users' experience of the professional healthcare services by providing its users with a seamless online-to-offline system of healthcare services (including TCM, medical checkups, medical consultation, appointment-booking, vaccination, dental care, mental care, optometry and nursing) through a variety of channels such as Tmall, Taobao, Alipay, AMap, DingTalk, Freshippo and Quark. As at March 31, 2025, the total number of licensed physicians, pharmacists and nutritionists who contracted with the Group to provide online health consultation services continued to grow and reached nearly 240,000.

- ***Healthcare Services***

  During the Reporting Period, the Group continued to expand the application and implementation of discipline-specific digital intelligent solutions in its internet hospital business, extending from oncology and autoimmune specialties to additional disciplines including neurosurgery, orthopaedics, psychiatry and gynaecology. The enhanced digital capabilities enable doctors to refine patient management and deliver more efficient patient education.

  During the Reporting Period, the business of Xiaolu TCM continued to grow steadily. As at March 31, 2025, the number of Xiaolu TCM registered TCM practitioners increased to 140,000, and the number of dispensing centers increased to 137, reflecting significant improvement in both the service coverage and quality standard. During the Reporting Period, Xiaolu TCM launched an AI-assisted diagnosis system, which is Alibaba Cloud Bailian (阿里雲百煉) platform and fully integrated with the DEEPSEEK reasoning large model. Based on the analysis of millions of clinical case data, the system significantly improves efficiency in scenarios such as doctor-assisted consultations.

- ***Digital Tracking Business***

The "Ma Shang Fang Xin"^ (碼上放心) tracking platform business continued to maintain efficient and healthy growth. On March 19, 2025, the National Healthcare Security Administration, the Ministry of Human Resources and Social Security, the National Health Commission and the National Medical Products Administration jointly issued the "Notice on Strengthening the Collection and Application of Drug Tracking Codes in Healthcare Security and Work Injury Insurance"^ (《關於加強藥品追溯碼在醫療保障和工傷保險領域採集應用的通知》), which mandates the use of drug tracking codes to track drugs throughout the whole process covering production, distribution and usage. It also promotes the comprehensive collection and application of drug tracking codes in healthcare security and work injury insurance, ultimately enabling the tracking codes to be fully collected in medical institutions. Proactively responding to these policy incentives, the "Ma Shang Fang Xin" platform has further promoted the coverage of the entire value chain from drug production, distribution, retail-end pharmacies and healthcare institutions. In terms of innovation, through "Ma Shang Fang Xin" platform, the Group also launched a "Digital Compliance for Drug Distribution" service, which enables the automated despatch of drug inspection reports through routine drug tracking code scanning. This service enhances efficiency in the traceability process while promoting environmental protection. To date, over 1,500 drug manufacturers and authorized marketing providers, along with more than 7,100 distribution companies, have adopted the service, and this service has cumulatively issued over 8.5 million digital drug inspection reports. By virtue of its "one object, one code" capability, the "Ma Shang Fang Xin" platform will continue to collaborate with enterprises to explore digital applications of tracking codes in drug distribution.

By applying large language models to provide healthcare services, the Group achieved end-to-end AI integration across its pharmaceutical e-commerce business, including traffic acquisition, supply chain management, and service delivery. Leveraging upgraded AI capabilities, the Group has further enhanced operational efficiency in multiple areas, including optimized search and recommendation models for pharmaceuticals, smart pharmacy supply chain systems, intelligent product operations, and smart customer services. These advancements have not only driven growth in GMV but also enabled it to meet users' demands for faster and more efficient services. Looking ahead, the Group will continue to explore the application of large language models in the healthcare service segment, aiming to further improve efficiency and process quality across the healthcare field.

Public Service

During the Reporting Period, the Group was committed to fulfilling its corporate social responsibility. With a continued focus on the availability of healthcare services to vulnerable groups such as the children, the elderly and the residents in remote areas, it is dedicated to addressing the uneven distribution of medical resources and other social and livelihood issues. As at March 31, 2025, the "Care Campaign for Babies with Methylmalonic Acidemias" ensured the accessibility of special medical nutrition food to children with rare diseases across 31 provinces, autonomous regions and municipalities nationwide, providing assistance such as special medical milk powder, medical expense support and MDT consultation services for children with 17 types of genetic metabolic rare diseases, including babies with Methylmalonic Acidemias. Alibaba Health, in collaboration with Sonova, China Association of Gerontology and Geriatrics and China Ageing Development Foundation, launched the "Hearing Aid Campaign 2024" public service, providing free hearing screening services to 5,011 senior citizens in 25 communities across the country through self-screening, free consultation, and door-to-door testing and other activities. By combining convenient hearing self-screening with offline free consultation by professional audiologists, it facilitated the elderly better understand their hearing loss levels, raised awareness among the elderly about hearing loss and promoted public attention to elderly hearing health. Tmall Health launched the "Physical Examination for the Visually Impaired" public service, providing customized physical examination services to 500 visually impaired individuals in over 10 cities, with dedicated quick access to "physical examination for the visually impaired" and improved examination packages tailored for the visually impaired community.

Future Prospects

As the industry's leading digital health management company and the flagship platform of Alibaba Group in the healthcare sector, Alibaba Health always takes user value as the starting point. By deeply integrating AI technology with full-chain healthcare and pharmaceutical service capabilities, it continues to actively build an intelligent healthcare ecosystem that synergizes online and offline services, so as to provide affordable, convenient, efficient and reliable medical and healthcare services to hundreds of millions of families.

FINANCIAL REVIEW

The key financial data of the Group for the years ended March 31, 2025 and 2024 is summarized as follows:

	2025 ***RMB'000***	2024 *RMB'000*	Change *%*
Revenue	**30,598,292**	27,026,555	13.2
Gross profit	**7,432,091**	5,895,321	26.1
Gross profit margin	**24.3%**	21.8%	N/A
Fulfilment	**(2,567,707)**	(2,413,212)	6.4
Selling and marketing expenses	**(2,258,374)**	(1,776,564)	27.1
Administrative expenses	**(407,432)**	(359,980)	13.2
Product development expenses	**(720,053)**	(705,382)	2.1
Other income and gains	**663,236**	674,755	(1.7)
Other expenses and losses	**(514,521)**	(363,644)	41.5
Finance costs	**(2,609)**	(5,969)	(56.3)
Share of profits/(losses) of a joint venture	**(19,136)**	1,039	N/A
Share of losses of associates	**(45,527)**	(6,965)	553.7
Income tax expense	**(127,954)**	(56,263)	127.4
Profit for the year	**1,432,014**	883,136	62.2
NON-HKFRS ADJUSTMENTS			
Adjusted net profit	**1,949,673**	1,437,928	35.6

– **Revenue**

Revenue of the Group for the Reporting Period amounted to RMB30,598,292,000, representing an increase of RMB3,517,737,000 or 13.2% as compared with RMB27,026,555,000 for the Corresponding Period. The increase in revenue was mainly attributable to the steady development of the pharmaceutical direct sales business and pharmaceutical e-commerce platform business during the Reporting Period.

– ***Pharmaceutical Direct Sales Business***

The pharmaceutical direct sales business of the Group primarily comprises the direct business-to-customer ("**B2C**") retail, related advertising business and the business-to-business ("**B2B**") centralized procurement and distribution business. During the Reporting Period, the overall revenue from pharmaceutical direct sales business reached RMB26,124,420,000, representing an increase of 10.0% year-on-year. The growth in revenue from the pharmaceutical direct sales business was mainly attributable to the constant enrichment of categories of goods sold through the direct B2C retail and SKUs, as well as the continuous optimization of user experience by adopting a number of measures, such as improving information security and providing more professional consultation services.

– ***Pharmaceutical E-commerce Platform Business***

The pharmaceutical e-commerce platform business of the Group comprises (i) the e-commerce platform business acquired from Alibaba Group (including categories of, among others, pharmaceutical products, healthcare food, medical devices, adult and family planning products and contact lenses); (ii) the provision of outsourced services to Tmall Healthcare Platform (in respect of categories other than those that have already been acquired) and (iii) new pharmaceutical retail business. At the same time, the integration of its marketing review services and value-added services has established a complete solution loop of health brand merchant solutions, further enhancing the operational completeness of platform model. During the Reporting Period, total revenue of the pharmaceutical e-commerce platform business amounted to RMB3,588,499,000, representing an increase of 54.0% year-on-year.

– ***Healthcare and Digital Services Business***

During the Reporting Period, the Group continued to enhance user experience of professional healthcare services by providing its users with a seamless online-to-offline healthcare service (including TCM, medical checkups, testing, medical consultation and appointment-booking) through a variety of channels such as Tmall, Taobao and Alipay. Digital services business includes tracking business. "Ma Shang Fang Xin"^ (碼上放心), the Group's proprietary tracking platform, continued to grow steadily, by offering more value-added services with further penetration into the area of distribution and increasing the coverage of retail terminals. During the Reporting Period, the Group streamlined some of its innovative businesses, and therefore the revenue generated from the healthcare and digital services business decreased by 7.6% year-on-year to RMB885,373,000.

– **Gross profit and gross profit margin**

The Group recorded a gross profit of RMB7,432,091,000 for the Reporting Period, representing an increase of RMB1,536,770,000 or 26.1% from RMB5,895,321,000 for the Corresponding Period. Gross profit margin for the Reporting Period was 24.3%, representing an increase of 2.5 percentage points from 21.8% for the Corresponding Period. This was mainly attributable to the Group's penetration in the areas of operation refinement and digital upgrades during the Reporting Period, resulting in an optimization in operating efficiency and an improvement in pricing capabilities.

– **Fulfillment**

Warehousing, logistics, operation and customer service costs incurred by the Group's pharmaceutical direct sales business were included in fulfillment costs. Fulfillment expenses for the Reporting Period amounted to RMB2,567,707,000, representing an increase of RMB154,495,000 or 6.4% from RMB2,413,212,000 for the Corresponding Period. During the Reporting Period, fulfillment costs as a proportion of the revenue generated from pharmaceutical direct sales business decreased by approximately 0.4 percentage points to 9.8%, as compared with 10.2% for the Corresponding Period, reflecting higher operational efficiencies achieved by the Group in areas such as warehousing, logistics and customer service.

– **Selling and marketing expenses**

Selling and marketing expenses for the Reporting Period amounted to RMB2,258,374,000, representing an increase of RMB481,810,000 or 27.1% compared with RMB1,776,564,000 for the Corresponding Period. The selling and marketing expenses as a proportion of the Group's total revenue for the Reporting Period increased to 7.4% from 6.6% as compared with the Corresponding Period.

– **Administrative expenses**

Administrative expenses for the Reporting Period amounted to RMB407,432,000, representing an increase of RMB47,452,000 or 13.2% as compared with RMB359,980,000 for the Corresponding Period. The administrative expenses as a proportion of the Group's total revenue remained relatively stable at 1.3% as compared with the Corresponding Period.

– **Product development expenses**

Product development expenses for the Reporting Period amounted to RMB720,053,000, representing an increase of RMB14,671,000 or 2.1% as compared with RMB705,382,000 for the Corresponding Period. The product development expenses as a proportion of the Group's total revenue for the Reporting Period decreased to 2.4% from 2.6% as recorded for the Corresponding Period, which was mainly due to optimization of cost controls and research and development strategies during the Reporting Period.

– **Other income and gains**

Other income and gains for the Reporting Period amounted to RMB663,236,000, which primarily comprised interest income, change in fair value of financial assets at FVPL, and gain on disposal of investments incurred during the year. The decrease from RMB674,755,000 for the Corresponding Period was mainly due to the decrease in interest income received during the Reporting Period.

– **Other expenses and losses**

Other expenses and losses for the Reporting Period amounted to RMB514,521,000, which primarily comprised exchange gain or loss and impairment of associates. The increase from RMB363,644,000 for the Corresponding Period was mainly due to losses arising from impairment of associates for the Reporting Period.

– **Share of profits or losses of a joint venture**

Share of profits or losses of a joint venture represents the share of net operating results of the joint venture held as to 13.72% by the Group, Jiangsu Zijin Hongyun Health Industry Investment Partnership (Limited Partnership)^ (江蘇紫金弘雲健康產業投資合夥企業(有限合夥)). For the Reporting Period, the Group's share of losses of a joint venture was RMB19,136,000, as compared with a profit of RMB1,039,000 for the Corresponding Period.

– **Share of losses of associates**

The Group actively invests in the healthcare segment. The Group's share of losses of associates for the Reporting Period amounted to RMB45,527,000, representing a increase of RMB38,562,000 as compared with the losses of RMB6,965,000 recorded for the Corresponding Period. Share of losses of associates for the year was mainly attributable to the fact that some associates were still at the transformation or growing stage.

– **Non-Hong Kong Financial Reporting Standards indicator in relation to profit for the year: Adjusted net profit**

The Group's profit for the Reporting Period amounted to RMB1,432,014,000, as compared with a profit of RMB883,136,000 for the Corresponding Period. The Group's adjusted net profit for the Reporting Period amounted to RMB1,949,673,000, as compared with an adjusted net profit of RMB1,437,928,000 for the Corresponding Period. Adjusted net profit is based on the profit for the corresponding period after excluding non-operating profit or loss items such as share-based compensation expenses, change in fair value of equity investments at FVPL, net of tax, gain on deemed disposal of investments in associates, net of tax, gain or loss on partial disposal of associates, net of tax and impairment of investments in associates, net of tax. The increase of RMB511,745,000 in the adjusted net profit for the Reporting Period as compared with the previous financial year was mainly attributable to the continuous growth in the number of users on pharmaceutical direct sales business platforms, the operation refinement of the Group's business which has improved its bargaining and pricing capabilities and enhanced its operational efficiency, and the improvement in efficiency and cost sharing driven by the economies of scale on the platform.

To supplement the Group's consolidated financial statements presented in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), the Group has also reported its adjusted net profit, which is not required under, or presented in accordance with, HKFRSs, as an additional financial indicator. The Group believes that presenting the non-HKFRS indicator together with the relevant HKFRS indicator will facilitate investors to compare its operational performance across various periods by removing the potential impact of items which its management considers as not indicative of its operational performance. The Group believes that the non-HKFRS indicator provides investors and others with helpful information to understand and assess its consolidated operational results in the same way as its management does. However, the presentation of adjusted net profit may not be comparable with similar indicators presented by other companies. Such non-HKFRS indicator has its limitations as an analytical tool, and it should not be considered as independent of the operational results or financial position presented under HKFRSs, or as a substitute for analyzing the relevant operational results or financial position. In addition, the definition of such non-HKFRS indicator may differ from the definitions of similar indicators used by other companies.

The table below provides the adjustments made to the most direct and comparable financial indicator calculated and presented in accordance with HKFRSs (i.e. profit for the year) in arriving at the adjusted net profit (a non-HKFRS measure) for the years ended March 31, 2025 and 2024:

	For the year ended March 31,	
	2025	2024
	RMB'000	*RMB'000*
Profit for the year	**1,432,014**	883,136
Excluding		
– Share-based compensation expenses	**224,535**	266,059
– Fair value losses/(gain) on equity investments at FVPL, net of tax	**(42,847)**	341,588
– Gain on deemed disposal of associates, net of tax	**(1,969)**	(18,066)
– Loss/(gain) on partial disposal of associates, net of tax	**10,209**	(34,789)
– impairment of investments in associates, net of tax	**327,731**	–
Adjusted net profit (non-HKFRS measure)	**1,949,673**	1,437,928

FINANCIAL RESOURCES, LIQUIDITY AND FOREIGN EXCHANGE EXPOSURES

For the Reporting Period, the Group met its cash requirements primarily through cash generated from operating activities. The Group's cash and cash equivalents as stated in the statement of cash flows and cash and bank deposits as stated in the statement of financial position mainly comprise cash on hand and at banks and highly liquid time deposits with a maturity of generally within three months when acquired. As at March 31, 2025 and March 31, 2024, the Group's cash and cash equivalents amounted to RMB2,218,296,000 and RMB3,490,169,000, respectively.

Cash flows of the Group for the years ended March 31, 2025 and 2024 were as follows:

	For the year ended March 31,	
	2025	2024
	RMB'000	*RMB'000*
Net cash flows generated from operating activities	**1,395,033**	1,079,832
Net cash flows used in investing activities	**(2,596,482)**	(4,880,900)
Net cash flows used in financing activities	**(72,517)**	(1,982,395)
Net decrease in cash and cash equivalents	**(1,273,966)**	(5,783,463)
Cash and cash equivalents at the beginning of the year	**3,490,169**	9,236,850
Effects of exchange rate changes	**2,093**	36,782
Cash and cash equivalents as stated in the statement of cash flows and cash and bank deposits as stated in the statement of financial position at the end of the year	**2,218,296**	3,490,169

Net cash flows generated from operating activities

For the Reporting Period, net cash flows generated from operating activities amounted to RMB1,395,033,000, primarily attributable to profit before income tax from continuing operations of RMB1,559,968,000, as adjusted by: (i) non-cash or non-operating activities expense items, which primarily comprised the addition of share-based compensation expenses of RMB224,535,000, the addition of depreciation and amortization of RMB57,605,000, the deduction of gains of financial assets at FVPL of RMB51,364,000, the deduction of bank and other interest income of RMB464,849,000, the addition of impairment of investments in associates of RMB410,020,000, and the addition of share of losses of associates and a joint venture of RMB64,663,000; (ii) changes in working capital, which primarily comprised a decrease in trade and bills payables of RMB498,185,000, a decrease in prepayments, other receivables and other assets of RMB53,215,000, an increase in other payables and accruals of RMB142,898,000, an increase in contract liabilities of RMB140,412,000, an increase in inventories of RMB107,880,000, and an increase in trade receivables of RMB273,594,000, an increase in restricted funds of RMB24,837,000, and a decrease in the payment of corporate income tax of RMB106,932,000; and (iii) the addition of receipt of interest of RMB146,727,000.

Net cash flows used in investing activities

For the Reporting Period, net cash used in investing activities amounted to RMB2,596,482,000, which was primarily attributable to (i) placement of time deposits with original maturity over three months when acquired of RMB9,449,576,000, (ii) the subscription of short-term structured wealth management products of RMB2,650,000,000, (iii) proceeds from maturity of short-term structured wealth management products of RMB2,394,125,000, (iv) proceeds from withdrawal of time deposits with a maturity over three months when acquired of RMB6,522,761,000, (v) proceeds from partial disposal of equity interests in associates of RMB256,809,000 and (vi) receipt of interest income of RMB311,789,000 during the Reporting Period. As at March 31, 2025, each of such structured wealth management products and disposal of short-term structured wealth management products (both on a standalone and an aggregated basis) has a value of less than 5% of all applicable percentage ratios of the Group and none of such products constituted a notifiable transaction of the Company.

Net cash flows used in financing activities

For the Reporting Period, net cash flows used in financing activities was RMB72,517,000, which was primarily attributable to the principal portion of lease payments of RMB38,094,000 and the payment of RMB39,931,000 for repurchase of shares of the Company by the trustee of the share award scheme of the Company during the Reporting Period.

Gearing ratio

As at March 31, 2025, the Group did not have any borrowings, and hence no gearing ratio was shown (March 31, 2024: Nil).

Charges on assets and contingent liabilities

As at March 31, 2025, the Group did not have any material contingent liabilities and had not pledged any Group assets for bank loans and banking facilities.

Liquidity

The Group’s operations and transactions are principally conducted in the PRC. The Group prudently managed its treasury functions and maintained a healthy liquidity position throughout the Reporting Period. The Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of our assets, liabilities and other commitments can meet the Group’s funding requirements from time to time.

Foreign exchange exposures

Except for a certain amount of bank balances and cash, most of the Group's bank balances and cash are placed in fixed deposits and are denominated in Hong Kong dollars, Renminbi and United States dollars, while other assets and liabilities are mainly denominated in either Hong Kong dollars or Renminbi. The Group changed its presentation currency from Hong Kong dollars to Renminbi starting from the year ended March 31, 2016 to better reflect its operations in the PRC and to be consistent with the internal reporting portfolio reviewed by the Directors. The Group does not have foreign exchange hedging policy, but the management will continue to closely monitor exchange rate fluctuations and will take appropriate measures to keep foreign exchange risk exposure to the minimum. The Group does not use any financial instruments for hedging purposes.

EMPLOYEES AND REMUNERATION POLICIES

The number of full-time employees of the Group as at March 31, 2025 was 1,364 (March 31, 2024: 1,435). Total staff costs of the Group for the Reporting Period amounted to RMB1,067.9 million (for the Corresponding Period: RMB1,097.3 million).

The Group's policy is to maintain a competitive pay structure and its employees are rewarded based on their performance.

The Group also adopted the 2014 Share Award Scheme (the "**2014 Share Award Scheme**") as approved by the shareholders of the Company (the "**Shareholders**") on November 24, 2014 and amended on August 11, 2023. The Company further adopted the 2024 Share Award Scheme (the "**2024 Share Award Scheme**") pursuant to Chapter 17 of the Listing Rules on August 30, 2024, the terms of which are largely similar in material respects to the terms of the 2014 Share Award Scheme to ensure the consistent practice of share awards of the Group. Pursuant to the 2024 Share Award Scheme, the Board may grant awards in the form of restricted share units ("**RSUs**") or options to eligible participants, including the Directors, the directors of the Company's subsidiaries, the employees of the Group or any other persons who, as determined by the Board in its absolute discretion, have contributed or will contribute to the Group.

Upon adoption of the 2024 Share Award Scheme, the 2014 Share Award Scheme was terminated in order to avoid administrative inconvenience. As such, upon adoption of the 2024 Share Award Scheme, no further share awards may be offered or granted under the 2014 Share Award Scheme, but in all other respects the terms of the 2014 Share Award Scheme shall remain in full force and effect. Further, the outstanding options and RSUs granted pursuant to the 2014 Share Award Scheme, which remain unvested or which have vested but not yet been exercised or in respect of which shares not yet issued to the participants at the time of its termination, shall remain in full force and effect.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has its own treasury policy setting out the selection guidelines and relevant approval procedures for acceptable short-term investments and financial assets with reference to its risk management policy. According to such treasury policy, the Company can invest in products including non-equity financial asset investments with strong liquidity which can be realized either at any time or within a short period of time. According to the Company's prevailing approval procedures, any investment decision related to financial assets shall be approved by the financial and treasury manager of the Company, and shall, depending on the size of the investment, be approved by the financial controller or chief financial officer. As at March 31, 2025, the Company's short-term investment at FVPL amounted to approximately RMB263.6 million (balance as at March 31, 2024: Nil).

During the Reporting Period, the Group did not have any significant investments nor did the Group carry out any material acquisition and disposal of subsidiaries, associates and joint ventures.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Reporting Period (for the Corresponding Period: Nil).

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in note 11 to the consolidated financial statements, there are no significant events of the Group subsequent to March 31, 2025 and up to the date of this report.

DIRECTORS' REPORT

The Board of Alibaba Health Information Technology Limited presents its report and the audited financial statements for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the Group is primarily engaged in the pharmaceutical direct sales business, pharmaceutical e-commerce platform business and healthcare and digital services business.

BUSINESS REVIEW

Review of Business

A review of the Group's business is set out in this report, including the principal risks and uncertainties faced by such business which are described under the paragraph headed "4. Disclosure of Material Risks" in the section headed "Risk Management and Internal Control" of this report on pages 96 to 98 and the paragraph headed "Risks associated with the Contractual Arrangements and the actions taken by the Group to mitigate the risks" in the section headed "Directors' Report" of this report on pages 63 to 64, and its possible future development is described under the paragraph headed "5. Outlook and Key Actions for FY2026" in the section headed "Risk Management and Internal Control" of this report on page 99.

Analysis of Performance and Financial Position

The key financial figures and financial position of the Group for the Reporting Period and the relevant analysis are set out under the paragraphs headed "Financial Review" and "Financial Resources, Liquidity and Foreign Exchange Exposures", respectively, in the section headed "Management Discussion and Analysis" of this report on pages 15 to 19 and pages 20 to 22, respectively.

Environmental Policies and Performance

The Group is committed to promoting environmentally friendly business practices and raising awareness on the conservation of natural resources. By utilizing intranet systems, our staff can accomplish some of their administrative work electronically which reduces the use of office supplies. We also encourage prudent electricity consumption. Our staff are advised to switch off any lights in unoccupied areas. We believe that taking active measures in minimizing wasteful material and energy consumption in the course of conducting our business will not only bring economic benefits but also assist in the preservation of the natural environment.

Compliance with Laws and Regulations

The Group recognizes the importance of compliance with legal and regulatory requirements. Internal compliance and risk management policies and procedures are in place to ensure the Group's adherence and compliance with all significant and applicable legal and regulatory requirements in Hong Kong and the PRC. During the Reporting Period and up to the date of this report, to the best knowledge of the Directors, the Group has complied in all material respects with the applicable laws and regulations of Hong Kong and the PRC which have a significant impact on the business and operations of the Group, including in respect of its principal businesses (namely the pharmaceutical direct sales business, pharmaceutical e-commerce platform business and healthcare and digital services business), its employment and labor practices and environmental protection, etc. The Group has also obtained all licenses, approvals and permits from the relevant regulatory authorities that are material for its business operations in the PRC.

Relationships with Key Stakeholders

The Group's success depends on the support from the key stakeholders which include its employees, customers and suppliers.

Employees

Employees are regarded as the most important and valuable assets of the Group. The number of full-time employees of the Group as at March 31, 2025 was 1,364 (1,435 as at March 31, 2024). The Group's policy is to maintain a competitive pay structure and employees are rewarded based on their performance and with appropriate incentives including cash bonuses and through the use of the 2014 Share Award Scheme and 2024 Share Award Scheme, details of which are set out under the paragraph headed "Share Award Schemes" in the section headed "Directors' Report" of this report on pages 31 to 40.

Customers

The Group believes that effective communications are the key to maintaining a good relationship with its customers. Various means have been established to strengthen the communications between the Group and its customers, including seeking more regular feedback through direct engagement with customers and also through industry seminars and forums for better understanding of industry trends and demands. The Group continually strives to improve service quality and to provide better customer experience.

Suppliers

Sound relationships with key suppliers of the Group are important in managing the supply chain, meeting business challenges and complying with regulatory requirements, which can drive cost effectiveness and foster long-term business benefits. We seek to develop long-standing relationships with our key suppliers and to explore with them ways to improve supply chain efficiencies.

DIRECTORS' REPORT

RESULTS AND DIVIDENDS

The Board does not recommend the payment of a final dividend for the Reporting Period (for the Corresponding Period: Nil).

The Group is not aware of any arrangement under which a Shareholder has waived or agreed to waive any dividend.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate, is set out on page 218. This summary does not form part of the audited financial statements.

SHARE CAPITAL, SHARE OPTIONS AND RSUS

Details of movements in the Company's share capital, share options and RSUs during the Reporting Period are set out in notes 28 to 29 to the consolidated financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including any sale of treasury shares), except that in April and November 2024, a trustee of the 2014 Share Award Scheme purchased a total of 12,697,000 ordinary shares of the Company (the "**Shares**") on the market for a total consideration of approximately HK$43,693,000 (equivalent to approximately RMB39,931,000), to satisfy the share awards granted under the 2014 Share Award Scheme to the employees of the Company upon vesting.

As at March 31, 2025, there were no treasury shares held by the Company.

ISSUE FOR CASH OF EQUITY SECURITIES

Placing of New Shares under General Mandate

On August 5, 2020, the Company entered into a placing agreement (the "**Placing Agreement**") with Citigroup Global Markets Limited and Credit Suisse (Hong Kong) Limited (the "**Placing Agents**") in relation to the placing of an aggregate of 498,753,118 new ordinary shares of the Company (the "**Placing Share(s)**") at the placing price of HK$20.05 per Placing Share (exclusive of brokerage, transaction levy of the Securities and Futures Commission and trading fee of the Stock Exchange payable by the purchasers) (the "**Placing Price**") on the terms and conditions set out in the Placing Agreement (the "**Placing**"). The aggregate nominal value of the Placing Shares was HK$4,987,531.18. The Placing Price of HK$20.05 per Placing Share represents (i) a discount of approximately 8.03% to the closing price of HK$21.80 per share as quoted on the Stock Exchange on August 4, 2020, being the last trading day immediately prior to the date of the Placing Agreement; and (ii) a discount of approximately 6.18% to the average closing price of HK$21.37 per share as quoted on the Stock Exchange for the last five consecutive trading days up to and including August 4, 2020, being the date immediately prior to the date of the Placing Agreement. As stated in the daily quotation sheets issued by the Stock Exchange, on August 5, 2020, being the date which the Placing Agreement was entered into, the closing price per share was HK$21.25. The Group conducted the Placing based on its insights into, and optimism for the prospects of, the Internet healthcare industry, as well as the need for the Group to further develop its healthcare business and continue its rapid development. The Group viewed the Placing as an opportunity for the Group to raise capital while broadening its shareholder and capital base.

The Placing was completed on August 12, 2020 (the "**Completion Date**"), where a total of 498,753,118 new ordinary shares of the Company, representing approximately 3.71% of the total issued share capital of the Company as at the Completion Date (as enlarged by the allotment and issue of the Placing Shares), have been successfully placed to not less than six placees at a price of HK$20.05 per Placing Share who are professional, institutional and/or individual investors. The Placing Shares were allotted and issued under the general mandate granted by the Shareholders at the annual general meeting of the Company held on July 30, 2020.

The aggregate gross proceeds from the Placing amount to approximately HK$10,000.0 million and the aggregate net proceeds (after deduction of the commissions and expenses relating to the Placing) from the Placing amount to approximately HK$9,964.2 million (the "**Placing Net Proceeds**"), representing a net issue price of approximately HK$19.98 per Placing Share. For further details of the Placing, please refer to the announcements of the Company dated August 5, 2020 and August 12, 2020 (the "**Placing Announcements**").

DIRECTORS' REPORT

As at March 31, 2025, the Group had applied the Placing Net Proceeds as follows:

Use of Placing Net Proceeds	Planned use of Placing Net Proceeds as disclosed in the Placing Announcements	Total amount of Placing Net Proceeds utilized as at March 31, 2024	Actual use of Placing Net Proceeds for the Reporting Period	Unutilized Placing Net Proceeds
Develop the Group's pharmaceutical and healthcare omni-channel business and medical and healthcare services business	Approximately HK$7,971.4 million–HK$8,967.8 million	HK$7,424.1 million	HK$1,045.4 million	–
Further develop the Group's digital infrastructure and innovative business	Approximately HK$996.4 million–HK$1,992.8 million	HK$1,092.1 million	HK$402.6 million	–

Save as disclosed above and the Options exercised by the relevant grantees under the 2014 Share Award Scheme as disclosed in this report, the Company had not issued any equity securities (including securities convertible into equity securities) or sold any treasury shares for cash for the Reporting Period and no other proceeds has been brought forward from any issue of securities or sale of treasury shares for cash as at March 31, 2025.

DEBENTURES

During the Reporting Period, the Company did not issue any debentures.

EQUITY-LINKED AGREEMENTS

During the Reporting Period, the Company did not enter into any equity-linked agreements in respect of its shares.

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES

The Company did not have any reserves available for distribution at the end of the Reporting Period. However, the Company's share premium account, in the amount of approximately RMB51,516,392,000, may be distributed in the form of fully paid bonus Shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year, and purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

For the purpose of disclosing the environmental, social and governance (the "**ESG**") information in accordance with the ESG Reporting Guide in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"), the Company has engaged an external consultant to identify material ESG issues of the Group and assist in the reporting of the Group's performance based on its ESG management approach, strategy, priorities and objectives. For details of the Company's ESG policies and performance and its compliance with the relevant laws and regulations, please refer to pages 24 to 25 of this report.

DIRECTORS

The Directors during the Reporting Period and up to the date of this report were:

Executive Directors:

Mr. ZHU Shunyan *(Chairman)* (re-designated to a non-executive Director with effect from September 1, 2024)
Mr. SHEN Difan *(Chief Executive Officer)*
Mr. TU Yanwu

Non-executive Directors:

Mr. ZHU Shunyan *(Chairman)* (re-designated to a non-executive Director with effect from September 1, 2024)
Ms. HUANG Jiaojiao
Mr. XU Haipeng

Independent Non-executive Directors:

Ms. HUANG Yi Fei (Vanessa)
Dr. SHAO Rong
Ms. WU May Yihong

Since the date of the annual report on May 27, 2024 for the Corresponding Period and up to the date of this report, the changes to the information which are required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules is as below:

With effect from September 1, 2024, Mr. ZHU Shunyan has been re-designated from an executive Director to a non-executive Director. For details, please refer to the announcement of the Company dated August 30, 2024.

Ms. HUANG Yi Fei (Vanessa) has been a member of the InnoHK Steering Committee since February 2023. With effect from November 2024, she has also been appointed as a member of Steering Committee of the Research, Academic and Industry Sectors One-plus Scheme (the "**RAISe+ Scheme**"). The Steering Committee is set up to advise the Hong Kong government on the implementation of the RAISe+ Scheme, and make recommendations to the Commissioner for Innovation and Technology on approval of applications under the RAISe+ Scheme.

Dr. SHAO Rong was appointed as an independent director of Shanghai InnoStar Bio-tech Co., Ltd., a company which was listed on the Science and Technology Innovation Board of Shanghai Stock Exchange on September 3, 2024 (stock code: 688710).

Save as disclosed above, there were no other changes in information in respect of Directors and chief executive which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

In accordance with bye-law 84(1) and (2) of the bye-laws of the Company (the "**Bye-Laws**"), Mr. Shen Difan, Mr. Zhu Shunyan and Ms. Huang Jiaojiao will retire at the forthcoming annual general meeting of the Company (the "**2025 AGM**"). All of them being eligible, will offer themselves for re-election at the 2025 AGM.

The non-executive Directors and independent non-executive Directors are appointed for a term of one year. Their appointment shall be renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then current term of their appointment unless terminated by the Company in accordance with the terms of their appointment letters and the provisions of the Bye-Laws, respectively.

During the Reporting Period and up to the date of this report, (i) the Company had three independent non-executive Directors representing at least one-third of the Board; and (ii) the composition of each of the Board, the Audit Committee and the Remuneration Committee was fully compliant with Rule 3.10(1), Rule 3.10A, Rule 3.21 and Rule 3.25 of the Listing Rules. The Company has received, from each of the independent non-executive Directors, an annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules and accordingly considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 70 to 74 of this report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the 2025 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The emoluments of the Directors are determined having regard to the Company's operating results, individual performance and comparable market statistics. The details of the Directors' emoluments are set out in note 7 to the consolidated financial statements in this report. During the Reporting Period, there was no arrangement under which a Director waived or agreed to waive any remuneration and no remuneration was paid by the Group to a Director as an inducement to join or upon joining the Group or as compensation for loss of office.

The Directors are also eligible to be granted share awards under the 2014 Share Award Scheme and 2024 Share Award Scheme. The details of the schemes are set out in the paragraph headed "Share Award Schemes" in the section headed "Directors' Report" of this report on pages 31 to 40 and note 29 to the consolidated financial statements.

SHARE AWARD SCHEMES

The Company adopted the 2014 Share Award Scheme as approved by the shareholders of the Company on November 24, 2014 and amended on August 11, 2023, which was terminated upon the adoption of 2024 Share Award Scheme with effect from August 30, 2024. No further share award has been or may be offered or granted under the 2014 Share Award Scheme since its termination but in all other respects its terms shall remain in full force and effect. Further, the outstanding Options and RSUs granted pursuant to the 2014 Share Award Scheme, which remain unvested or which have vested but not yet been exercised or in respect of which shares not yet issued to the participants at the time of its termination, shall remain in full force and effect.

