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Yidu Tech Inc.
醫渡科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2158)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board (the “**Board**”) of directors (the “**Directors**”) of Yidu Tech Inc. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 September 2022 (the “**Reporting Period**”), together with the comparative figures for the six months ended 30 September 2021. The results have been reviewed by the Company’s audit committee.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

	Six months ended		
	30 September		
	2022	2021	Change (%)
	<i>(RMB'000, except percentages)</i>		
Revenue	474,366	501,931	(5.5%)
— Big Data Platform and Solutions	124,028	157,948	(21.5%)
— Life Sciences Solutions	146,531	145,627	0.6%
— Health Management Platform and Solutions	203,807	190,438	7.0%
— Others	—	7,918	(100.0%)
Gross profit	123,675	144,070	(14.2%)
Operating loss	(356,251)	(442,214)	(19.4%)
Loss for the period	(356,347)	(442,542)	(19.5%)
Non-IFRS adjusted net loss ⁽¹⁾	(224,802)	(322,512)	(30.3%)

(1) We define “adjusted net loss” as loss for the period and adding back share-based compensation expenses and net foreign exchange gains or losses.

The Board did not recommend the distribution of an interim dividend for the six months ended 30 September 2022.

BUSINESS OVERVIEW

Although the long-lasting repeated COVID-19 pandemic has created enormous challenges and uncertainties to societies and economies, it has also catalyzed the transformation of digitalization and intelligentization, empowered by the advanced digital technologies and artificial intelligence (AI), in the healthcare sector. We deeply believe that our economy is resilient, the principal core of the healthcare sector remains healthy, and technology is playing an increasingly important role.

Guided by the national strategy of high-quality development driven by innovation, the “14th Five-Year Plan” and the “Healthy China 2030”, China has implemented a series of regulations and guidance to speed up the transformation, especially encouraging the scenario-driven proprietary innovation. Such market-friendly policies and better regulated market conditions enable us to deepen our core technologies and capabilities to meet the diverse needs of our customers, and achieve our vision of precision healthcare for all (“**green healthcare**”) in the long run.

YiduCore, our intelligent “medical brain”, supports our customers and partners to unlock the value of health data to drive better outcomes by enabling the secured applicability of high-quality data in different use-case scenarios. As of 30 September 2022, YiduCore has processed and analyzed more than 3 billion healthcare records from over 700 million patients. YiduCore consists of algorithms and insightful medical knowledge that are continuously accumulated and constantly iterated as we expand our use-case scenarios with proper authorization. That in turn attracts more hospitals, leading principal investigators (PIs), pharmaceutical companies and researchers to join our network.

As of 30 September 2022, we have provided solutions for 84 top research hospitals in China and 29 regulators and policy makers, and covered 1,000 hospitals, most of which are in tier 1 and tier 2 cities in China. The number of active life science customers that the Group served reached 143 as of 30 September 2022. The number of active users who completed at least one transaction on our health management platform reached 15 million.

According to the Frost & Sullivan Report, we ranked No. 1 in terms of revenue in the medical institutions and regulators healthcare intelligence market, No. 1 in terms of revenue in the emerging healthcare intelligence market, and No. 1 in terms of revenue in the total healthcare intelligence market. Specifically, we have a 25.6% share of the emerging healthcare intelligence market. In addition, according to the Frost & Sullivan Report, the market size of China’s healthcare intelligence industry is expected to exceed RMB1.1 trillion in 2030.

The long-lasting pandemic resulted in a temporary revenue decrease. For the six months ended 30 September 2022, our total revenue amounted to RMB474 million, representing a year-on-year decrease of 5.5%, mainly attributable to delays in the bidding, on-site implementation and client acceptance of certain projects. Despite external pressure, we stay committed to improving profitability with strategic focus. We continue to focus on three categories of scenarios, namely research, diagnosis and treatment, and public health by applying digital and intelligent applications to multiple use-case scenarios. In the use-case scenarios, we concentrate on the key disease research areas including solid tumors, hematology, ophthalmology and immunology to further strengthen our core competence, improve customer experience and enlarge average transaction value of customers. We focus on retaining core hospitals and core pharmaceutical companies with high revenue retention, and keep providing the high-quality product offerings and solutions. For

example, we launched the All Disease Data Platform to cope with the increasing diverse demands in hospitals during the Reporting Period. We have streamlined our organization related to the customer value delivery. We have a focus on synergies and collaboration across business segments not only from technical aspect, but also from commercial aspect. As a result, our loss for the period reduced to RMB356 million, representing a year-on-year decrease of 19.5%, and the adjusted net loss decreased to RMB225 million, representing a year-on-year decrease of 30.3%. Total operating expense as a percentage of revenue decreased by 32.1 percentage point compared with the same period last year. We expect continuous improvement in operating efficiency going forward.

Healthcare intelligence covers all the important scenarios of each stakeholder, from accelerating new drug development to assisting doctors in clinical diagnosis and treatment, from empowering precise decision-making in public health to personalized proactive health management at every level. As we adhere to our mission “to make value-based precision healthcare accessible to everyone”, we look forward to creating greater value for major participants of the healthcare ecosystem and ultimately delivering better services and outcomes for patients.

Yiducore

YiduCore, our intelligent “medical brain”, represents our core capabilities that can be understood in terms of three layers. The first layer is our data processing capabilities, which allow us to aggregate and convert raw and scattered data on the information technology systems of hospitals and healthcare institutions into computable, structured and standardized data that can be analyzed with speed, accuracy and cost-efficiency. The second layer consists of our medical knowledge, insights and disease models that are continuously reinforced and expanded as they are applied to our data-analytics driven solutions for our customers in various use-case scenarios. The final layer is our scenario-specific operations and service capabilities that we develop to help our customers better realize the value of our solutions and ecosystem to achieve their target outcomes.

