Mediwelcome Healthcare Management & Technology Inc.
麥迪衛康健康醫療管理科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2159)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of Mediwelcome Healthcare Management & Technology Inc. (麥迪衛康健康醫療管理科技股份有限公司) (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**", "**we**", "**us**" or "**our**") for the year ended 31 December 2023 (the "**Year**"), together with the comparative figures for the year ended 31 December 2022 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
Revenue	3	**331,308**	323,374
Cost of sales		**(301,413)**	(290,822)
Gross profit		**29,895**	32,552
Other income, gains and losses	4	**7,287**	7,246
Selling expenses		**(22,335)**	(25,476)
Administrative expenses		**(51,014)**	(50,087)
Research and development expenses		**(32,685)**	(50,612)
Finance costs	5	**(1,304)**	(1,246)
Impairment losses on trade receivables		**(5,776)**	(3,412)
Impairment losses on intangible assets	6	**(20,446)**	–
Loss before taxation	6	**(96,378)**	(91,035)
Income tax credit/(expense)	7	**287**	(2,708)
Loss for the year		**(96,091)**	(93,743)
Other comprehensive income/(loss)			
Item that will not be reclassified to profit or loss:			
Fair value change of equity investments at fair value through other comprehensive income		**15,899**	(5,763)
Total comprehensive loss for the year		**(80,192)**	(99,506)
Loss for the year attributable to:			
— Owners of the Company		**(94,096)**	(89,202)
— Non-controlling interests		**(1,995)**	(4,541)
		(96,091)	(93,743)
Total comprehensive loss for the year attributable to:			
— Owners of the Company		**(78,197)**	(94,965)
— Non-controlling interests		**(1,995)**	(4,541)
		(80,192)	(99,506)
Loss per share			
— Basic and diluted per share (RMB cents)	9	**(49.15)**	(48.01)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**3,720**	4,968
Right-of-use assets		**7,025**	10,434
Equity instruments at fair value through other comprehensive income		**17,046**	16,154
Intangible assets		**–**	30,561
Deferred tax assets		**2,175**	1,407
Prepayments, deposits and other receivables		**3,283**	3,036
		33,249	66,560
Current assets			
Trade receivables	*10*	**56,864**	76,690
Contract costs		**27,383**	18,032
Prepayments, deposits and other receivables		**16,470**	1,709
Financial assets at fair value through profit or loss		**–**	15,450
Tax recoverable		**–**	814
Bank balances and cash		**80,352**	138,571
		181,069	251,266
Total assets		**214,318**	317,826
LIABILITIES			
Current liabilities			
Trade payables	*11*	**32,297**	34,021
Contract liabilities		**18,695**	37,051
Other payables and accruals		**12,170**	19,009
Lease liabilities		**7,602**	8,906
Borrowings		**21,507**	9,089
		92,271	108,076
Net current assets		**88,798**	143,190
Total assets less current liabilities		**122,047**	209,750

	Notes	**2023**	2022
		RMB'000	*RMB'000*
Non-current liabilities			
Deferred tax liabilities		**58**	405
Lease liabilities		**2,022**	8,486
		2,080	8,891
Net assets		**119,967**	200,859
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**1**	1
Reserves		**116,124**	195,021
		116,125	195,022
Non-controlling interests		**3,842**	5,837
Total equity		**119,967**	200,859

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mediwelcome Healthcare Management & Technology Inc. (the "**Company**") was incorporated under the laws of the Cayman Islands with limited liability on 21 February 2020. The registered office is located at Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands and its principal place of business in Hong Kong is located at 28th Floor, AIA Central,1 Connaught Road Central, Central, Hong Kong.

The Company is ultimately controlled by Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao and Mr. Wang Liang (collectively referred to as the "**Controlling Parties**"), who are also parties acting in concert, and as a result of contractual arrangements, collectively have the power to direct the relevant activities of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies and methods of computation used by the Group in the preparation of the consolidated financial statements for the year ended 31 December 2023 are consistent with those adopted in the consolidated financial statements for the year ended 31 December 2022, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which includes all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income which are carried at fair value at subsequent reporting dates.