The Company has adopted the 2024 Share Award Scheme pursuant to Chapter 17 of the Listing Rules on August 30, 2024 (the "**Adoption Date**"), the terms of which are largely similar in material respects to the terms of the 2014 Share Award Scheme to ensure the consistent practice of share awards of the Group (the "**Share Awards**"). For further details, please refer to the circular of the Company dated July 30, 2024.

The following is a summary of the principal terms of the 2014 Share Award Scheme and the 2024 Share Award Scheme:

	2014 Share Award Scheme 2024 Share Award Scheme
1. Purpose	To enable the Company to grant Share Awards (which may take the form of an Option and/or an RSU) to eligible Participants, as incentives and/or rewards for their contribution to the Group, to reward the personnel who have contributed to the development and success of the Group, to incentivize them to remain with the Group, to motivate them to strive for the future development and expansion of the Group and to attract skilled and experienced personnel for further development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.
2. Participants	The participants under the 2014 Share Award Scheme and the 2024 Share Award Scheme (the "**Eligible Participants**") shall include: (i) directors and full-time and part-time employees of the Group (including persons who are granted Share Awards as an inducement to enter into employment contracts with any member of the Group); (ii) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (including Alibaba Group); and (iii) any persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business that are beneficial to the long-term development of the Group (the "**Service Providers**"), including: (a) suppliers of services to any member of the Group; and (b) advisors (professional or otherwise) or consultants to any area of business or business development of any member of the Group. For the avoidance of doubt, the Service Providers shall exclude placing agents or financial advisers providing advisory services to the Group for fundraising, mergers or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity. The eligibility of any of the participants shall be determined by the Board from time to time on the basis of the Board's opinion as to his/her contribution and/or future contribution to the development and growth of the Group.

	2014 Share Award Scheme	2024 Share Award Scheme
3. Total number of shares available for issue under the scheme together with the percentage of the issued shares (excluding treasury shares) that it represents as at the date of this report	As at the date of this report, the total number of shares available for issue (being the Options and RSUs granted and remained outstanding) under the 2014 Share Award Scheme was 139,612,447 Shares which represented approximately 0.87% of the total number of ordinary shares of the Company in issue as at the date of this report.	The total number of Shares that may be issued in respect of the Share Awards granted under the 2024 Share Award Scheme shall not exceed 10% of the Shares in issue as at the date of adoption of the 2024 Share Award Scheme (i.e. 1,609,173,626 Shares) (the "**Scheme Mandate Limit**") or 10% of the Shares in issue as at the date of approving any refreshed scheme mandate limit. The total number of Shares that may be issued in respect of the Share Awards granted to the Service Providers under the 2024 Share Award Scheme shall not exceed 1% of the Shares in issue as at the date of adoption of the 2024 Share Award Scheme (i.e. 160,917,362 Shares) (the "**Service Provider Sublimit**") or 1% of the Shares in issue as at the date of approving any refreshed Service Provider Sublimit. As at the date of this report, the total number of shares available for issue under the 2024 Share Award Scheme was 1,609,132,826 Shares which represented approximately 9.98% of the total number of ordinary shares of the Company in issue as at the date of this report.

	2014 Share Award Scheme	2024 Share Award Scheme
4. Maximum entitlement of each participant	The maximum number of Shares issued and to be issued and/or transferred and to be transferred upon the vesting or exercise of the Share Awards granted to each Eligible Participant pursuant to the Share Award Scheme (including all vested, exercised and outstanding Share Awards and excluding all Share Awards lapsed in accordance with the terms of the 2014 Share Award Scheme) in any 12-month period up to and including the date of grant shall not (when aggregated with any Shares underlying the awards granted during such period pursuant to any other share award schemes of the Company) exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit must be separately approved by Shareholders in general meeting with such Eligible Participant and his/her close associates (or his/her associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to Shareholders containing the relevant information as required under the Listing Rules.	The maximum number of Shares issued and to be issued (and, together with the treasury Shares to be transferred, as applicable) upon the vesting or exercise of the Share Awards granted to each Eligible Participant pursuant to the Share Award Scheme (including all vested, exercised and outstanding Share Awards and excluding all Share Awards lapsed in accordance with the terms of the 2024 Share Award Scheme) in any 12-month period up to and including the date of grant shall not (when aggregated with any Shares underlying the awards granted during such period pursuant to any other share award schemes of the Company) exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit must be separately approved by Shareholders in general meeting with such Eligible Participant and his/her close associates (or his/her associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to Shareholders containing the relevant information as required under the Listing Rules.

		2014 Share Award Scheme 2024 Share Award Scheme
5.	Exercise period of Options	An Option may be exercised at any time during the period to be determined by the Board and notified to the grantee in the offer made to such grantee by notice (the "**Notice of Grant**"), which period shall commence on the vesting date and shall expire no later than ten years from the date of grant or such other period as may be determined by the Board in accordance with the terms of the 2014 Share Award Scheme or the 2024 Share Award Scheme (as the case may be) and the terms on which the Option was granted.
6.	Vesting period of Share Awards	The Board or the remuneration committee of the Company (the "**Remuneration Committee**") (as the case may be) is entitled to impose any terms and conditions as it deems appropriate in its absolute discretion with respect to the entitlement and/or vesting of the Share Awards provided that the vesting period for the Share Awards shall not be less than 12 months unless under the specific circumstances as set out below: (a) granting Share Awards to new employees to replace the share awards they forfeited (the "**Forfeited Awards**") when leaving their previous employers. The vesting period for such Share Awards will be the same as the vesting period of the Forfeited Awards (which may be less than 12 months); (b) granting Share Awards to an Eligible Participant whose employment or service (as the case may be) was terminated due to death, disability or event of force majeure; (c) granting Share Awards which are subject to the fulfilment of performance targets (as opposed to time-based conditions); (d) granting Share Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the Eligible Participant, in which case the vesting date may be adjusted to take account of the date on which an offer of a Share Award is made to the Eligible Participant, if not for such administrative or compliance requirements; (e) granting Share Awards with a mixed vesting schedule such that the Share Awards would vest evenly over a period of 12 months; or (f) granting Share Awards with a total vesting and holding period of more than 12 months.
7.	Consideration for acceptance	The Company may, in its discretion, require the grantee to pay a remittance of HK$1.00 (or such other amount in any other currency as the Board may determine) as consideration for the grant of a Share Award within the time period as set out in the Notice of Grant. Such remittance is not refundable in any circumstances.

		2014 Share Award Scheme	2024 Share Award Scheme
8.	Basis of determining the exercise price of Options and purchase price of Share Awards	The exercise price of an Option shall be determined at the date of grant by the Board in its absolute discretion but in any event shall not be less than the highest of: (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, which must be a business day; (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of grant; and (c) the nominal value of the Share. The Board and the Remuneration Committee may determine and specify the purchase price of the RSUs (if any) in the Notice of Grant, which shall be based on considerations such as the prevailing market price of the Shares, the purpose of the RSU and the characteristics and profile of the relevant Participant.	
9.	Remaining life	The 2014 Share Award Scheme was terminated upon adoption of the 2024 Share Award Scheme with effect from August 30, 2024.	The 2024 Share Award Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, which shall remain in effect until August 29, 2034.

As at April 1, 2024, Share Awards in respect of a total of 1,340,537,307 and 135,332,785 underlying shares, which represent approximately 8.33% and 0.84% of the Company's total issued shares as at April 1, 2024, remained available to be granted under the scheme mandate limit and the service provider sublimit regulated under the 2014 Share Award Scheme, respectively.

As the 2014 Share Award Scheme was terminated on August 30, 2024, no further Share Awards may be offered or granted but in all other respects the terms of the 2014 Share Award Scheme shall remain in full force and effect. Accordingly, with effect from the adoption of the 2024 Share Award Scheme, the number of share award available for grant under the then available scheme mandate under the 2014 Share Award Scheme was nil.

As at March 31, 2025, Share Awards in respect of a total of 1,601,341,326 and 160,917,362 underlying Shares, which represent approximately 9.95% and 1.00% of the Company's total issued shares as at March 31, 2025, remain available to be granted under the Scheme Mandate Limit and Service Provider Sublimit, respectively under the 2024 Share Award Scheme.

The number of shares of the Company that may be issued (and, together with treasury shares that may be transferred, as applicable) in respect of the Options and RSUs granted under the 2014 Share Award Scheme and the 2024 Share Award Scheme during the Reporting Period divided by the weighted average number of the shares of the Company in issue (excluding treasury shares) for the Reporting Period is 0.53%.

Details of the Options and RSUs granted during the Reporting Period and/or outstanding as at March 31, 2025 under the 2014 Share Award Scheme are as below:

Name of Option holders/grantees of RSU	Nature	Number of shares represented by Options or RSUs outstanding as at March 31, 2024	Date of grant/ conditional grant	Granted during the Reporting Period	Vesting period	Exercise period	Performance target	Purchase price *(HK$)*	Exercise price *(HK$)*	Options exercised during the period[3]	Options or RSUs lapsed/ cancelled during the period	RSUs vested during the period[3]	Number of shares represented by Options or RSUs outstanding as at March 31, 2025
Mr. SHEN Difan	Options	336,750	June 15, 2021	–	Within four years from June 15, 2021	Within ten years from June 15, 2021	None	Nil	18.212	–	–	–	336,750
	Options	1,062,750	June 15, 2022	–	Within four years from June 15, 2022	Within ten years from June 15, 2022	None	Nil	4.920	–	–	–	1,062,750
	Options	1,302,750	June 15, 2023	–	Within four years from June 15, 2023	Within ten years from June 15, 2023	None	Nil	5.160	–	–	–	1,302,750
	Options	–	June 14, 2024[1][2]	1,959,200	Within four years from June 14, 2024	Within ten years from June 14, 2024	None	Nil	3.720	–	–	–	1,959,200
	RSUs	67,350	June 15, 2021	–	Within four years from June 15, 2021	–	None	Nil	–	–	–	33,675	33,675
	RSUs	318,825	June 15, 2022	–	Within four years from June 15, 2022	–	None	Nil	–	–	–	106,275	212,550
	RSUs	521,100	June 15, 2023	–	Within four years from June 15, 2023	–	None	Nil	–	–	–	130,275	390,825
	RSUs	–	June 14, 2024[1][2]	783,700	Within four years from June 14, 2024	–	None	Nil	–	–	–	–	783,700
Total	**Options**	**2,702,250**	**–**	**1,959,200**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,661,450**
	RSUs	**907,275**	**–**	**783,700**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**270,225**	**1,420,750**
Mr. TU Yanwu	Options	145,000	June 15, 2020	–	Within four years from June 15, 2020	Within ten years from June 15, 2020	None	Nil	19.940	–	–	–	145,000
	Options	67,250	June 15, 2021	–	Within four years from June 15, 2021	Within ten years from June 15, 2021	None	Nil	18.212	–	–	–	67,250
	Options	283,250	June 15, 2022	–	Within four years from June 15, 2022	Within ten years from June 15, 2022	None	Nil	4.920	–	–	–	283,250
	Options	255,750	June 15, 2023	–	Within four years from June 15, 2023	Within ten years from June 15, 2023	None	Nil	5.160	–	–	–	255,750
	RSUs	14,500	June 15, 2020	–	Within four years from June 15, 2020	–	None	Nil	–	–	–	14,500	–
	RSUs	13,450	June 15, 2021	–	Within four years from June 15, 2021	–	None	Nil	–	–	–	6,725	6,725
	RSUs	84,975	June 15, 2022	–	Within four years from June 15, 2022	–	None	Nil	–	–	–	28,325	56,650
	RSUs	102,300	June 15, 2023	–	Within four years from June 15, 2023	–	None	Nil	–	–	–	25,575	76,725
	RSUs	–	June 14, 2024[1][2]	696,600	Within four years from June 14, 2024	–	None	Nil	–	–	–	–	696,600
Total	**Options**	**751,250**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**751,250**
	RSUs	**215,225**	**–**	**696,600**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**75,125**	**836,700**
Mr. ZHU Shunyan	Options	2,900,000	June 15, 2020	–	Within six years from June 15, 2020	Within ten years from June 15, 2020	None	Nil	19.940	–	–	–	2,900,000
	Options	421,250	June 15, 2021	–	Within six years from June 15, 2021	Within ten years from June 15, 2021	None	Nil	18.212	–	–	–	421,250
	Options	1,290,125	June 15, 2022	–	Within six years from June 15, 2022	Within ten years from June 15, 2022	None	Nil	4.920	–	–	–	1,290,125
	Options	1,381,250	June 15, 2023	–	Within six years from June 15, 2023	Within ten years from June 15, 2023	None	Nil	5.160	–	–	–	1,381,250
	Options	–	June 14, 2024[1][2]	1,741,500	Within six years from June 14, 2024	Within ten years from June 14, 2024	None	Nil	3.720	–	–	–	1,741,500
	RSUs	125,000	June 15, 2020	–	Within six years from June 15, 2020	–	None	Nil	–	–	–	125,000	–
	RSUs	112,334	June 15, 2021	–	Within six years from June 15, 2021	–	None	Nil	–	–	–	28,083	84,251
	RSUs	430,041	June 15, 2022	–	Within six years from June 15, 2022	–	None	Nil	–	–	–	86,009	344,032
	RSUs	552,500	June 15, 2023	–	Within six years from June 15, 2023	–	None	Nil	–	–	–	92,084	460,416
	RSUs	–	June 14, 2024[1][2]	696,600	Within six years from June 14, 2024	–	None	Nil	–	–	–	–	696,600
Total	**Options**	**5,992,625**	**–**	**1,741,500**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**7,734,125**
	RSUs	**1,219,875**	**–**	**696,600**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**331,176**	**1,585,299**

Name of Option holders/grantees of RSU	Nature	Number of shares represented by Options or RSUs outstanding as at March 31, 2024	Date of grant/ conditional grant	Granted during the Reporting Period	Vesting period	Exercise period	Performance target	Purchase price *(HK$)*	Exercise price *(HK$)*	Options exercised during the period[3]	Options or RSUs lapsed/ cancelled during the period	RSUs vested during the period[3]	Number of shares represented by Options or RSUs outstanding as at March 31, 2025
Three of the five highest paid employees of the Group	Options	134,750	June 15, 2021	–	Within four years from June 15, 2021	Within ten years from June 15, 2021	None	Nil	18.212	–	–	–	134,750
	Options	1,140,500	June 15, 2022	–	Within four years from June 15, 2022	Within ten years from June 15, 2022	None	Nil	4.920	304,626	–	–	835,874
	Options	443,000	June 15, 2023	–	Over one to four years from June 15, 2023	Within ten years from June 15, 2023	None	Nil	5.160	–	–	–	443,000
	RSUs	102,400	June 15, 2021	–	Within four years from June 15, 2021	–	None	–	–	–	–	51,200	51,200
	RSUs	342,150	June 15, 2022	–	Within four years from June 15, 2022	–	None	–	–	–	–	114,050	228,100
	RSUs	698,300	June 15, 2023	–	Within four years from June 15, 2023	–	None	–	–	–	–	174,575	523,725
	RSUs	–	June 14, 2024	5,990,900	Within four years from June 14, 2024	–	None	–	–	–	–	–	5,990,900
Total	**Options**	**1,718,250**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**304,626**	**–**	**–**	**1,413,624**
	RSUs	**1,142,850**	**–**	**5,990,900**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**339,825**	**6,793,925**
Employees of the Group (including employees of the affiliate of the Group and three of the five highest paid employees of the Group)	Options	508,000	September 7, 2015	–	From October 10, 2015 to October 10, 2019	Within ten years from September 7, 2015	None	Nil	5.184	25,000	–	–	483,000
	Options	152,000	April 28, 2016	–	From October 10, 2017 to April 30, 2020	Within ten years from April 28, 2016	None	Nil	5.320	–	20,000	–	132,000
	Options	1,661,500	July 29, 2016	–	From October 10, 2016 to July 31, 2020	Within ten years from July 29, 2016	None	Nil	5.558	120,000	726,000	–	815,500
	Options	592,500	February 2, 2017	–	From January 31, 2019 to January 31, 2021	Within ten years from February 2, 2017	None	Nil	3.626	368,500	152,000	–	72,000
	Options	734,250	August 3, 2017	–	From July 31, 2018 to July 31, 2021	Within ten years from August 3, 2017	None	Nil	3.686	65,500	251,500	–	417,250
	Options	162,000	October 10, 2017	–	From October 10, 2018 to October 10, 2021	Within ten years from October 10, 2017	None	Nil	4.400	19,750	72,250	–	70,000
	Options	347,000	February 1, 2018	–	From October 10, 2019 to January 31, 2022	Within ten years from February 1, 2018	None	Nil	4.144	90,000	257,000	–	–
	Options	1,421,125	June 15, 2020	–	Within four years from June 15, 2020	Within ten years from June 15, 2020	None	Nil	19.940	–	193,625	–	1,227,500
	Options	119,000	September 15, 2020	–	Within four years from September 15, 2020	Within ten years from September 15, 2020	None	Nil	18.660	–	–	–	119,000
	Options	753,750	June 15, 2021	–	Within four years from June 15, 2021	Within ten years from June 15, 2021	None	Nil	18.212	–	84,250	–	669,500
	Options	750,000	March 15, 2022	–	Within four years from March 15, 2022	Within ten years from March 15, 2022	None	Nil	4.240	–	187,500	–	562,500
	Options	3,857,344	June 15, 2022	–	Within four years from June 15, 2022	Within ten years from June 15, 2022	None	Nil	4.920	304,626	1,526,657	–	2,026,061
	Options	3,222,750	June 15, 2023	–	Over one to four years from June 15, 2023	Within ten years from June 15, 2023	None	Nil	5.160	69,625	1,048,687	–	2,104,438
	Options	2,527,500	September 15, 2023	–	Over one to four years from September 15, 2023	Within ten years from September 15, 2023	None	Nil	4.680	–	2,527,500	–	–
	Options	207,900	December 15, 2023	–	Within three years and nine months from December 15, 2023	Within ten years from December 15, 2023	None	Nil	4.380	51,975	–	–	155,925
	RSUs	2,130,500	June 15, 2020	–	Within four years from June 15, 2020	–	None	Nil	–	–	64,000	2,066,500	–
	RSUs	610,251	September 15, 2020	–	Within four years from September 15, 2020	–	None	Nil	–	–	57,532	552,719	–
	RSUs	271,237	December 15, 2020	–	Within four years from December 15, 2020	–	None	Nil	–	–	141,750	129,487	–
	RSUs	125,750	March 15, 2021	–	Within four years from March 15, 2021	–	None	Nil	–	–	42,750	83,000	–
	RSUs	5,606,100	June 15, 2021	–	Within four years from June 15, 2021	–	None	Nil	–	–	610,400	2,696,700	2,299,000
	RSUs	2,942,986	September 15, 2021	–	Within four years from September 15, 2021	–	None	Nil	–	–	795,525	1,224,786	922,675
	RSUs	273,000	December 15, 2021	–	Within four years from December 15, 2021	–	None	Nil	–	–	56,500	108,250	108,250
	RSUs	632,500	March 15, 2022	–	Within four years from March 15, 2022	–	None	Nil	–	–	240,000	303,750	88,750

Name of Option holders/grantees of RSU	Nature	Number of shares represented by Options or RSUs outstanding as at March 31, 2024	Date of grant/ conditional grant	Granted during the Reporting Period	Vesting period	Exercise period	Performance target	Purchase price *(HK$)*	Exercise price *(HK$)*	Options exercised during the period[3]	Options or RSUs lapsed/ cancelled during the period	RSUs vested during the period[3]	Number of shares represented by Options or RSUs outstanding as at March 31, 2025
	RSUs	33,787,423	June 15, 2022	–	Within four years from June 15, 2022	–	None	Nil	–	–	5,012,147	10,935,352	17,839,924
	RSUs	2,793,775	September 15, 2022	–	Within one to four years from September 15, 2022	–	None	Nil	–	–	254,525	878,350	1,660,900
	RSUs	245,000	December 15, 2022	–	Within four years from December 15, 2022	–	None	Nil	–	–	105,000	95,000	45,000
	RSUs	205,000	March 15, 2023	–	Over one to four years from March 15, 2023	–	None	Nil	–	–	67,500	87,500	50,000
	RSUs	40,050,636	June 15, 2023	–	Over one to four years from June 15, 2023	–	None	Nil	–	–	6,568,225	9,449,586	24,032,825
	RSUs	2,836,423	September 15, 2023	–	Over one to four years from September 15, 2023	–	50% of the RSUs granted to a grantee are subject to performance target	Nil	–	–	1,156,250	929,673	750,500
	RSUs	4,435,100	December 15, 2023	–	Within four years/three years and nine months from December 15, 2023	–	None	Nil	–	–	1,759,900	458,525	2,216,675
	RSUs	1,929,300	March 15, 2024	–	Over two to four years from March 15, 2024	–	None	Nil	–	–	255,700	–	1,673,600
	RSUs	–	June 14, 2024[1][2]	71,423,700	Within four years from June 14, 2024	–	None	Nil	–	–	9,343,600	–	62,080,100
Total	**Options**	**17,016,619**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,114,976**	**7,046,969**	**–**	**8,854,674**
	RSUs	**98,874,981**	**–**	**71,423,700**	**–**	**–**	**–**	**–**	**–**	**–**	**26,531,304**	**29,999,178**	**113,768,199**

Notes:

(1) The closing price per share is HK$3.61 as stated in the daily quotation sheets issued by the Stock Exchange on June 13, 2024, being the trading day immediately before the date of grant.

(2) The fair value of the Options as at the date of grant on June 14, 2024 during the Reporting Period was HK$1.87 per share of which the methodology and assumptions used for calculation were disclosed in the note 29 (Share-based Compensation Costs) to the consolidated financial statements.

The fair value of the RSUs as at the date of grant on June 14, 2024, during the Reporting Period was HK$3.50 per share. The fair value of the RSUs was determined based on the market value of the Company's shares at the grant date.

(3) The weighted average closing price of the shares immediately before the dates on which the Options were exercised and the RSUs were vested was HK$5.38 and HK$3.45, respectively.

No Option has been granted under the 2024 Share Award Scheme since its adoption and up to March 31, 2025. Details of the RSUs granted during the Reporting Period and/or outstanding as at March 31, 2025 under the 2024 Share Award Scheme are as below:

Name of Option holders/grantees of RSU	Nature	Number of shares represented by Options or RSUs outstanding as at March 31, 2024	Date of grant/ conditional grant	Granted during the Reporting Period	Vesting period	Exercise period	Performance target	Purchase price *(HK$)*	Exercise price *(HK$)*	Options exercised during the period[3]	Options or RSUs lapsed/ cancelled during the period	RSUs vested during the period[4]	Number of shares represented by Options or RSUs outstanding as at March 31, 2025
Employees of the Group (including employees of the affiliate of the Group)	RSUs	–	September 13, 2024[1][4]	4,047,700	Over one to four years from September 13, 2024	–	None	Nil	–	–	76,600	–	3,971,100
	RSUs	–	December 13, 2024[2][4]	2,689,400	(i) In four equal batches with the 25% of the RSUs with the first batch to vest on September 15, 2025, and with each of the remaining three batches to vest on September 15 every year thereafter; or (ii) within two to four years from December 13, 2024	–	None	Nil	–	–	40,800	–	2,648,600
	RSUs	–	March 14, 2025[3][4]	1,095,200	Over two to four years from March 14, 2025	–	None	Nil	–	–	–	–	1,095,200
Total	**RSUs**	**–**	**–**	**7,832,300**	**–**	**–**	**–**	**–**	**–**	–	**117,400**	–	**7,714,900**

Notes:

(1) The closing price per share is HK$2.83 as stated in the daily quotation sheets issued by the Stock Exchange on September 12, 2024, being the trading day immediately before the date of grant.

(2) The closing price per share is HK$3.77 as stated in the daily quotation sheets issued by the Stock Exchange on December 12, 2024, being the trading day immediately before the date of grant.

(3) The closing price per share is HK$5.27 as stated in the daily quotation sheets issued by the Stock Exchange on March 13, 2025, being the trading day immediately before the date of grant.

(4) The fair value of the RSUs as at the date of grant on September 13, 2024, December 13, 2024 and March 14, 2025 during the Reporting Period was HK$2.79 per share, HK$3.62 per share and HK$5.40 per share, respectively. The fair value of the RSUs was determined based on the market value of the Company's shares at the respective grant date.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at March 31, 2025, the interests and short positions of the Directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**"), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, were as follows:

Long positions in shares and underlying shares of the Company

	Number of ordinary shares and underlying shares held, capacity and nature of interest		
Name of Director	**Nature of interest**	**Total interest in shares**	**Approximate percentage of the Company's share capital**
Mr. SHEN Difan	Beneficial owner and equity derivative interests[(1)]	7,520,468	0.05%[#]
Mr. TU Yanwu	Beneficial owner and equity derivative interests[(2)]	2,398,278	0.01%[#]
Mr. ZHU Shunyan	Beneficial owner and equity derivative interests[(3)]	10,783,913	0.07%[#]

Notes:

(1) Mr. SHEN Difan beneficially held 1,438,268 ordinary shares and subject to vesting, is interested in 6,082,200 shares underlying 4,661,450 options and 1,420,750 RSUs granted to him in accordance with the 2014 Share Award Scheme.

(2) Mr. TU Yanwu beneficially held 810,328 ordinary shares and subject to vesting, is interested in 1,587,950 shares underlying 751,250 options and 836,700 RSUs granted to him in accordance with the 2014 Share Award Scheme.

(3) Mr. ZHU Shunyan beneficially held 1,464,489 ordinary shares of the Company and subject to vesting, is interested in 9,319,424 shares underlying 7,734,125 options and 1,585,299 RSUs granted to him in accordance with the 2014 Share Award Scheme.

\# Based on a total of 16,092,851,240 shares of the Company in issue as at March 31, 2025.

Long positions in shares and underlying shares of Alibaba Holding, an associated corporation of the Company within the meaning of Part XV of the SFO

Name of Director	Nature of interest	Number of shares/ underlying shares held*	Approximate percentage of issued shares of associated corporation
Mr. SHEN Difan	Beneficial owner, equity derivative interests and interests of spouse[(1)]	134,216	0.00%#
Mr. TU Yanwu	Beneficial owner and equity derivative interests[(2)]	17,200	0.00%#
Mr. ZHU Shunyan	Beneficial owner, equity derivative interests and interests of spouse[(3)]	2,905,696	0.02%#
Ms. HUANG Jiaojiao	Beneficial owner, equity derivative interests and interests of spouse[(4)]	269,400	0.00%#
Mr. XU Haipeng	Beneficial owner, equity derivative interests and interests of spouse[(5)]	87,745	0.00%#

Notes:

(1) These interests represented 26,000* ordinary shares or underlying ordinary shares beneficially held by Mr. SHEN Difan and 108,216* ordinary shares or underlying shares held by his spouse.

(2) These interests represented 2,150* restricted share units (representing 17,200* ordinary shares or underlying ordinary shares) beneficially held by Mr. TU Yanwu.

(3) These interests represented 2,250,544* ordinary shares or underlying ordinary shares and 61,894* restricted share units (representing 495,152* ordinary shares or underlying ordinary shares) beneficially held by Mr. ZHU Shunyan and 160,000* ordinary shares or underlying shares held by his spouse.

(4) These interests represented 63,696* ordinary shares or underlying ordinary shares and 25,088* restricted share units (representing 200,704* ordinary shares or underlying ordinary shares) beneficially held by Ms. HUANG Jiaojiao and 5,000* ordinary shares or underlying shares held by her spouse.

(5) These interests represented 14,041* ordinary shares or underlying ordinary shares and 8,963* restricted share units (representing 71,704* ordinary shares or underlying ordinary shares) beneficially held by Mr. XU Haipeng and 2,000* ordinary shares or underlying shares held by his spouse.

* Alibaba Holding approved to effect a one-to-eight share subdivision of its ordinary shares (the "**Share Subdivision**") at the annual general meeting held on July 15, 2019. The Share Subdivision was effective on July 30, 2019. Accordingly, Alibaba Holding has changed its ratio of American depositary shares to ordinary shares from 1:1 to 1:8. The ratio of restricted share units to ordinary shares of Alibaba Holding has also changed from 1:1 to 1:8.

\# Based on a total of 18,998,287,724 ordinary shares of Alibaba Holding in issue as at March 31, 2025.

Save as disclosed above, as at March 31, 2025, none of the Directors and chief executive had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as any perceived material interest in transactions between members of Alibaba Group and the Company due to their role as employees of Alibaba Holding or its subsidiaries as disclosed in the section headed "Biographical Information of Directors and Senior Management", none of the Directors or their connected entities (within the meaning under section 486 of the Company Ordinance) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party which was subsisting during or at the end of the Reporting Period.

ARRANGEMENT TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed under the paragraph headed "Share Award Schemes" above, at no time during the Reporting Period was the Company or its subsidiaries a party to any arrangements to enable the Directors or chief executive of the Company or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at March 31, 2025, the following interests or short positions in the shares and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions:

Name	Capacity and nature of interest	Number of shares/ underlying shares	% of the issued share capital of the Company
Alibaba Group Holding Limited	Interest of controlled corporation(1)	10,271,540,755	63.83%#
Perfect Advance Holding Limited	Beneficial owner(1)	3,103,816,661	19.29%#
Alibaba Investment Limited	Interest of controlled corporation(1)	3,103,816,661	19.29%#
	Beneficial owner(1)	48,716,465	0.30%#
Ali JK Nutritional Products Holding Limited	Beneficial owner(1)	4,560,785,407	28.34%#
Taobao Holding Limited	Beneficial owner(1)	2,558,222,222	15.90%#

Note:

(1) Perfect Advance Holding Limited ("**Perfect Advance**") holds 3,103,816,661 shares of the Company. Perfect Advance is wholly-owned by Alibaba Investment Limited ("**AIL**"), which is in turn wholly-owned by Alibaba Holding. For the purpose of Part XV of the SFO, as Perfect Advance is interested in 3,103,816,661 shares of the Company, AIL is deemed to have an interest in 3,103,816,661 shares of the Company via Perfect Advance.

On May 20, 2022, Innovare Tech Limited ("**Innovare**") made a distribution in specie (the "**Distribution**") in respect of 641,090,678 shares of the Company to the limited partners of Yunfeng Fund II, L.P., the beneficial owner of all the voting equity capital in Innovare, based on their respective pro rata entitlements in Innovare. Upon the Distribution, Innovare ceased to have a notifiable interest of 5% or more of the voting shares of the Company within the meaning of the SFO. For details, please refer to the announcement of the Company dated May 20, 2022. As part of the Distribution, 48,716,465 shares of the Company were distributed to AIL. As such, AIL is interested in an aggregate of 3,152,533,126 shares of the Company.

On November 28, 2023, the Company entered into a share purchase agreement with Taobao Holding Limited ("**TBH**"), pursuant to which the consideration payable by the Company to TBH will be partly satisfied by the Company issuing 2,558,222,222 ordinary shares of the Company to TBH as consideration shares upon completion of the share purchase agreement. The proposed acquisition under the said share purchase agreement was completed on January 17, 2024 and the total of 2,558,222,222 ordinary shares of the Company have been allotted and issued to TBH. For details, please refer to the announcements of the Company dated November 28, 2023 and January 17, 2024.

Ali JK Nutritional Products Holding Limited ("**Ali JK**") holds 4,560,785,407 shares of the Company. Ali JK is wholly-owned by Alibaba Holding. Therefore, Alibaba Holding is deemed to have an interest in an aggregate of 10,271,540,755 shares of the Company via AIL, Perfect Advance, Ali JK and TBH within the meaning of Part XV of the SFO.

Based on a total of 16,092,851,240 shares of the Company in issue as at March 31, 2025.

Save as disclosed above, as at March 31, 2025, there were no other parties who had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed under the paragraph headed "Connected Transactions" below, no contract of significance, including for the provision of services, has been entered into among the Company or any of its subsidiaries and the controlling Shareholders or any of their subsidiaries during the Reporting Period.

CONNECTED TRANSACTIONS

During the Reporting Period, the Group had the following connected transactions, details of which were disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

Connected Transaction – Lease Agreement

On October 15, 2021, Alibaba Health Pharmaceutical Chain Co., Ltd.^ (阿里健康大藥房醫藥連鎖有限公司) ("**Alibaba Health Pharmaceutical Chain**") and Hangzhou Chuanfu Health Technology Co., Ltd.^ (杭州傳賦健康科技有限公司) ("**Hangzhou Chuanfu**") entered into the lease agreement (the "**Lease Agreement**"), pursuant to which Hangzhou Chuanfu agreed to lease the production plant and ancillary facilities located at Alibaba Pharmaceutical Health Logistics Park, No. 3 Zhiqi Street, Tangxi Town, Linping District, Hangzhou, the PRC (the "**Premises**") to Alibaba Health Pharmaceutical Chain for a term of three years commencing from November 30, 2021. The total rent and property management fee payable per annum (inclusive of tax) during the term of the Lease Agreement shall be capped at RMB28.5 million, RMB29.7 million and RMB30.9 million, respectively. The total annual sum of the rent and property management fee payable by the Group incurred under the Lease Agreement during the Reporting Period amounted to approximately RMB15.0 million (during the Corresponding Period: RMB19.4 million).

By entering into the Lease Agreement, the Group agreed to rent the Premises at market rates from Hangzhou Chuanfu to use the Premises as a warehouse to store pharmaceutical, medical device and various other health-related products with a view to further strengthen the Group's supply chain capabilities. As the consultation-to-sales conversation rate for the Group's pharmaceutical direct sales business continues to rise, the Group considers it necessary to expand its storage capacity so as to maintain the Group's service efficiency as well as to facilitate distribution and sales of the Group's direct sales products. This will also enable the Group to purchase more at a time from its suppliers, which will add to its bargaining power with its suppliers, thus reducing its procurement costs and enhancing its profitability. As at the date of the Lease Agreement, since Hangzhou Chuanfu was an indirect wholly-owned subsidiary of Alibaba Holding, Hangzhou Chuanfu was an associate of Alibaba Holding and hence a connected person of the Company and thus the transactions contemplated under the Lease Agreement constitute connected transactions of the Company in accordance with the Listing Rules.

Continuing Connected Transactions

(a) Continuing Connected Transaction – Cloud Computing Services Framework Agreement

On March 28, 2024, Alibaba Health Technology (China) Co., Ltd^ (阿里健康科技（中國）有限公司) ("**Alibaba Health (China)**"), an indirect wholly-owned subsidiary of the Company (for itself and on behalf of its subsidiaries and affiliates), entered into the renewed cloud computing services framework agreement (the "**2025 Cloud Computing Services Framework Agreement**") with Alibaba Cloud Computing Ltd.^ (阿里雲計算有限公司) ("**Alibaba Cloud**") (for itself and on behalf of its subsidiaries and affiliates), pursuant to which Alibaba Cloud agreed to provide various cloud computing services and other related services (the "**Cloud Computing Services**") to the Group for a term of one year from April 1, 2024 to March 31, 2025. The annual cap for the service fees payable by Alibaba Health (China) to Alibaba Cloud under the 2025 Cloud Computing Services Framework Agreement was RMB170 million. The aggregate service fees incurred under the 2025 Cloud Computing Services Framework Agreement during the Reporting Period amounted to approximately RMB134.6 million (during the Corresponding Period: approximately RMB114.8 million).