We have been committed, since day one, to research, development and independent innovation. We have continuously invested resources to deepen our understanding of diseases while ensuring the security of our technical architecture as the foundation. As of 30 September 2022, the YiduCore’s medical knowledge graph covered over 80,000 medical objects, of which the number of diseases covered by the disease knowledge graph has exceeded 10,000, an increase of over 1,000 compared to six months earlier. As of 30 September 2022, we have undertaken a total of 19 scientific research projects with our partners, including renowned hospitals, regulators and universities, of which 8 are national-level research projects sponsored by the Ministry of Science and Technology of China and other national ministries. In addition to the key disease research areas of solid tumors, hematology and ophthalmology, we have further deepened our research in the field of immunology. During the Reporting Period, the national-level research project “Research on the Interaction, Prevention and Control Technology of Geriatric Immunology and Infectious Diseases” applied by us was successfully approved. This project aims to provide technical support for immune intervention and the construction of infectious diseases prevention and control system for the elderly.

We improved the productivity of research-grade evidence generation and accelerated the delivery of affordable and high-quality care to patients in need. During the Reporting Period, we provided solutions to assist Henan Children’s Hospital in clinical researches so as to improve the precision diagnosis and treatment of rare pediatric diseases. The Real-World Data Clinical Research Platform (Phase I) in Hainan Boao Lecheng, constructed by us, has put into operation and accelerated the fast-track approval of drugs and devices that are urgently needed in China for clinical purposes. Our comprehensive public health solutions provide large-scale simulation and prediction that enables efficient and dynamic decision-making. As of 30 September 2022, the effectiveness and accuracy of our pandemic response and prediction algorithms have been validated in 22 cities. Our epidemic prediction and simulation products have been standardized, and can be instantly deployed in a remote manner.

During the Reporting Period, we participated in the preparation of the *Research Report on the Application of Privacy Computing (2022)* (《隱私計算應用研究報告(2022年)》) issued by the Institute of Cloud Computing and Big Data of the China Academy of Information and Communication Technology (CAICT). In addition, by virtue of our outstanding remote operation and maintenance technology, we have obtained the *Certificate of Remote Operation and Maintenance Safety Capability Inspection* (《遠程運維安全能力檢驗證書》) issued by the Internet Health Care Industry Alliance (互聯網醫療健康產業聯盟) and CAICT. We will continue to improve the security protection capabilities of YiduCore and jointly promote the data security capabilities of healthcare sector.

Big Data Platform and Solutions (“BDPS”)

In the BDPS segment, we provide AI-based intelligence platforms and data analytics-driven solutions to hospitals, other healthcare institutions, regulators and policy makers. Upon proper authorization, we install our data intelligence platform for hospitals, regulators and policy-makers to assist our customers to achieve in-depth governance of their multi-source heterogeneous data and transform it into structured, standardized and high-quality data. We also provide data analytics-driven applications and solutions to unlock the value of healthcare data and help clients conduct in-depth medical research and make precise and efficient decisions.

For hospitals, we provide applications and solutions with a focus on three use-case scenarios, namely research, clinical diagnosis and treatment, and hospital operation management. By using our disease registries and disease research networks, top hospitals and experts can accelerate the production of research-grade evidence and scale up their clinical research in a faster and safer manner. During the Reporting Period, we launched the All Disease Data Platform that could achieve the DIY creation of disease registries by hospitals.

We continuously iterate the real-world disease model by using AI technologies such as symbolic knowledge inference models and deep learning, and continue to deepen our disease insights and engage top-grade hospitals and experts in our research network. In the field of hematology, we have partnered with two of China’s only three hematologic disease National Clinical Research Center hospitals in developing a hematologic disease research network to conduct efficient clinical trials and multi-institutional real-world studies. We have assisted our clients to develop a number of disease registries and large clinical research cohorts for major hematological diseases, including leukemia, coagulation disorders and aplastic anemia. The hematologic diseases database and

applications we supported were awarded by the National Health Commission. The related scientific research results have been published in top professional journals including *Leukemia and Blood Advances*. With the successful precedented cases in hematology, we made breakthroughs in the field of dermatology by winning the contract with Institute of Dermatology, Chinese Academy of Medical Sciences, one of China's top 2 hospitals in the field of dermatology, to build the disease research platform.

Upon authorization, we provide AI-empowered data-analytics driven solutions for regulators and policy makers to optimize the level of governance in public health. Regulators can assess basic medicare burden and risk trends of the regional populations to develop corresponding policies and measures and, at the same time, manage and allocate healthcare resources more effectively. During the Reporting Period, we led a consortium and won the *Infectious Disease Intelligent Multi-point Surveillance Early Warning Platform* for Beijing, with a contract value of more than RMB20 million. With the AI-empowered analytical tools and top-notch simulation models, we expand our solution offerings from public health to population health. During the Reporting Period, we won the construction of regional healthcare profiling for local residents in Beijing Chaoyang District with a contract value of nearly RMB10 million. In addition, we won the construction and application of lipid management system for high-risk patients of atherosclerotic cardiovascular disease. This is a major project of "Science and Technology Innovation 2025" of Ningbo, led by Ningbo First Hospital which has the largest, most comprehensive and strongest cardiovascular disease treatment center in eastern Zhejiang. We assisted Ningbo First Hospital to integrate the hospital-level clinical data-analytics outcome to support efficient scientific research in cardiovascular diseases.

For the six months ended 30 September 2022, the segment recorded a total revenue of RMB124.0 million, representing a year-on-year decrease of 21.5%, which was mainly due to the prolonged COVID-19 pandemic that resulted in delays in bidding, on-site implementation, delivery and client acceptance of certain projects.