On March 17, 2025, the same parties entered into the renewed cloud computing services framework agreement (the "**2026-2027 Cloud Computing Services Framework Agreement**") in relation to the provision of the Cloud Computing Services by Alibaba Cloud to the Group for a term of two years from April 1, 2025 to March 31, 2027. The annual caps for the service fees payable by the Group under the 2026-2027 Cloud Computing Services Framework Agreement for the two financial years ending March 31, 2027 are RMB200 million and RMB200 million, respectively.

The 2025 Cloud Computing Services Framework Agreement and the 2026-2027 Cloud Computing Services Framework Agreement allowed the Group to utilize the cloud computing services provided by Alibaba Cloud to ensure smooth operation of its systems and the stability of its various Internet healthcare solutions.

Alibaba Holding is the ultimate controlling shareholder of the Company, and its wholly-owned subsidiaries, Taobao Holding, Ali JK, Perfect Advance and Alibaba Investment, are shareholders of the Company. As Alibaba Holding is the ultimate shareholder of Alibaba Cloud, Alibaba Cloud is an associate of Alibaba Holding and hence a connected person of the Company. The transactions contemplated under the 2025 Cloud Computing Services Framework Agreement and the 2026-2027 Cloud Computing Services Framework Agreement thus constitute continuing connected transactions of the Company in accordance with the Listing Rules.

(b) Continuing Connected Transaction – Outsourced Services Framework Agreement

On March 28, 2024, Hangzhou Defu Health Management Co., Ltd.^ (杭州得賦健康管理有限公司), Alibaba Health Technology (Hainan) Co., Ltd.^ (阿里健康科技(海南)有限公司), Jiubaoxing Technology (Hainan) Co., Ltd.^ (久寶星科技(海南)有限公司) and Hangzhou Lukang Health Technology Co., Ltd.^ (杭州鹿康健康科技有限公司) (each an indirect wholly-owned subsidiary or a consolidated entity of the Company, collectively, the "**Alibaba Health Subsidiaries**") entered into the 2025-2027 outsourced services agreement (the "**2025-2027 Outsourced Services Agreement**") with Zhejiang Tmall Technology Co., Ltd.^ (浙江天貓技術有限公司) ("**Tmall Technology**") and Zhejiang Tmall Network Co., Ltd.^ (浙江天貓網絡有限公司) ("**Tmall Network**", together with Tmall Technology, the "**Tmall Entities**") for a term of three years from April 1, 2024 until March 31, 2027. Pursuant to the 2025-2027 Outsourced Services Agreement, the Alibaba Health Subsidiaries will procure the Company to provide the Tmall Entities with certain outsourced and value-added services in relation to certain categories of products or services offered on Tmall from time to time (as specified in the announcement of the Company dated March 28, 2024) (the "**Outsourced Services**"). The annual caps for the service fees payable to the Group under the 2025-2027 Outsourced Services Agreement for the three financial years ending March 31, 2027 are RMB215 million, RMB230 million and RMB245 million, respectively. The service fees received by the Group under the 2025-2027 Outsourced Services Framework Agreement during the Reporting Period amounted to approximately RMB104.3 million (during the Corresponding Period: RMB108.8 million).

Since the Outsourced Services remain within the existing skill set of the Group given that it has been developing its own pharmaceutical e-commerce, Internet healthcare, and intelligent medicine businesses, the service fees received under the 2025-2027 Outsourced Services Agreement continue to be one of the steady growing sources of revenue for our Group.

Since each of the Tmall Entities is a wholly-owned subsidiary or a consolidated entity of Alibaba Holding, the Tmall Entities are associates of Alibaba Holding and hence are connected persons of the Company. The transactions contemplated under the 2025-2027 Outsourced Services Agreement thus constitute continuing connected transactions of the Company in accordance with the Listing Rules.

(c) Continuing Connected Transaction – Platform Services Framework Agreement

On March 28, 2024, the Company (for itself and on behalf of its subsidiaries) and Taobao China Holding Limited ("**Taobao China**") (for itself and on behalf of its subsidiaries and associates) entered into the renewed platform services framework agreement (the "**2025-2027 Platform Services Framework Agreement**") for a term of three years from April 1, 2024 until March 31, 2027. Pursuant to the 2025-2027 Platform Services Framework Agreement, Taobao China has agreed that Alibaba Holding and its subsidiaries and affiliates (the "**AGH Relevant Entities**") will provide to the Group certain platform services (the "**Platform Services**") and the Group shall pay the service fees calculated in accordance with the underlying agreements and standard terms and conditions (as applicable) as amended and published on the respective online platforms operated by the AGH Relevant Entities from time to time. The annual caps for the service fees payable by the Group under the 2025-2027 Platform Services Framework Agreement for the three financial years ending March 31, 2027 were RMB630 million, RMB670 million and RMB710 million, respectively, which were subsequently revised to be RMB750 million, RMB900 million and RMB990 million, respectively. The aggregate service fees incurred under the 2025-2027 Platform Services Framework Agreement for the Reporting Period amounted to approximately RMB619.5 million (during the Corresponding Period: RMB311.0 million).

The Company believes that by marketing and selling products or services on the online sales platforms operated by the AGH Relevant Entities under the 2025-2027 Platform Services Framework Agreement, the Group will be able to reach out to more customers and improve its understanding of their needs to facilitate product circulation along the pharmaceutical and healthcare products retail chain to offer quality products and services at competitive prices.

Since Taobao China is a wholly-owned subsidiary of Alibaba Holding and Alibaba Holding controls the AGH Relevant Entities, each of Taobao China and the members of the AGH Relevant Entities are associates of Alibaba Holding and hence is a connected person of the Company. The transactions contemplated under the 2025-2027 Platform Services Framework Agreement thus constitute continuing connected transactions of the Company in accordance with the Listing Rules.

(d) Continuing Connected Transaction – Logistics Services Framework Agreement

On March 28, 2024, the Company (for itself and on behalf of its subsidiaries) entered into a renewed logistics services framework agreement (the "**2025-2027 Logistics Services Framework Agreement**") with Hangzhou Cainiao Supply Chain Management Co., Ltd.^ (杭州菜鳥供應鏈管理有限公司) ("**Hangzhou Cainiao**") (for itself and on behalf of its subsidiaries and affiliates), pursuant to which Hangzhou Cainiao and its subsidiaries and affiliates (together, the "**Cainiao Group**") agreed to provide various logistics services including but not limited to warehouse operation and storage services, domestic and international delivery services, customs registration and clearance services, standard and special packaging services, storage and delivery supply chain management services and related system software services and other value-added and logistics-related services (the "**Logistics Services**") to the Group for a service fee for a term of three years from April 1, 2024 to March 31, 2027. The annual caps for the service fees payable by the Group under the 2025-2027 Logistics Services Framework Agreement was RMB320 million, RMB350 million and RMB380 million, respectively. The aggregate service fees incurred under the 2025-2027 Logistics Services Framework Agreement for the Reporting Period amounted to approximately RMB125.7 million (during the Corresponding Period: approximately RMB175.1 million).

As the Company has been selling pharmaceutical and healthcare products online, it requires efficient and reliable logistics services to enable its products to be safely and promptly delivered to its customers. Accordingly, the Company entered into the 2025-2027 Logistics Services Framework Agreement with Hangzhou Cainiao, to capitalize on the logistics data platform and global fulfilment network of Cainiao Group, and to provide efficient and reliable domestic and international one-stop-shop logistics services to the Group's customers for fulfilling their different logistics needs.

As Hangzhou Cainiao is an indirect non-wholly-owned subsidiary of Alibaba Holding, each of the members of the Cainiao Group is an associate of Alibaba Holding and hence a connected person of the Company. The transactions contemplated under the 2025-2027 Logistics Services Framework Agreement thus constitute continuing connected transactions of the Company in accordance with the Listing Rules.

(e) Continuing Connected Transaction – Shared Services Agreement

On March 28, 2024, the Company (for itself and on behalf of its subsidiaries) entered into the renewed shared services agreement (the "**2025-2027 Shared Services Agreement**") with Alibaba.com China Limited (阿里巴巴網絡中國有限公司) ("**Alibaba.com**") (for itself and on behalf of its subsidiaries and associates, collectively, "**Alibaba.com Group**"), pursuant to which Alibaba.com has agreed to procure the relevant parties to provide certain shared services to the Group, and the Company has agreed that relevant parties shall provide certain shared services to Alibaba.com Group for a term of three years from April 1, 2024 to March 31, 2027. The annual caps for the service fees payable by the Group under the 2025-2027 Shared Services Agreement in relation to the shared services provided to the Group for the three financial years ending March 31, 2027 are RMB540 million, RMB560 million and RMB580 million, respectively; and the annual caps for the service fees receivable by the Group under the 2025-2027 Shared Services Agreement in relation to the shared services provided to Alibaba.com Group for the three financial years ending March 31, 2027 are RMB20 million, RMB20 million and RMB20 million, respectively. The aggregate service fees incurred under the 2025-2027 Shared Services Agreement during the Reporting Period was RMB276.5 million (during the Corresponding Period: RMB284.1 million) in relation to the Shared Services provided to the Group and RMB0.01 million (during the Corresponding Period: RMB0.4 million) in relation to the Shared Services provided to Alibaba.com Group.

The Company believes that the entering into of the 2025-2027 Shared Services Agreement will allow the Company to better leverage on the mature infrastructure and coverage already built by Alibaba Group (including Alibaba.com Group) and promote better cooperation between Alibaba Group (including Alibaba.com Group) and the Company.

As Alibaba.com is an indirect wholly-owned subsidiary of Alibaba Holding, which is a connected person of the Company, the transactions contemplated under the 2025-2027 Shared Services Agreement thus constitute continuing connected transactions of the Company in accordance with the Listing Rules.

(f) Continuing Connected Transaction – Framework Technical Services Agreement

On February 2, 2024, the Company (for itself and on behalf of its subsidiaries) entered into the amended and renewed 2025-2027 framework technical services agreement (the "**2025-2027 Framework Technical Services Agreement**") with Taobao China (for itself and on behalf of its subsidiaries and affiliates (collectively, "**Taobao China Companies**")), pursuant to which Taobao China Companies would provide certain relevant software technical services to the Group for a service fee for a term of three years commencing from April 1, 2024 and ending on March 31, 2027. The annual cap for the service fees payable under the 2025-2027 Framework Technical Services Agreement was RMB2,300 million, RMB2,530 million and RMB2,783 million, for each of the three years ending March 31, 2027, respectively, as approved by the independent Shareholders at the special general meeting held on March 26, 2024. The aggregate service fees incurred under the 2025-2027 Framework Technical Services Agreement during the Reporting Period amounted to approximately RMB1,093.1 million (during the Corresponding Period: approximately RMB1,120.0 million).

The Company considers the entering into of the 2025-2027 Framework Technical Services Agreement is necessary because the technical support and services from Taobao Group Companies to the Company are crucial to allow the relevant merchants to operate on the platforms of Tmall and Tmall Global.

As Alibaba Group directly or indirectly controls the Taobao China Companies, they are connected persons of the Company and the transactions contemplated under the 2025-2027 Framework Technical Services Agreement thus constitute continuing connected transactions of the Company. Independent Shareholders approved, among other things, the 2025-2027 Framework Technical Services Agreement and the transactions contemplated thereunder at the special general meeting held on March 26, 2024 in accordance with the Listing Rules.

(g) Continuing Connected Transaction – Payment Services Framework Agreement

On March 28, 2024, the Company (for itself and on behalf of its subsidiaries) entered into a renewed payment services framework agreement (the "**2025 Payment Services Framework Agreement**") with Alipay.com Co., Ltd.^ (支付寶(中國)網絡技術有限公司) ("**Alipay China**") (for itself and on behalf of its subsidiaries and affiliates) and Alipay Singapore E-Commerce Private Limited ("**Alipay Singapore**") (for itself and on behalf of its subsidiaries and affiliates), pursuant to which Alipay China and Alipay Singapore agreed to provide certain payment, settlement and other related services (the "**Payment Services**") to the Group for a service fee, for a term of one year from April 1, 2024 to March 31, 2025. The annual cap for the service fees payable under the 2025 Payment Services Framework Agreement is RMB137 million. The aggregate service fees incurred under the 2025 Payment Services Framework Agreement during the Reporting Period amounted to approximately RMB41.3 million (during the Corresponding Period: approximately RMB75.4 million).

As part of the Group's business, the Company has been marketing and selling products or services online as an online merchant which requires efficient and reliable payment services. By entering into the 2025 Payment Services Framework Agreement, the Group will be able to utilize the Payment Services provided by Alipay China and Alipay Singapore to enable safe and prompt real-time payment for its online transactions.

Since Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) ("**Ant Group**") is indirectly held by Alibaba Holding as to more than 30% of its equity interest and both Alipay China and Alipay Singapore are wholly-owned subsidiaries of Ant Group, each of Ant Group, Alipay China and Alipay Singapore is an associate of Alibaba Holding and thus a connected person of the Company.

Accordingly, the transactions contemplated under the 2025 Payment Services Framework Agreement constitute continuing connected transactions of the Company in accordance with the Listing Rules.

(h) Continuing Connected Transaction – Exclusive Services Framework Agreement

On November 27, 2023, the Target WFOE entered into the Exclusive Services Framework Agreement with Alimama for an initial term of three years commenced from November 27, 2023 and ending on November 26, 2026, pursuant to which the Target WFOE would operate and manage the business relating to the provision of the Marketing Materials Review Services pursuant to the Exclusive Marketing Materials Review Right and the Value-added Services under the healthcare categories (the "**Target Business**"). The "Exclusive Marketing Materials Review Right" is defined as the exclusive right to operate and manage the Marketing Materials Review Services under the healthcare categories on the Tmall Platform, to the absolute exclusion of the Alimama Group and the Taobao and Tmall Group. The "Marketing Materials Review Services" are defined as the marketing materials review services provided by the Target WFOE under the Exclusive Services Framework Agreement, as may be amended from time to time, comprising (i) the review services in respect of marketing materials for the performance-based marketing and/or the brand-based marketing placed by certain merchants (the "**Target Merchants**") through the Alimama Group, and (ii) the review services in respect of corresponding qualifications of such marketing materials for products and services under the healthcare categories of Tmall of Alibaba Group. The "Value-added Services" are defined as the value-added services, within the scope of written authorisation from the Alimama Group and in accordance with the standards and requirements imposed by the Alimama Group, provided by the Target WFOE to the Target Merchants whose primary categories are the healthcare categories under the Exclusive Services Framework Agreement, as may be amended from time to time, which shall include providing consultation and suggestions to and responding to questions from such Target Merchants relating to marketing promotions under the healthcare categories. For details of the purpose of the acquisition of the Target Business, please refer to the paragraph headed "(a) Connected Transaction – Share Purchase Agreement" above. The proposed annual caps (where applicable) in respect of the fees receivable under the Exclusive Services Framework Agreement are RMB391 million, RMB2,032 million and RMB2,641 million for each of the financial years ending March 31, 2024, 2025 and 2026, respectively. The aggregate service fees incurred under the Exclusive Services Framework Agreement during the Reporting Period amounted to approximately RMB1,515.3 million (during the Corresponding Period: approximately RMB239.5 million).

Upon the completion of the Share Purchase Agreement, the Target WFOE became an indirect wholly-owned subsidiary of the Company. Since Alimama is an indirect wholly-owned subsidiary of Alibaba Holding, it's therefore an associate of Alibaba Holding and hence a connected person of the Company. The transactions contemplated under the Exclusive Services Framework Agreement thus constitute continuing connected transactions of the Company under the Listing Rules.

(i) ***Continuing Connected Transaction – Marketing and Promotion Services Framework Agreement***

On February 2, 2024, the Company (for itself and on behalf of its subsidiaries) and Alimama (for and on behalf of its subsidiaries and its affiliates) (together, the "**Advertising Parties**") entered into the marketing and promotion services framework agreement (the "**2025-2027 Marketing and Promotion Services Framework Agreement**") for a term of three years from April 1, 2024 to March 31, 2027 to renew the existing advertising services framework agreement, pursuant to which the Advertising Parties has agreed to provide the Group with certain marketing and promotion services, including but not limited to providing the marketing, promotion and advertising services on various platforms under and in cooperation with Alibaba Group for a service fee. The annual caps for the service fees payable under the 2025-2027 Marketing and Promotion Services Framework Agreement are RMB2,400 million, RMB2,640 million and RMB2,904 million, respectively, for the three financial years ending March 31, 2027, respectively, as approved by the independent Shareholders at the special general meeting held on March 26, 2024. The aggregate service fees incurred under the 2025-2027 Marketing and Promotion Service Framework Agreement during the Reporting Period amounted to approximately RMB2,287.3 million (during the Corresponding Period: RMB1,566.3 million).

The Company believes that the marketing, promotion and advertising services and resources provided by the Advertising Parties are effective marketing tools and will enable the Group to reach out to more customers and boost the sales of the Group's and its clients' products. Hence, the Group intends to allocate more resources in such marketing, promotion and advertising services provided by the Advertising Parties going forward and considers that the entering into of the 2025-2027 Marketing and Promotion Services Framework Agreement would facilitate the administration of the purchase of the marketing, promotion and advertising services by the Group.

Since Alimama is an indirect wholly-owned subsidiary of Alibaba Holding, each of the Advertising Parties is an associate of Alibaba Holding and hence a connected person of the Company. The transactions contemplated under the 2025-2027 Marketing and Promotion Services Framework Agreement thus constitute continuing connected transactions for the Company in accordance with the Listing Rules and were approved by the independent Shareholders at the special general meeting held on March 26, 2024 in accordance with the Listing Rules.

DIRECTORS' REPORT

(j) Continuing Connected Transaction – Software Services Framework Agreement

On March 28, 2024, the Company (for itself and on behalf of its subsidiaries and associates) entered into the renewed software services framework agreement (the "**2025-2027 Software Services Framework Agreement**") with Taobao China (for itself and on behalf of its subsidiaries and associates (collectively, "**Taobao China Group**")), pursuant to which the Group shall provide Taobao China Group with medical and healthcare-related e-commerce platform operational and maintenance related software services for merchants selling products and/or offering services under certain software services categories on Tmall and Tmall Global for a term of three years commencing from April 1, 2024 and ending on March 31, 2027. The annual cap for the service fees receivable are RMB150 million, RMB160 million (which was later revised to be RMB310 million) and RMB170 million (which was later revised to be RMB360 million), respectively, for the three financial years ending March 31, 2027. The aggregate service fees incurred under the 2025-2027 Software Services Framework Agreement during the Reporting Period amounted to approximately RMB116.9 million (during the Corresponding Period: approximately RMB98.3 million).

The Company believes that the entering into of the 2025-2027 Software Services Framework Agreement will not only allow the Group to generate revenue and to better optimize its resources as Alibaba Group's healthcare flagship platform, but also provide marketing opportunities for the Group to expand its product portfolio and broaden its customer base. This enables the Group to capture further market share in view of the rapid growth of the Company's pharmaceutical direct sales business.

Since Taobao China is a wholly-owned subsidiary of Alibaba Holding, each member of Taobao China Group is an associate of Alibaba Holding and hence a connected person of the Company. The transactions contemplated under the 2025-2027 Software Services Framework Agreement thus constitute continuing connected transactions of the Company in accordance with the Listing Rules.

(k) Continuing Connected Transaction – Koubei Services Framework Agreement

On March 31, 2023, Hangzhou Lukang Health Technology Co., Ltd.^ (杭州鹿康健康科技有限公司) ("**Hangzhou Lukang**") (for itself and on behalf of its subsidiaries and affiliates) entered into a services framework agreement (the "**2024 Koubei Services Framework Agreement**") with Koubei (Shanghai) Information Technology Co., Ltd.^ (口碑(上海)信息技術有限公司) ("**Koubei Shanghai**") (for itself and on behalf of its subsidiaries and affiliates), pursuant to which Hangzhou Lukang agrees to provide Koubei Shanghai with operational or software services under certain categories of products and services on the platform which are operated by Koubei Shanghai, its associates and its subsidiaries from time to time, for a term of two years from April 1, 2023 to March 31, 2025, with annual caps of RMB30 million and RMB30 million for the years ending March 31, 2024 and 2025, respectively. The aggregate service fees incurred under the 2024 Koubei Services Framework Agreement during the Reporting Period amounted to approximately RMB2.5 million (during the Corresponding Period: RMB5.3 million).

By entering into the 2024 Koubei Services Framework Agreement, the Group will be able to enhance user experience and improve the operational capabilities of the relevant merchants, and deliver quality services to these merchants under wider applications. It is also expected that the Group will be able to capitalise on market opportunities in relation to the rising demand of healthcare and pharmaceutical industries in the PRC and further expand its market share in these industries.

As at the date of the 2024 Koubei Services Framework Agreement, since Koubei Shanghai is an indirect non-wholly-owned subsidiary of Alibaba Holding, Koubei Shanghai is an associate of Alibaba Holding and hence a connected person of the Company. The transactions contemplated under the 2024 Koubei Services Framework Agreement thus constitute continuing connected transactions of the Company in accordance with the Listing Rules.

(l) Continuing Connected Transaction – EBA Settlement Framework Agreement

On March 28, 2024, the Company (for itself and on behalf of its subsidiaries and associates) entered into the framework agreement relating to the equity-based awards settlement (the "**2025-2027 EBA Settlement Framework Agreement**") with Alibaba Holding. Pursuant to the 2025-2027 EBA Settlement Framework Agreement, (i) in respect of the restricted share units, options or any other equity incentive awards of Alibaba Holding (the "**AGH Awards**") held by any grantees whose employment is transferred from Alibaba Holding to a member of the Group (the "**Group Entity**"), the Company shall reimburse Alibaba Holding the amounts in respect of the relevant AGH Awards; and (ii) in respect of the options, restricted share units or any other equity incentive awards of the Group (the "**Group Awards**") held by any grantees (whose employment is transferred from a Group Entity to Alibaba Holding), Alibaba Holding shall reimburse the Company the amounts in respect of the relevant Group Awards. The annual caps for the amounts payable under the 2025-2027 EBA Settlement Framework Agreement in relation to the transaction amount associated with the AGH Awards are RMB35 million, RMB35 million and RMB35 million, respectively, for the three financial years ending March 31, 2027; and the annual caps for the amounts receivable under the 2025-2027 EBA Settlement Framework Agreement in relation to the transaction amount associated with the Group Awards are RMB35 million, RMB35 million and RMB35 million, respectively, for the three financial years ending March 31, 2027. The aggregate amount recognised by the Group under the 2025-2027 EBA Settlement Framework Agreement in relation to the transaction amount associated with the AGH Awards during the Reporting Period amounted to approximately RMB28.0 million (during the Corresponding Period: not applicable). The aggregate reimbursement amount of the Group Awards from Alibaba Holding during the Reporting Period amounted to approximately RMB15.7 million (during the Corresponding Period: not applicable).

Each of Alibaba Holding and the Company is committed to providing their employees with a nurturing work environment that supports personal growth and therefore allows internal transfers between the Group and Alibaba Holding. As equity-based awards are vital to attract, incentivize and retain those employees, the Company believes that the entering into of the 2025-2027 EBA Settlement Framework Agreement will allow the grantees to retain their awards after the internal transfers and allocating their EBA expenses to the relevant entity to which such grantee has joined, with an aim to achieve an equitable re-charging of costs of transferring employees between the Group and Alibaba Holding.

Since Alibaba Holding is a connected person of the Company, the transactions contemplated under the 2025-2027 EBA Settlement Framework Agreement thus constitute continuing connected transactions of the Company in accordance with the Listing Rules.

The Group has imposed internal control procedures to ensure that the continuing connected transactions are conducted in accordance with the pricing policies or mechanism under the relevant framework agreements. A specialized internal audit function carried out independent appraisal of the adequacy and effectiveness of the internal control procedures and reviewed all the connected transactions. Any findings by the internal audit function have been provided to the Directors to assist them in performing the annual review of the continuing connected transactions. The independent non-executive Directors have reviewed the above continuing connected transactions and have confirmed that such continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

(m) Continuing Connected Transactions – Contractual Arrangements

Overview

The business of the Group involves the provision of commercial Internet information services, which in turn requires certain members of our Group to hold a value-added telecommunication business license (the "**ICP License**") for the provision of such services (the "**Restricted Businesses**"). As the applicable PRC laws and regulations currently in force restrict foreign investment in the Restricted Businesses, the Group adopted a series of contractual arrangements with respect to two subsidiaries of our Company, namely, Hongyun Jiukang Data Technology (Beijing) Co., Ltd.^ (弘雲久康數據技術(北京)有限公司) ("**Hongyun Jiukang**") and Alibaba Health Hebei Information Technology Co., Ltd.^ (阿里健康河北信息技術有限公司) ("**Alibaba Health Hebei**", together with Hongyun Jiukang, the "**Opcos**"), which have enabled the Group, through its wholly-owned subsidiary, Alibaba Health Technology (China) Co., Ltd^ (阿里健康科技(中國)有限公司) (the "**WFOE**"), to obtain effective control over, and received all the economic benefits generated by, the businesses operated by the Opcos, and the Opcos, in turn, hold the ICP License and operate the Restricted Businesses.

Prior to the Restructuring (as defined below), the contractual arrangements were entered into among the WFOE, each of the Opcos and the two individual registered owners of Opcos (the "**Ex-Registered Owners**") (the "**Previous Contractual Arrangements**").

As part of Alibaba Holding's strategy in enhancing the variable interest entities (the "**VIEs**") structure, on April 25, 2020, each of the two Ex-Registered Owners under the Previous Contractual Arrangements entered into equity transfer agreements with Beijing Jiukangbao Technology Co., Ltd.^ (北京久康寶科技有限公司) ("**Beijing Jiukangbao**"), pursuant to which each of the two Ex-Registered Owners agreed to transfer 50% and 50% of the equity interests in each of the Opcos, respectively, to Beijing Jiukangbao (the "**VIE Restructuring**"). On the same day, each of the Opcos became owned as to 100% by Beijing Jiukangbao. Beijing Jiukangbao is wholly-owned by Hangzhou Baoxuan Investment Management Co., Ltd.^ (杭州寶軒投資管理有限公司), a company established in the PRC with limited liability (the "**PRC Investco**"), which is held as to each 50% by two limited partnerships established in the PRC (the "**PRC LPs**"), both of which were ultimately owned by a company established in the PRC with limited liability serving as a general partner of the PRC LPs (the "**PRC GP**") and five selected members of the Alibaba Partnership or Alibaba Holding's management who are PRC citizens (the "**Five Individuals**").

On the same day, the Group entered into a series of contractual arrangements (the "**Contractual Arrangements**") with the Opcos and Beijing Jiukangbao (as the newly registered owner of Opcos) (the "**Registered Owner**"). The Contractual Arrangements contain substantially the same terms as the Previous Contractual Arrangements and enable the Group to continue, through the WFOE, to maintain effective control over, and receive all the economic benefits generated by, the businesses operated by the Opcos, which in turn hold the ICP Licenses and operate the Restricted Businesses through itself and its Subsidiaries. Further details in relation to the terms of the Structured Contracts (as defined below) and Contractual Arrangements are set out below. Through the Structured Contracts and the Contractual Arrangements, the results of operations, assets and liabilities, and cash flows of the Opcos were consolidated into the Company's financial statements, and the Opcos were regarded as indirect subsidiaries of the Group under HKFRS 10 during Reporting Period.

Particulars of Opcos and their respective Registered Owner

As at March 31, 2025, the particulars of the Opcos and their respective Registered Owner are as follows:

Name of Opco	Registered owner	Registered capital	Principal activities
Hongyun Jiukang	100% by Beijing Jiukangbao	RMB40,000,000	Provision of Internet information services and investment holding
Alibaba Health Hebei	100% by Beijing Jiukangbao	RMB10,000,000	Provision of Internet information services and investment holding

The following table sets forth the principal subsidiaries of Hongyun Jiukang as at March 31, 2025. Alibaba Health Hebei did not have any subsidiary as at March 31, 2025.

Name of subsidiary	Holding company	Ownership	Principal activities
Alibaba Health (Hainan) Internet Hospital Co., Ltd.^ (阿里健康(海南)互聯網醫院有限公司)	Hongyun Jiukang	100%	Network hospital services
Alibaba Health (Hainan) Remote Medical Centre Co., Ltd.^ (阿里健康(海南)遠程醫療中心有限公司)	Hongyun Jiukang	100%	Provision of medical services
Hangzhou Hongyun Kangsheng Equity Investment Co., Ltd.^ (杭州弘雲康晟股權投資有限公司)	Hongyun Jiukang	100%	Investment holding and asset management
Alibaba Health Technology (Guangzhou) Co., Ltd.^ (阿里健康科技(廣州)有限公司)	Hongyun Jiukang	100%	Provision of Internet information services
Guangzhou Alibaba Health Medical Technology Co., Ltd.^ (廣州市阿里健康醫療科技有限公司) (formerly known as Alibaba Health Network Hospital Co., Ltd.^ (阿里健康網絡醫院有限公司))	Hongyun Jiukang	100%	Provision of Internet information services
Alibaba Health Technology (Beijing) Company Limited^ (阿里健康科技(北京)有限公司)	Hongyun Jiukang	100%	Provision of Internet information services
Jiubaoxing Technology (Hainan) Co., Ltd.^ (久寶星科技(海南)有限公司)	Hongyun Jiukang	100%	Provision of e-commerce sales services
Hangzhou Kangtao Information Technology Co., Ltd.^ (杭州康淘信息技術有限公司)	Hongyun Jiukang	100%	Provision of Internet information services
Beijing Zichen Zhengyang Technology Co., Ltd.^ (北京紫宸正陽科技有限公司)	Hongyun Jiukang	100%	Provision of Internet information services
Alibaba Health Modeling Technology (Hangzhou) Co., Ltd.^ (阿里健康建模科技(杭州)有限公司)	Hongyun Jiukang	100%	Provision of Internet information services and research

Summary of the major terms of the Contractual Arrangements

As at March 31, 2025, there are two sets of ongoing Contractual Arrangements in place:

(i) in respect of Hongyun Jiukang, entered into among the WFOE (as the Company's subsidiary), Hongyun Jiukang (as the Opco), and Beijing Jiukangbao (as the Registered Owner); and

(ii) in respect of Alibaba Health Hebei, entered into among the WFOE (as the Company's subsidiary), Alibaba Health Hebei (as the Opco), and Beijing Jiukangbao (as the Registered Owner).

Each of the above sets of Contractual Arrangements includes substantially similar terms and a brief summary of the major terms are set out below:

(1) Exclusive Service Agreements (獨家服務協議)

Pursuant to the exclusive service agreements (the "**Exclusive Service Agreements**"), the relevant Opco agreed to engage the WFOE as its exclusive provider of technical support and consultancy services (the "**Technical Services**") in connection with the relevant Opco's business (to the extent permitted under the applicable PRC laws) in exchange for service fees. The service fees are fixed with reference to the actual content and commercial value of the Technical Services and the WFOE may, subject to mutual agreement, adjust the amount of service fees. Unless otherwise prescribed under the PRC laws and regulations and subject to limitations under the Exclusive Service Agreements, the WFOE shall have exclusive proprietary rights to any intellectual property (including but not limited to copyright, patent, technical secret and trade secret) in the work product developed by the WFOE or the relevant Opco in the course of the provision of services under the relevant Exclusive Service Agreement. Each of the Exclusive Service Agreements has a term of 20 years and will be automatically renewed for consecutive terms of one year upon expiry unless otherwise notified by the WFOE. The relevant Exclusive Service Agreement shall be terminated prior to expiration in the event that the business period of either the WFOE or the relevant Opco expires.

(2) Loan Agreements (借款協議)

Pursuant to the loan agreements (the "**Loan Agreements**"), the WFOE agreed to provide any interest-free loans to the relevant Registered Owner as capital contribution to the relevant Opco only and may not use such loans for other purposes without the consent of the WFOE. The Registered Owner, in return for the provision of loans, agreed to enter into an Equity Interest Pledge Agreement (as defined below) with the WFOE to pledge all of its equity interests in the relevant Opco as security. The term of each loan under the relevant Loan Agreement is 20 years from the effective date, or for a period until expiration of the business period of the WFOE or the relevant Opco, whichever is earlier. The Registered Owner shall repay the loan upon expiration of the term or any earlier time as may be determined by the WFOE at its absolute discretion. In such circumstances, unless otherwise prohibited by the applicable laws and regulations, the WFOE or its designee is entitled to acquire all equity interest held by the relevant Registered Owner in the relevant Opco for a consideration equal to the loan amount. The Registered Owner shall waive any pre-emptive rights upon transfer of equity interest in the relevant Opco to the WFOE. Any tax arising from the loan shall be borne by the Registered Owner and the WFOE in accordance with applicable PRC laws.

(3) Equity Interest Pledge Agreements (股權質押協議)

Pursuant to the equity interest pledge agreements (the "**Equity Interest Pledge Agreements**"), the Registered Owner agreed to pledge all their respective equity interests in the relevant Opco to the WFOE, as a security interest to guarantee the performance of contractual obligations and the payment of outstanding loans of the Registered Owner. Unless due to the intentional misconduct or gross negligence of the WFOE, the WFOE shall not be liable for any decrease in value of the pledged interests, and the Registered Owner shall not have any right to claim against the WFOE as a result of such decrease in value. However, in the event that the decrease in value of the pledged interests may jeopardize rights of the WFOE, or upon occurrence of default, the WFOE may auction or sell the pledged interests for and on behalf of the Registered Owner and allocate the money received for loan prepayment or deposit such money to the WFOE's local notary office. The pledge in respect of an Opco takes effect upon the completion of registration with the competent authority and shall remain valid until all the contractual obligations of the Registered Owner and the relevant Opco under the relevant set of Contractual Arrangements have been fully performed and that all outstanding loans have been fully repaid. During the period of the pledge, without the prior written consent of the WFOE, the Registered Owner shall not create or agree to create any new pledge or other security on the equity interests of the relevant Opco, nor assign or transfer any of the equity interests in the relevant Opco.

(4) Powers of Attorney on Shareholders' Voting Rights (股東表決權委託協議)

Pursuant to the powers of attorney on shareholders' voting rights (the "**Powers of Attorney on Shareholders' Voting Rights**"), the Registered Owner irrevocably appointed designee(s) of the WFOE, who are PRC nationals, to act as its attorney on its behalf to exercise all rights in connection with matters concerning its right as shareholder of the relevant Opco, including but not limited to: (a) attending the shareholders' meeting of the relevant Opco as representative of the relevant Registered Owner; (b) exercising shareholders' voting rights on resolutions at shareholders' meeting, including but not limited to, the designation and appointment of directors and other senior management that has to be appointed by the shareholders; (c) other matters decided or executed by the shareholders pursuant to the relevant constitutional documents; and (d) signing relevant documents when the relevant Registered Owner sell or transfer all or part of its equity interests pursuant to the Exclusive Option Agreements (as defined below). The Powers of Attorney on Shareholders' Voting Rights shall remain effective for 20 years and will be automatically renewed for consecutive terms of one year upon expiry unless otherwise notified by the WFOE. The Powers of Attorney on Shareholders' Voting Rights shall be terminated prior to expiration in the event that the business period of either the WFOE or the relevant Opco expires.