Life Science Solutions ("LSS")

Leveraging YiduCore and our network of top-grade hospitals and experts accumulated through our BDPS segment, we currently provide analytics-driven clinical development, real-world studies and digital commercialization solutions in respect of the full life-cycle of a drug or a medical device from clinical development to post-market commercialization. With deep AI-empowered disease insights, we help pharmaceutical, biotech, medical device companies and other companies involved in the clinical development process to reduce the time and costs of drug and medical device development while enhancing commercial success.

Over the past years, the LSS segment maintained strong growth momentum, especially in the analytics-driven clinical development solutions. However, the prolonged COVID-19 pandemic delayed the bidding process and on-site execution, and resulted in the decrease of revenue growth rate in this segment during the Reporting Period. For the six months ended 30 September 2022, the segment's revenue amounted to RMB146.5 million, representing a year-on-year increase of 0.6%. To respond, we focus on customer experience, channel innovation, and improvement of operating efficiency.

With accumulated credentials in focused disease research areas, especially for solid tumors, hematology, ophthalmology and immunology, we have earned a good reputation in the life science industry. During the Reporting Period, based on the overall score ranking No. 1, we won the bid for the Phase I Clinical Trial of China Resources Biopharmaceutical Co., Ltd., which evaluates the safety, tolerability, pharmacokinetics and pharmacodynamics of a single dose of CRB4101 in healthy adult subjects, with a consideration of RMB13.7 million. As of 30 September 2022, we have performed 232 clinical researches, including clinical trials sponsored by pharmaceutical companies and investigator-initiated trials (IIT). We have performed 185 prospective and retrospective real-world studies. Our Intelligent Site Management Organization (iSMO) services have covered 163 sites, more than doubling the number last year. The growing show cases enable us to continuously develop our competence and maintain the high quality of customer base. As of 30 September 2022, we have 143 active clients, of which 114 is core pharmaceutical, biotech and medical device company customers. During the Reporting Period, we achieved a 119% year-on-year revenue retention rate for our top 10 clients. Among our top 20 clients, there are 7 multi-national pharmaceutical companies (MNC) and 16 listed companies.

Our capabilities in generating high-quality real-world evidences (RWE) to empower life science clients to manage and optimize the entire product life-cycle, from obtaining drug approval, pre-launch evidence support, post-marketing growth, to label extension, have all been validated. During the Reporting Period, we have conducted a comprehensive retrospective real-world study, which related to the evaluation of the efficacy, safety and treatment modalities of a new drug for patients with complex abdominal infections in ICU, for a top 20 MNC client to assist it to obtain the approval from the Center for Drug Evaluation, National Medical Products Administration.

We actively seek new channels to network with key opinion leaders and industry experts and to develop business. For example, we host “Happy and Smart Study” live event to help industry participants and potential clients understand the latest breakthroughs in the industry and our core competence. As of 30 September 2022, we have organized a total of 13 live events, covering hot topics of ADC and CAR-T drug development, experience sharing of real-world studies in regulatory approvals, research-oriented awards, Causa Research DCT platform press conference, etc. We have invited 35 industry leaders and clinical experts to share insights, and attracted more than 4,600 clinical researchers.

We have a team of professionals with rich experience and cross-domain expertise. As of 30 September 2022, we have approximately 500 employees in our LSS segment with an average of 8 years of relevant experience in clinical research, data science, epidemiology, biostatistics, medical informatics, AI and others. We remain committed to improving the operating efficiency not only by developing the high-caliber talent pool but also by optimizing the processes in client value creation. In this half year, we have established intelligent comprehensive project management tools with higher quality control standards. Our intelligent quality management system covers all stages of the project from clinical design and project planning, to quality control and assurance, and to retrospective and prospective real-world studies. We even established special SOP for CAR-T service offerings to ensure high-quality service. Like algorithm, digitized SOP are timely iterated by the feedback from real cases so as to form a closed loop.

Health Management Platform and Solutions (“HMPS”)

In this segment, we provide one-stop closed-loop health management solutions, including health management solutions, chronic disease management services, commercial health insurance and Hui Min Bao, a city-level supplementary insurance to the existing national social medical insurance, to provide multi-level healthcare solutions for the city population. During the Reporting Period, the revenue of our HMPS segment amounted to RMB203.8 million, representing a year-on-year increase of 7.0%.

In order to achieve our mission “to make value-based precision healthcare accessible to everyone”, we provide innovative insurance technologies and solutions to insurers, brokers and relevant regulators and policy makers in this segment. Leveraging our data processing capabilities and medical insights powered by YiduCore, our solutions aim to facilitate our customers to design and develop innovative insurance products, enabling faster and more accurate insurance underwriting and expediting claim processing. During the Reporting Period, we continued to increase the market penetration of the Hui Min Bao business. As of 30 September 2022, we served 3 provinces and 10 cities, including Fujian province, Anhui province, Jiangsu province, Tianjin, Beijing, Ningbo and Chongqing, etc. We have assisted three of the four municipalities directly under the central government in China to launch the Hui Min Bao products, including Tianjin, Beijing and Chongqing. We focus on core cities to expand the region network, nearly 90% of our users are in the China’s top 15 provincial-level administrative regions in terms of GDP in 2021.

Take Tianjin Hui Min Bao (天津惠民保) for example. As the main operating platform, we provided operational services including product design, user acquisition, promotion, intelligent customer services and intelligent claim management for Tianjin Hui Min Bao. In addition to operational services, we also provided 10 innovative value-added health management services, including early screening of critical illnesses, chronic disease consultations, online drug purchases and door-to-door nursing.

Our advanced intelligence technologies largely improve the operating efficiency of Hui Min Bao. As the main operating platform for Jiangsu Hui Min Bao (江蘇惠民保), we underwrote more than 3 millions Jiangsu Hui Min Bao policies and approximately 76% of total claim amount were completed by our intelligent claim settlement services. Compared with traditional ways, our intelligent claim settlement services tripled the productivity of processing claims. The instant settlement reduces the financial burden of the insured and thus further encourages the participation.

The high-quality user base and large-scale user operation enable us to increase user traffic from Hui Min Bao and improve our brand awareness among the general population. Our technology-empowered Hui Min Bao products have been widely recognized by the market. Our blockbuster Hui Min Bao products in Beijing and Jiangsu were both awarded in the “2022 National Excellent Cases of Hui Min Bao” released by Sina Finance. At the 2022 Global Digital Economy Conference, our data intelligence-driven one-stop operation of Hui Min Bao was awarded the “Digital Economy Industrial Innovation Achievements”.

As of 30 September 2022, the number of active users who have completed at least one transaction on our health management platform reached 15 million.

Business outlook

To achieve our mission “to make value-based precision healthcare accessible to everyone” and further solidify our leadership in the healthcare intelligence industry, we will continue to (i) deepen and broaden our knowledge and applications in each key disease area, (ii) improve operation efficiency in customer value delivery, (iii) strengthen our analytics-driven study and AI capabilities to further increase our productivity, (iv) improve customer penetration and synergy among the business sectors, (v) explore opportunities in international markets, and (vi) further enrich our ecosystem through strategic partnerships, investments and acquisitions.

In respect of Big Data Platform and Solutions, we will continue to strengthen our two-pronged strategy. Horizontally, we will strengthen YiduCore by (i) expanding our network of hospitals and regions, (ii) enriching the use-case scenarios of existing customers, and (iii) investing in core technology capabilities to enhance the functionality, reliability and usability of our products. Vertically, we will continue to deepen and optimize our insights and knowledge within each disease area by enabling multi-site research to be carried out in our network.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues decreased by 5.5% from RMB501.9 million for the six months ended 30 September 2021 to RMB474.4 million for the six months ended 30 September 2022. The decrease was primarily attributable to the decrease in revenue realized from Big Data Platform and Solutions.

Big Data Platform and Solutions. Revenue from Big Data Platform and Solutions decreased by 21.5% from RMB157.9 million for the six months ended 30 September 2021 to RMB124.0 million for the six months ended 30 September 2022, primarily due to the unexpected delay in the clients' tendering processes and the Group's on-site operations resulting from the prolonged impact of the COVID-19 pandemic in China.

Life Sciences Solutions. Revenue from Life Sciences Solutions keeps relatively flat with an increase of 0.6% from RMB145.6 million for the six months ended 30 September 2021 to RMB146.5 million for the six months ended 30 September 2022.

Health Management Platform and Solutions. Revenue from Health Management Platform and Solutions increased by 7.0% from RMB190.4 million for the six months ended 30 September 2021 to RMB203.8 million for the six months ended 30 September 2022, primarily due to the growth of platform solutions.

Others. Other revenue decreased by 100.0% from RMB7.9 million for the six months ended 30 September 2021 to nil for the six months ended 30 September 2022.

Cost of Sales and Services

Our cost of sales and services decreased by 2.0% from RMB357.9 million for the six months ended 30 September 2021 to RMB350.7 million for the six months ended 30 September 2022. Share-based compensation expenses included in cost of sales and services were RMB6.0 million and RMB3.0 million for the six months ended 30 September 2021 and 2022 respectively. The decrease was caused by cost saving in the Big Data Platform and Solutions segment in the first half of fiscal year 2023.

Big Data Platform and Solutions. Cost of sales and services from the Big Data Platform and Solutions segment decreased by 20.9% from RMB92.0 million for the six months ended 30 September 2021 to RMB72.8 million for the six months ended 30 September 2022, primarily due to the decrease in (i) employee benefits and expenses of employees engaging in the Big Data Platform and Solutions business from RMB35.7 million to RMB29.8 million, which included share-based compensation expenses of RMB3.4 million and RMB1.4 million in the respective periods, and (ii) cost of software and hardware as well as outsourcing service fee from RMB54.5 million to RMB42.2 million.

Life Sciences Solutions. Cost of sales and services from Life Sciences Solutions increased by 7.6% from RMB116.5 million for the six months ended 30 September 2021 to RMB125.3 million for the six months ended 30 September 2022, primarily due to the increase in outsourcing service fee from RMB56.7 million to RMB67.5 million.

Health Management Platform and Solutions. Cost of sales and services from the Health Management Platform and Solutions segment increased by 7.3% from RMB142.2 million for the six months ended 30 September 2021 to RMB152.6 million for the six months ended 30 September 2022, primarily due to the increase in cost of pharmaceutical products and services from RMB118.1 million to RMB125.1 million.

Others. Other cost of sales and services decreased by 100.0% from RMB7.1 million for the six months ended 30 September 2021 to nil for the six months ended 30 September 2022.

Gross profit and gross margin

As a result of the foregoing, our overall gross profit for the six months ended 30 September 2021 and 2022 were RMB144.1 million and RMB123.7 million respectively, and our overall gross margin was 28.7% and 26.1% respectively.

Big Data Platform and Solutions. Our gross margin in Big Data Platform and Solutions slightly decreased from 41.7% for the six months ended 30 September 2021 to 41.3% for the six months ended 30 September 2022.