(5) Exclusive Option Agreements (獨家購買權協議)

Pursuant to the exclusive option agreements (the "**Exclusive Option Agreements**"), the Registered Owner agreed to irrevocably, unconditionally and exclusively grant an exclusive option to the WFOE so that the WFOE may elect to purchase, when permitted by the then applicable PRC laws, all or any part of the equity interests from the Registered Owner and/or all or any of the assets in the relevant Opco by themselves or through their designee(s). In the event that any of the options is exercised by the WFOE, the transfer price of the relevant equity interests and assets shall correspond to the registered capital amount and the net asset value, respectively, or the legal minimum price under the then applicable PRC laws (as the case may be). Subject to the applicable PRC laws, the Registered Owner shall transfer all the consideration it receives in relation to such transfer of equity interests and assets in the relevant Opco (or any proceeds resulting from the dissolution or winding up of the relevant Opco or any dividends or distributions received in the capacity of a Registered Owner) to the WFOE or its designee, after deduction of applicable taxes and government fees. Pursuant to the Exclusive Option Agreements, without the prior written consent of the WFOE, the Registered Owner shall not sell, transfer, mortgage or dispose of in any manner any assets of the relevant Opco (except in the ordinary course of business) or legal or beneficial interest in the business or revenues of the relevant Opco, allow the creation of any security interest thereon, or allow the alteration of the registered capital of the relevant Opco or merger of the relevant Opco with any other entity. The Exclusive Option Agreements shall remain effective from the execution date and terminate when all the equity interests and assets of the relevant Opco have been legally transferred to the WFOE or its designee in accordance with the terms of the relevant Exclusive Option Agreement.

Revenue and assets subject to the Contractual Arrangements

During the Reporting Period, the Group expanded the scale of investments and business operated under the Opcos, and revenues generated from and assets held through the Opcos had begun to form a material portion of the Group's total revenue and assets. The following table sets forth (a) revenue and (b) assets involved in the Opcos which are consolidated into the Group's financial statements pursuant to the Contractual Arrangements:

	Revenue (RMB'000) (proportionate % to the Group) For the financial year ended March 31, 2025	**Assets (RMB'000) (proportionate % to the Group) As at March 31, 2025**
Hongyun Jiukang	747,971 (2.44%)	3,130,192 (14.78%)
Alibaba Health Hebei	7,859 (0.03%)	55,602 (0.26%)

Reasons for using the Contractual Arrangements

As disclosed above, as the applicable PRC laws and regulations as detailed below in force restrict foreign investment in the Restricted Businesses and the operation of ICPs which are fundamental to the Group's business, the Group participates in the Restricted Businesses through the Contractual Arrangements.

According to the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (the "**FITE Regulations**"), the proportion of foreign equity ownership in the entity that provides commercial Internet information services shall not exceed 50%. Further, according to the FITE Regulations, subject to the foreign ownership restrictions as set out above, the significant foreign investor of an entity that provides commercial Internet information services must also be able to demonstrate good performance of and experience in operating a value-added telecommunication business. As the Company and its subsidiaries do not meet such qualification requirement, neither the Company nor any of its offshore subsidiaries is qualified to apply to any competent government authorities to establish a foreign invested telecommunication enterprise and obtain an ICP License to operate the Restricted Businesses. In the opinion of the Company's PRC legal advisers, the Contractual Arrangements do not violate applicable PRC laws and regulations.

Risks associated with the Contractual Arrangements and the actions taken by the Group to mitigate the risks

The Company's PRC legal advisers had advised us that while the Contractual Arrangements do not violate the applicable PRC laws and regulations, there are uncertainties regarding the interpretation and application of the currently applicable PRC laws, rules, and regulations. As such, the Group believes the following risks are associated with the Contractual Arrangements:

(i) If the PRC government finds that the Contractual Arrangements that allow us to consolidate the results of operations, assets and liabilities, and cash flows of the Opcos which operate the Restricted Businesses do not comply with applicable PRC laws and regulations, we could be subject to penalties and our business may be materially and adversely affected;

(ii) Certain terms of the Contractual Arrangements may not be enforceable under the PRC laws;

(iii) The Contractual Arrangements may not be as effective in providing control over the Opcos as equity ownership;

(iv) Any failure by the Opcos or the Registered Owner to perform their obligations under the Contractual Arrangements would potentially lead to us having to incur additional costs and expend material resources to enforce such arrangements, temporary or permanent loss of control over the Restricted Businesses and the revenue from these businesses;

(v) The Registered Owner may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition;

(vi) The Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and they may determine that the Company or the Opcos owe(s) additional taxes, which could negatively affect the Group's financial condition and the value of the Shareholders' investment;

(vii) If any of the WFOE or the Opcos becomes the subject of a bankruptcy or liquidation proceeding, we may lose the ability to use and enjoy certain important assets, which could materially and adversely affect our business;

(viii) The Company's exercise of the option to acquire the equity interests of the Opcos may be subject to certain limitations and the ownership transfer may incur substantial costs;

(ix) The Company does not have any insurance which covers the risks relating to the Contractual Arrangements and the transactions contemplated thereunder; and

(x) The Group's current corporate structure and business operations may be affected by the Foreign Investment Law.

The Group has adopted the following measures to ensure the effective internal control and operation of the Group with the implementation of the Contractual Arrangements and the compliance with the Contractual Arrangements:

(i) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;

(ii) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

(iii) the Company will disclose the overall performance of and compliance with the Contractual Arrangements in its annual reports; and

(iv) the Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of the WFOE and the Opcos to deal with specific issues or matters arising from the Contractual Arrangements.

Material changes in the foreign ownership restriction requirements

The Contractual Arrangements have been put in place purely to allow the Group to comply with the foreign ownership restrictions under FITE Regulations. Save as disclosed, during the Reporting Period, there was no other material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and none of the Contractual Arrangements had been unwound as the regulatory restrictions that led to their adoptions were not removed.

Listing Rules implications

Upon further enquiries and review of Alibaba Group, the Company was informed that there was an additional layer of contractual arrangements among the Five Individuals, the PRC GP, the PRC LPs and a wholly-owned subsidiary of Alibaba Group, pursuant to which Alibaba Group obtained effective control over, and received all the economic benefits of the PRC GP, the PRC LPs, the PRC Investco and Beijing Jiukangbao (the "**Additional VIE Arrangement**"). Accordingly, each of the PRC GP, the PRC LPs, the PRC Investco and Beijing Jiukangbao is consolidated into the financial statements of Alibaba Group under the VIE Structure Enhancement for accounting treatment purpose. As at March 31, 2025, Alibaba Holding is the ultimate shareholder of Perfect Advance, TBH and Ali JK, which are the substantial shareholders and connected persons of the Company, and holds approximately 63.83% of the issued share capital of the Company via Perfect Advance, Alibaba Investment and Ali JK. As such, Beijing Jiukangbao became a connected person of the Company by virtue of it becoming an associate of Alibaba Holding and, subsequent to the Restructuring, the continuing transactions under the Contractual Arrangements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that it is inappropriate for the Company to (i) set an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; or (ii) limit the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules on the following grounds:

(i) the Previous Contractual Arrangements has been in place since in or around mid-2016 and the Contractual Arrangements have terms substantially consistent with those of the Previous Contractual Arrangements, and all necessary factual information about the Contractual Arrangements have been disclosed in the annual reports;

(ii) the Contractual Arrangements and the transactions contemplated thereunder are fundamental to the Group's legal structure and business operations as the adoption of the Contractual Arrangements enables the Group to continue, through the WFOE, to maintain effective control over, and receive all the economic benefits generated by, the businesses operated by the Opcos, which in turn hold the ICP Licenses and operate the Restricted Businesses;

(iii) the Contractual Arrangements are for fixed terms and for a fixed period, and are entered into for the benefit of the Group, and unlike typical connected transactions, since the Registered Owner acts as shareholder of the Opcos to facilitate the arrangements whereby economic benefits from the Opcos are transferred to the Company, there is no concern of leakage of economic benefits to connected persons to the detriment of minority shareholders of the Company under the Contractual Arrangements;

(iv) the Directors (including the independent non-executive Directors), consider that the Contractual Arrangements are on normal commercial terms or on terms more favourable to the Group, in the ordinary and usual course of business of the Group and are fair and reasonable or to the advantage of the Group, and are in the interests of the Company and the Shareholders as a whole; and

(v) the Company believes that it will not be in the interests of the Company and the Shareholders to set any annual cap on the amounts of fees payable to the Company under the Contractual Arrangements.

Pursuant to Rule 14A.52 of the Listing Rules, the Group has obtained the opinion from an independent financial adviser, pursuant to which the independent financial adviser considers that in relation to the Contractual Arrangements, (i) the continuing connected transactions in respect of the Contractual Arrangements have been entered into in the Group's ordinary and usual course of business on normal commercial terms, on terms that are fair and reasonable, and in the interest of the Company and the Shareholders as a whole; (ii) a term of longer than three years is required for the Contractual Arrangements; and (iii) it is normal business practice for the Contractual Arrangements to be of such duration exceeding three years. For details, please refer to the announcement of the Company dated June 30, 2023:

(i) no change without independent non-executive Directors' approval;

(ii) no change without independent Shareholders' approval;

(iii) the Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Opcos; and

(iv) the Group will disclose details relating to the Contractual Arrangements on an ongoing basis.

Confirmation from the independent non-executive Directors

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

(i) the transactions carried out during the Reporting Period have been entered into in accordance with the relevant provisions of the Contractual Arrangements;

(ii) no dividends or other distributions have been made by the Opcos to Beijing Jiukangbao which are not otherwise subsequently assigned or transferred to the Group during the Reporting Period; and

(iii) any contracts entered into between the Group and the Opcos during Reporting Period are fair and reasonable, or advantageous to the Shareholders, so far as the Group is concerned and in the interests of the Company and the Shareholders as a whole.

The independent non-executive Directors have reviewed the aforesaid continuing connected transactions for the year ended March 31, 2025 (excluding the Contractual Arrangements) and confirmed that these transactions have:

(i) been entered into in the ordinary and usual course of business of the Group;

(ii) been conducted on normal commercial terms or better; and

(iii) been conducted in accordance with the relevant agreements governing them on the terms that are fair and reasonable and in the interests of the Shareholders as a whole.

In respect of the continuing connected transactions (the "**Transactions**"), Ernst & Young, the Company's auditor, has been engaged to report whether anything has come to their attention that causes them to believe that:

(i) the Transactions have not been approved by the Company's board of directors;

(ii) for those Transactions that involve provision of goods or services by the Group, the Transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) the Transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

(iv) the Transactions (other than those transactions with the Registered Owner and the Opcos under the contractual arrangements) have exceeded the annual cap as set by the Company; and

(v) for those Transactions with the Registered Owner and the Opcos under the contractual arrangements, dividends or other distributions have been made by the Opcos to the holders of the equity interests of the Opcos which are not otherwise subsequently assigned or transferred to the Group.

The Company's auditor has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions for the year ended March 31, 2025:

(i) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors;

(ii) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

(iv) with respect to the aggregate amount of each of the aforesaid continuing connected transactions, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company; and

(v) with respect to the disclosed continuing connected transactions with the Registered Owner and the Opcos under the contractual arrangements, nothing has come to the auditor's attention that causes the auditor to believe that dividends or other distributions have been made by the Opcos to the holders of the equity interests of the Opcos which are not otherwise subsequently assigned or transferred to the Group.

DIRECTORS' REPORT

RELATED PARTY TRANSACTIONS

During the Reporting Period, save as disclosed in note 33 to the consolidated financial statements, the Group had no material transactions with its related parties.

The Directors have conducted review of such related party transactions of the Group during the Reporting Period. All the related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, and the Company has complied with the relevant connected transaction requirements under Chapter 14A of the Listing Rules in respect of those connected transactions or continuing connected transactions. The Directors were not aware of any transactions requiring disclosure of connected transactions in accordance with the Listing Rules except for those disclosed in this report.

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 Reporting Period.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Reporting Period. The Company has taken out and maintained appropriate insurance coverage in respect of potential legal actions against the Directors and officers of the Company.

DONATIONS

During the Reporting Period, the Group made charitable and other donations totaling RMB0.26 million.

MAJOR LEGAL PROCEEDINGS

During the Reporting Period, the Company had no major legal proceedings or arbitration. To the knowledge of the Directors, there were no major legal actions or claims that had not been concluded or may threaten our Company.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the Reporting Period and up to the date of this report, none of the Directors is considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group and has any other conflicts of interest, as required to be disclosed under the Listing Rules.

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in note 37 in the consolidated financial statements, there are no significant events of the Group subsequent to March 31, 2025 and up to the date of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDITOR

There have been no changes of auditor of the Company in any of the preceding three years. A resolution for the reappointment of Ernst & Young as auditor of the Company will be proposed at the forthcoming annual general meeting.

^ For identification purposes only

On behalf of the Board

ZHU Shunyan
Chairman

Hong Kong
May 19, 2025

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. SHEN Difan, aged 46, was appointed as an executive Director and chief executive officer of the Company on October 13, 2021 and November 28, 2023, respectively. He currently also serves as a director of certain subsidiaries of the Company. From October 2020 to November 28, 2023, he served as the chief operating officer of the Company. He has been a special assistant to the chairman of the board of directors of Alibaba Holding from March 2020 to October 2021. Mr. Shen was an executive Director and chief executive officer of the Company from March 2018 to March 2020. Prior to the previous term with the Company, he was the general manager of Alibaba Group's AliExpress business from March 2012 to March 2018, leading the rapid expansion of AliExpress and growing Alibaba Group's overseas brand influence. Mr. Shen had held various positions in Alibaba Group since he joined in 2004. Mr. Shen holds a Bachelor Degree in Computing from Yantai University in the PRC.

Mr. TU Yanwu, aged 47, was appointed as an executive Director on October 23, 2020. He has been the chief financial officer of the Company since April 2020, and is responsible for the overall financial management and the formulation and implementation of the Group's strategies. Prior to that, Mr. Tu was a senior finance director of the Group from September 2019 to March 2020, and was seconded to Guizhou Ensure Chain Pharmacy Company Limited^ (貴州一樹連鎖藥業有限公司) to act as its chief financial officer and senior vice president from October 2018 to August 2019. Before joining the Group, Mr. Tu was the finance director of WuXi AppTec Co., Ltd.^ (無錫藥明康德新藥開發股份有限公司) ("**WuXi AppTec**") from December 2015 to September 2018, where he led the accounting and reporting team since the delisting of WuXi PharmaTech (Cayman) Inc. from the New York Stock Exchange through the initial public offering and listing of WuXi AppTec on the Shanghai Stock Exchange. From April 2008 to April 2015, Mr. Tu held various finance positions at different departments of General Motors, including being in charge of special projects in the Asia-Pacific region and holding financial reporting and management positions in the North American region. Mr. Tu also had over five years of experience in auditing at Arthur Anderson and PricewaterhouseCoopers in Shanghai where he led the audit team to work on initial public offering and listing projects across different industries. Mr. Tu obtained a Bachelor of Arts Degree in Economics and Business Administration in June 2001 from Fudan University in the PRC and he is also a member of the Chinese Institute of Certified Public Accountants.

Mr. ZHU Shunyan, aged 54, was appointed as an executive Director and the chairman of the Board on March 16, 2020 and has been re-designated from an executive Director to a non-executive Director with effect from September 1, 2024. He is currently the chairman of the nomination committee of the Company (the "**Nomination Committee**"). For details of the biographical information of Mr. Zhu, please refer to the paragraph headed "Non-Executive Directors" in this section.

NON-EXECUTIVE DIRECTORS

Mr. ZHU Shunyan, aged 54, is currently a non-executive Director, the chairman of the Board and the chairman of the Nomination Committee. Mr. Zhu was appointed as an executive Director and the chairman of the Board on March 16, 2020 and has been re-designated from an executive Director to a non-executive Director with effect from September 1, 2024. From March 16, 2020 to November 28, 2023, he served as the chief executive officer of the Company. Mr. Zhu was a partner of the Alibaba Partnership and the President of the Innovation Initiatives Segment of the ultimate controlling shareholder of the Company, Alibaba Group Holding Limited ("**Alibaba Holding**", with its American depositary shares, each representing eight ordinary shares, listed on the New York Stock Exchange (stock symbol: BABA), and its ordinary shares listed on the Main Board of the Stock Exchange (stock code: 9988 (HKD Counter) and 89988 (RMB Counter)), together with its subsidiaries, "**Alibaba Group**"). He was a director of Meinian Onehealth Healthcare Holdings Co., Ltd.^ (美年大健康產業控股股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 2044) from May 2020 to October 2021. Prior to joining Alibaba Group, Mr. Zhu founded Wuhan Xuncai Technology Co., Ltd.^ (武漢迅彩科技公司) in 2003. He joined the founding team of UC Browser in 2007 as senior vice president, and was responsible for the marketing and commercialization of UC Browser. The business of UC Browser was acquired by Alibaba Group in June 2014. Subsequently, Mr. Zhu had served as (i) the president of Alimama Business Group; (ii) the president of UC Browser; (iii) the president of New Media Businesses of Alibaba Digital Media & Entertainment Business Group, responsible for the business departments of UC Browser, Alibaba Music and Innovation Business; and (iv) the president of the Intelligent Information Business Group. Mr. Zhu obtained a Bachelor of Science Degree in Mathematics in 1993 from Yanshan University in the PRC. He obtained a Master Degree in Computing Software in 1996 from Huazhong University of Science and Technology in the PRC.

Ms. HUANG Jiaojiao, aged 43, was appointed as a non-executive Director on May 15, 2023. She is currently a member of the remuneration committee of the Company (the "**Remuneration Committee**"). Ms. Huang has extensive experience in financial management. She has worked at Alibaba Holding since December 2017 and is currently its senior finance director. Prior to that, she was the senior finance manager of Alibaba Group from February 2012 to April 2016. Before joining Alibaba Group, Ms. Huang worked at the Shanghai branch of KPMG Huazhen LLP from August 2004 to February 2012 with her last position as audit manager. She obtained a Bachelor's degree of Management majoring in Accounting in July 2004 from the Shanghai University of Finance and Economics in the PRC.

Mr. XU Haipeng, aged 38, was appointed as a non-executive Director on October 19, 2023. Mr. Xu has been serving as the business head on platform user operation and interaction at the User Development and Operation Center of the Taobao and Tmall business group within Alibaba Group since March 2022. Mr. Xu also served as the product head of merchant platforms under Taobao business group's product and content ecosystem division from December 2019 to February 2022. Within the Tmall business group, Mr. Xu served as the head of marketing products in the marketing platform business division from February 2017 to November 2019, and was responsible for marketing products at the products technology department from March 2011 to January 2017. Mr. Xu obtained a bachelor's degree in industrial design in June 2008 from Qilu University of Technology in the PRC, and a master's degree in art design in March 2011 from the East China University of Science and Technology in the PRC.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. HUANG Yi Fei (Vanessa), aged 51, was appointed as an independent non-executive Director on June 9, 2019. She is currently the chairman of the Remuneration Committee and a member of the audit committee of the Company (the "**Audit Committee**"). Ms. Huang is currently a General Partner at BVCF Management Ltd. Ms. Huang has over 20 years of investment banking experience in the United States and Hong Kong. Prior to joining BVCF, she was Head of Emerging Asia Healthcare Investment Banking at J.P. Morgan. During her time in investment banking, Ms. Huang worked with companies and investors across Asia Pacific as well as global multinational companies and institutional investors. Her coverage included all subsectors of healthcare including pharmaceutical, biotech, medtech and services. She advised on multiple cross-border mergers and acquisitions and different stages of capital raising. Ms. Huang is a member of the Biotech Advisory Panel of the Stock Exchange and a member of the Admission Panel of the Incu-Bio Incubation Programme of the Hong Kong Science and Technology Parks Corporation. Ms. Huang holds a Master of Business Administration from The Wharton School, University of Pennsylvania in the United States of America. Ms. Huang has been a member of the InnoHK Steering Committee since February 2023. With effect from November 2024, she has also been appointed as a member of Steering Committee of the Research, Academic and Industry Sectors One-plus Scheme (the "**RAISe+ Scheme**"). The Steering Committee is set up to advise the Hong Kong government on the implementation of the RAISe+ Scheme, and make recommendations to the Commissioner for Innovation and Technology on approval of applications under the RAISe+ Scheme.

Dr. SHAO Rong, aged 62, was appointed as an independent non-executive Director on August 11, 2023. She is currently a member of each of the Audit Committee and the Nomination Committee. Dr. Shao has extensive experience in the pharmaceutical industry. She currently holds various positions in China Pharmaceutical University of the PRC, serving as the executive deputy director of its Research Center of National Drug Policy and Ecosystem and the executive dean of its Institute of Drug Regulatory Sciences, in charge of regulatory science disciplines and research. Dr. Shao has been an independent non-executive director of YSB Inc., a company listed on the Main Board of the Stock Exchange (stock code: 9885), since June 2023. Dr. Shao has also been an independent director,of Jiangsu GDK Biotechnology Co., Ltd. (江蘇金迪克生物技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688670) and Shanghai InnoStar Bio-tech Co., Ltd., a company listed on the Science and Technology Innovation Board of Shanghai Stock Exchange on September 3, 2024 (stock code: 688710), since June 2020 and December 2023, respectively. She also served as an independent director at I-Mab, a company listed on the Nasdaq Global Market (stock symbol: IMAB) from June 2021 to June 2024. Dr. Shao obtained a Bachelor's degree in Medicinal Chemistry in July 1983 from Nanjing College of Pharmacy (currently known as China Pharmaceutical University) in the PRC, a second Bachelor's degree in Law in July 1989 from Nanjing University in the PRC and a PhD degree in Pharmacy in July 2010 from Shenyang Pharmaceutical University in the PRC. Dr. Shao is a qualified lawyer in the PRC, licensed by the Jiangsu Justice Department in 2009 and is a holder of a Professor Qualification Certificate awarded by the Jiangsu Provincial Department of Education in August 2003.

Ms. WU May Yihong, formerly named as Wu Ning, aged 57, was appointed as an independent non-executive Director on August 11, 2023. She is currently the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee. Ms. Wu has been an independent director and chairwoman of the audit committee of MakeMyTrip Limited, a company listed on Nasdaq (stock symbol: MMYT), since May 15, 2024. She has been an independent director of Noah Holdings Limited, a company listed on the New York Stock Exchange (stock symbol: NOAH) and the Main Board of the Stock Exchange (stock code: 6686) since November 2010. Since May 2017, Ms. Wu has been an independent non-executive director of Swire Properties Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1972). Ms. Wu worked at Homeinns Hotel Group, the shares of which were listed on Nasdaq (stock symbol: HMIN) from October 2006 to April 2016, where she served as their board adviser from July 2019 to May 2023, chief strategy officer from May 2010 to June 2019 and chief financial officer from July 2006 to April 2010. Ms. Wu obtained a Bachelor's degree in Biochemistry in July 1989 from Fudan University in the PRC, a Master's degree of Arts in Economics in June 1993 from the Brooklyn College of the City University of New York, and a Master's degree in Business Administration in June 1998 from the J.L. Kellogg Graduate School of Management (currently known as Kellogg School of Management) of Northwestern University in the United States of America.

Save as disclosed in this report, none of the Directors (i) has any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders; (ii) holds any directorship in any other Hong Kong or overseas listed public companies in the last three years; or (iii) holds any other positions with the Company or other members of the Group. For details of the interests and short positions of the Directors in the share capital and underlying shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, please refer to the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" in this report. Further, save as disclosed in this report, there is no other matter with respect to the Directors that needs to be brought to the attention of the Shareholders and there is no other information of the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

JOINT COMPANY SECRETARIES

Ms. DENG Yan was appointed as one of the joint company secretaries of the Company on August 12, 2023. Ms. Deng has been a qualified lawyer in the PRC since March 2013. She has more than 20 years of working experience and has extensive experience in the legal field. She first joined the Group as senior legal counsel in December 2016 and has been the general counsel of the Group since June 2019 and is responsible for leading the legal and compliance department of the Group and overseeing all legal and compliance matters of the Company. Prior to joining the Group, Ms. Deng was the legal counsel at the legal and compliance department of Alibaba Group from June 2014 to December 2016 and was responsible for handling legal matters related to the food, drug and medical devices sold on Tmall and Taobao platforms. Prior to joining Alibaba Group, from March 2003 to June 2014, she worked in multiple positions at Beijing Haihong Pharmacy E-Commerce Company Limited^ (北京海虹藥通電子商務有限公司), a wholly-owned subsidiary of Searainbow Holding Corp. (海虹企業(控股)股份有限公司) (currently known as China Reform Health Management and Services Group Co., Ltd (國新健康保障服務集團股份有限公司) which is a company listed on the Shenzhen Stock Exchange (stock code: 000503), with her last position as deputy general manager. She obtained a Bachelor's degree in Law in June 2003 from the Minzu University of China in the PRC and a Master's degree in Civil and Commercial Law in January 2011 from Peking University in the PRC.

Ms. TSUI Hiu Leong was appointed as one of the joint company secretaries of the Company on August 12, 2023. Ms. Tsui joined the Company in January 2023 as a legal counsel. Ms. Tsui has extensive experience in advising listed companies on mergers and acquisitions, corporate finance and compliance of the Listing Rules and securities and corporate laws. Prior to joining the Company, she worked for Guantao & Chow Solicitors and Notaries as a practising solicitor from 2018 to 2022. Ms. Tsui obtained a Bachelor's degree in Law from Jinan University in the PRC, a Master's degree in Common Law from The University of Hong Kong and a Bachelor's degree in Law from Manchester Metropolitan University in the United Kingdom. She was admitted as a solicitor of the High Court of Hong Kong in 2018 and is currently a member of the Law Society of Hong Kong.

^ For identification purposes only

The Company strives to attain and maintain high standards of corporate governance continuously to enable its shareholders to evaluate how the principles of corporate governance have been applied, as it believes that effective corporate governance practices are fundamental to safeguarding the interests of its shareholders and other stakeholders, and to enhancing shareholder value.

In the opinion of the Board, throughout the Reporting Period, the Company has complied with the code provisions ("**Code Provision(s)**") set out in the Corporate Governance Code (the "**CG Code**") under Appendix C1 to the Listing Rules, except in respect of the following matters:

Code Provision D.1.2 stipulates that management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. The Company from time to time, based on business needs and conditions, provides to the Board up-to-date business information and convenes ad hoc meetings for considering material business or management issues, so as to enable the Directors and the Board as a whole to discharge their duties.

THE BOARD

Composition

As at March 31, 2025 and up to the date of this report, the Board comprised eight Directors, including (i) two executive Directors, namely Mr. SHEN Difan and Mr. TU Yanwu (Mr. ZHU Shunyan was re-designated from an executive Director to a non-executive Director with effect from September 1, 2024); (ii) three non-executive Directors, namely Mr. Zhu Shunyan (re-designated from an executive Director to a non-executive Director with effect from September 1, 2024), Ms. HUANG Jiaojiao and Mr. XU Haipeng; and (iii) three independent non-executive Directors, namely Ms. HUANG Yi Fei (Vanessa), Dr. SHAO Rong and Ms. WU May Yihong. The name and biographical details of each Director are disclosed on pages 70 to 74 of this report.

The non-executive Directors and the independent non-executive Directors are appointed for a term of one year and their respective appointment shall be renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of their appointment unless terminated by the Company in accordance with the term of their appointment letters and the provisions of the bye-laws of the Company, respectively.

During the year ended March 31, 2025 and up to the date of this report, all Directors have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for the efficient and effective delivery of the Board's functions. The independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

Each independent non-executive Director, pursuant to the guidelines set out in rule 3.13 of the Listing Rules, has confirmed he/she had been independent of the Company throughout the year ended March 31, 2025 and up to the date of this report, and the Company also considers that they have been independent. Each independent non-executive Director is subject to the requirement that one-third of all the Directors shall retire from office by rotation at each annual general meeting pursuant to the bye-laws of the Company. Save as disclosed in the section headed " "Biographical Information of Directors and Senior Management" of this report, there is no relationship (including financial, business, family or other material or relevant relationship) between each Director (including independent non-executive Director) and the other members of the Board or the senior management and between the Chairman and the Chief Executive Officer.

Function

The key responsibilities of the Board include, among other things, formulating the Group's overall strategies, setting any major acquisition and disposal, major capital investment and dividend policies, regulating and reviewing internal controls, formulating the Company's corporate governance policy, supervising management's performance and reviewing the adequacy of the Group's resources.

In addition, the Board reserves the authority to make final decisions for all major matters of the Company, which include among others, approving and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, adoption of various corporate governance policies, dividend payout (if any), preparation and release of financial information, material and connected transactions, appointment of Directors and other significant financial and operational matters.

In order to enhance efficiency, the Board has delegated the day-to-day responsibilities, operations and decisions to the executive Directors and the senior management of the Company who perform their duties under the leadership of the Chief Executive Officer of the Company.

The independent non-executive Directors play a significant role on the Board by virtue of their independent judgment and their views carry significant weight in the Board's decisions. They bring an impartial view on issues of the Company's strategies, performance and controls.

The Company views that well-developed and timely reporting systems and internal controls are essential, and the Board plays a key role in the implementation and monitoring of internal financial controls.

The Board recognizes that corporate governance should be the collective responsibility of Directors and their corporate governance duties include:

(a) to develop and review the Company's policies and practices on corporate governance and to make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and

(e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the Reporting Period, the Board has performed the above corporate governance duties.

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer of the Company are separate with a clear and well-established division of responsibilities. The Chairman of the Board, Mr. ZHU Shunyan, is responsible for the leadership and effective running of the Board. The Chief Executive Officer of the Company, Mr. SHEN Difan, is responsible for the day-to-day management of the Company's business. The Company had been in compliance with the requirements under the Code Provision C.2.1 of separating the roles of the chairman and the chief executive officer during the Reporting Period and to the date of this report.

The Board held five Board meetings during the Reporting Period. Agenda and accompanying board papers were sent to all Directors in a timely manner. Directors who could not attend in person could participate through electronic means of communications. Individual attendance of each Director at the Board meetings, Board Committee meetings and general meetings during the Reporting Period are set out in the table below:

Directors	Annual General Meeting	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting
Executive Directors					
Mr. SHEN Difan	1/1	5/5	N/A	N/A	N/A
Mr. TU Yanwu	1/1	5/5	N/A	N/A	N/A
Non-executive Directors					
Mr. ZHU Shunyan *(Chairman)*	1/1	5/5	N/A	N/A	2/2
Ms. HUANG Jiaojiao	1/1	5/5	N/A	2/2	N/A
Mr. XU Haipeng	1/1	5/5	N/A	N/A	N/A
Independent Non-executive Directors					
Ms. HUANG Yi Fei (Vanessa)	1/1	5/5	2/2	2/2	N/A
Dr. SHAO Rong	1/1	5/5	2/2	N/A	2/2
Ms. WU May Yihong	1/1	5/5	2/2	2/2	2/2

Directors' Training

Each newly-appointed Director is offered training by the Company upon his or her appointment, so as to ensure that they have appropriate understanding of the Company's business and they are aware of their duties as directors under the applicable laws and regulations.

Pursuant to Code Provision C.1.4, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the Reporting Period, all of the following Directors participated in continuous professional development by attending seminar or by self-studying of materials on topics related to corporate governance, regulations and business:

Executive Directors

Mr. SHEN Difan	Attend seminar and self-study
Mr. TU Yanwu	Attend seminar and self-study

Non-executive Directors

Mr. ZHU Shunyan	Attend seminar and self-study
Ms. HUANG Jiaojiao	Attend seminar and self-study
Mr. XU Haipeng	Attend seminar and self-study

Independent Non-executive Directors

Ms. HUANG Yi Fei (Vanessa)	Attend seminar and self-study
Dr. SHAO Rong	Attend seminar and self-study
Ms. WU May Yihong	Attend seminar and self-study

Board Committees

During the Reporting Period, the Company maintained the Audit Committee, the Nomination Committee and the Remuneration Committee in compliance with the Listing Rules and the relevant Code Provisions.

Remuneration Committee

During the Reporting Period, the Remuneration Committee comprised Ms. HUANG Yi Fei (Vanessa) (Chairman), Ms. HUANG Jiaojiao, and Ms. WU May Yihong with specific terms of reference which clearly deals with its authority and duties.

The main duties of the Remuneration Committee include:

(a) to make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and other remuneration related matters and on the establishment of a formal and transparent procedure for developing the remuneration policy;

(b) to assess the performance of executive Directors and approve the terms of executive Directors' service contract and make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);

(c) to make recommendations to the Board on the remuneration of non-executive Directors;

(d) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and

(e) to review, provide its view on and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules (including but not limited to any change to the terms of share options or awards granted to the Directors and the management of the Company).

The Remuneration Committee held two meetings during the Reporting Period. The Remuneration Committee discussed and made recommendations on the remuneration to be paid to the Directors for the Reporting Period, and the grant of share options and restricted share units under the 2014 Share Award Scheme and 2024 Share Award Scheme.

According to the 2014 Share Award Scheme and 2024 Share Award Scheme, the Board or the Remuneration Committee (as the case may be) is entitled to impose any terms and conditions as it deems appropriate in its absolute discretion with respect to the vesting of the Options provided that the vesting period for the Options shall not be less than 12 months unless under specific circumstances set out in the Share Award Scheme. During the Reporting Period, some of the Share Awards granted to the grantees during the Reporting Period have a vesting period that is less than 12 months due to administrative reasons. The period between the date of grant and the first vesting date is less than 12 months to reflect the time from which the Share Awards would have been granted to the grantees. The Share Awards granted during the Reporting Period are generally not subject to performance targets but are subject to the clawback mechanism in which any circumstances as specified in the respective grant letter shall arise, which include among others, the termination of the grantee's employment or service by the Company or any of its subsidiaries by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, the grantee has committed an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or the commission of a criminal offence or any conduct that is materially adverse to the name, reputation or interests of the Group, the Share Awards granted but unvested will automatically lapse and not be exercisable (with regard to share options), in respect of the underlying Shares with effect upon the occurrence of the relevant circumstances.

Having considered that (i) the grantees are Directors, directors of subsidiaries of the Company, employees of the Company and employees of affiliate(s) of the Company and the grant of Share Awards would provide them with the opportunity to acquire equity interests in the Company as recognition of their contribution to the success and development of the Group, and (ii) the Share Awards vest over a certain time period on a yearly basis which motivates them to remain with, and to strive for the future development and expansion of, the Group and the Remuneration Committee considered that performance targets are not necessary for the Share Awards granted.

Having considered the above, the Remuneration Committee was of the view that it is appropriate to approve the grant of Share Awards on such terms to the grantees as it would encourage them to work towards the success of the Group and reinforce their commitment to providing long term services to the Group, which aligns with the interests of the Company and its shareholders and is in line with the purpose of the 2014 Share Award Scheme and 2024 Share Award Scheme.

Audit Committee

During the Reporting Period, the Audit Committee comprised Ms. WU May Yihong (Chairman), Ms. HUANG Yi Fei (Vanessa) and Dr. SHAO Rong with specific terms of reference which clearly deals with its authority and duties.

The main duties of the Audit Committee include:

(a) to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions in relation to its resignation or dismissal;

(b) to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;

(c) to review the half-year and annual financial statements and annual and interim reports and accounts before submission to the Board;

(d) to discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss;

(e) to review the external auditor's management letter, any material queries raised by the auditor to the management about the accounting records, financial accounts or systems of control and management's response;

(f) to review the Company's financial controls, risk management systems and internal control systems;

(g) to review and monitor the effectiveness of the internal audit function, and ensure coordination with the external auditor, and ensure the internal audit function has adequate resources and appropriate standing within the Company;

(h) to discuss the risk management and internal control system with management to ensure that management has performed its duty to have an effective system. This discussion should include the adequacy of resources, staff qualifications and experience, training program and budget of the Company's accounting and financial reporting function;

(i) to report on how it met its responsibilities in its review of the interim and annual results of the Company; and

(j) to consider the major investigation findings on risk management and internal control matters and management's response to these findings (if any).