Life Sciences Solutions. Our gross margin in Life Sciences Solutions decreased from 20.0% for the six months ended 30 September 2021 to 14.5% for the six months ended 30 September 2022, primarily due to the increase of cost at a faster rate in respect that the Company retained the delivery team for foreseeable business opportunities despite the slowdown of revenue generation as the result of prolonged impact of the COVID-19 pandemic for the six months ended 30 September 2022.

Health Management Platform and Solutions. Our gross margin in Health Management Platform and Solutions has remained relatively flat at 25.1% for the six months ended 30 September 2022 compared with 25.3% for the six months ended 30 September 2021.

Selling and marketing expenses

Our selling and marketing expenses decreased by 46.8% from RMB233.1 million for the six months ended 30 September 2021 to RMB124.1 million for the six months ended 30 September 2022, primarily attributable to decrease in (i) employee benefits and expenses of employees engaging in selling and marketing function from RMB133.2 million to RMB80.8 million, which included share-based compensation of RMB21.6 million and RMB5.3 million in the respective periods; and (ii) business development, promotion and advertising expenses targeting to promote the Group's brand awareness and insurance services from RMB83.5 million to RMB28.2 million as we made more investment in brand awareness in the six months ended 30 September 2021, right after the Initial Public Offering, and the annual renewal of certain Hui Min Bao products shifted from the first half of fiscal year 2023 to the second half of fiscal year 2023.

Selling and marketing expenses as a percentage of revenue decreased from 46.4% for the six months ended 30 September 2021 to 26.2% for the six months ended 30 September 2022 as a result of the foregoing reasons.

Administrative expenses

Our administrative expenses decreased by 37.6% from RMB175.3 million for the six months ended 30 September 2021 to RMB109.4 million for the six months ended 30 September 2022, primarily attributable to decrease in (i) employee benefits and expenses of employees engaging in administrative function from RMB131.7 million to RMB91.4 million, which included share-based compensation of RMB67.6 million and RMB25.8 million in the respective periods; and (ii) consulting fee from RMB20.9 million to RMB6.1 million, mainly attributable to the decline of recruitment fee from RMB10.5 million to RMB1.1 million.

As a percentage of revenue, administrative expenses declined from 34.9% for the six months ended 30 September 2021 to 23.1% for the six months ended 30 September 2022 as a result of the expense reduction.

Research and development expenses

Our research and development expenses decreased by 5.3% from RMB192.0 million for the six months ended 30 September 2021 to RMB181.9 million for the six months ended 30 September 2022. The decrease in research and development expenses was primarily due to decrease in employee benefit and expenses for employees engaging in research and development function, labour dispatching and consulting and other professional fee from RMB174.6 million to RMB167.5 million, including share-based compensation of RMB25.8 million and RMB10.2 million in the respective periods.

As a percentage of revenue, research and development expenses has remained relatively flat at 38.3% for the six months ended 30 September 2022 compared with 38.2% for the six months ended 30 September 2021.

Operating loss

As a result of the foregoing, operating loss of the Group decreased from RMB442.2 million for the six months ended 30 September 2021 to RMB356.3 million for the six months ended 30 September 2022.

Taxation

Income tax (credit)/expense of the Group increased from RMB(151) thousand for the six months ended 30 September 2021 to RMB1,836 thousand for the six months ended 30 September 2022.

Loss for the period

As a result of the foregoing, our loss for the period decreased by 19.5% from RMB442.5 million for the six months ended 30 September 2021 to RMB356.3 million for the six months ended 30 September 2022.

Non-IFRS Measure — Adjusted Net Loss

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

We define “adjusted net loss” as loss for the period and adding back share-based compensation expenses and foreign exchange gains or losses.

For the six months ended 30 September 2021 and 2022, our adjusted net loss was RMB322.5 million and RMB224.8 million respectively.

The following table sets forth the reconciliation of our non-IFRS financial measure for the six months ended 30 September 2021 and 2022 to the nearest measure prepared in accordance with IFRS.

	Six months ended	
	30 September	
	2022	2021
	<i>(RMB'000)</i>	
Loss for the period	(356,347)	(442,542)
Add:		
Share-based compensation expenses ⁽¹⁾	44,307	121,038
Net foreign exchange losses/(gains) ⁽²⁾	87,238	(1,008)
Non-IFRS adjusted net loss	(224,802)	(322,512)
Non-IFRS adjusted net loss margin (%)⁽³⁾	(47.4%)	(64.3%)

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

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

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

Liquidity and capital resources

During the Reporting Period, we had funded our cash requirements principally from capital contribution from shareholders and financing through issuance and sales of convertible redeemable preferred shares in private placement transactions and the proceedings from initial public offering. We had cash and cash equivalents, term deposits, restricted bank balance and deposits of RMB3,732.1 million and RMB3,014.9 million as at 31 March 2022 and 30 September 2022 respectively.

Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5 per cent. or more of the Company's total assets as at 30 September 2022) during the six months ended 30 September 2022.

Material acquisitions and disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies for the six months ended 30 September 2022.

Pledge of assets

As at 30 September 2022, the Group had no material pledge of assets.

Future plans for material investments or capital asset

As at 30 September 2022, the Group did not have detailed future plans for material investments or capital assets.

Foreign exchange exposure

During the Reporting Period, the Group mainly operated in China with most of the transactions settled in Renminbi. The functional currency of our Company, the subsidiaries and the consolidated affiliated entities that operate in the PRC, and the subsidiary operate in the Brunei are U.S. dollar, Renminbi and Brunei dollar respectively. Our management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities denominated in the currencies other than the respective functional currencies of our group entities. During the Reporting Period, we had currency translation gain of RMB371.3 million and net foreign exchange loss of RMB87.2 million, as compared with currency translation loss of RMB60.2 million and net foreign exchange gain of RMB1.0 million during the six months ended 30 September 2021. We did not hedge against any fluctuation in foreign currency during the six months ended 30 September 2021 and 2022.