The Audit Committee held two meetings during the Reporting Period. The Audit Committee reviewed the financial statements of the Company for the Corresponding Period and for the six months period ended September 30, 2024, re-appointment of Ernst & Young as auditor of the Company, internal controls and risk management system and Ernst & Young's audit plan for the Reporting Period, and made relevant recommendations to the Board for its approval.

During the Reporting Period, a specialized internal audit function carried out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems.

Nomination Committee

The Nomination Committee comprised Mr. ZHU Shunyan (Chairman), Dr. SHAO Rong and Ms. WU May Yihong with specific terms of reference which clearly deals with its authority and duties.

The main duties of the Nomination Committee include:

(a) to review the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to identify individuals suitably qualified to become members of the Board and to select or to make recommendations to the Board on the selection of individuals nominated for directorships;

(c) to assess the independence of the independent non-executive Directors; and

(d) to make recommendations to the Board on the appointment, re-appointment or removal of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive officer of the Company.

The Nomination Committee held two meetings during the Reporting Period. The Nomination Committee, identified and nominated qualified individual(s) for appointment as additional Director(s) or to fill Board vacancies as and when they arise, assessed the independence of the independent non-executive Directors, reviewed the retirement schedule, made recommendations on the retirement and re-election of Directors and reviewed the composition, size and diversity of the Board.

NOMINATION POLICY

The Board has adopted a nomination policy which sets out the criteria and process in the nomination and appointment of Directors. Below are the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship.

Selection Criteria

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
- any measurable objectives adopted for achieving diversity on the Board;
- (in case of independent non-executive Directors) requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- any other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning.

Directors Nomination Procedures

The Board has the relevant procedures for Directors' nomination which are pursuant to the Listing Rules and the Company's bye-laws as detailed below.

(a) Appointment of New Director

The Nomination Committee or the company secretary of the Company shall call for a meeting of the Nomination Committee upon receipt of any nominations of candidates. The Nomination Committee should evaluate such candidate based on the selection criteria mentioned above to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship. For any person that is nominated by a Shareholder for election as a Director at the general meeting, the Nomination Committee and/or the Board should evaluate such candidate based on the same selection criteria as mentioned above to determine whether such candidate is qualified for directorship, and where appropriate, the Nomination Committee and/or the Board should make recommendation to the Shareholders in respect of the proposed election of Director at the general meeting. The Board should have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

(b) Re-election of Director at General Meeting

Retiring Directors are eligible for nomination by the Board to stand for re-election at the general meeting according to the bye-laws of the Company. The Nomination Committee and/or the Board should review the overall contribution and service of the retiring Director to the Company, his/her level of participation and performance on the Board and determine whether the retiring Director continues to meet the above selection criteria. The Nomination Committee and/or the Board should then make recommendation to the Shareholders in respect of the proposed re-election of Director at the general meeting.

BOARD AND WORKFORCE DIVERSITY

With effect from June 19, 2014, the Board adopted a board diversity policy setting out the approach to achieve diversity on the Board. The Board considered that the diversity of Board members can be achieved through the consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board. The Nomination Committee reviews the board diversity policy on a regular basis and discusses any revisions that might be required, and recommends to the Board for consideration and approval. An annual review of this policy for the Reporting Period has been conducted. The Board is satisfied with the implementation and effectiveness of the board diversity policy.

As at March 31, 2025, the Board comprised four males and four females, and among the 1,364 employees of the Group (including the senior management), the ratio of male to female staff was approximately 1:1. The Board considers that the Board, the Group's senior management and workforce are all diverse in terms of gender. At present, the Company has not set any measurable objectives for implementation of the diversity policies in relation to the Board members and the workforce of the Group (including gender diversity). However, the Company will consider and review from time to time such diversity policies (including gender diversity) and setting of any measurable objectives (if applicable).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code for securities transactions by the (i) Directors; and (ii) certain officers and employees of the Company or its subsidiaries that are considered to be likely in possession of unpublished inside information in relation to the Company or its securities, on terms not less exacting than those in the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

In response to specific enquiries made by the Company to all Directors, all Directors have confirmed that they have complied with the Model Code and the Company's code for securities transactions throughout the Reporting Period.

JOINT COMPANY SECRETARIES

During the Reporting Period, the joint company secretaries, Ms. Deng Yan and Ms. Tsui Hiu Leong, had taken relevant professional training for no less than 15 hours in accordance with the requirements of Rule 3.29 of the Hong Kong Listing Rules.

REMUNERATION OF SENIOR MANAGEMENT BY BAND

The remuneration of the senior management of the Company (namely three Directors, whose biographies are set out on page 70 of this report) during the Reporting Period falls under the following bands:

Band of remuneration (RMB)	**Number of individuals**
1,000,000 to 5,000,000	1
5,000,001 to 10,000,000	1
25,000,001 to 30,000,000	1

Further particulars of Directors' remuneration and the five highest paid employees of the Company as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in notes 7 and 8 to the consolidated financial statements respectively.

AUDITOR'S REMUNERATION

The remuneration paid to Ernst & Young for audit and non-audit services for the Reporting Period amounted to approximately RMB4,230,000 and RMB2,952,000, respectively. Such remuneration for audit services includes RMB80,000 as the fees rendered for the audit of internal control over financial reporting. The non-audit services provided by Ernst & Young to the Group were in relation to the review service on the interim results, limited assurance services on continuing connected transactions, other professional service related to the environmental, social and governance assessment, tax review service and transfer pricing review service.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board and the management of the Group maintain a sound and effective system of internal controls of the Group so as to ensure the effectiveness and efficiency of operations of the Group in achieving its established corporate objectives, safeguarding assets of the Group, rendering reliable financial reporting and complying with the applicable laws and regulations.

The Board is also responsible for making appropriate assertions on the adequacy of internal controls over financial reporting and the effectiveness of disclosure controls and procedures. Through the Audit Committee, the Board reviews the effectiveness of these systems. For the avoidance of doubt, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

It is also the Board's responsibility to review the effectiveness of the Group's risk management system and ensure that risk management controls are sound and effective to safeguard the investment of the Shareholders and the Group's assets at all times. In connection with this, the Board formed a risk management committee (the "**Risk Management Committee**") on November 23, 2016 to discharge its role in monitoring and in exercising oversight over the risk management of the Company.

During the Reporting Period, the Company has regularly monitored its transactions in the identifying potential connected transactions to ensure that connected transaction implications on VIE arrangements would be identified in a prompt manner, and relevant staff and management had also attended training on legal and compliance matters related to the Listing Rules.

The Audit Committee and the Board performed its annual review of the Group's risk management and internal controls for each financial year from April 1 to March 31 and concluded that for the Reporting Period, (a) the Group's risk management and internal control systems were effective and adequate; (b) the Group had adopted the necessary control mechanisms to monitor and correct non-compliance; and (c) the Group had complied satisfactorily with the requirements of the CG Code in respect of risk management and internal control systems.

SHAREHOLDER COMMUNICATION POLICY

Purpose

1. This policy aims at ensuring that the Shareholders, both individual and institutional, and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

CORPORATE GOVERNANCE REPORT

Communication Strategies

Communication with the Company

2. Shareholders may direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Company. Those questions, requests and comments can be sent by mail to the company secretary of the Company at 26/F, Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

3. Shareholders may direct their questions about their shareholdings by mail to the Company's Share Registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Corporate Website

4. The Company communicates to its Shareholders through announcements and interim and annual reports published on its website at http://www.irasia.com/listco/hk/alihealth/. The information on the website is updated on a regular basis.

5. Information released by the Company to the Stock Exchange is also posted on the Stock Exchange's website immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents etc.

Shareholders' meetings

6. The Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.

7. The process of the Company's general meetings will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served.

8. Board members, in particular, either the chairman of the Board or chairman of Board committees or their delegates, appropriate management executives and external auditor will attend annual general meetings to answer Shareholders' questions.

Upon reviewing the implementation and effectiveness of the Shareholders' communication policy of the Company, the Board considers the policy and its implementation are effective as the policy has provided effective channels for Shareholders, potential investors and other stakeholders of the Group to communicate their views with the Company and the Company has complied with the principles and required practices as set out in the policy as described above during the Reporting Period.

Shareholder Privacy

The Company recognizes the importance of the Shareholders' privacy and will not disclose Shareholders' information without their consent, except where required by applicable laws and regulations, any stock exchanges (including the Stock Exchange) or any governmental, judicial or relevant competent authorities.

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene a special general meeting

Shareholders, holding at the date of deposit of the requisition not less than one tenth of the paid-up capital of the Company carrying the right to vote at general meetings of the Company, shall at all times have the right by written requisition to the Board or the company secretary, to require a special general meeting (the "**SGM**") to be called by the Board for the transaction of any business specified in such requisition.

The requisitionists must state the purpose of the meeting and their contact details in the requisition, and sign and deposit the requisition at the principal place of business of the Company for the attention of the company secretary.

The SGM shall be held within two months from the deposit of the requisition. If the Board fails to proceed to convene the SGM within 21 days of such deposit, the requisitionists may convene the SGM by themselves in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda (as amended) (the "**Companies Act**").

Procedures for putting forward proposals at general meetings

Shareholders holding not less than 5% of the total voting rights of all Shareholders having a right to vote at the general meeting or not less than 100 Shareholders can submit a written request stating a resolution to be moved at the annual general meeting or a statement of not more than 1,000 words with respect to a matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.

The requisitionists must sign and deposit the written request or statement at the registered office of the Company and the principal place of business of the Company for the attention of the company secretary, not less than six weeks before the annual general meeting in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.

If the written request is in order, the company secretary will ask the Board to include the resolution in the agenda for the annual general meeting, as the case may be, to circulate the statement for the general meeting, provided that the requisitionists have deposited a sum of money reasonably determined by the Board sufficient to meet the expenses in serving the notice of the resolution and/or circulating the statement submitted by the requisitionists in accordance with the statutory requirements to all the registered Shareholders.

Procedures for sending enquiries to the Board

Shareholders may send their enquiries with sufficient contact details to the Board at the principal place of the business of the Company for the attention of the company secretary. When the written enquiries are in order, the Company will direct them to the Board.

CONSTITUTIONAL DOCUMENTS

Pursuant to a special resolution of the Shareholders passed on the annual general meeting of the Company held on August 30, 2024, the amended and restated bye-laws of the Company (the "**Amended Bye-Laws**") were adopted with effect from August 30, 2024 in order to, inter alia, (i) comply with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers to their securities holders and the relevant amendments to the Listing Rules which came into effect on December 31, 2023; (ii) allow the Company to hold and resale its shares as treasury shares in accordance with applicable laws of Bermuda and the recent amendments to the Listing Rules relating to treasury shares which became effective on June 11, 2024; and (iii) incorporate certain other consequential and housekeeping changes.

Details of the amendments are set out in the Company's circular dated July 30, 2024. The Amended Bye-Laws are available on the website of the Company and the website of the Stock Exchange.

DIVIDEND POLICY

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Board has the full discretion to declare and distribute dividends to the Shareholders, and any final dividend for a financial year will be subject to Shareholders' approval. In proposing any dividend payout, the Board shall also take into account, among other things, the Group's financial results, financial position, cash flow situation, business conditions and strategies, expected future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, any restrictions on payment of dividends and any other factors the Board may consider relevant. Any payment of the dividend by the Company is also subject to any restrictions under the Companies Act, the Company's bye-laws and all applicable laws and regulations.

MECHANISM ON OBTAINING INDEPENDENT VIEWS AND INPUT

The Board has adopted a mechanism on obtaining independent views and input in that the Board, Board committees or individual Directors may seek such independent professional advice, views and input as considered necessary to fulfil their responsibilities and in exercising independent judgement when making decisions in furtherance of their Directors' duties at the Company's expense.

Independent professional advice shall include legal advice and advice of accountants and other professional financial advisers on matters of law, accounting, tax and other regulatory matters.

Despite having obtained any information or advice from independent professional advisers, the Directors are expected to exercise independent judgement in forming their decisions.

All Directors are aware of this mechanism. An annual review of this mechanism for the Reporting Period has been conducted. The Board is satisfied with the implementation and effectiveness of this mechanism.

WHISTLEBLOWING POLICY

The Company's whistleblowing policy was adopted on November 29, 2022. The Company's whistleblowing policy 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 (or any designated committee comprising a majority of independent non-executive directors).

ANTI-CORRUPTION 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.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has in place a policy for the handling and disclosure of inside information in compliance with the SFO and the Listing Rules. The policy sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner so as to allow all the shareholders and stakeholders to assess the latest position of the Group.

Under the policy, if an employee is aware of any information which he/she thinks could potentially constitute inside information, the employee should consult his/her supervisor who should consider whether to report the matter to the chief financial officer or chief legal officer of the Company.

Directors regularly attend seminars and/or self-study materials on this subject matter to facilitate their understanding and compliancy with the policy.

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the Company's financial statements of the Group (the "**Financial Statements**") which give a true and fair view and are in accordance with Hong Kong Financial Reporting Standards published by the Hong Kong Institute of Certified Public Accountants. The Directors endeavor to ensure a balanced, clear and understandable assessments of the Group's performance, position and prospects in financial reporting. Accordingly, appropriate accounting policies are selected and applied consistently; judgments and estimates made are prudent and reasonable.

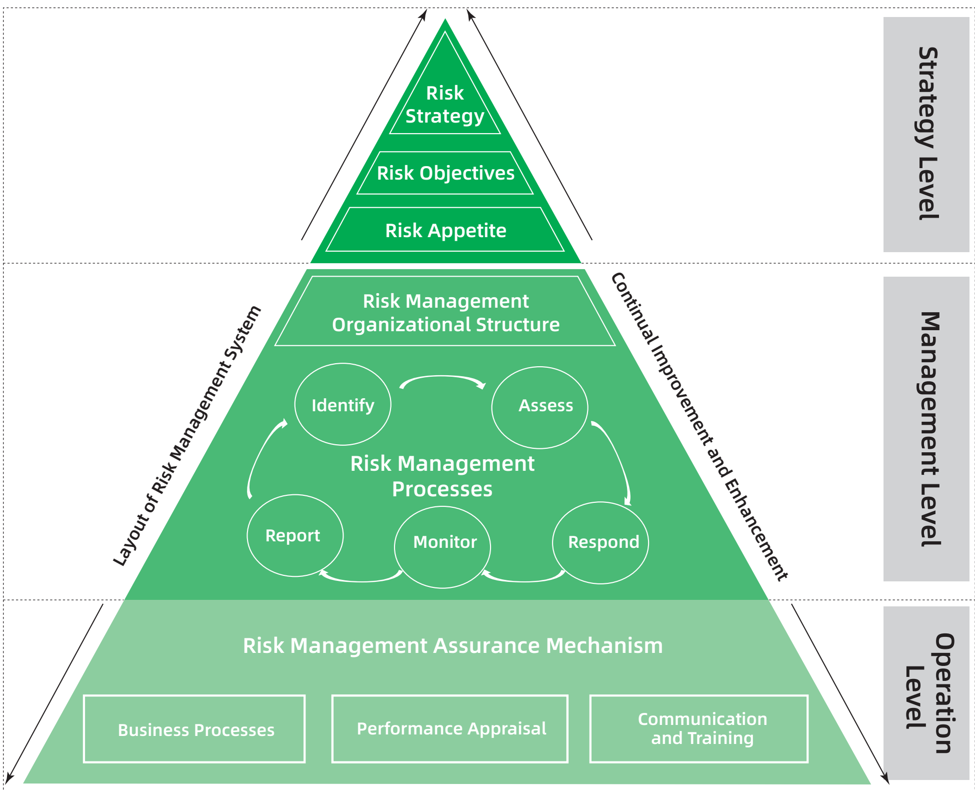
The statement of the Company's auditor about their reporting responsibilities on the Financial Statements is set out in the Independent Auditor's Report on pages 100 to 106 of this report.

1. RISK MANAGEMENT AND INTERNAL CONTROL

The Group considers risk management and internal control to be a core part of its operational management and business activities. The Group is committed to: (i) establishing a comprehensive risk management system that is in line with the Group's strategy and its specific business characteristics; (ii) continually optimizing its risk management organizational structure; (iii) enhancing its risk management processes; and (iv) adopting qualitative and quantitative risk management approaches to drive better identification, assessment and response of risks, to achieve a balance between risks and rewards, and to achieve sustainable development of the Group's businesses while appropriately managing risks.

2. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The risk management and internal control systems aim to support the Group in realizing its strategic objectives, vision and mission as well as the sustainable development of its business. The risk management objectives of "Strategy", "Operation", "Reporting" and "Compliance" can be achieved through risk identification, assessment, response and relevant monitoring measures. Risk management capability is one of our core competitive competencies, and we believe that implementing risk management and internal control systems over each business segment and every functional department across the Group will help enhance long-term shareholder value. The Group's risk management and internal control framework includes three levels: strategy, management and operation.



- **Risk Management Strategy**

  The Group's risk management strategy aims at "ensuring steady growth and sustainable development of the Group's businesses through continual optimization of the Group's risk management framework, capability and culture".

- **Risk Management Objectives**

  The Group's risk management objectives include: (1) strategic objective – to construct our risk management and internal control systems so that they are compatible with the Group's strategic objectives and business development, and support the achievement of its strategic goals and sustainable business development; (2) operational objective – to continuously improve the Group's risk management capabilities, thereby reducing uncertainties in the achievement of our operational goals, supporting our business expansion and innovative activities, and ensuring the efficiency and effectiveness of our operational activities; (3) reporting objective – to ensure the validity, accuracy and completeness of our financial and operation management reporting; and (4) compliance objective – to ensure compliance with both external regulatory requirements and internal management policies, standardize our operational management and business processes to maintain the legality and compliance of each business activity of the Company.

- **Risk Appetite**

  Risk appetite sets the tone for the Group's overall risk profile. Having adopted a prudent stance in the determination of its risk appetite, the Group integrates its development strategies with its risk appetite by taking into account its overall strategic deployment and the needs of each business segment, thereby facilitating the healthy operation and sustainable growth of the Group as well as each business line.

- **Risk Management Organizational Structure**

  The Group's risk management organizational structure has three levels: governance, management and execution. The risk management responsibilities and reporting relationships of the different levels are illustrated below.

- **Risk Management Processes**

  - Risk identification – based on the Group's strategic and operational objectives, management identifies uncertainties and risk exposures which could affect the Group in realizing its strategic and operational objectives in nine major areas, including strategy, operation, quality, customers service, finance, laws, human resources, information technology and data, and reputation.

  - Risk assessment – management and its management team evaluate and rate the identified risks based on the two dimensions of probability and impact and ranks them as "high", "moderate" or "low" based on the rating results.

  - Risk response – risk response strategies include risk avoidance, transfer, mitigation and acceptance. Based on the risk identification and assessment results, management adopts appropriate risk response strategy to design relevant measures to address the specific risk.

- Risk monitoring – risk monitoring is to oversee the implementation of risk response measures as well as to continuously improve the effectiveness of internal control activities, which includes ongoing monitoring during daily business operation and regular independent assessment.

- Risk reporting – risk reporting is to report on the effectiveness of the design and implementation of the risk management and internal control systems to the Group management, the Board, the Audit Committee and the Risk Management Committee.

- **Risk Management Assurance Mechanisms**

  - The Group's management actions for risk response include processes and internal control activities at the organizational, operational, financial reporting and IT system levels. The relevant processes and internal control activities have been recorded in internal control manuals and policies, which are published on our policy management platform as reference and learning materials for all employees. The Group also established a rules center to publicize policies and requirements in respect of the management of partners and businesses.

  - Risk management performance appraisal provides assurance for risk management implementation and the Group ensures implementation of its risk management strategies by raising all employees' risk awareness, standardizing internal control processes and adopting the accountability mechanism of all employees.

  - The Group ensures the implementation of operational procedures, policies and internal control activities through related communication and trainings on risk management and internal control, which may take such forms as centralized training sessions, seminars, on-job communication and instructions, online video courses, e-mail reminders and online examinations etc., covering content such as policies, internal control, legal and regulatory compliance, integrity, and data security management.

3. MAIN RISK MANAGEMENT AND INTERNAL CONTROL WORK CONDUCTED DURING THE REPORTING PERIOD

- During the Reporting Period, the Risk Management Committee held a meeting to review the risk management and internal control systems and reported to the Board. The tasks completed by the Risk Management Committee during the Reporting Period included:(1) discussion and review of the Group's findings on major risk identification and assessment, the risk management strategies and control measures in response to key risks; (2) discussion and review of the Risk Management and Internal Control Report required to be disclosed in the annual report for the Reporting Period; and (3) discussion and review of the work plan and key points of risk management and internal control work for the financial year ending March 31, 2026 ("FY2026") as well as the expected output and timetable etc.

- The Group's management and respective management teams identified uncertainties and risk exposures in nine major areas (including strategic risk, operational risk, quality risk, customer service risk, financial risk, legal risk, human resources risk, information technology and data security risk, and reputational risk); completed the ranking of the identified risks; discussed risk response proposals and measures, which formed the main basis for risk management and internal control work for the year.

- The Group has established the Operation and Management Committee, comprising the Chairman, the Chief Executive Officer, chief financial officer, chief talent officer, chief technology officer, chief business analytics officer, and general managers of the direct sales business division and the platform business division of the Company. Through in-depth analysis and research on the competition, existing business segments as well as business operation status, the Operation and Management Committee develops the Group's thorough understanding of and insight into the industry, to facilitate the management of strategic risks, ensure that the strategic decisions of the Group align with its business direction, and to adjust the approach to strategy implementation based on the operating results.

- The "Comprehensive Business Risk Management Committee" is a problem-solving-oriented committee established under the Chief Executive Officer of the Company, which comprises the heads of major functional departments responsible for risk management of the Group. By focusing on managing and controlling the risks related to the Group's businesses, it helps the management team quickly identify and formulate the strategies of risk response, and promotes the comprehensive enhancement in the risk management capability of the Group.

- The business team took steps to standardize the operational procedures and relevant product systems for key businesses and management activities, formulated policies and published the same on our policy management platform as reference and learning materials for all employees.

- The risk management teams, including the risk management team, quality control team, internal control team, financial team, legal team, government affairs team and public affairs team, provide supports in term of risk management and control expertise and capabilities from their respective professional perspectives, and conduct daily supervision of the work at the First Line of Defence to ensure effective implementation of risk response measures.

- The Group arranged training sessions related to risk management for all staff on a quarterly basis to promote risk management awareness and promote risk management culture. Topics covered by such training sessions included, among other things, guidance of business processes and internal controls, code of business conduct, compliance with business-related laws and regulations, and data security management.

4. DISCLOSURE OF MATERIAL RISKS

During the Reporting Period, the Group identified, analyzed and prioritized all the potential risks faced by its existing and new businesses. The following table sets forth risks that were ranked as "high":

Major Risks	Description of Risks	Risk Response Measures
Legal Risks	As the Company operates its principal businesses under a strict regulatory regime, if we breach applicable regulatory requirements, we may be subject to penalties which may adversely affect our brand reputation and business. If we fail to have a timely understanding of changes in and updates on applicable policies and regulations, or fail to sufficiently assess the impact of policies and regulations changes on our business operation, management would be unable to adopt response measures on a timely basis, which would affect the Company's regular business activities and its business continuity.	• Establish relevant business processes and internal control measures, and added internal monitoring and checks by specialist teams in relation to matters involving regulatory issues, to ensure that the Company's business operations comply with regulatory requirements; • Stay up-to-date with applicable rules, regulations and regulatory requirements issued by the government and regulators via announcements and notices from the authorities, as well as the news media and the Internet. The Group also actively participates in forums organized by the government and regulators to ensure that it is fully aware of the latest government and regulatory requirements and changes in a timely manner; • Establish information sharing channels to keep business teams abreast of the latest regulatory requirements; we also organize regular internal seminars and trainings to study and discuss applicable rules, regulations and regulatory requirements issued by the government and regulators, with a view to ensuring that relevant business teams accurately understand the policies and regulations; and • The legal and business teams jointly assess the impact of policy and regulatory changes on our business, and design response measures and alternative business models in response to the changes, so as to ensure business continuity as well as regulatory compliance.

Major Risks	Description of Risks	Risk Response Measures
Information Technology and Data Security Risks	As an Internet company, information technology and data form the foundation for our business development and operation, as well as one of the competitive advantages to help maintain high innovation levels and to become an industry leader. Any failure or postponement in our product research and development (R&D), disruption of transactions due to malfunctioning information systems, or leakage or loss of or unauthorized tampering of our data would have a material adverse impact on us achieving our strategic objectives, our brand reputation, business continuity and customer satisfaction.	• Established standardized product R&D procedures, R&D project management mechanisms, coordination, communication and incentive mechanisms for cross-team cooperation among R&D, business, product and marketing teams to ensure timely and effective development of products that meet business needs; • Established IT system maintenance standards and business continuity guarantee mechanisms, contingency plans for IT system interruption, and disaster recovery plans and drills to ensure smooth and uninterrupted operation of our systems and to improve the capability of the system to respond quickly to risk events; and • To comprehensively safeguard the Group from the risks of data leakage, loss and tampering from three areas of staff, processes and information technology, the Group (i) has established management procedures for data collection and transmission, storage security, encrypted protection, authorized access and usage, and destruction; (ii) has deployed information technology for data security management and encrypted protection; and (iii) organizes regular trainings to communicate data security and confidentiality requirements to all our employees.

Major Risks	Description of Risks	Risk Response Measures
Competitive Risks	In China, there is intense competition in the Internet healthcare sector. The continuous evolution in business and operational models, as well as significant moves or decisions by major competitors in the industry and new entrants, may bring potential threats to and have adverse impact on the Group's business and competitive advantages.	• The responsible manager for each business segment closely monitors the competitive situation of his/her business segment, and reports on the relevant information and share his/her insight and judgment at the monthly management meeting; • We have a specialist team which conducts in-depth analysis and research on competition in the industry regularly and reports to management for reference, which enables management to make informed business decisions and develop appropriate operational strategies and effective solutions to address the competitive risks; and • Senior management is committed to innovative and diversified management in relation to our business plans and deployments. In the course of steadfastly executing the strategic decisions, senior management strives for the Company to develop and accumulate core competitive advantages and become an unsurpassable company in the industry.

5. OUTLOOK AND KEY ACTIONS FOR FY2026

- Continue to reinforce the Group's risk management and internal control structure and drive its implementation, so as to continually improve the Group's risk management capabilities to ensure compliance with the CG Code and alignment with best industry practices.

- Continue to supervise each business line and functional department to promote and optimize the design, implementation and operation of our risk management and internal control systems, and conduct independent supervision and assessment to ensure the effective design and implementation of internal control for major risks.

- Continue to focus on material changes and updates of key risks and make timely adjustments to the risk response measures and solutions accordingly.

- Further establish and improve the Group's policy and process guidelines and system of rules, strengthen internal and external publicity, and create a good business environment.

- Ongoing risk management trainings and risk management culture education for all staff to enhance their awareness of risk management, reinforce the accountability mechanism, and ensure implementation of the Group's risk management strategies.

In the face of existing and emerging risks, the Group must maintain continual and strict supervision and control under effective risk management and internal control systems. The Group has a management team well-attuned to the importance of risk management, which will proactively identify, prevent and manage risks and continually seek to improve the Group's risk management and internal control systems.

6. STATEMENT OF THE BOARD REGARDING INTERNAL CONTROL RESPONSIBILITY

The Group's internal controls aim at ensuring compliance of its operations with laws and regulations, the security of its assets and the validity and completeness of its financial reports and related information, to enhance its operational efficiency and effectiveness and facilitate the realization of its growth strategies. The Group has established internal control procedures to safeguard against the unauthorized use or disposition of its assets, to ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and to ensure compliance with applicable laws, rules and regulations. During the year, the Group conducted a comprehensive self-assessment of its internal controls and reported the result to the Audit Committee and the Board, and no significant deficiencies were identified. The Board believes that, for the Reporting Period, the Group's existing internal control systems were sufficient and effective to assure the interests of the Group and its shareholders.

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
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979 King's Road
Quarry Bay, Hong Kong

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To the shareholders of Alibaba Health Information Technology Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Alibaba Health Information Technology Limited (the "Company") and its subsidiaries (the "Group") set out on pages 107 to 217, which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") 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 Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. 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 are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (CONTINUED)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment of investments in associates	
As at March 31, 2025, the carrying amount of the Group's investments in associates (net of impairment) was approximately RMB1,521.0 million, which was significant to the financial statements. The Group recognized impairment losses of RMB410.0 million for the year ended March 31, 2025. Management assessed the existence of indicators of impairment for investments in associates and accordingly, with the assistance of an independent valuer, performed impairment test for the investments with impairment indicators identified by comparing the carrying amounts as at March 31, 2025 with the corresponding recoverable amounts. The recoverable amount was determined using the higher of fair value less costs of disposal and value in use of the investments. The impairment test involved significant management's judgement and estimates such as expected revenue growth rates, budgeted gross margins and perpetual growth rates for the discounted cash flows method, as well as comparable public companies, relevant price multiples, discounts for lack of marketability and recent transaction prices for the market-based valuation techniques. Relevant disclosures are included in notes 2.4, 3 and 17 to the financial statements.	We performed the following procedures to address the key audit matter: • Evaluated the capabilities and objectivity of the independent valuer; • Assessed the reasonableness of expected revenue and margins by making enquiries with management and with reference to historical information and industry development expectations; • With the assistance of our internal valuation specialists, examined the valuation methodologies and evaluated the assumptions and estimates used, including expected revenue growth rates, budgeted gross margins, perpetual growth rates, comparable public companies, relevant price multiples and discounts for lack of marketability, where applicable; • Checked the mathematical accuracy of management's valuation schedules; and • Evaluated the adequacy of the relevant disclosures in the financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of unlisted equity investments classified as financial assets at fair value through profit or loss	
As at March 31, 2025, the carrying amount of the Group's unlisted equity investments classified as financial assets at fair value through profit or loss was approximately RMB1,622.2 million, which was significant to the financial statements. The Group recognized fair value gains of RMB47.7 million for the year ended March 31, 2025. Management estimated and measured the fair values of unlisted equity investments classified as financial assets at fair value through profit or loss, with the assistance of an independent valuer, using market-based valuation techniques which required management to apply significant judgements and estimates, such as comparable public companies, relevant price multiples, discounts for lack of marketability and risk-free rates. Relevant disclosures are included in notes 2.4, 3, 23 and 35 to the financial statements.	We performed the following procedures to address the key audit matter: • Evaluated the capabilities and objectivity of the independent valuer; • With the assistance of our internal valuation specialists, examined the valuation methodologies and evaluated the judgements and estimates used, including comparable public companies, relevant price multiples and discounts for lack of marketability; • Checked the mathematical accuracy of management's valuation schedules; and • Evaluated the adequacy of the relevant disclosures in the financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill	
As at March 31, 2025, the carrying amount of the Group's goodwill was approximately RMB810.9 million, which was significant to the financial statements. In accordance with Hong Kong Accounting Standard 36 *Impairment of Assets*, the Group is required to test the amount of goodwill for impairment annually. The impairment test involved significant management's judgement and estimates, such as expected revenue growth rates, budgeted gross margins, discount rates and perpetual growth rates. Relevant disclosures are included in notes 2.4, 3 and 14 to the financial statements.	We performed the following procedures to address the key audit matter: • Evaluated the capabilities and objectivity of the independent valuer; • Assessed the reasonableness of expected revenue and margins by making enquiries with management and with reference to historical information and industry development expectations; • With the assistance of our internal valuation specialists, examined the valuation methodologies and evaluated the assumptions and estimates used, including the discount rates and the perpetual growth rates; • Checked the mathematical accuracy of management's valuation schedules; and • Evaluated the adequacy of the relevant disclosures in the financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the 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.

RESPONSIBILITIES OF THE DIRECTORS 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 HKFRS Accounting Standards as issued by the HKICPA 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, 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 HKSAs 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 HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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 Ng Siu Ki Ricky (practising certificate number: P05575).