Contingent liabilities

As at 30 September 2022, we did not have any material contingent liabilities (as at 30 September 2021: nil).

Capital commitment

As at 30 September 2022, capital commitment of the Group was RMB17.1 million (as at 30 September 2021: RMB30.6 million), mainly for decoration expenditure.

Employees and remuneration

As at 30 September 2022, the Group had a total of 1,222 employees, 682 employees were based in Beijing, 167 employees were based in Shanghai and 373 employees were based in other offices in China and overseas. The following table sets forth the total number of employees by function as at 30 September 2022:

Function	Number of employees
Product Development and Technology	540
Medical Function	382
Sales and Marketing	128
General and Administrative	172
Total	<u><u>1,222</u></u>

Our people are our most valued assets. We are able to continue to attract the best talents across multiple domains due to their faith in the potential of YiduCore to transform healthcare. As at 30 September 2022, about 49.8% of our employees have clinical research experiences and medical background, about 33.5% have AI and technology experiences and background respectively. The total remuneration cost incurred by the Group for the six months ended 30 September 2022 was RMB410.4 million, as compared to RMB526.2 million for the six months ended 30 September 2021. The Company has also adopted a post-IPO share award scheme and a post-IPO share option scheme.

Subsequent Event

As at the date of this announcement, no significant events occurred after the Reporting Period which require additional disclosures or adjustments.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

Compliance with the Code on Corporate Governance Practices

During the Reporting Period, the Company has complied with the applicable provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), save for the following deviations.

Code provision C.2.1 of the Corporate Governance Code recommends, but does not require, that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Gong Yingying (“**Ms. Gong**”) performs both the roles of the Chairlady of the Board and the chief executive officer of the Company. Ms. Gong is the founder of the Group and has extensive experience in the business operations and management of the Group. The Board believes that vesting the roles of both Chairlady and chief executive officer in Ms. Gong has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

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

The amendments to the Corporate Governance Code which became effective on 1 January 2022 (the “**New Corporate Governance Code**”) apply to corporate governance reports for a financial year commencing on or after 1 January 2022. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the measures and standards set out in the New Corporate Governance Code, and report on its compliance with the New Corporate Governance Code in its corporate governance report for the financial year ending 31 March 2023.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ securities transactions.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the Reporting Period.

Audit Committee

The Group has established an audit committee comprising three members, being Dr. Ma Wei-Ying, Ms. Pan Rongrong and Prof. Zhang Linqi, with Ms. Pan Rongrong (being the Company’s independent non-executive Director with the appropriate professional qualifications) as chair of the audit committee.

The audit committee has reviewed the consolidated financial statements of the Group for the six months ended 30 September 2022 and has met with the independent auditor, PricewaterhouseCoopers. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters with senior management members of the Company.

Auditors scope of work

The Company’s external auditor, PricewaterhouseCoopers, has performed a review of the Group’s unaudited interim condensed consolidated financial information for the six months ended 30 September 2022 in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. PricewaterhouseCoopers confirmed that nothing has come to their attention that causes them to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

OTHER INFORMATION

Purchase, sale or redemption of the Company’s listed securities

During the Reporting Period, neither the Company nor any of its subsidiaries or consolidated attributed entities purchased, sold or redeemed any of the Company’s listed securities.

Material litigation

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

Use of proceeds from Listing

On 15 January 2021, the shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering (following full exercise of the Over-allotment Option, as defined in the prospectus of the Company dated 31 December 2020 (the “**Prospectus**”) were approximately RMB3,825 million (the “**Net Proceeds**”), which are intended to be applied in the manner set out in the Prospectus. There was no change in the intended use of proceeds as previously disclosed.

Set out below is the status of use of proceeds from the global offering as at 30 September 2022.

Purpose	% of use of proceeds	Net proceeds (RMB million)	Unutilised	Amount used	Unutilised	Expected time of full utilisation
			amount as at 31 March 2022 (RMB million)	for the six months ended 30 September 2022 (RMB million)	amount as at 30 September 2022 (RMB million)	
Strengthen our core capabilities	35%	1,339	1,339	99	1,240	31 March 2025
Further our business expansion	35%	1,339	1,339	385	954	31 March 2025
Further enrich our ecosystem through strategic partnerships, investments and acquisitions	20%	765	765	6	759	31 March 2024
Working capital and general corporate purposes	10%	382	382	38	344	31 March 2025

The above Net Proceeds were translated with spot rates on the Listing Date, while the cash and cash equivalents, term deposits, restricted bank balance and deposits as of 30 September 2022 were translated with spot rates on its balance sheet date.

As at 30 September 2022, the Company had utilised RMB528 million of the Net Proceeds.