Ernst & Young
Certified Public Accountants
Hong Kong
May 19, 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended March 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	**30,598,292**	27,026,555
Cost of sales		**(23,166,201)**	(21,131,234)
Gross profit		**7,432,091**	5,895,321
Other income and gains	5	**663,236**	674,755
Operating expenses			
Fulfilment		**(2,567,707)**	(2,413,212)
Selling and marketing expenses		**(2,258,374)**	(1,776,564)
Administrative expenses		**(407,432)**	(359,980)
Product development expenses		**(720,053)**	(705,382)
Other expenses and losses		**(514,521)**	(363,644)
Finance costs	13(b)	**(2,609)**	(5,969)
Share of profits/(losses) of:			
A joint venture		**(19,136)**	1,039
Associates		**(45,527)**	(6,965)
PROFIT BEFORE TAX	6	**1,559,968**	939,399
Income tax expense	9	**(127,954)**	(56,263)
PROFIT FOR THE YEAR		**1,432,014**	883,136
Attributable to:			
Owners of the parent		**1,432,427**	883,477
Non-controlling interests		**(413)**	(341)
		1,432,014	883,136
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic		**RMB8.91 cents**	RMB6.29 cents
Diluted		**RMB8.88 cents**	RMB6.27 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended March 31, 2025

	Note	2025 RMB'000	2024 RMB'000
PROFIT FOR THE YEAR		**1,432,014**	883,136
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the financial statements of subsidiaries with non-RMB functional currencies		**334**	(201,875)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the financial statements of the Company		**86,717**	477,059
Changes in fair value of the equity investments at fair value through other comprehensive income		**(21,737)**	(27,888)
Associates:			
Share of other comprehensive loss		**(283)**	(406)
Income tax effect	*27*	**71**	101
		(212)	(305)
Total other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax		**64,768**	448,866
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**65,102**	246,991
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,497,116**	1,130,127
Attributable to:			
Owners of the parent		**1,497,529**	1,130,468
Non-controlling interests		**(413)**	(341)
		1,497,116	1,130,127

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property and equipment	*12*	**35,693**	35,576
Right-of-use assets	*13(a)*	**34,027**	68,091
Goodwill	*14*	**810,853**	810,853
Other intangible assets	*15*	**275,220**	292,069
Investment in a joint venture	*16*	**208,966**	250,480
Investments in associates	*17*	**1,521,014**	2,285,936
Equity investments designated at fair value through other comprehensive income	*22*	**97,588**	101,659
Financial assets at fair value through profit or loss	*23*	**1,622,162**	1,567,998
Other receivables and other assets	*20*	**93,480**	31,568
Deferred tax assets	*27*	**50,821**	54,870
Long-term time deposits	*21*	**4,152,413**	694,000
Total non-current assets		**8,902,237**	6,193,100
CURRENT ASSETS			
Inventories	*18*	**1,415,220**	1,399,738
Trade and bills receivables	*19*	**1,052,523**	785,136
Prepayments, other receivables and other assets	*20*	**1,389,303**	1,490,534
Prepaid tax		**16,048**	5,313
Financial assets at fair value through profit or loss	*23*	**263,621**	–
Restricted cash	*21*	**303,243**	278,406
Short-term time deposits	*21*	**5,617,926**	6,062,941
Cash and bank deposits	*21*	**2,218,296**	3,490,169
Total current assets		**12,276,180**	13,512,237
CURRENT LIABILITIES			
Trade and bills payables	*24*	**2,852,381**	3,350,566
Other payables and accruals	*25*	**1,047,903**	997,143
Contract liabilities	*26*	**695,095**	554,683
Lease liabilities	*13(b)*	**10,579**	34,194
Tax payable		**136,214**	88,872
Total current liabilities		**4,742,172**	5,025,458

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2025

	Notes	**2025** **RMB'000**	2024 RMB'000
NET CURRENT ASSETS		**7,534,008**	8,486,779
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,436,245**	14,679,879
NON-CURRENT LIABILITIES			
Lease liabilities	*13(b)*	**24,936**	47,976
Deferred tax liabilities	*27*	**98,149**	114,299
Total non-current liabilities		**123,085**	162,275
Net assets		**16,313,160**	14,517,604
EQUITY			
Equity attributable to owners of the parent			
Share capital	*28*	**142,790**	142,780
Treasury shares	*28*	**(52,600)**	(101,946)
Reserves	*30*	**16,221,989**	14,503,378
		16,312,179	14,544,212
Non-controlling interests		**981**	(26,608)
Total equity		**16,313,160**	14,517,604

Shen Difan
Director

Tu Yanwu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2025

		Attributable to owners of parent											
	Note	Share capital	Share premium account^	Treasury shares	Merger reserve^	Exchange fluctuation reserve^	Employee share-based compensation reserve^	Fair value reserve of financial assets at fair value through other comprehensive income^	Other reserves^	Retained profits/ (accumulated losses)^	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At April 1, 2024		142,780	51,374,724	(101,946)	(37,560,841)	(105,735)	508,354	(27,275)	326,122	(11,971)	14,544,212	(26,608)	14,517,604
Profit for the year		–	–	–	–	–	–	–	–	1,432,427	1,432,427	(413)	1,432,014
Other comprehensive income for the year:													
Changes in fair value of the equity investments at fair value through other comprehensive income, net of tax		–	–	–	–	–	–	(21,737)	–	–	(21,737)	–	(21,737)
Share of other comprehensive loss of associates, net of tax		–	–	–	–	–	–	–	(212)	–	(212)	–	(212)
Exchange differences on translation of the financial statements of the Company and its subsidiaries with non-RMB functional currencies		–	–	–	–	87,051	–	–	–	–	87,051	–	87,051
Total comprehensive income/ (loss) for the year		–	–	–	–	87,051	–	(21,737)	(212)	1,432,427	1,497,529	(413)	1,497,116
Acquisition of non-controlling interests		–	–	–	–	–	–	–	(27,035)	–	(27,035)	26,935	(100)
Capital contribution from a non-controlling shareholder		–	–	–	–	–	–	–	–	–	–	1,021	1,021
Repurchase of shares	*28*	–	–	(39,931)	–	–	–	–	–	–	(39,931)	–	(39,931)
Vested awarded shares transferred to employees	*28*	–	134,885	89,277	–	–	(83,066)	–	(27,439)	–	113,657	–	113,657
Exercise of share options	*28*	10	6,783	–	–	–	(2,206)	–	–	–	4,587	–	4,587
Share-based compensation expenses		–	–	–	–	–	240,214	–	(15,679)	–	224,535	–	224,535
Deemed interest in an interest-free loan to a non-wholly-owned subsidiary		–	–	–	–	–	–	–	(46)	–	(46)	46	–
Appropriation of statutory reserves		–	–	–	–	–	–	–	95,993	(95,993)	–	–	–
Partial disposal of associates, net of tax		–	–	–	–	–	–	–	(1,573)	–	(1,573)	–	(1,573)
Share of capital reserve of associates, net of tax		–	–	–	–	–	–	–	(3,756)	–	(3,756)	–	(3,756)
At March 31, 2025		142,790	51,516,392	(52,600)	(37,560,841)	(18,684)	663,296	(49,012)	346,375	1,324,463	16,312,179	981	16,313,160

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2025

		Attributable to owners of parent											
	Notes	Share capital *RMB'000*	Share premium account^ *RMB'000*	Treasury shares *RMB'000*	Merger reserve^ *RMB'000*	Exchange fluctuation reserve^ *RMB'000*	Employee share-based compensation reserve^ *RMB'000*	Fair value reserve of financial assets at fair value through other comprehensive income^ *RMB'000*	Other reserves^ *RMB'000*	Accumulated losses^ *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At April 1, 2023		119,133	43,734,076	(70,482)	(28,189,579)	(380,919)	477,237	613	325,319	(841,825)	15,173,573	(26,374)	15,147,199
Profit for the year		–	–	–	–	–	–	–	–	883,477	883,477	(341)	883,136
Other comprehensive income for the year:													
Changes in fair value of the equity investment at fair value through other comprehensive income, net of tax		–	–	–	–	–	–	(27,888)	–	–	(27,888)	–	(27,888)
Share of other comprehensive loss of an associate, net of tax		–	–	–	–	–	–	–	(305)	–	(305)	–	(305)
Exchange differences on translation of the financial statements of the Company and its subsidiaries with non-RMB functional currencies		–	–	–	–	275,184	–	–	–	–	275,184	–	275,184
Total comprehensive income/(loss) for the year		–	–	–	–	275,184	–	(27,888)	(305)	883,477	1,130,468	(341)	1,130,127
Issue of new shares for restricted share units	*28*	106	–	(106)	–	–	–	–	–	–	–	–	–
Repurchase of shares	*28*	–	–	(104,568)	–	–	–	–	–	–	(104,568)	–	(104,568)
Vested awarded shares transferred to employees	*28*	–	130,440	73,210	–	–	(186,624)	–	(47,461)	–	(30,435)	–	(30,435)
Exercise of share options	*28*	2	1,256	–	–	–	(380)	–	–	–	878	–	878
Share-based compensation expenses		–	–	–	–	–	218,121	–	–	–	218,121	–	218,121
Business combination under common control	*28, 31*	23,539	7,508,952	–	(9,371,262)	–	–	–	–	–	(1,838,771)	–	(1,838,771)
Deemed interest in an interest-free loan to a non-wholly-owned subsidiary		–	–	–	–	–	–	–	(107)	–	(107)	107	–
Appropriation of statutory reserves		–	–	–	–	–	–	–	53,623	(53,623)	–	–	–
Partial disposal of an associate, net of tax		–	–	–	–	–	–	–	(1,934)	–	(1,934)	–	(1,934)
Share of capital reserve of an associate, net of tax		–	–	–	–	–	–	–	(3,013)	–	(3,013)	–	(3,013)
At March 31, 2024		142,780	51,374,724	(101,946)	(37,560,841)	(105,735)	508,354	(27,275)	326,122	(11,971)	14,544,212	(26,608)	14,517,604

^ These reserve accounts comprise the consolidated reserves of RMB16,221,989,000 (2024: RMB14,503,378,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,559,968**	939,399
Adjustments for:			
Finance costs	13(b)	**2,609**	5,969
Share of losses/(profits) of a joint venture		**19,136**	(1,039)
Share of losses of associates		**45,527**	6,965
Bank interest income	5	**(464,654)**	(477,266)
Other interest income	5	**(195)**	(764)
Investment income	5	**(4,125)**	(6,028)
Gain on disposal of a joint venture	5	**–**	(10)
Gain on deemed disposal of associates	5	**(1,633)**	(18,066)
Loss/(gain) on partial disposal of associates	5, 6	**42,423**	(48,337)
Fair value losses/(gains) on financial assets at fair value through profit or loss	5, 6	**(51,364)**	349,854
Gain on disposal of property and equipment	5	**(641)**	(526)
Loss on disposal of intangible assets	6	**22**	–
Loss on revision of lease terms arising from changes in the non-cancellable periods of leases	6	**32**	732
Dividend income from financial assets at fair value through profit or loss	5	**(19,600)**	(24,500)
Fair value loss on contingent consideration included in other payables and accruals	6	**–**	8,457
Depreciation of property and equipment	6	**15,295**	6,929
Depreciation of right-of-use assets	6	**25,471**	29,796
Amortization of intangible assets	6	**16,839**	16,957
Impairment of trade receivables	6	**6,207**	5,143
Impairment of financial assets included in prepayments, other receivables and other assets	6	**11,174**	–
Reversal of impairment of a loan to a joint venture	6	**–**	(2,500)
Impairment of investments in associates	6	**410,020**	–
Provision of inventories	6	**92,398**	88,478
Share-based compensation expenses	6	**224,535**	266,059
		1,929,444	1,145,702
Increase in trade and bills receivables		**(273,594)**	(211,492)
Decrease/(increase) in prepayments, other receivables and other assets		**53,215**	(180,158)
Decrease/(increase) in inventories		**(107,880)**	614,096
Decrease in trade and bills payables		**(498,185)**	(363,481)
Increase/(decrease) in other payables and accruals		**142,898**	(127,953)
Increase in contract liabilities		**140,412**	59,617
Increase in restricted cash		**(24,837)**	(128,144)
Effect of foreign exchange rate changes, net		**(3,626)**	85,981
Cash generated from operations		**1,357,847**	894,168

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
Interest received		**146,727**	232,246
Interest paid		**(2,609)**	(5,969)
Mainland China corporate income tax paid		**(106,932)**	(43,874)
Hong Kong profits tax refunded		**–**	3,261
Net cash flows generated from operating activities		**1,395,033**	1,079,832
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		**(18,893)**	(22,774)
Proceeds from disposal of property and equipment		**5,966**	748
Purchase of other intangible assets		**(10)**	(6)
Purchase of financial assets at fair value through profit or loss		**(2,650,000)**	(403,660)
Proceeds from maturity of financial assets at fair value through profit or loss		**2,394,125**	412,199
Purchase of financial assets at fair value through other comprehensive income		**(17,078)**	–
Payment of cash consideration of prior year's acquisition of subsidiaries		**–**	(131,027)
Interest received		**311,789**	84,974
Repayment of a loan to a joint venture		**–**	2,500
Dividend received from financial assets at fair value through profit or loss		**19,600**	24,500
Dividend received from an investment in an associate		**4,709**	3,919
Dividend received from an investment in a joint venture		**12,689**	–
Receipt of finance lease payments		**10,627**	13,391
Proceeds from partial disposal of associates		**256,809**	99,244
Proceeds from disposal of a joint venture		**–**	10
Placement of time deposits with original maturity over three months when acquired		**(9,449,576)**	(6,936,372)
Withdrawal of time deposits with original maturity over three months when acquired		**6,522,761**	1,971,454
Net cash flows used in investing activities		**(2,596,482)**	(4,880,900)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options	*28*	**4,587**	878
Repurchase of shares	*28*	**(39,931)**	(104,568)
Acquisition of subsidiaries under common control	*31*	**–**	(1,838,771)
Acquisition of non-controlling interests		**(100)**	–
Capital contribution from a non-controlling shareholder		**1,021**	–
Principal portion of lease payments		**(38,094)**	(39,934)
Net cash flows used in financing activities		**(72,517)**	(1,982,395)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(1,273,966)**	(5,783,463)
Effect of foreign exchange rate changes		**2,093**	36,782
Cash and cash equivalents at beginning of year		**3,490,169**	9,236,850
CASH AND CASH EQUIVALENTS AT END OF YEAR		**2,218,296**	3,490,169
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances, excluding restricted cash		**2,007,006**	2,890,169
Highly liquid time deposits		**211,290**	600,000
Cash and cash equivalents as stated in the statement of cash flows and cash and bank deposits as stated in the statement of financial position	*21*	**2,218,296**	3,490,169

1. CORPORATE AND GROUP INFORMATION

Alibaba Health Information Technology Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business of the Company is located at Building 9, Block 4, Wangjing East Park, Chaoyang District, Beijing, the People's Republic of China (the "PRC").

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are primarily engaged in the pharmaceutical direct sales business, pharmaceutical e-commerce platform business and healthcare and digital services business.

In the opinion of the directors, the Company's ultimate holding company is Alibaba Group Holding Limited ("Alibaba Holding", together with its subsidiaries, "Alibaba Group"), a company that is incorporated under the laws of the Cayman Islands. There is no company holding a direct majority interest in the Company.

Information about subsidiaries

Particulars of the Company's principal subsidiaries at the end of the reporting period are as follows:

Name	Place of incorporation/ registration and operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
Alibaba Health (Hong Kong) Technology Company Limited	Hong Kong	HK$4,865,000,331.95	100	100	Investment holding and pharmaceutical direct sales services
阿里健康大藥房連鎖(杭州)有限公司 Alibaba Health Pharmacy Chain (Hangzhou) Co., Ltd.[abc]	PRC/Mainland China	RMB10,000,000	100	100	Pharmacy business
廣州空港阿里健康大藥房有限公司 Guangzhou Airport Alibaba Health Pharmacy Co., Ltd.[ac]	PRC/Mainland China	RMB50,000,000	100	100	Pharmacy business
阿里健康科技(中國)有限公司 Alibaba Health Technology (China) Limited[abc]	PRC/Mainland China	RMB800,000,000	100	100	Investment holding and digital infrastructure service
阿里健康大藥房醫藥連鎖有限公司 Alibaba Health Pharmaceutical Chain Co., Ltd.[ac]	PRC/Mainland China	RMB1,791,666,666.67	100	100	Pharmacy business
阿里健康醫藥(廣東)有限公司 Ali Health Medicine (Guangdong) Co., Ltd.[ac]	PRC/Mainland China	RMB210,000,000	100	100	Pharmaceutical product trading and pharmacy business
阿里健康科技(杭州)有限公司 Alibaba Health Technology (Hangzhou) Limited[abc]	PRC/Mainland China	RMB1,400,000,000	100	100	Provision of e-commerce platform services
久寶星科技(海南)有限公司 Jiubaoxing Technology (Hainan) Co., Ltd.[ac]	PRC/Mainland China	RMB100,000,000	100	100	Provision of e-commerce platform services

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
弘雲久康數據技術(北京)有限公司 Hongyun Jiukang Data Technology (Beijing) Co., Ltd.[ac] ("Hongyun Jiukang")	PRC/Mainland China	RMB40,000,000	**100**	100	Investment holding
廣州得賦阿里健康大藥房有限公司 Guangzhou Defu Alibaba Health Pharmacy Co., Ltd.[abc]	PRC/Mainland China	RMB50,000,000	**100**	100	Pharmacy business
阿里健康科技(海南)有限公司 Ali Health Technology (Hainan) Co., Ltd[ac]	PRC/Mainland China	RMB2,010,000,000	**100**	100	Provision of e-commerce platform services
杭州得賦健康管理有限公司 Hangzhou Defu Health Management Co., Ltd.[abc]	PRC/Mainland China	RMB1,200,000	**100**	100	Provision of e-commerce platform services
Ali JK ZNS (HK) Limited	Hong Kong	USD200,000	**100**	100	Provision of e-commerce platform services
青海小鹿中醫互聯網醫院有限公司 Qinghai Xiaolu Traditional Chinese Medicine Internet Hospital Co., Ltd.[ac]	PRC/Mainland China	RMB75,000,000	**100**	100	Healthcare and digital services business
杭州精準健康信息科技有限公司 Hangzhou Jingzhun Health Information Technology Co., Ltd.[ac]	PRC/Mainland China	RMB10,000,000	**100**	100	Provision of marketing materials review services and value-added services
阿里健康科技(廣州)有限公司 Ali Health Technology (Guangzhou) Co., Ltd.[ac]	PRC/Mainland China	RMB1,000,000	**100**	100	Healthcare and digital services business
阿里健康大藥房(天津)有限公司 Ali Health Pharmacy (Tianjin) Co., Ltd.[ac]	PRC/Mainland China	RMB10,000,000	**100**	100	Pharmacy business

a For identification purposes only

b Registered as wholly-foreign-owned enterprises under PRC law

c Registered as limited liability companies under PRC law

The subsidiaries listed in the above table are indirectly owned by the Company and they, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial investments at fair value through profit or loss ("FVPL") and equity investments designated at fair value through other comprehensive income ("FVOCI"), which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Contractual arrangements

The Company does not have legal ownership in the equity of Hongyun Jiukang and Alibaba Health Hebei Information Technology Co., Ltd.^ (阿里健康河北信息技術有限公司). However, under certain contractual agreements (including a power of attorney agreement, loan agreement, equity option agreement, equity interest pledge agreement and an exclusive technical consulting and service agreement) entered into with the registered owners of the entities, the Company, through its indirectly wholly-owned subsidiary, controls the entities by way of controlling the voting rights, governing the financial and operating policies, appointing or removing the majority of the members of its controlling authorities, and casting the majority of votes at meetings of such authorities. In addition, such contractual agreements also transfer the risks and rewards of the entities to the Company and/or its indirect wholly-owned subsidiary. As a result, the entities are treated as subsidiaries of the Company and their financial statements have been consolidated by the Company.

^ For identification purposes only

Merger accounting for business combinations under common control

As disclosed in note 31 to the consolidated financial statements, a business combination under common control was effected during the year ended March 31, 2024, where the business acquired in the business combination and the Company are both ultimately controlled by Alibaba Holding. The business combination was accounted for using the principles of merger accounting.

The net assets of the combining entities are consolidated using the existing book values from the controlling party's perspective. No adjustments are made to reflect fair values, or recognize any new assets or liabilities as a result of the business combination under common control and no amount is recognized in respect of goodwill. The Company elects not to restate the financial statements for periods prior to the completion of combination under common control. Accordingly, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group include the results and cash flows of the acquired business from the date when the Group obtains control of the acquired business.

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended March 31, 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The Company has three (2024: two) trusts (the "Trusts") for the purpose of purchasing, administering and holding the Company's shares for the share award scheme adopted on November 24, 2014 (the "2014 Share Award Scheme") and August 30, 2024 (the "2024 Share Award Scheme"). The Group has the power to govern the financial and operating policies of the Trusts and derive benefits from the services of the employees who have been awarded the awarded shares through their continued employment with the Group. The assets and liabilities of the Trusts are included in the consolidated statement of financial position and the Company's shares held by the Trusts are presented as a deduction in equity as the Company's shares held for the share award scheme.

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at April 1, 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group’s financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after January 1, 2025
2 Effective for annual periods beginning on or after January 1, 2026
3 Effective for annual/reporting periods beginning on or after January 1, 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (CONTINUED)

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognized and introduce an accounting policy option to derecognize a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (CONTINUED)

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognized in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognized as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments:* Disclosures: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (CONTINUED)

- HKFRS 9 *Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognize any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows:* The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and a joint venture

An associate is an entity in which the Group has a long term interest of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments in associates and a joint venture (Continued)

The Group's share of the post-acquisition results and other comprehensive income of associates and a joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and its associates or joint venture are eliminated to the extent of the Group's investments in the associates or joint venture, except where unrealized losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint venture is included as part of the Group's investments in associates or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Business combinations and goodwill

Except for business combinations under common control, the Group accounted for its business combinations using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at March 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the CGU retained.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures its financial assets at FVPL, bills receivable and equity investments designated at FVOCI at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or CGU's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the shorter of lease terms and $33^1/_3$%
Computer equipment, furniture and fixtures	19% to $33^1/_3$%
Motor vehicles	20%

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the statement of profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Patents and licences

Patents and licences are stated at cost less any impairment losses and are amortized on the straight-line basis over their estimated useful lives of three years.

Brand name

The brand name is stated at cost less impairment losses and is amortized on the straight-line basis over its estimated useful life of 20 years.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Retail outlets	1.1 to 9 years
Offices	1.6 to 3.1 years
Warehouses	5 years

(b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets (Continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when unsettled contractual payments are aged more than two years. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group's credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach (Continued)

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. However, when there has been a significant increase in credit risk of debt investments since origination, the allowance will be based on the lifetime ECL.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables and other financial liabilities included in other payables and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. The net fair value gain or loss recognized in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognized in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognized in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial liabilities at amortized cost

After initial recognition, trade and other payables are subsequently measured at amortized cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognized directly in equity at cost. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and bank deposits and cash equivalents

Cash and bank deposits in the statement of financial position comprise cash on hand and at banks, and highly liquid time deposits with a maturity of generally within three months when acquired that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

Cash and cash equivalents in the statement of cash flows comprise cash on hand and at banks, and highly liquid time deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognized for the Pillar Two income taxes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group reports revenue on a gross or net basis depending on whether the Group is acting as a principal or an agent in a transaction. The Group is a principal if it controls the specified product or service before that product or service is transferred to a customer or it has a right to direct others to provide the product or service to the customer on the Group's behalf. Indicators that the Group is a principal include, but are not limited to, whether the Group (i) is primarily responsible for fulfilling the promise to provide the specified good or service; (ii) has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer; and (iii) has discretion in establishing the price for the specified good or service, etc.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) *Revenues from the pharmaceutical direct sales business:*

Sale of pharmaceutical and healthcare products

The Group is engaged in the sale of pharmaceutical and healthcare products to individual customers ("business-to-customer" or "B2C") through its online stores on Tmall.com ("Tmall") and its offline pharmacy outlets, and to merchant customers ("business-to-business", or "B2B"). Revenue from the sale of pharmaceutical and healthcare products is recorded net of discounts and recognized when the goods are delivered to B2C customers or received by B2B customers, either by third party couriers or at the offline outlets, or to merchant customers by third party couriers. For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price.

Marketing services

The Group provides marketing services to pharmaceutical brands primarily through display of impressions or clicks of the pharmaceutical brands' advertisements on various online platforms and mobile apps. The fee from pharmaceutical brands is charged primarily during the period over which the marketing services are provided. Revenue from the marketing services is recognized over the period when the underlying services are provided.

(b) *Revenues from the pharmaceutical E-commerce platform business:*

Outsourced and value-added services to Tmall Entities

The Group provides outsourced and value-added services to Tmall Entities*, in relation to certain categories of products or services sold or provided on Tmall. The outsourced and value-added services include business development for merchants, customer services on behalf of merchants, marketing event planning for merchants and technical support and assistance to the Tmall Entities' business team. Revenue from the outsourced and value-added services is determined as a percentage of the fees paid by merchants to the Tmall Entities in respect of the transaction amount of completed sales of products or services under certain categories on Tmall and recognized when services are rendered and the underlying transactions of merchants are completed.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(b) Revenues from the pharmaceutical E-commerce platform business: (Continued)

E-commerce platform services

The Group provides to merchants on the Tmall e-commerce platform maintenance related software services in respect of merchant admission, product quality control, and merchant operational and maintenance support, and earns commissions from merchants generally at 3% of the transaction amounts of merchandise being sold on Tmall by merchants. Revenue of the commissions is recognized at the time when the underlying sale of merchandise by merchants on Tmall is completed.

Marketing materials review and value-added services

The Group provides marketing materials review services and value-added services to Hangzhou Alimama Software Services Co., Ltd. ("Hangzhou Alimama") in respect of product promotion under the certain healthcare categories. Revenue from the marketing materials review services and value-added services is recognized over the period when the underlying services are provided.

* Zhejiang Tmall Network Co., Ltd. (浙江天貓網絡有限公司) and Zhejiang Tmall Technology Co., Ltd. (浙江天貓技術有限公司)

(c) Revenues from the healthcare and digital services business

The Group provides a variety of standardized service packages that integrate services provided by various medical and healthcare organizations to meet the health-related needs of the users, such as health check-ups, genetic testing and vaccine inoculation. The Group principally generates revenue from selling the standardized service packages to individual customers or corporate customers. Different types of service packages provide the customers with a specific number of times of services for each service offered in the package. Revenue is recognized upon the individual service is rendered to customers.

The Group, through its online stores on Tmall and mobile apps, facilitates the provision of services by medical and healthcare service organizations to end customers. The Group provides to medical and healthcare service organizations with e-commerce platform maintenance related software services, customer consultation, reservation and other value-added services and charges a service fee at a percentage of the amount of the transaction entered into by the medical and healthcare service providers and their customers, or at a fixed price per reservation through the Group's online stores. The revenue is recognized at the time when the underlying transaction is completed by the medical and healthcare service provider through Tmall.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(c) *Revenues from the healthcare and digital services business (Continued)*

The Group also provides marketing services to medical and healthcare service organizations primarily through display of impressions or clicks of the advertisement in particular areas of web pages or mobile apps. The fee from medical and healthcare service organizations is charged primarily during the period over which the marketing services are provided.

The Group also provides multi-faceted, multi-level, professional and convenient health consultation services to users through their engaged professionals, such as medical practitioners, pharmacists and nutritionists. The Group charges a fixed consultation fee to the user and recognizes revenue at the time when the service is rendered to the user.

The Group also renders series of services to the customers through its product tracking platforms, including product track and trace and the digital healthcare business. Revenue is recognized over the period when the underlying services are provided.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognized when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognized when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Costs of services

Costs of services comprise labor, other costs of personnel directly engaged in providing the services and attributable overhead costs for technical support and other direct costs of services purchased.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fulfilment

Fulfilment primarily consists of those costs incurred in warehousing, logistics, operation and customer services, which are associated with the Group's online direct sales business.

Finance costs

Finance costs are interest on lease liabilities of the Group.

Share-based payments

The Company operates a share award scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of share options is determined by an external valuer using a binomial model and the fair value of restricted share units ("RSUs") is determined based on the market value of the Company's shares, further details of which are given in note 29 to the financial statements.

Certain employees of Alibaba Group transferred to the Company, share awards granted by Alibaba Group to these employees were not forfeited after to the transfer. The Company has no obligation to settle all RSUs vested during these employees' service period in the Company, and measures the transaction as equity-settled share-based payments.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share-based payments (Continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately.

The dilutive effect of outstanding options and RSUs is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those eligible Hong Kong employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Full-time employees of the Group's subsidiaries which operate in Mainland China are required to participate in defined contribution schemes operated by the local municipal governments. These subsidiaries are required to contribute a certain percentage of their payroll costs to the defined contribution scheme which includes pension, medical care, unemployment insurance, employee housing fund and other welfare. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the defined contribution scheme. The Group has no legal obligation for the benefits beyond the contributions made.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognizes in its financial statements. The Group will adjust the amounts recognized in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognized as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized immediately as a liability when they are proposed and declared.

Foreign currencies

The Company's functional currency is Hong Kong dollar ("HK$"), while these financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain subsidiaries not operating in Mainland China are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a subsidiary not operating in Mainland China, the cumulative amount in the reserve relating to that particular subsidiary not operating in Mainland China is recognized in the statement of profit or loss.

Any goodwill arising on the acquisition of a subsidiary not operating in Mainland China and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of subsidiaries not operating in Mainland China are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of subsidiaries not operating in Mainland China which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Accounting for companies governed under contractual arrangements as subsidiaries

The Company and some of its subsidiaries do not hold any equity interests in certain of their subsidiaries. Nevertheless, under the contractual agreements entered into between the Group and the shareholders who are the registered owners of those subsidiaries, the directors of the Company determine that the Group has the power to govern the financial and operating policies of those subsidiaries so as to obtain benefits from their activities. As such, those subsidiaries are accounted for as subsidiaries of the Group for accounting purposes.

Principal versus agent considerations

In determining whether the Group is acting as a principal or as an agent in the sales of goods and provision of services, requires judgement and consideration of all relevant facts and circumstances. In evaluation of the Group acting as a principal or an agent, the Group considers whether it obtains control of the good or service before that good or service is transferred to a customer, including whether the Group is primarily responsible for fulfilling the promise to provide the specified good or service, has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer (for example, if the customer has a right of return), has discretion in establishing the price for the specified good or service.

Classification between associates and financial assets at fair value through profits or loss

The Group applies the equity method of accounting to account for its equity interests in certain investee companies with less than 20% as associates, and classifies its equity interests in certain investee companies with over 20% as financial assets at fair value through profit or loss. Management assesses the level of influence that the Group is able to exercise on these investee companies and determines the existence of significant influence after considering various factors, such as the composition of the board of directors of these investee companies, the existence of contractual arrangements, and the investment strategies of holding equity interests in these investee companies. For those investee companies in which the Group are able to exercise significant influence, they are classified as associates of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has unrecognized tax losses of RMB692,786,000 (2024: RMB1,081,698,000) carried forward. These losses related to subsidiaries that either have been loss-making for some time or turned a profit in recent years, and it is not considered probable that taxable profits will be available against which the tax losses can be utilized. On this basis, the Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward.

Further details on deferred taxes are disclosed in note 27 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of investments in associates

The Group assesses whether there are any indicators of impairment for investments in associates at the end of each reporting period. Investments in associates are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an investment in an associate exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value is determined based on market-based valuation techniques for unlisted associates or based on observable market prices for listed associates less incremental costs for disposing of the asset. The market-based valuation techniques involve the use of significant judgements and estimates, such as comparable public companies, relevant price multiples, discounts for lack of marketability and recent transactions prices. When the value in use is determined based on discounted cash flow method, management must estimate the expected future cash flows from the investments in associates and choose suitable discount rates and growth rates in order to calculate the present values of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Fair value of unlisted equity investments

The Group's unlisted equity investments have been valued based on market-based valuation techniques as detailed in note 35 to the financial statements. The fair values are determined mainly based on (i) valuation multiples of the comparable public companies (peers) and discounts for lack of marketability, or (ii) recent transaction prices, together with an option pricing model for the equity allocation purpose. The Group classifies the fair value of these unlisted equity investments as Level 3. The fair value of the unlisted equity investments at March 31, 2025 was RMB1,710,346,000 (2024: RMB1,669,657,000). Further details are included in notes 22 and 23 to the financial statements.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGUs to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at March 31, 2025 was RMB810,853,000 (2024: RMB810,853,000). Further details are given in note 14 to the financial statements.

Impairment of inventories

Management reviews the ageing and expiry dates of inventories of the Group at the end of each reporting period, and makes provision or write-off on obsolete and slow-moving inventory items identified that are no longer suitable for sale. Management estimates the net realizable value for such inventories based primarily on the available selling prices, estimated costs to be incurred to sale and current market conditions. If the market condition was to deteriorate so that the actual provision might be higher than expected, the Group would be required to revise the basis of making the provision and its future results would be affected.

4. OPERATING SEGMENT INFORMATION

The Group is primarily engaged in the pharmaceutical direct sales business, pharmaceutical e-commerce platform business and healthcare and digital services business. Given that the chief operating decision maker of the Company considers that the Group's business is operated and managed as a single segment of distribution and development of pharmaceutical and healthcare business, no further segment information is presented.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

During the year ended March 31, 2025, all (2024: all) of the Group's revenue from external customers and over 99% (2024: over 99%) non-current assets other than financial instruments and deferred tax assets as at March 31, 2025 attributed to Mainland China as determined based on the locations of customers and assets, respectively.

Information about a major customer

During the year ended March 31, 2025, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue (2024: Nil).

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue from contracts with customers is as follows:

	2025 *RMB'000*	2024 *RMB'000*
Pharmaceutical direct sales business	**26,124,420**	23,739,246
Pharmaceutical e-commerce platform business	**3,588,499**	2,329,471
Healthcare and digital services business	**885,373**	957,838
Total	**30,598,292**	27,026,555

(i) Disaggregated revenue information

	2025 *RMB'000*	2024 *RMB'000*
Types of goods or services:		
Sale of products	**24,058,732**	22,561,428
Provision of services	**6,539,560**	4,465,127
Total	**30,598,292**	27,026,555
Timing of revenue recognition:		
At a point in time	**26,190,523**	24,784,573
Over time	**4,407,769**	2,241,982
Total	**30,598,292**	27,026,555

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(i) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognized in the reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	RMB'000	*RMB'000*
Sale of products	**154,875**	4,078
Provision of services	**399,808**	490,988
Total	**554,683**	495,066

(ii) Performance obligations

Information about the Group's performance obligations is summarized below:

Sale of products

The performance obligation is satisfied upon delivery of the pharmaceutical and healthcare products. For B2C pharmacy sales, payment is received from the payment platform, i.e. Alipay.com Co., Ltd. (支付寶(中國)網絡技術有限公司) ("Alipay"), when the receipt of goods is confirmed by customers or by the payment platform automatically within a pre-specified period of time after delivery. For B2B pharmacy sales, payment is generally due within 30 to 90 days, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

Provision of services

The performance obligation is satisfied over time or at a point in time as marketing services, outsourced and value-added services, E-commerce platform services, healthcare and digital services, and marketing materials review and value-added services are rendered. Payment is generally received upon the completion of the underlying transactions, prior to the provision of services on a full prepayment basis, or due within 30 to 90 days.

The Group has elected the practical expedient for not to disclose the remaining performance obligations because the performance obligations are part of contracts with original expected duration of one year or less (2024: one year or less) or the Group has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

	2025 RMB'000	2024 RMB'000
Other income		
Bank interest income	**464,654**	477,266
Other interest income	**195**	764
Investment income from financial assets at fair value through profit or loss	**4,125**	6,028
Dividend income from financial assets at fair value through profit or loss	**19,600**	24,500
Management fee income from a joint venture	**12,193**	10,669
Government grants#	**103,745**	77,220
Others	**5,086**	4,283
Total other income	**609,598**	600,730
Gains		
Fair value gains on financial assets at fair value through profit or loss	**51,364**	–
Gain on partial disposal of an associate	**–**	48,337
Gain on deemed disposal of associates	**1,633**	18,066
Gain on disposal of a joint venture	**–**	10
Foreign exchange differences, net	**–**	7,086
Gain on disposal of property and equipment	**641**	526
Total gains	**53,638**	74,025
Total other income and gains	**663,236**	674,755

Government grants mainly represented incentives received for investments in certain regions in Mainland China in which the Company's subsidiaries operate as well as tax-related benefits. There are no unfulfilled conditions or contingencies relating to these government grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of goods sold*		**20,726,222**	18,974,776
Cost of services provided* (excluding employee benefit expense)		**2,285,440**	2,026,106
Depreciation of property and equipment	*12*	**15,295**	6,929
Depreciation of right-of-use assets	*13(a)*	**25,471**	29,796
Amortization of intangible assets^	*15*	**16,839**	16,957
Fair value loss on contingent consideration included in other payables and accruals**		**–**	8,457
Fair value losses on financial assets at fair value through profit or loss**		**–**	349,854
Loss on partial disposal of associates**		**42,423**	–
Loss on disposal of intangible assets**		**22**	–
Foreign exchange differences, net**		**37,143**	–
Impairment of investments in associates**		**410,020**	–
Provision of inventories*		**92,398**	88,478
Lease payments not included in the measurement of lease liabilities	*13(c)*	**2,131**	1,652
Impairment/(reversal of impairment) of financial assets, net**:			
Impairment of trade receivables	*19*	**6,207**	5,143
Impairment of financial assets included in prepayments, other receivables and other assets	*20*	**11,174**	–
Reversal of impairment of a loan to a joint venture		**–**	(2,500)
Total		**17,381**	2,643
Loss on revision of lease terms arising from changes in the non-cancellable periods of leases**	*13(c)*	**32**	732
Auditor's remuneration		**4,230**	4,130
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages, salaries and social welfare benefits		**565,932**	609,566
Discretionary performance related bonuses		**222,249**	166,564
Share-based compensation expense	*29*	**224,535**	266,059
Pension scheme contributions#		**55,179**	55,069
Total		**1,067,895**	1,097,258

6. PROFIT BEFORE TAX (CONTINUED)

* These items are included in "Cost of sales" in the consolidated statement of profit or loss.

** These items are included in "Other expenses and losses" in the consolidated statement of profit or loss.

^ This item is included in "Administrative expenses" in the consolidated statement of profit or loss.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 ***RMB'000***	2024 *RMB'000*
Fees	**1,346**	1,395
Other emoluments:		
Salaries, allowances and benefits in kind	**4,646**	5,046
Discretionary performance related bonuses	**2,490**	4,288
Share-based compensation expense	**31,838**	21,644
Pension scheme contributions	**145**	174
Subtotal	**39,119**	31,152
Total	**40,465**	32,547

During the year and in prior years, certain directors were granted share options and RSUs, in respect of their services to the Group, under the share award schemes of the Company, further details of which are set out in note 29 to the financial statements. The fair values of such options and RSUs, which have been recognized in the statement of profit or loss over the vesting period, were determined as at the date of grant and the amounts included in the financial statements for the current and prior years are included in the above directors' and chief executive's remuneration disclosures.

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 *RMB'000*	2024 *RMB'000*
Mr. Wong King On, Samuel*	**–**	268
Mr. Luo Tong*	**–**	145
Ms. Huang Yi Fei	**350**	348
Dr. Shao Rong*	**350**	223
Ms. Wu May Yihong*	**646**	411
Total	**1,346**	1,395

* Mr. Wong King On, Samuel and Mr. Luo Tong retired as independent non-executive directors of the Company on August 11, 2023. Dr. Shao Rong and Ms. Wu May Yihong were appointed as independent non-executive directors of the Company with the effect from August 11, 2023.

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive directors and non-executive directors

	Fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Discretionary performance related bonuses *RMB'000*	Share-based compensation expense *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
2025						
Executive directors:						
Mr. Shen Difan#	**–**	**1,659**	**1,635**	**4,013**	**46**	**7,353**
Mr. Tu Yanwu	**–**	**1,182**	**855**	**2,449**	**71**	**4,557**
Subtotal	**–**	**2,841**	**2,490**	**6,462**	**117**	**11,910**
Non-executive directors:						
Mr. Zhu Shunyan#	**–**	**1,805**	**–**	**25,376**	**28**	**27,209**
Ms. Huang Jiaojiao^	**–**	**–**	**–**	**–**	**–**	**–**
Mr. Xu Haipeng^	**–**	**–**	**–**	**–**	**–**	**–**
Subtotal	**–**	**1,805**	**–**	**25,376**	**28**	**27,209**
Total	**–**	**4,646**	**2,490**	**31,838**	**145**	**39,119**
2024						
Executive directors:						
Mr. Zhu Shunyan#	–	2,197	2,168	14,574	64	19,003
Mr. Shen Difan#	–	1,717	1,435	3,621	41	6,814
Mr. Tu Yanwu	–	1,132	685	3,449	69	5,335
Subtotal	–	5,046	4,288	21,644	174	31,152
Non-executive directors:						
Ms. Huang Jiaojiao^	–	–	–	–	–	–
Mr. Xu Haipeng^	–	–	–	–	–	–
Mr. Li Faguang^	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Total	–	5,046	4,288	21,644	174	31,152

Mr. Zhu Shunyan resigned as the Chief Executive Officer of the Company on November 28, 2023, and was re-designated from an executive director to a non-executive director with effect from September 1, 2024. Mr. Shen Difan was appointed as the Chief Executive Officer of the Company with the effect from November 28, 2023.

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive directors and non-executive directors (Continued)

^ Mr. Li Faguang resigned as a non-executive director with the effect from May 15, 2023. Ms. Huang Jiaojiao was appointed as a non-executive director of the Company with the effect from May 15, 2023. Mr. Xu Haipeng was appointed as a non-executive director of the Company with the effect from October 19, 2023.

During the year ended March 31, 2025, there was no (2024: no) arrangement under which a director waived or agreed to waive any remuneration and no remuneration was paid by the Group to a director as an inducement to join or upon joining the Group or as compensation for loss of office.

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2024: two) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025	2024
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	**4,716**	4,063
Discretionary performance related bonuses	**2,298**	1,813
Share-based compensation expense	**11,604**	17,128
Pension scheme contributions	**131**	144
Total	**18,749**	23,148

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK$5,000,001 to HK$5,500,000	**2**	–
HK$7,000,001 to HK$7,500,000	**–**	1
HK$7,500,001 to HK$8,000,000	**–**	1
HK$9,500,001 to HK$10,000,000	**1**	–
HK$10,000,001 to HK$10,500,000	**–**	1
Total	**3**	3

8. FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

During the year and in prior years, share options and/or RSUs were granted to certain non-director and non-chief executive highest paid employees in respect of their services to the Group, under the share award schemes of the Company, further details of which are set out in note 29 to the financial statements. The fair values of such options and RSUs, which have been recognized in the statement of profit or loss over the vesting period, were determined as at the date of grant and the amounts included in the financial statements for the current and prior years are included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

9. INCOME TAX

	2025 *RMB'000*	2024 *RMB'000*
Current – Hong Kong		
Charge for the year	**8,461**	–
Overprovision in prior years	**(6)**	(5)
Current – Mainland China		
Charge for the year	**130,074**	84,648
Deferred *(note 27)*	**(10,575)**	(28,380)
Total tax charge for the year	**127,954**	56,263

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year ended March 31, 2025. No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profits arising in Hong Kong during the year ended March 31, 2024.

In Mainland China, the companies are subject to the PRC corporate income tax rate of 25%, except for two (2024: two) PRC subsidiaries which are entitled to a preferential tax rate of 15% (2024: 15%) because they are regarded as High and New Technology Enterprises and one (2024: Nil) PRC subsidiary which is entitled to a preferential tax rate of 15% because it operates in Hainan Free Trade Port and meets the preferential tax treatment requirements.

No tax attributable to the joint venture was included in "Share of profit or loss of a joint venture" in the consolidated statement of profit or loss (2024: Nil).

The share of tax charge attributable to associates of approximately RMB949,000 (2024: RMB6,342,000) is included in "Share of profits or losses of associates" in the consolidated statement of profit or loss.

9. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2025

	Hong Kong		Mainland China		Total	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Profit before tax	**496,687**		**1,063,281**		**1,559,968**	
Tax at the statutory tax rate	**81,953**	**16.5**	**265,820**	**25.0**	**347,773**	**22.3**
Effect of preferential tax treatment enacted by local authority	**–**	**–**	**(94,125)**	**(8.9)**	**(94,125)**	**(6.0)**
Adjustments in respect of current tax of previous periods	**(6)**	**–**	**–**	**–**	**(6)**	**–**
Non-deductible expenses and non-taxable income, net	**(76,860)**	**(15.5)**	**27,803**	**2.6**	**(49,057)**	**(3.1)**
Research and development super deduction	**–**	**–**	**(56,798)**	**(5.3)**	**(56,798)**	**(3.6)**
Tax losses recognized/utilized from previous periods	**–**	**–**	**(181,988)**	**(17.1)**	**(181,988)**	**(11.8)**
Tax losses and deductible temporary differences not recognized	**3,368**	**0.7**	**152,223**	**14.3**	**155,591**	**10.0**
Withholding tax in the PRC	**6,564**	**1.3**	**–**	**–**	**6,564**	**0.4**
Tax charge at the Group's effective rate	**15,019**	**3.0**	**112,935**	**10.6**	**127,954**	**8.2**

2024

	Hong Kong		Mainland China		Total	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Profit before tax	73,445		865,954		939,399	
Tax at the statutory tax rate	12,118	16.5	216,295	25.0	228,413	24.3
Effect of preferential tax treatment enacted by local authority	–	–	(42,360)	(4.9)	(42,360)	(4.5)
Adjustments in respect of current tax of previous periods	(5)	–	–	–	(5)	–
Non-deductible expenses and non-taxable income, net	(22,528)	(30.7)	23,068	2.7	540	0.1
Research and development super deduction	–	–	(48,780)	(5.6)	(48,780)	(5.2)
Tax losses recognized/utilized from previous periods	–	–	(120,847)	(14.0)	(120,847)	(12.9)
Tax losses and deductible temporary differences not recognized	6,169	8.4	17,401	2.0	23,570	2.5
Withholding tax in the PRC	15,732	21.4	–	–	15,732	1.7
Tax charge at the Group's effective rate	11,486	15.6	44,777	5.2	56,263	6.0

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent of RMB1,432,427,000 (2024: RMB883,477,000), and the weighted average number of ordinary shares of 16,070,669,722 outstanding during the year (2024: 14,044,082,144).

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2025 ***RMB'000***	2024 *RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**1,432,427**	883,477

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**16,070,669,722**	14,044,082,144
Effect of dilution – weighted average number of ordinary shares:		
Share options	**1,696**	327,131
Restricted share units	**65,132,486**	46,283,396
Total	**16,135,803,904**	14,090,692,671

11. DIVIDENDS

The board does not recommend the payment of dividend for the year ended March 31, 2025 (2024: Nil).

12. PROPERTY AND EQUIPMENT

	Leasehold improvements *RMB'000*	Computer equipment, furniture and fixtures *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
March 31, 2025				
At April 1, 2024:				
Cost	24,882	81,602	307	106,791
Accumulated depreciation	(19,233)	(51,675)	(307)	(71,215)
Net carrying amount	5,649	29,927	–	35,576
At April 1, 2024, net of accumulated depreciation	5,649	29,927	–	35,576
Additions	1,103	19,634	–	20,737
Disposals	(1,031)	(4,294)	–	(5,325)
Depreciation provided during the year *(note 6)*	(768)	(14,527)	–	(15,295)
At March 31, 2025, net of accumulated depreciation	4,953	30,740	–	35,693
At March 31, 2025:				
Cost	23,727	86,218	208	110,153
Accumulated depreciation	(18,774)	(55,478)	(208)	(74,460)
Net carrying amount	4,953	30,740	–	35,693

12. PROPERTY AND EQUIPMENT (CONTINUED)

	Leasehold improvements *RMB'000*	Computer equipment, furniture and fixtures *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
March 31, 2024				
At April 1, 2023:				
Cost	25,094	71,140	307	96,541
Accumulated depreciation	(18,409)	(63,590)	(307)	(82,306)
Net carrying amount	6,685	7,550	–	14,235
At April 1, 2023, net of accumulated depreciation	6,685	7,550	–	14,235
Additions	216	28,276	–	28,492
Disposals	(133)	(89)	–	(222)
Depreciation provided during the year *(note 6)*	(1,119)	(5,810)	–	(6,929)
At March 31, 2024, net of accumulated depreciation	5,649	29,927	–	35,576
At March 31, 2024:				
Cost	24,882	81,602	307	106,791
Accumulated depreciation	(19,233)	(51,675)	(307)	(71,215)
Net carrying amount	5,649	29,927	–	35,576

13. LEASES

The Group as a lessee

The Group has lease contracts for various buildings for retail outlets, offices, staff dormitories and warehouses used in its operations, and the lease terms ranged from one year to nine years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets, i.e., buildings, and the movements during the year are as follows:

	2025 *RMB'000*	2024 *RMB'000*
Carrying amount at April 1	**68,091**	54,313
Additions	**13,476**	51,308
Revision of lease terms arising from changes in the non-cancellable periods of leases	**(22,069)**	(7,734)
Depreciation charge	**(25,471)**	(29,796)
Carrying amount at March 31	**34,027**	68,091

13. LEASES (CONTINUED)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 *RMB'000*	2024 *RMB'000*
Carrying amount at April 1	**82,170**	77,798
New leases	**13,476**	51,308
Accretion of interest recognized during the year	**2,609**	5,969
Payments	**(40,703)**	(45,903)
Revision of lease terms arising from changes in the non-cancellable periods of leases	**(22,037)**	(7,002)
Carrying amount at March 31	**35,515**	82,170
Analyzed into:		
Current portion		
Repayable within one year	**10,579**	34,194
Non-current portion		
Repayable in the second year	**12,086**	20,828
Repayable in the third to fifth years, inclusive	**12,850**	26,810
Repayable beyond five years	**–**	338
Total non-current portion	**24,936**	47,976
Total lease liabilities	**35,515**	82,170

The maturity analysis of lease liabilities based on the contractual undiscounted payments is disclosed in note 36 to the financial statements.

13. LEASES (CONTINUED)

The Group as a lessee (Continued)

(c) The amounts charged/(credited) to profit or loss in relation to leases are as follows:

	2025	2024
	RMB'000	*RMB'000*
Interest on lease liabilities	**2,609**	5,969
Depreciation charge of right-of-use assets	**25,471**	29,796
Loss on revision of lease terms arising from changes in the non-cancellable periods of leases	**32**	732
Expense relating to short-term leases	**2,131**	1,652
Total amount recognized in profit or loss	**30,243**	38,149

(d) The total cash outflow for leases is disclosed in note 32(c) to the financial statements.

The Group as a lessor

The Group subleases certain of its buildings under finance lease arrangements. The terms of the subleases generally require the tenants to pay security deposits and provide for periodic rent adjustments.

The undiscounted lease payments receivable by the Group in future periods under leases with its tenants and their present value as included in other receivables at the end of the reporting periods are as follows:

	2025	2024
	RMB'000	*RMB'000*
Undiscounted lease payments receivable within one year	**–**	10,822
Future unearned finance income	**–**	(195)
Total finance lease receivables	**–**	10,627

14. GOODWILL

	2025 RMB'000	2024 RMB'000
Cost and net carrying amount at April 1 and March 31	**810,853**	810,853

There was no accumulated impairment of goodwill at March 31, 2025 (2024: Nil).

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following CGUs for impairment testing:

- B2C and related business;
- B2B business; and
- Healthcare and digital services business.

The carrying amount of goodwill allocated to each of the CGUs is as follows:

	2025 RMB'000	2024 RMB'000
B2C and related business CGU	**51,019**	51,019
B2B business CGU	**5,516**	5,516
Healthcare and digital services related business CGU	**754,318**	754,318
Carrying amount of goodwill at March 31	**810,853**	810,853

B2C and related business CGU

The recoverable amount of this CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 11% (2024: 15%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2024: 3%), which approximates the long-term average consumer price index growth rate of Mainland China.

14. GOODWILL (CONTINUED)

Impairment testing of goodwill (Continued)

B2B business CGU

The recoverable amount of this CGU was determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 10% (2024: 20%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2024: 3%), which approximates the long-term average consumer price index growth rate of Mainland China.

Healthcare and digital services related business CGU

The recoverable amount of this CGU was determined based on a value in use calculation using cash flow projections based on financial budgets covering a seven-year period (2024: eight-year period) approved by senior management, because a longer forecast period is required for the relevant business currently at early stage to become stabilized. The discount rate applied to the cash flow projections is 14% (2024: 15%). The growth rate used to extrapolate the cash flows beyond the seven-year period is 2% (2024: beyond the eight-year period is 3%), which approximates the long-term average consumer price index growth rate of Mainland China.

Assumptions were used in the value in use calculation of the B2C and related business CGU, B2B business CGU and healthcare and digital services related business CGU. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Expected revenue growth rates – The expected revenue growth rates are following the business plan approved by the Group management. Management leveraged their experiences in the industries and provided forecast based on past performance and their anticipation of future business and market developments.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are after tax and reflect specific risks relating to the relevant units.

Growth rates – The growth rates used to extrapolate the cash flows at the perpetual growth stage are based on the estimated growth rate of each unit taking into account the long-term average consumer price index growth rate of Mainland China.

15. OTHER INTANGIBLE ASSETS

	Patents and licences *RMB'000*	Brand name *RMB'000*	Total *RMB'000*
March 31, 2025			
Cost at April 1, 2024, net of accumulated amortization	**340**	**291,729**	**292,069**
Additions	**10**	**–**	**10**
Disposals	**(22)**	**–**	**(22)**
Amortization provided during the year *(note 6)*	**(89)**	**(16,750)**	**(16,839)**
Exchange realignment	**2**	**–**	**2**
At March 31, 2025	**241**	**274,979**	**275,220**
At March 31, 2025:			
Cost	**6,833**	**335,000**	**341,833**
Accumulated amortization	**(6,592)**	**(60,021)**	**(66,613)**
Net carrying amount	**241**	**274,979**	**275,220**
March 31, 2024			
At April 1, 2023:			
Cost	6,918	335,000	341,918
Accumulated amortization	(6,387)	(26,521)	(32,908)
Net carrying amount	531	308,479	309,010
Cost at April 1, 2023, net of accumulated amortization	531	308,479	309,010
Additions	6	–	6
Amortization provided during the year *(note 6)*	(207)	(16,750)	(16,957)
Exchange realignment	10	–	10
At March 31, 2024	340	291,729	292,069
At March 31, 2024 and at April 1, 2024:			
Cost	6,868	335,000	341,868
Accumulated amortization	(6,528)	(43,271)	(49,799)
Net carrying amount	340	291,729	292,069

16. INVESTMENT IN A JOINT VENTURE

	2025 RMB'000	2024 RMB'000
Share of net assets	**208,966**	250,480

Particulars of the Group's joint venture at the end of the reporting period are as follows:

Name	Particulars of capital held	Place of registration and business	Percentage of ownership interest attributable to the Group^		Principal activities
			2025	2024	
江蘇紫金弘雲健康產業投資合夥企業(有限合夥)(Jiangsu Zijin Hongyun Health Industry Investment Partnership (Limited Partnership)@) ("Jiangsu Zijin")	Capital contribution of RMB1 each	PRC/Mainland China	**13.72**	13.72	Investment management

@ For identification purposes only

^ The percentage of ownership interest attributable to the Group is same as the percentage of voting power and profit sharing attributable to the Group.

Jiangsu Zijin has a financial year ending December 31, and the financial statements for March 31 of Jiangsu Zijin may not be available in a timely manner for the Group to apply the equity method of accounting; therefore the Group elects to record its shares of the profits or losses, other comprehensive income and other changes recognized directly in equity, where applicable, of Jiangsu Zijin on a quarter lag basis, adjusted for any financial effects arising from any significant transactions or events of Jiangsu Zijin that occurred between January 1, 2025 and March 31, 2025 (2024: January 1, 2024 and March 31, 2024).

The above joint venture is indirectly held by the Company.

The following table illustrates the financial information of the Group's joint venture that is not individually material:

	2025 RMB'000	2024 RMB'000
Share of the joint venture's profit/(loss) and total comprehensive income/(loss) for the year	**(19,136)**	1,039
Aggregate carrying amount of the Group's investment in the joint venture	**208,966**	250,480

17. INVESTMENTS IN ASSOCIATES

	2025	2024
	RMB'000	*RMB'000*
Share of net assets	**814,973**	994,390
Goodwill on acquisition	**1,116,061**	1,291,546
Subtotal	**1,931,034**	2,285,936
Impairment	**(410,020)**	–
Total	**1,521,014**	2,285,936

17. INVESTMENTS IN ASSOCIATES (CONTINUED)

Particulars of the Group's associates at the end of the reporting periods are as follows:

Name	Particulars of capital held	Place of registration and business	Percentage of ownership interest attributable to the Group		Principal activities
			2025	2024	
東方口岸科技有限公司 (Dongfang Customs Technology Company Limited)@ ("Dongfang Customs")	Registered capital of RMB1 each	PRC/Mainland China	**30**	30	Operation of platforms for electronic customs processing
萬里雲醫療信息科技(北京)有限公司 (Wanliyun Medical Information Technology (Beijing) Co., Ltd.)#@ ("Wanliyun")	Registered capital of RMB1 each	PRC/Mainland China	**23.28**	23.28	Construction of medical platforms and provision of related services
深圳市巨鼎醫療股份有限公司 (Shenzhen Juding Medical Co.,Ltd.)#^@ ("Shenzhen Juding")	Ordinary shares of RMB1 each	PRC/Mainland China	**9.5**	9.5	Provision of medical self-service equipment and smart healthcare solutions
嘉和美康(北京)科技股份有限公司 (Jiahe Meikang (Beijing) Technology Co., Ltd.)#^@ ("Jiahe Meikang")	Ordinary shares of RMB1 each	PRC/Mainland China	**7.17**	8.41	Provision of clinical information software products, infant medical equipment and mobile internet digitalised medical information software systems
江蘇曼荼羅軟件股份有限公司 (Jiangsu Mandalat Software Company Limited)#^@ ("Mandalat")	Ordinary shares of RMB1 each	PRC/Mainland China	**10.183**	10.183	Provision of software development
安徽華人健康醫藥股份有限公司 (Anhui Huaren Health Pharmaceutical Co., Ltd.)#^@ ("Anhui Huaren")	Ordinary shares of RMB1 each	PRC/Mainland China	**5.00**	7.51	Pharmaceutical retail chain business
漱玉平民大藥房連鎖股份有限公司 (Shuyu Civilian Pharmacy Corp., Ltd.)#^@ ("Shuyu Civilian")	Ordinary shares of RMB1 each	PRC/Mainland China	**6.67**	8.41	Pharmaceutical retail chain business
德生堂醫藥股份有限公司 (Deshengtang Pharmaceutical Co., Ltd)#^@ ("Deshengtang")	Ordinary shares of RMB1 each	PRC/Mainland China	**5**	5	Pharmaceutical retail chain business
來未來科技(浙江)有限公司 (Laiweilai Technology (Zhejiang) Co., Ltd)#@ ("Laiweilai")	Ordinary shares of RMB1 each	PRC/Mainland China	**23.88**	24.17	Construction of intelligent medical platform business

17. INVESTMENTS IN ASSOCIATES (CONTINUED)

@ For identification purposes only

^ The Group's investments in these companies are accounted for as associates of the Group because the Group is in a position to exercise significant influence. The Group has at least one director at each board of directors and/or has relevant rights regarding certain significant financial and operating decisions in board meetings of these associates.

These companies have a financial year ending December 31, and the financial statements for March 31 of these companies may not be available in a timely manner for the Group to apply the equity method of accounting; therefore the Group elects to record their shares of the profits or losses, other comprehensive income and other changes recognized directly in equity, where applicable, of these companies on a quarter lag basis, adjusted for any financial effects arising from any significant transactions or events of these companies that occurred between January 1, 2025 and March 31, 2025 (2024: January 1, 2024 and March 31, 2024).

The above associates are indirectly held by the Company.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 ***RMB'000***	2024 *RMB'000*
Share of the associates' loss for the year	**45,527**	6,965
Share of the associates' other comprehensive loss for the year	**283**	406
Share of the associates' total comprehensive loss for the year	**45,810**	7,371
Aggregate carrying amount of the Group's investments in the associates	**1,521,014**	2,285,936

Impairment of investments in associates

The carrying amount of one of the Group's listed investments in Mainland China was impaired by RMB383,290,000 during the year ended March 31, 2025. Its recoverable amount, i.e., fair value less cost of disposal, of RMB303,379,000 at March 31, 2025 was primarily determined based on its share price at March 31, 2025, which was categorized within Level 1 of the fair value measurement hierarchy. The impairment was attributable to the prolonged decline in its share price and the unfavourable actual financial performance and declined revenue growth.

The carrying amount of one of the Group's unlisted investments in Mainland China was impaired by RMB26,730,000 during the year ended March 31, 2025. Its recoverable amount, i.e., fair value less cost of disposal, of RMB47,193,000 at March 31, 2025 was estimated using a market-based valuation technique primarily based on the median price-to-sale multiple of comparable companies of 13 and the discount for lack of marketability of 30%. Such fair value was categorized within Level 3 of the fair value measurement hierarchy. The impairment was attributable to the unfavourable actual financial performance and declined revenue growth.

18. INVENTORIES

	2025 RMB'000	2024 RMB'000
Trading goods	**1,415,220**	1,399,738

19. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	**1,083,331**	815,780
Impairment	**(36,255)**	(33,687)
Net carrying amount	**1,047,076**	782,093
Bills receivable	**5,447**	3,043
Total trade and bills receivables	**1,052,523**	785,136

The Group's trading terms with some of its customers are on credit. The Group provides a credit period of 30 to 90 days. Trade receivables are settled in accordance with the terms of the respective contracts. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from subsidiaries of Alibaba Group (excluding the Group) of approximately RMB502,821,000 (2024: RMB323,776,000) and the Group's associates of approximately RMB194,000 (2024: RMB189,000), which are repayable on credit terms mutually agreed by the parties involved.

19. TRADE AND BILLS RECEIVABLES (CONTINUED)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of products delivered to B2C customers or received by B2B customers, or services rendered to customers and net of impairment, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**936,079**	694,782
4th to 12th month	**96,636**	81,010
Over 1 year	**14,361**	6,301
Total	**1,047,076**	782,093

At March 31, 2025, the Group's bills receivable would be mature within 6 months (2024: 3 months).

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	RMB'000	*RMB'000*
At April 1	**33,687**	28,544
Impairment *(note 6)*	**6,207**	5,143
Amount written off as uncollectible	**(3,639)**	–
At March 31	**36,255**	33,687

The increase in the loss allowance as at March 31, 2025 was mainly due to the increase in the loss allowance of RMB3,125,000 as a result of the increase in gross amount of trade receivables aged less than two years. The increase in the loss allowance as at March 31, 2024 was mainly due to the increase in the loss allowance of RMB1,572,000 and RMB3,528,000 as a result of the increase in gross amount of trade receivables aged less than one year and over two years, respectively.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

19. TRADE AND BILLS RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at March 31, 2025

	Ageing			
	Within 12 months	**13th to 24th month**	**Over 2 years**	**Total**
Expected credit loss rate	**0.44%**	**7.91%**	**100.00%**	**3.35%**
Gross carrying amount (RMB'000)	**1,037,270**	**15,594**	**30,467**	**1,083,331**
Expected credit losses (RMB'000)	**4,555**	**1,233**	**30,467**	**36,255**

As at March 31, 2024

	Ageing			
	Within 12 months	13th to 24th month	Over 2 years	Total
Expected credit loss rate	0.27%	7.83%	100.00%	4.13%
Gross carrying amount (RMB'000)	777,920	6,836	31,024	815,780
Expected credit losses (RMB'000)	2,128	535	31,024	33,687

Bills receivable are subject to impairment using the low credit risk simplification under the general approach. At each reporting date, the Group evaluates whether the bills receivable are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the credit ratings of the debt investments. The Group did not recognize any impairment loss on bills receivable as at March 31, 2025 (2024: Nil).

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025	2024
	RMB'000	*RMB'000*
Current:		
Prepayments	**368,439**	364,714
Other receivables and other assets	**1,038,798**	1,132,580
	1,407,237	1,497,294
Impairment	**(17,934)**	(6,760)
Total	**1,389,303**	1,490,534
Non-current:		
Other receivables and other assets	**93,480**	31,568
Total	**1,482,783**	1,522,102

Included in the Group's other receivables are dividend receivable from a joint venture amounting to RMB9,689,000 (2024: Nil).

The movements in provision for impairment of other receivables during the year are as follows:

	2025	2024
	RMB'000	*RMB'000*
At April 1	**6,760**	6,760
Impairment *(note 6)*	**11,174**	–
At March 31	**17,934**	6,760

The individually impaired other receivables of RMB17,934,000 (2024: RMB6,760,000) relate to debtors that were in default and the outstanding receivables are not expected to be recovered.

Other than the impaired other receivables, the financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at March 31, 2025, their loss allowance is assessed to be minimal (2024: minimal).

21. CASH AND BANK DEPOSITS, TIME DEPOSITS AND RESTRICTED CASH

	2025	2024
	RMB'000	*RMB'000*
Cash and bank balances	**2,310,249**	3,168,575
Time deposits	**9,981,629**	7,356,941
Subtotal	**12,291,878**	10,525,516
Less:		
Restricted cash	**(303,243)**	(278,406)
Long-term time deposits	**(4,152,413)**	(694,000)
Short-term time deposits	**(5,617,926)**	(6,062,941)
Cash and bank deposits	**2,218,296**	3,490,169

At the end of the reporting period, the cash and bank balances and time deposits of the Group denominated in RMB placed in banks in Mainland China amounted to approximately RMB4,891,137,000 (2024: RMB4,452,802,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks (including Alipay) earns interest at floating rates based on daily bank deposit rates. Time deposits are categorized into (i) highly liquid time deposits of which the original maturity dates are within three months when acquired, (ii) short-term time deposits of which the original maturity dates are between four and twelve months when acquired, or the maturity dates are over one year when acquired but will become mature within twelve months from the end of the reporting period, and (iii) long-term time deposits of which the maturity dates are over one year when acquired. Time deposits earn interest at the respective time deposit rates when originally acquired. The bank balances are deposited with creditworthy banks with no recent history of default. As at March 31, 2025, the cash (including restricted cash) at Alipay amounted to RMB323,389,000 (2024: RMB129,231,000). Restricted cash mainly related to receipt in advance placed with escrow accounts and cash deposited in trust accounts for share repurchase purpose.

22. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 ***RMB'000***	2024 *RMB'000*
Listed equity investments, at fair value:		
Hangzhou Jiuyuan Gene Engineering Co., Ltd.	**9,404**	–
Unlisted equity investment, at fair value:		
IK Healthcare Holdings Limited	**88,184**	101,659
Total	**97,588**	101,659

The above equity investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 ***RMB'000***	2024 *RMB'000*
Non-current:		
Unlisted equity investments, at fair value	**1,622,162**	1,567,998
Current:		
Other unlisted investments, at fair value	**263,621**	–
Total	**1,885,783**	1,567,998

The unlisted equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognize the fair value gain or loss through other comprehensive income.

The other unlisted investments were structured deposits issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

24. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the date of products and services received by the Group or the date of bill issuance, is as follows:

	2025 *RMB'000*	2024 *RMB'000*
Within 3 months	**2,671,256**	2,779,151
4th to 12th month	**147,870**	489,845
Over 1 year	**33,255**	81,570
Total	**2,852,381**	3,350,566

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

Included in the Group's trade payables are amounts due to subsidiaries of Alibaba Group (excluding the Group) of approximately RMB495,487,000 (2024: RMB907,537,000), which are repayable on credit terms mutually agreed by the parties involved.

25. OTHER PAYABLES AND ACCRUALS

	2025 *RMB'000*	2024 *RMB'000*
Other payables	**832,827**	904,429
Accruals	**215,076**	92,714
Total	**1,047,903**	997,143

Other payables are non-interest-bearing and have an average term of three months.

Included in the Group's other payables are management fee received in advance from a joint venture of RMB334,000 (2024: RMB1,288,000).

26. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	2025 *RMB'000*	2024 *RMB'000*	2023 *RMB'000*
Pharmaceutical direct sales business	**476,275**	250,609	204,065
Healthcare and digital services business	**218,820**	304,074	291,001
Total	**695,095**	554,683	495,066

The increase in contract liabilities as at March 31, 2025 was mainly due to the increasing scale of pharmaceutical direct sales business. The increase in contract liabilities as at March 31, 2024 was mainly due to the increasing scale of pharmaceutical direct sales business and healthcare and digital services business.

27. DEFERRED TAX

The movements in gross deferred tax assets and liabilities during the year are as follows:

March 31, 2025

		Fair value adjustments attributable to						
	Loss available for offsetting against future taxable profits *RMB'000*	Investments at fair value through profit or loss *RMB'000*	Acquisition of subsidiaries *RMB'000*	Equity accounting and deemed cost adjustments of investments in a joint venture and associates *RMB'000*	Lease liabilities *RMB'000*	Right-of-use assets *RMB'000*	Investments in subleases *RMB'000*	Total *RMB'000*
Gross deferred tax assets/(liabilities) at April 1, 2024	190,928	(6,661)	(72,933)	(171,625)	20,525	(17,006)	(2,657)	(59,429)
Deferred tax credited/(charged) to:								
the statement of profit or loss *(note 9)*	(120,299)	(5,801)	4,187	132,979	(11,657)	8,509	2,657	10,575
the statement of comprehensive income	–	–	–	71	–	–	–	71
the statement of changes in equity	–	–	–	1,455	–	–	–	1,455
Gross deferred tax assets/(liabilities) at March 31, 2025	70,629	(12,462)	(68,746)	(37,120)	8,868	(8,497)	–	(47,328)

27. DEFERRED TAX (CONTINUED)

March 31, 2024

		Fair value adjustments attributable to						
	Loss available for offsetting against future taxable profits *RMB'000*	Investments at fair value through profit or loss *RMB'000*	Acquisition of subsidiaries *RMB'000*	Equity accounting and deemed cost adjustments of investments in a joint venture and associates *RMB'000*	Lease liabilities *RMB'000*	Right-of-use assets *RMB'000*	Investments in subleases *RMB'000*	Total *RMB'000*
Gross deferred tax assets/ (liabilities) at April 1, 2023	174,663	(14,734)	(77,120)	(171,395)	19,422	(13,551)	(6,005)	(88,720)
Deferred tax credited/(charged) to:								
the statement of profit or loss *(note 9)*	16,265	8,267	4,187	(1,335)	1,103	(3,455)	3,348	28,380
the statement of comprehensive income	–	–	–	101	–	–	–	101
the statement of changes in equity	–	–	–	1,004	–	–	–	1,004
Exchange realignment	–	(194)	–	–	–	–	–	(194)
Gross deferred tax assets/ (liabilities) at March 31, 2024	190,928	(6,661)	(72,933)	(171,625)	20,525	(17,006)	(2,657)	(59,429)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 ***RMB'000***	2024 *RMB'000*
Net deferred tax assets recognized in the consolidated statement of financial position	**50,821**	54,870
Net deferred tax liabilities recognized in the consolidated statement of financial position	**(98,149)**	(114,299)
Net deferred tax liabilities	**(47,328)**	(59,429)

27. DEFERRED TAX (CONTINUED)

Deferred tax assets have not been recognized in respect of the following items:

	2025 *RMB'000*	2024 *RMB'000*
Tax losses	**692,786**	1,081,698
Deductible temporary differences	**709,167**	383,576
Total	**1,401,953**	1,465,274

The Group has unrecognized tax losses arising in Hong Kong of approximately RMB80,266,000 (2024: RMB75,563,000), subject to agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has unrecognized tax losses arising in Mainland China of RMB612,520,000 (2024: RMB1,006,135,000) that will expire in one to ten years for offsetting against future taxable profits.

Deferred tax assets have not been recognized in respect of these losses and other deductible temporary differences as they have arisen in subsidiaries that either have been loss-making for some time or turned a profit in recent years, and it is not considered probable that taxable profits will be available against which the tax losses can be utilized.

The Group is liable to withholding taxes on dividends distributed by its subsidiaries, joint venture and associates established in Mainland China in respect of earnings generated from January 1, 2008. The applicable rate is 10% for the Group.