Interim dividend

The Board did not recommend the distribution of an interim dividend for the six months ended 30 September 2022.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	30 September	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	474,366	501,931
Cost of sales and services	(350,691)	(357,861)
Gross profit	123,675	144,070
Selling and marketing expenses	(124,106)	(233,126)
Administrative expenses	(109,366)	(175,325)
Research and development expenses	(181,850)	(191,952)
Net impairment losses on financial assets and contract assets	(11,501)	(5,350)
Other income	37,528	20,987
Other losses	(90,631)	(1,518)
Operating loss	(356,251)	(442,214)
Finance income	3,932	1,534
Finance costs	(1,639)	(1,818)
Finance income/(costs) — net	2,293	(284)
Share of loss from investments in associates	(553)	(195)
Loss before income tax	(354,511)	(442,693)
Income tax (expense)/credit	(1,836)	151
Loss for the period	(356,347)	(442,542)
Loss is attributable to:		
— Owners of the Company	(353,517)	(440,768)
— Non-controlling interests	(2,830)	(1,774)
	(356,347)	(442,542)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Six months ended	
	30 September	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Other comprehensive income/(loss)		
<i>Item that will not be reclassified to profit or loss:</i>		
Currency translation differences	681,126	(78,041)
<i>Item that will be reclassified to profit or loss:</i>		
Currency translation differences	<u>(309,840)</u>	<u>17,799</u>
Other comprehensive income/(loss) for the period, net of tax	<u>371,286</u>	<u>(60,242)</u>
Total comprehensive income/(loss) for the period	<u><u>14,939</u></u>	<u><u>(502,784)</u></u>
Total comprehensive income/(loss) for the period is attributable to:		
— Owners of the Company	15,154	(500,574)
— Non-controlling interests	<u>(215)</u>	<u>(2,210)</u>
	<u><u>14,939</u></u>	<u><u>(502,784)</u></u>
Loss per share, basic and diluted (RMB)	<u><u>(0.36)</u></u>	<u><u>(0.47)</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 September 2022 <i>RMB'000</i> (Unaudited)	As at 31 March 2022 <i>RMB'000</i> (Audited)
Assets		
Non-current assets		
Property, plant and equipment	74,096	59,344
Right-of-use assets	22,495	43,381
Intangible assets	39,477	35,249
Deferred income tax assets	626	1,238
Investments accounted for using the equity method	6,825	9,915
Financial assets at fair value through profit or loss	26,186	16,461
Investments measured at amortised cost	248,493	—
Restricted bank balance and deposits	5,054	5,024
Other non-current assets	3,627	—
	<hr/>	<hr/>
Total non-current assets	426,879	170,612
	<hr/>	<hr/>
Current assets		
Inventories	6,799	5,736
Contract assets	181,557	158,749
Trade receivables	524,372	513,244
Other financial assets at amortised cost	93,872	70,656
Financial assets at fair value through profit or loss	371,033	36,927
Term deposits	2,136,895	318,595
Cash and cash equivalents	872,979	3,408,505
Other current assets	41,245	39,786
	<hr/>	<hr/>
Total current assets	4,228,752	4,552,198
	<hr/>	<hr/>
Total assets	4,655,631	4,722,810
	<hr/> <hr/>	<hr/> <hr/>
Equity		
Equity attributable to owners of the Company		
Share capital	125	124
Treasury shares	(1)	(1)
Other reserves	12,640,993	12,227,727
Accumulated deficits	(8,591,567)	(8,238,050)
	<hr/>	<hr/>
	4,049,550	3,989,800
Non-controlling interests	17,451	17,666
	<hr/>	<hr/>
Total equity	4,067,001	4,007,466
	<hr/> <hr/>	<hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	As at 30 September 2022 <i>RMB'000</i> (Unaudited)	As at 31 March 2022 <i>RMB'000</i> (Audited)
Liabilities		
Non-current liabilities		
Lease liabilities	9,432	25,987
Deferred income	73,719	77,774
	<hr/>	<hr/>
Total non-current liabilities	83,151	103,761
	<hr/>	<hr/>
Current liabilities		
Trade and other payables	262,080	329,506
Deferred income	10,292	10,500
Salary and welfare payable	170,971	205,656
Contract liabilities	38,173	33,256
Current income tax liabilities	245	245
Lease liabilities	17,476	26,178
Provisions	6,242	6,242
	<hr/>	<hr/>
Total current liabilities	505,479	611,583
	<hr/>	<hr/>
Total liabilities	588,630	715,344
	<hr/>	<hr/>
Total equity and liabilities	4,655,631	4,722,810
	<hr/>	<hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 General information

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

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

The interim condensed consolidated financial information comprises the interim condensed consolidated balance sheet as at 30 September 2022, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes (the “**Interim Financial Information**”). The Interim Financial Information is presented in Renminbi (“**RMB**”), unless otherwise stated.

2 Basis of preparation

The Interim Financial Information for the six months ended 30 September 2022 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”).

The Interim Financial Information does not include all the notes of the type normally included in an annual financial statements. Accordingly, it should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2022, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by International Accounting Standards Board (“**IASB**”) and any public announcements made by the Company during the interim reporting period.

3 Accounting policies

The accounting policies applied to the preparation of the Interim Financial Information are consistent with those of applied in the preparation of the Group’s consolidated financial statements for the year ended 31 March 2022.

3 Accounting policies (continued)

In addition, certain new and amended standards and annual improvements have been published that are not mandatory for the current reporting period and have not been early adopted by the Group. These new and amended standards and annual improvements are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4 Critical accounting estimates and judgements

The preparation of the Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the preparation of the Group's consolidated financial statements for the year ended 31 March 2022.

5 Segment information

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

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

	Six months ended 30 September 2022 (Unaudited)				
	Big data platform and solutions <i>RMB'000</i>	Life sciences solutions <i>RMB'000</i>	Health management platform and solutions <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with Customers	124,028	146,531	203,807	—	474,366
Cost of sales and services	<u>(72,817)</u>	<u>(125,288)</u>	<u>(152,586)</u>	<u>—</u>	<u>(350,691)</u>
Gross profit	<u>51,211</u>	<u>21,243</u>	<u>51,221</u>	<u>—</u>	<u>123,675</u>

	Six months ended 30 September 2021 (Unaudited)				
	Big data platform and solutions <i>RMB'000</i>	Life sciences solutions <i>RMB'000</i>	Health management platform and solutions <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with Customers	157,948	145,627	190,438	7,918	501,931
Cost of sales and services	<u>(92,027)</u>	<u>(116,532)</u>	<u>(142,235)</u>	<u>(7,067)</u>	<u>(357,861)</u>
Gross profit	<u>65,921</u>	<u>29,095</u>	<u>48,203</u>	<u>851</u>	<u>144,070</u>

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC. For the six months ended 30 September 2022 and 2021, the Group earns approximately 81% and 19%, 85% and 15%, of total revenue from external customers located in the PRC and other countries, respectively.

As at 30 September 2022 and 31 March 2022, majority of the non-current assets of the Group were located in the PRC, Brunei and Singapore.

6 Expenses by nature

Expenses included in cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses are further analysed as follows:

	Six months ended	
	30 September	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Employee benefits expenses	410,362	526,193
Cost of sales	157,744	162,168
Outsourcing services fee	91,464	89,260
Travelling, entertainment and general office expenses	31,621	39,585
Consulting and other professional fee	26,877	35,678
Promotion and advertising expenses	13,059	67,542
Depreciation of property, plant and equipment	12,216	8,561
Depreciation of right-of-use assets	8,620	8,396
Labour dispatching	6,195	10,898
Amortization of intangible assets	3,362	2,187
Auditors' remuneration — Audit services	2,848	2,836
Taxes and surcharges	1,411	2,228
Other expenses	234	2,732
	<u>766,013</u>	<u>958,264</u>
Total cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses	<u>766,013</u>	<u>958,264</u>

7 Income tax expense/(credit)

	Six months ended	
	30 September	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax	1,224	—
Deferred income tax	612	(151)
	<u>1,836</u>	<u>(151)</u>
Total income tax expense/(credit) — net	<u>1,836</u>	<u>(151)</u>

Income tax expense/(credit) are recognized based on the management's best knowledge of the income tax rates that would be applicable to the full financial year.

8 Loss per share

- (a) Basic loss per share is calculated by dividing the loss attributable to the Company's owners by the weighted average number of ordinary shares in issue during the six months ended 30 September 2022 and 2021.

The calculation of loss per share is based on the following:

	Six months ended	
	30 September	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company	(353,517)	(440,768)
Weighted average number of ordinary shares in issue ('000)	988,812	935,086
Basic loss per share (RMB yuan)	<u>(0.36)</u>	<u>(0.47)</u>

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

As the Group incurred losses for the six months ended 30 September 2022 and 2021, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 September 2022 and 2021 are the same as basic loss per share for the respective periods.

9 Trade receivables

	As at	As at
	30 September	31 March
	2022	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables from contracts with customers		
— Third parties	585,151	597,186
— Related parties	1,787	1,787
Less: allowance for impairment of trade receivables	<u>(62,566)</u>	<u>(85,729)</u>
	<u>524,372</u>	<u>513,244</u>

9 Trade receivables (continued)

(a) The credit terms given to trade customers are determined on an individual basis with normal credit period mainly around 180 days. The aging analysis of the trade receivables based on invoice date is as follows:

	As at 30 September 2022 <i>RMB'000</i> (Unaudited)	As at 31 March 2022 <i>RMB'000</i> (Audited)
— Up to 3 months	137,284	376,413
— 3 to 6 months	69,527	26,118
— 6 months to 1 year	246,560	87,308
— 1–2 years	91,824	45,746
— Over 2 years	41,743	63,388
	586,938	598,973
Less: allowance for impairment of trade receivables	(62,566)	(85,729)
Total	524,372	513,244

(b) Fair values of trade receivables

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

10 Trade and other payables

	As at 30 September 2022 <i>RMB'000</i> (Unaudited)	As at 31 March 2022 <i>RMB'000</i> (Audited)
Trade payables	170,369	210,604
Tax payables	16,093	12,368
Other payables:		
— Payables for consulting and other service fee	19,476	36,209
— Insurance premium collection payables (i)	19,262	24,680
— Payables for repurchase of options	11,103	9,928
— Accrual for marketing and sales promotion expenses	6,644	8,228
— Payables for purchase of fixed assets and intangible assets	4,768	9,015
— Reimbursement payable to employees	6,123	7,182
— Payables for leasehold improvement	544	870
— Amounts due to related parties	—	66
— Payables for investment in venture capital fund	—	1,904
— Others	7,698	8,452
	<u>262,080</u>	<u>329,506</u>

(i) Insurance premium payables are insurance premiums collected on behalf of insurance companies but not yet remitted as at 30 September 2022.

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

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

	As at 30 September 2022 <i>RMB'000</i> (Unaudited)	As at 31 March 2022 <i>RMB'000</i> (Audited)
— Up to 3 months	46,497	173,919
— 3 to 6 months	13,880	2,449
— 6 months to 1 year	90,327	23,450
— 1 to 2 years	18,521	9,383
— 2 to 3 years	1,144	1,403
	<u>170,369</u>	<u>210,604</u>

11 Dividend

No dividend has been paid or declared by the Company or the companies now comprising the Group during the six months ended 30 September 2022 and 2021.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yidutechgroup.com). The interim report of the Group for the six months ended 30 September 2022 will be dispatched to the Company's shareholders and made available for review on the same websites in due course in accordance with the Listing Rules.

By order of the Board
Yidu Tech Inc.
Gong Yingying
*Chairlady, Executive Director and
Chief Executive Officer*

Hong Kong, 25 November 2022

As at the date of this announcement, the executive Directors are Ms. Gong Yingying, Ms. Yang Jing, Dr. Yan Jun and Ms. Zhang Shi; the non-executive Director is Mr. Zeng Ming; and the independent non-executive Directors are Dr. Ma Wei-Ying, Ms. Pan Rongrong and Prof. Zhang Linqi.