At March 31, 2025, no deferred tax has been recognized for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries, a joint venture and associates established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognized totalled approximately RMB2,244,006,000 at March 31, 2025 (2024: RMB1,435,189,000). At March 31, 2025, there were unremitted earnings shared by the Group of approximately RMB186,492,000 (2024: RMB234,378,000) from the Group's joint venture and associates established in Mainland China in respect of earnings generated from January 1, 2008.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

28. SHARE CAPITAL

Shares

	2025 **HK$'000**	2024 HK$'000
Authorized:		
20,000,000,000 (2024: 20,000,000,000) ordinary shares of HK$0.01 each	**200,000**	200,000

	2025 **RMB'000**	2024 RMB'000
Issued and fully-paid:		
16,092,851,240 (2024: 16,091,736,264) ordinary shares of HK$0.01 each	**142,790**	142,780

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Total RMB'000
At April 1, 2023	13,521,362,542	119,133	43,734,076	(70,482)	43,782,727
Repurchase of shares *(note a)*	–	–	–	(104,568)	(104,568)
Vested awarded shares transferred to employees *(note b)*	–	–	130,440	73,210	203,650
Share options exercised *(note c)*	235,500	2	1,256	–	1,258
Issue of shares for acquisition under common control *(note d)*	2,558,222,222	23,539	7,508,952	–	7,532,491
Issue of shares for restricted share units *(note e)*	11,916,000	106	–	(106)	–
At March 31 and April 1, 2024	**16,091,736,264**	**142,780**	**51,374,724**	**(101,946)**	**51,415,558**
Repurchase of shares *(note a)*	**–**	**–**	**–**	**(39,931)**	**(39,931)**
Vested awarded shares transferred to employees *(note b)*	**–**	**–**	**134,885**	**89,277**	**224,162**
Share options exercised *(note c)*	**1,114,976**	**10**	**6,783**	**–**	**6,793**
At March 31, 2025	**16,092,851,240**	**142,790**	**51,516,392**	**(52,600)**	**51,606,582**

28. SHARE CAPITAL (CONTINUED)

Shares (Continued)

Notes:

a. During the year ended March 31, 2025, 12,697,000 (2024: 33,018,000) shares of HK$0.01 each were repurchased for RSUs to be vested for non-connected persons and connected persons at a total cash consideration of RMB39,931,000 (2024: RMB104,568,000).

b. Upon vesting of RSUs for the year ended March 31, 2025, 29,477,000 (2024: 29,897,000) treasury shares were transferred to non-connected persons and 1,237,000 (2024: 1,056,000) treasury shares were transferred to connected persons, respectively.

c. The subscription rights attaching to 1,114,976 (2024: 235,500) share options were exercised at the subscription price of HK$4.41 (2024: HK$4.02) per share (note 29), resulting in the issue of 1,114,976 (2024: 235,500) shares for a total cash consideration, before expenses, of RMB4,587,000 (2024: RMB878,000). An amount of RMB2,206,000 (2024: RMB380,000) was transferred from the share option reserve to share premium upon the exercise of the share options.

d. On January 17, 2024, 2,558,222,222 shares of HK$0.01 each were issued to a related company for an acquisition of subsidiaries, details of which are disclosed in the note 31 to the financial statements.

e. During the year ended March 31, 2024, 11,916,000 shares of HK$0.01 each were issued for RSUs to be vested for non-connected persons.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 29 to the financial statements.

29. SHARE-BASED COMPENSATION COSTS

Share award scheme

The Company adopted 2014 Share Award Scheme on November 24, 2014 for the purpose of providing incentives and rewards to eligible participants for their contributions to the Group. The 2014 Share Award Scheme was amended on August 11, 2023, and later terminated on August 30, 2024. Upon the termination of the 2014 Share Award Scheme, no further share awards may be offered or granted but in all other respects the terms of the 2014 Share Award Scheme shall remain in full force and effect. Further, the outstanding options and RSUs granted pursuant to the 2014 Share Award Scheme, which remain unvested or which have vested but not yet been exercised or in respect of which shares not yet issued to the participants at the time of its termination, shall remain in full force and effect.

29. SHARE-BASED COMPENSATION COSTS (CONTINUED)

Share award scheme (Continued)

The Company adopted 2024 Share Award Scheme on August 30, 2024 (the "2024 Adoption Date"). Eligible participants of the 2024 Share Award Scheme include the directors and employees of the Group, directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company, and service providers to the Group on a continuing or recurring basis in its ordinary and usual course of business. The 2024 Share Award Scheme, unless otherwise cancelled or amended, shall remain in force for 10 years from the 2024 Adoption Date.

Pursuant to the 2024 Share Award Scheme, the scheme mandate limit shall be (a) 10% of the shares in issue (excluding treasury shares) as at the 2024 Adoption Date or (b) 10% of the shares in issue (excluding treasury shares) as at the most recent new approval date; and on a yearly basis, shall be (a) 1% of the shares in issue (excluding treasury shares) as at the 2024 Adoption Date or (b) 1% of the shares in issue (excluding treasury shares) as at the most recent new approval date. The total number of shares that may be issued (and, together with treasury shares that may be transferred, as applicable) in respect of which share awards may be granted to service providers within the aforementioned scheme mandate limit pursuant to the 2024 Share Award Scheme and any other share schemes of the Company are (a) 1% of the shares in issue (excluding treasury shares) as at the 2024 adoption date or (b) 1% of the shares in issue (excluding treasury shares) as at the most recent new approval date.

The maximum number of shares issuable to each eligible participant in the 2024 Share Award Scheme within any 12-month period is limited to 1% of the shares of the Company in issue (excluding treasury shares) at any time. Any further grant of share awards in excess of this limit is subject to shareholders' approval in advance in a general meeting.

Share awards granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share awards granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue (excluding treasury shares) at any time, are subject to shareholders' approval in a general meeting.

The offer of a grant of share awards may be accepted within the period specified in the notice of grant and HK$1 may be required, in the Company's discretion, as a consideration for the grant of share awards. The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

The share awards do not confer rights on the holders to dividends or to vote at shareholders' meetings.

29. SHARE-BASED COMPENSATION COSTS (CONTINUED)

Share award scheme (Continued)

Movements in the number of share options and RSUs granted under the Group's share award schemes during the year and their related weighted average fair values are as follows:

	Weighted average exercise price of share options *HK$ per share*	Number of share options *'000*	Number of restricted share units *'000*
Outstanding at April 1, 2023	7.87	18,653	97,909
Granted during the year	5.02	10,149	58,127
Forfeited or lapsed during the year	5.95	(2,103)	(23,866)
Exercised or vested during the year	4.01	(236)	(30,953)
Outstanding at March 31 and April 1, 2024	**8.29**	**26,463**	**101,217**
Granted during the year	**3.72**	**3,701**	**81,433**
Forfeited or lapsed during the year	**5.38**	**(7,047)**	**(26,649)**
Exercised or vested during the year	**4.41**	**(1,115)**	**(30,676)**
Outstanding at March 31, 2025	**8.65**	**22,002**	**125,325**

The weighted average share price at the date of exercise for share options exercised during the year was HK$5.74 per share (2024: HK$4.9).

29. SHARE-BASED COMPENSATION COSTS (CONTINUED)

Share award scheme (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Exercise period			Exercise price *HK$ per share*	2025 Number of options *'000*	2024 Number of options *'000*
7/9/2015	to	6/9/2025	5.184	**483**	508
28/4/2016	to	27/4/2026	5.32	**132**	152
29/7/2016	to	28/7/2026	5.558	**815**	1,662
2/2/2017	to	1/2/2027	3.626	**72**	593
3/8/2017	to	2/8/2027	3.686	**417**	734
10/10/2017	to	9/10/2027	4.4	**70**	162
1/2/2018	to	31/1/2028	4.144	**–**	347
15/6/2020	to	14/6/2030	19.94	**4,272**	4,466
15/9/2020	to	14/9/2030	18.86	**119**	119
15/6/2021	to	14/6/2031	18.21	**1,495**	1,579
15/3/2022	to	14/3/2032	4.24	**563**	750
15/6/2022	to	14/6/2032	4.92	**4,663**	6,493
15/6/2023	to	14/6/2033	5.16	**5,044**	6,162
15/9/2023	to	14/9/2033	4.68	**–**	2,528
15/12/2023	to	14/12/2033	4.38	**156**	208
15/6/2024	to	14/6/2034	3.72	**3,701**	–
				22,002	26,463

The number of the share options exercisable at March 31, 2025 was 11,207,000 (2024: 13,972,000) with the weighted average exercise price of HK$11.99 per share (2024: HK$10.54 per share).

The exercise price of RSUs is nil.

As at March 31, 2025, the remaining vesting periods for the share options and RSUs granted range from 2.5 to 62.5 months (2024: 2.5 to 63.5 months).

The weighted average remaining contractual life of the share options outstanding as at March 31, 2025 was 6.78 years (2024: 7.36 years).

29. SHARE-BASED COMPENSATION COSTS (CONTINUED)

Share award scheme (Continued)

The fair value of the share options granted during the year was RMB6,441,000 (HK$1.87 each) (2024: RMB30,977,000 (HK$3.32 each)), of which the Group recognized a share option expense of RMB1,764,000 (2024: RMB8,473,000) during the year ended March 31, 2025. During the year ended March 31, 2025, the Group also recognized a share option expense of RMB9,947,000 (2024: RMB7,471,000) in respect of share options granted in prior years.

The fair value of the RSUs granted during the year was RMB180,677,000 (HK$3.49 each) (2024: RMB265,622,000 (HK$5.01 each)), of which the Group recognized a RSU expense of RMB81,286,000 (2024: RMB77,101,000) during the year ended March 31, 2025. During the year ended March 31, 2025, the Group also recognized a RSU expense of RMB103,569,000 (2024: RMB125,076,000) in respect of RSUs granted in prior years.

The fair value of share options granted during the year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

	Share options granted in	
	2025	2024
Fair value of the Company's shares as at the grant date	**HK$3.5**	HK$4.38~HK$5.16
Expected volatility (%)	**63**	83
Expected dividend (%)	**–**	–
Exercise multiple	**2.5**	2.6~3.0
Exercise price	**HK$3.72**	HK$4.38~HK$5.16
Risk-free interest rate (%)	**3.52**	3.60
Life of options (year)	**10**	10
Forfeiture rate (%)	**25**	24

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The exercise multiple reflects the ratio of the stock price over the exercise price, and the likelihood of early exercise increases when the stock price is over a certain multiple of the exercise price. The forfeiture rate reflects the probability that the grantees will leave after the vesting period.

The fair value of the RSUs granted during the year was determined based on the market value of the Company's shares at the respective grant dates.

The fair value of share options and/or RSUs granted by Alibaba Group to employees transferred from other entities of Alibaba Group to the Group were measured with reference to the fair value of these share options and/or RSUs at the original grant date. The Group recognized share-based compensation expenses of RMB27,969,000 for awards under Alibaba Group's share award scheme for the year ended March 31, 2025 (2024: RMB47,938,000).

29. SHARE-BASED COMPENSATION COSTS (CONTINUED)

Share award scheme (Continued)

Total share-based compensation expenses recorded by the Group under the Group's share award schemes and Alibaba Group's share award scheme are as follows:

	2025 *RMB'000*	2024 *RMB'000*
Cost of sales	**9,804**	12,829
Fulfilment	**29,001**	31,711
Selling and marketing expenses	**18,801**	65,705
Administrative expenses	**76,651**	76,038
Product development expenses	**90,278**	79,776
Total	**224,535**	266,059

At the end of the reporting period, the Company had approximately 22,002,000 share options and 125,325,000 RSUs outstanding under the share award schemes, which represented approximately 0.92% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options and RSUs, under the present capital structure of the Company, would result in the issue of approximately 22,002,000 additional ordinary shares of the Company and additional share capital of HK$220,020 (equivalent to approximately RMB204,000) (before issue expenses), the purchase of 108,842,000 existing shares from the market and the release of 16,483,000 shares from treasury shares.

Subsequent to the end of the reporting period, the subscription rights attaching to approximately 718,000 share options were exercised at the subscription prices ranging between HK$4.24 and HK$4.92 per share, resulting in the issue of 718,000 shares of the Company for a total cash consideration, before expenses, of RMB2,927,000.

At the date of approval of these financial statements, the Company had approximately 21,284,000 share options and 125,325,000 RSUs outstanding under the share award schemes, which represented approximately 0.91% of the Company's shares in issue as at that date.

30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 111 to page 112 of the financial statements.

Merger reserve

The merger reserve represents the differences between the fair value of consideration shares issued by the Company and the carrying amount of the net assets of the target company at the acquisition date pursuant to the business combination under common control of the Group that took place in prior years.

Other reserves

Other reserves mainly consist of PRC statutory reserves and contributed surplus. Under the relevant PRC laws and regulations, PRC companies are required to allocate 10% of their net profit to the fund until such fund reaches 50% of their registered capital. The statutory reserve fund can be utilized, upon approval by the relevant authorities, to offset against accumulated losses or to increase registered capital of the companies, provided that such fund is maintained at a minimum of 25% of the companies' registered capital. Contributed surplus represents the difference between the nominal value of the Company's shares issued in exchange for the issued share capital of the subsidiaries and the net asset value of the subsidiaries acquired, and the surplus arising from the reduction of share capital.

31. BUSINESS COMBINATION

Year ended March 31, 2024

On January 17, 2024, the Group acquired a 100% equity interest in AJK Technology Holding Limited and its subsidiaries (collectively referred to as the "Target Business") from Taobao Holding Limited (the "Vendor"), a direct wholly-owned subsidiary of Alibaba Holding. The acquisition of the Target Business is expected to enable the Group to offer one-stop solutions to better serve healthcare merchants' needs, to optimize healthcare merchants' marketing efficiency and return on investment and to improve the business and revenue growth of healthcare merchants and the Group. As the Company and the Target Business are under common control of Alibaba Holding before and after the transaction, the transaction has been accounted for as a business combination under common control using merger accounting.

31. BUSINESS COMBINATION (CONTINUED)

Year ended March 31, 2024 (Continued)

The consideration of HK$13,512,000,000 was satisfied by the Company issuing 2,558,222,222 shares and paying United States Dollar equivalent of HK$2,000,000,000 (approximately RMB1,849,529,000) in cash to the Vendor. The fair value of these consideration shares was HK$8,186,311,000 (approximately RMB7,532,491,000) which was determined based on the market price of HK$3.20 per ordinary share as at January 17, 2024. The difference of RMB9,371,262,000 between the fair value of consideration of approximately RMB9,382,020,000 and the carrying amount of the net assets of the Target Business at the acquisition date of approximately RMB10,758,000 is recognized in the merger reserve. The Target Business is engaged in the provision of marketing materials review services and value-added services.

The existing book values of the identified assets and liabilities of the Target Business as at the date of acquisition were as follows:

	Existing book values *RMB'000*
Cash and cash equivalents	10,758
Total identified net assets at existing book values	10,758
Satisfied by:	
Share consideration	7,532,491
Cash consideration	1,849,529
	9,382,020

An analysis of the cash flows in respect of the acquisition of subsidiaries is as follows:

	2024 *RMB'000*
Cash consideration	1,849,529
Cash and cash equivalents acquired	(10,758)
Net outflow of cash and cash equivalents included in the cash flows used in financing activities	1,838,771

32.NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB13,476,000 (2024: RMB51,308,000) and RMB13,476,000 (2024: RMB51,308,000), respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

	Lease liabilities	
	2025	2024
	RMB'000	*RMB'000*
Carrying amount at April 1	**82,170**	77,798
Changes from financing cash flows	**(38,094)**	(39,934)
New leases	**13,476**	51,308
Revision of lease terms arising from changes in the non-cancellable periods of leases	**(22,037)**	(7,002)
Interest expense	**2,609**	5,969
Interest paid classified as operating cash flows	**(2,609)**	(5,969)
Carrying amount at March 31	**35,515**	82,170

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within operating activities	**4,740**	7,621
Within financing activities	**38,094**	39,934
Total	**42,834**	47,555

33. RELATED PARTY TRANSACTIONS

(I) Transactions with related parties

	2025 *RMB'000*	2024 *RMB'000*
Ultimate holding company and its subsidiaries:		
Share-based compensation expenses attributable to connected persons^	**(31,026)**	(12,709)
Share-based compensation expenses attributable to share awards granted by Alibaba Holding	**(27,969)**	(47,937)
Reimbursement amount of the Group's share awards from Alibaba Holding	**15,679**	17,187
Fellow subsidiaries:		
Marketing services received from Hangzhou Alimama, its subsidiaries and affiliates	**(2,287,280)**	(1,566,271)
Shared services received from Alibaba Group	**(276,536)**	(284,125)
Platform services received from Alibaba Group	**(619,523)**	(311,039)
Cloud computing services received from Alibaba Cloud Computing Ltd.	**(134,636)**	(114,833)
Logistics and warehouse services received from Hangzhou Cainiao Supply Chain Management Co., Ltd., its subsidiaries and affiliates	**(125,718)**	(175,126)
Technical services received from Taobao China Holding Limited, its subsidiaries and affiliates ("Taobao China Companies") and Tmall Entities	**(1,093,075)**	(1,119,991)
Outsourced and value-added services provided to Tmall Entities	**104,348**	108,755
Tracking related services provided to Taobao Holding	**1,951**	2,021
Shared services provided to Alibaba Group	**11**	440
Software services provided to Taobao China Companies	**116,854**	98,342
Business sourcing and promotion services provided to Koubei (Shanghai) Information Technology Co., Ltd.	**2,472**	5,288
Marketing materials review services and value-added services provided to Hangzhou Alimama	**1,515,270**	239,522
Associate of the ultimate holding company:		
Payment services received from Alipay and its affiliates	**(41,297)**	(75,375)
Information display service provided by Ant Yikang (Guangzhou) Information Technology Co., Ltd.	**(1,749)**	(1,598)
Registration service provided to Ant Yikang (Guangzhou) Information Technology Co., Ltd.	**2,894**	2,830
Software services received from Ant Blockchain Technology (Shanghai) Co., Ltd.	**(2,303)**	–
Joint ventures:		
Management fee	**12,193**	10,669
Associates:		
Sales of products	**–**	1,891

33. RELATED PARTY TRANSACTIONS (CONTINUED)

(I) Transactions with related parties (Continued)

^ On June 15, 2023, a total of 3,956,000 options are granted to five connected grantees, of which 1,381,250 options are granted to Mr. Zhu Shunyan (Chairman) (former Chief Executive Officer and resigned as the Chief Executive Officer with effect from the close of business on November 28, 2023), 1,302,750 options are granted to Mr. Shen Difan (Chief Executive Officer) (appointed as the Chief Executive Officer with effect from the close of business on November 28, 2023), 255,750 options are granted to Mr. Tu Yanwu, and the remaining options are granted to two directors of subsidiaries of the Company.

On June 15, 2023, a total of 2,803,800 RSUs are granted to ten connected grantees, of which 552,500 RSUs are granted to Mr. Zhu Shunyan (Chairman) (former Chief Executive Officer and resigned as the Chief Executive Officer with effect from the close of business on November 28, 2023), 521,100 RSUs are granted to Mr. Shen Difan (Chief Executive Officer) (appointed as the Chief Executive Officer with effect from the close of business on November 28, 2023), 102,300 RSUs are granted to Mr. Tu Yanwu, and the remaining RSUs are granted to seven directors of subsidiaries of the Company.

On June 14, 2024, a total of 3,700,700 share options are granted to two connected grantees, of which 1,741,500 share options are granted to Mr. Zhu Shunyan (Chairman) and 1,959,200 share options are granted to Mr. Shen Difan (Chief Executive Officer).

On June 14, 2024, a total of 4,319,000 RSUs are granted to six connected grantees, of which 696,600 RSUs are granted to Mr. Zhu Shunyan (Chairman), 783,700 RSUs are granted to Mr. Shen Difan (Chief Executive Officer), 696,600 RSUs are granted to Mr. Tu Yanwu, and the remaining RSUs are granted to three directors of subsidiaries of the Company.

All these transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

33. RELATED PARTY TRANSACTIONS (CONTINUED)

(II) Outstanding balances with related parties:

In addition to the outstanding balances detailed in notes 19, 20, 24 and 25 to the financial statements, the balances with related parties as at the end of the reporting period are listed below:

	2025 *RMB'000*	2024 *RMB'000*
Alibaba Holding and its subsidiaries (excluding the Group):		
Prepayments, other receivables and other assets	**362,105**	231,290
Other payables and accruals	**179,211**	273,418
Associate of the ultimate holding company:		
Trade receivables	**156**	3,643
Prepayments, other receivables and other assets	**733**	852
Other payables and accruals	**–**	583

The balances with fellow subsidiaries are unsecured, interest-free, and have no fixed terms of repayment.

(III) Compensation of key management personnel of the Group

	2025 *RMB'000*	2024 *RMB'000*
Short-term employee benefits	**22,510**	26,154
Discretionary performance related bonuses	**12,128**	14,193
Share-based compensation expenses	**64,522**	60,164
Pension scheme contributions	**918**	1,074
Total compensation of key management personnel	**100,078**	101,585

Further details of directors' and chief executive's emoluments are included in note 7 to the financial statements.

The transactions in respect of item (I) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at fair value through profit or loss – designated as such upon initial recognition	Financial assets at fair value through other comprehensive income		Financial assets at amortized cost	Total
		Debt investments	Equity investments		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	–	–	97,588	–	97,588
Financial investments at fair value through profit or loss	1,885,783	–	–	–	1,885,783
Trade receivables	–	–	–	1,047,076	1,047,076
Bills receivable	–	–	–	5,447	5,447
Financial assets included in prepayments, other receivables and other assets	–	–	–	976,928	976,928
Long-term time deposits	–	–	–	4,152,413	4,152,413
Short-term time deposits	–	–	–	5,617,926	5,617,926
Restricted cash	–	–	–	303,243	303,243
Cash and bank deposits	–	–	–	2,218,296	2,218,296
Total	1,885,783	–	97,588	14,321,329	16,304,700

34. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

2025 (Continued)

Financial liabilities

	Financial liabilities at amortized cost *RMB'000*
Trade and bills payables	**2,852,381**
Financial liabilities included in other payables and accruals	**526,508**
Lease liabilities	**35,515**
Total	**3,414,404**

34. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

2024

Financial assets

	Financial assets at fair value through profit or loss – designated as such upon initial recognition	Financial assets at fair value through other comprehensive income		Financial assets at amortized cost	Total
		Debt investments	Equity investments		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	–	–	101,659	–	101,659
Financial investments at fair value through profit or loss	1,567,998	–	–	–	1,567,998
Trade receivables	–	–	–	782,093	782,093
Bills receivable	–	3,043	–	–	3,043
Financial assets included in prepayments, other receivables and other assets	–	–	–	1,042,658	1,042,658
Long-term time deposits	–	–	–	694,000	694,000
Short-term time deposits	–	–	–	6,062,941	6,062,941
Restricted cash	–	–	–	278,406	278,406
Cash and bank deposits	–	–	–	3,490,169	3,490,169
Total	1,567,998	3,043	101,659	12,350,267	14,022,967

34. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

2024 (Continued)

Financial liabilities

	Financial liabilities at amortized cost RMB'000
Trade and bills payables	3,350,566
Financial liabilities included in other payables and accruals	598,072
Lease liabilities	82,170
Total	4,030,808

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amount		Fair value	
	2025 *RMB'000*	2024 *RMB'000*	**2025** *RMB'000*	2024 *RMB'000*
Financial assets				
Financial assets at fair value through profit or loss	**1,885,783**	1,567,998	**1,885,783**	1,567,998
Equity investments designated at fair value through other comprehensive income	**97,588**	101,659	**97,588**	101,659
Long-term time deposits	**4,152,413**	694,000	**4,204,161**	644,144
Other receivables and other assets, non-current portion	**93,480**	31,568	**90,756**	28,840
Total	**6,229,264**	2,395,225	**6,278,288**	2,342,641

Management has assessed that the fair values of cash and bank deposits, short-term time deposits, restricted cash, trade and bills receivables, current portion of financial assets included in prepayments, other receivables and other assets, trade and bills payables and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyzes the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group's financial assets at fair value through profit or loss comprise structured deposits and unlisted equity investments. The fair values of structured deposits included in financial assets at fair value through profit or loss have been calculated using a Monte Carlo simulation model to generate the key input values which are used to determine the returns of structured deposits, and then a discounted cash flow valuation model based on the average key input values and market interest rates of instruments with similar terms and risks. The fair values of unlisted equity investments at FVPL and designated at FVOCI have been estimated using market-based valuation techniques. The key assumptions applied in the calculation are (i) valuation multiples of the comparable public companies (peers) and discounts for lack of marketability ("DLOM"), or (ii) recent transaction prices, together with an option pricing model for the equity allocation purpose. Comparable companies are actively traded in stock market and the multiples are publicly available. Also, to adjust the fair value difference between a publicly traded company and a private company, an independent valuer has applied an option pricing model to estimate the DLOM. The directors believe that the estimated fair values resulting from the valuation techniques, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss or other comprehensive income, are reasonable.

The fair values of long-term time deposits and non-current portion of other receivables and other assets have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Below is a summary of significant unobservable inputs to the valuation of unlisted equity investments together with a quantitative sensitivity analysis as at March 31, 2025 and 2024:

Valuation technique	Significant unobservable inputs	Values	Sensitivity of fair value to the input
Valuation multiples	Median or average P/S multiple of peers	1.18, 2.09, 10.77 7.27 and nil (2024: 1.29, 2.23, 8.98, 4.90 and 3.78)	1% (2024: 1%) increase in multiple would result in increase in fair value by RMB7,350,000, RMB882,000, RMB882,000, RMB1,002,000 and nil, respectively (2024: RMB7,796,000, RMB1,017,000, RMB733,000, RMB1,165,000 and RMB2,979,000, respectively). 1% (2024: 1%) decrease in multiple would result in decrease in fair value by RMB7,350,000, RMB882,000, RMB883,000, RMB1,011,000 and nil, respectively (2024: RMB7,796,000, RMB1,017,000, RMB729,000, RMB1,170,000 and RMB3,079,000, respectively).
	Discount for lack of marketability	25%, 38%, 20%, 14% and nil (2024: 20%, 35%, 23%, 18% and 13%)	1% (2024: 1%) increase in discount would result in decrease in fair value by RMB2,450,000, RMB540,000, RMB220,000, RMB156,000 and nil, respectively (2024: RMB1,949,000, RMB547,000, RMB213,000, RMB247,000 and RMB520,000, respectively). 1% decrease in discount would result in increase in fair value by RMB2,450,000, RMB540,000, RMB220,000 and RMB156,000 and nil, respectively (2024: RMB1,949,000, RMB547,000, RMB217,000, RMB247,000 and RMB520,000, respectively).
Backsolve method	Recent transaction price per share	RMB2.55 (2024: nil)	1% (2024: nil) increase/decrease in recent transaction price would result in increase/decrease in fair value by RMB6,786,000 to RMB6,871,000 (2024: nil).
	Risk-free rate	4.13% (2024: nil)	1% (2024: nil) increase/decrease in risk-free rate would result in decrease/increase in fair value by RMB1,699,000 to RMB1,700,000 (2024: nil).

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at March 31, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	**Significant observable inputs (Level 2)** *RMB'000*	**Significant unobservable inputs (Level 3)** *RMB'000*	**Total** *RMB'000*
Equity investments designated at fair value through other comprehensive income	**9,404**	**–**	**88,184**	**97,588**
Financial assets at fair value through profit or loss	**–**	**263,621**	**1,622,162**	**1,885,783**
Total	**9,404**	**263,621**	**1,710,346**	**1,983,371**

As at March 31, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Equity investments designated at fair value through other comprehensive income	–	–	101,659	101,659
Financial assets at fair value through profit or loss	–	–	1,567,998	1,567,998
Total	–	–	1,669,657	1,669,657

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Equity investments at fair value though other comprehensive income		
At April 1	**101,659**	122,062
Total losses recognized in other comprehensive income	**(13,914)**	(27,888)
Exchange realignment	**439**	7,485
At March 31	**88,184**	101,659

	2025 RMB'000	2024 RMB'000
Financial assets at fair value though profit or loss		
At April 1	**1,567,998**	1,883,292
Total gains/(loss) recognized in profit or loss	**47,743**	(349,854)
Exchange realignment	**6,421**	34,560
At March 31	**1,622,162**	1,567,998

The Group did not have any financial liabilities measured at fair value as at March 31, 2025 and 2024.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed:

As at March 31, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Long-term time deposits	**–**	**4,204,161**	**–**	**4,204,161**
Other receivables and other assets, non-current portion	**–**	**90,756**	**–**	**90,756**
Total	**–**	**4,294,917**	**–**	**4,294,917**

As at March 31, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Long-term time deposits	–	644,144	–	644,144
Other receivables and other assets, non-current portion	–	28,840	–	28,840
Total	–	672,984	–	672,984

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank deposits and time deposits. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are credit risk, foreign currency risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarized below.

Credit risk

The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

The credit risk of the Group's other financial assets, which comprise cash and bank deposits, time deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

The Group places its cash and bank deposits and time deposits with major banks in Hong Kong and Mainland China. This investment policy limits the Group's exposure to concentrations of credit risk.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on ageing information unless other information is available without undue cost or effort, and year-end staging classification as at March 31. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at March 31, 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Simplified approach *RMB'000*	Total *RMB'000*
Trade receivables*	–	–	–	1,083,331	1,083,331
Bills receivable	5,447	–	–	–	5,447
Financial assets included in prepayments, other receivables and other assets					
– Normal**	976,928	–	–	–	976,928
– Doubtful**	–	–	17,934	–	17,934
Long-term time deposits					
– Not yet past due	4,152,413	–	–	–	4,152,413
Short-term time deposits					
– Not yet past due	5,617,926	–	–	–	5,617,926
Restricted cash					
– Not yet past due	303,243	–	–	–	303,243
Cash and bank deposits					
– Not yet past due	2,218,296	–	–	–	2,218,296
Total	13,274,253	–	17,934	1,083,331	14,375,518

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at March 31, 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	815,780	815,780
Bills receivable	3,043	–	–	–	3,043
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,042,658	–	–	–	1,042,658
– Doubtful**	–	–	6,760	–	6,760
Long-term time deposits					
– Not yet past due	694,000	–	–	–	694,000
Short-term time deposits					
– Not yet past due	6,062,941	–	–	–	6,062,941
Restricted cash					
– Not yet past due	278,406	–	–	–	278,406
Cash and bank deposits					
– Not yet past due	3,490,169	–	–	–	3,490,169
Total	11,571,217	–	6,760	815,780	12,393,757

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Since the Group trades only with recognized and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from the Group's cash and bank deposits and time deposits denominated in currencies other than the functional currencies of the operating units.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (arising from RMB denominated cash and bank balances).

	Increase/ (decrease) in RMB rate *%*	Increase/ (decrease) in profit before tax *RMB'000*
2025		
If the Hong Kong dollar weakens against RMB	**1**	**229**
If the Hong Kong dollar strengthens against RMB	**(1)**	**(229)**
2024		
If the Hong Kong dollar weakens against RMB	1	1,681
If the Hong Kong dollar strengthens against RMB	(1)	(1,681)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

As at March 31, 2025

	Less than 1 year or on demand *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Trade and bills payables	**2,852,381**	**–**	**2,852,381**
Financial liabilities included in other payables and accruals	**526,508**	**–**	**526,508**
Lease liabilities	**12,498**	**25,242**	**37,740**
Total	**3,391,387**	**25,242**	**3,416,629**

As at March 31, 2024

	Less than 1 year or on demand *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Trade and bills payables	3,350,566	–	3,350,566
Financial liabilities included in other payables and accruals	598,072	–	598,072
Lease liabilities	34,518	49,933	84,451
Total	3,983,156	49,933	4,033,089

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from that of the prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new issues of shares.

37. EVENTS AFTER THE REPORTING PERIOD

During the period between April 1 and May 19, 2025, there were exercises of 718,312 share options, details of which are set out in note 29 to the financial statements.

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 *RMB'000*	2024 *RMB'000*
NON-CURRENT ASSETS		
Investments in subsidiaries	**46,097,545**	45,361,748
Due from subsidiaries	**7,316,064**	7,244,561
Other intangible assets	**204**	193
Total non-current assets	**53,413,813**	52,606,502
CURRENT ASSETS		
Prepayments, other receivables and other accruals	**171,011**	149,031
Restricted cash	**48,939**	88,625
Cash and bank deposits	**4,741**	2,375
Total current assets	**224,691**	240,031
CURRENT LIABILITIES		
Other payables and accruals	**121,504**	94,227
Due to subsidiaries	**12,195**	8,883
Total current liabilities	**133,699**	103,110
NET CURRENT ASSETS	**90,992**	136,921
TOTAL ASSETS LESS CURRENT LIABILITIES	**53,504,805**	52,743,423
Net assets	**53,504,805**	52,743,423
EQUITY		
Share capital	**142,790**	142,780
Treasury shares	**(52,600)**	(101,946)
Reserves	**53,414,615**	52,702,589
Total equity	**53,504,805**	52,743,423

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

A summary of the Company's reserves is as follows:

	Share premium account	Capital reserve	Contributed surplus	Exchange fluctuation reserve#	Employee share-based compensation reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At April 1, 2023	43,734,076	85,654	57,741	(463,624)	459,441	(1,125,999)	42,747,289
Loss for the year	–	–	–	–	–	(15,197)	(15,197)
Exchange differences on translation of the financial statements of the Company	–	–	–	2,346,193	–	–	2,346,193
Total comprehensive income for the year	–	–	–	2,346,193	–	(15,197)	2,330,996
Issue of new shares for acquisition under common control	7,508,952	–	–	–	–	–	7,508,952
Exercise of share options	1,256	–	–	–	(380)	–	876
Share-based compensation expenses	–	–	–	–	218,121	–	218,121
Vested awarded shares transferred to employees	130,440	(47,461)	–	–	(186,624)	–	(103,645)
At March 31, 2024 and April 1, 2024	**51,374,724**	**38,193**	**57,741**	**1,882,569**	**490,558**	**(1,141,196)**	**52,702,589**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(16,633)**	**(16,633)**
Exchange differences on translation of the financial statements of the Company	**–**	**–**	**–**	**625,949**	**–**	**–**	**625,949**
Total comprehensive income for the year	**–**	**–**	**–**	**625,949**	**–**	**(16,633)**	**609,316**
Exercise of share options	**6,783**	**–**	**–**	**–**	**(2,206)**	**–**	**4,577**
Share-based compensation expenses	**–**	**(15,679)**	**–**	**–**	**212,245**	**–**	**196,566**
Vested awarded shares transferred to employees	**134,885**	**(27,439)**	**–**	**–**	**(205,879)**	**–**	**(98,433)**
At March 31, 2025	**51,516,392**	**(4,925)**	**57,741**	**2,508,518**	**494,718**	**(1,157,829)**	**53,414,615**

The exchange fluctuation reserve represents the differences arising from translating the financial statements from HK$ into RMB, the Group's presentation currency.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the board of directors on May 19, 2025.

FINANCIAL SUMMARY

	Year ended March 31,				
	2025	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
RESULTS					
Revenue	**30,598,292**	27,026,555	26,763,016	20,577,616	15,518,468
Profit/(loss) before tax	**1,559,968**	939,399	550,994	(252,514)	401,219
Income tax expense	**(127,954)**	(56,263)	(14,485)	(15,527)	(58,775)
Profit/(loss) for the year	**1,432,014**	883,136	536,509	(268,041)	342,444
Attributable to:					
Owners of the parent	**1,432,427**	883,477	535,653	(267,655)	348,352
Non-controlling interests	**(413)**	(341)	856	(386)	(5,908)
	1,432,014	883,136	536,509	(268,041)	342,444

	As at March 31,				
	2025	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES					
Total assets	**21,178,417**	19,705,337	20,747,820	19,201,997	17,739,495
Total liabilities	**(4,865,257)**	(5,187,733)	(5,600,621)	(5,132,145)	(3,458,171)
	16,313,160	14,517,604	15,147,199	14,069,852	14,281,324
Equity attributable to owners of the parent	**16,312,179**	14,544,212	15,173,573	14,096,039	14,301,670
Non-controlling interests	**981**	(26,608)	(26,374)	(26,187)	(20,346)
	16,313,160	14,517,604	15,147,199	14,069,852	14,281,324