Adoption of new and revised HKFRSs

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules
HKFRS 17 and Amendments to HKFRS 17	Insurance Contracts and the related Amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 *Financial Instruments* ("**HKFRS 9**") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") reviews the "operating profit" as presented below and the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. Therefore, the Group has only one reportable segment which mainly operates its businesses in the People's Republic of China ("**PRC**") and earns substantially all of the revenues from external customers attributed to the PRC. As at the end of the reporting period, substantially all of the non-current assets of the Group were located in the PRC. Therefore, no geographical segments are presented. No analysis of segment assets or segment liabilities is presented as they are not used by the CODM when making decisions about allocating resources and assessing performance of the Group.

	2023	2022
	RMB'000	*RMB'000*
The Group's loss before taxation	**(96,378)**	(91,035)
Less: Other income, gains and losses	**(7,287)**	(7,246)
Operating loss presented to the CODM	**(103,665)**	(98,281)

Revenue by service type as follows:

	2023	2022
	RMB'000	*RMB'000*
Medical conference services	**163,680**	166,760
Patient education and screening services	**5,612**	28,554
Marketing strategy and consulting services	**136,801**	102,977
Contract research organisation services	**11,673**	6,436
Internet hospital services	**3,007**	4,004
Digital marketing and sales solutions services	**10,535**	14,643
Total revenue	**331,308**	323,374

The timing of revenue recognition for the services are as follows:

	2023	2022
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time	**330,144**	322,696
Over time	**1,164**	678
Total revenue	**331,308**	323,374

The major customers which contributed more than 10% of the total revenue for the corresponding years are listed as below:

	2023	2022
Customer A	**12%**	20%
Customer B *(Note (a))*	**–**	10%

Note (a): The percentage of contribution is not applicable of Customer B in 2023 as it contributed less than 10% in the period.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the date of the reporting period.

	2023	2022
	RMB'000	*RMB'000*
Within one year	**458,336**	478,390

4. OTHER INCOME, GAINS AND LOSSES

	2023	2022
	RMB'000	*RMB'000*
Foreign exchange gain, net	**476**	2,786
Loss on disposal of property, plant and equipment	**(54)**	–
Bank interest income	**415**	623
Gain on fair value changes of financial assets at FVTPL	**2,194**	1,268
Gain on early termination of lease	**1,789**	–
Government subsidy *(Note)*	**1,090**	102
Value added tax refund	**2,134**	2,530
Others	**(757)**	(63)
	7,287	7,246

Note: Amount represented subsidy on the Group's business development without any specific conditions attached to the subsidy.

5. FINANCE COSTS

	2023	2022
	RMB'000	*RMB'000*
Interest expense on lease liabilities	**732**	1,175
Interest expense on borrowings	**572**	71
	1,304	1,246

6. LOSS BEFORE TAXATION

	2023	2022
	RMB'000	*RMB'000*
Loss before taxation has been carried at after charging:		
Auditor's remuneration	**1,014**	1,241
Depreciation of property, plant and equipment	**2,595**	3,249
Depreciation of right-of-use assets	**7,638**	7,189
Amortisation of intangible assets (included in cost of sales)	**10,316**	10,270
Impairment losses on intangible assets *(Note)*	**(20,446)**	–
Staff costs:		
— Fee and salaries (including directors' remuneration)	**73,654**	69,863
— Staff retirement benefit costs (including directors' retirement benefit scheme contributions)	**6,921**	6,921
— Social security costs, housing benefits and other employee benefits (including directors' social security costs, housing benefits and other benefits)	**16,550**	10,985
— Share-based compensation	**(700)**	6,828
	96,425	94,597

Note: During the year ended 31 December 2023, due to changes in the economic and business environment, the management considered that there existed indicators of impairment and impairment assessment was performed as at 31 December 2023 on their intangible assets. An impairment loss of approximately RMB20,446,000 (2022: Nil) has been recognised in the consolidated statement of comprehensive income. The impairment assessment was made based on management's estimation of the recoverable amount against the carrying amount of the intangible assets. The estimated recoverable amount as at 31 December 2023 was determined based on the value in use of the assets and represented the present value of expected future revenue and related cash flows arising from intangible assets.

7. INCOME TAX (CREDIT)/EXPENSE

	2023	2022
	RMB'000	*RMB'000*
Current tax	**–**	–
Under-provision of taxation for previous years	**821**	2,730
	821	2,730
Deferred tax	**(1,108)**	(22)
	(287)	2,708

(a) PRC enterprise income tax ("EIT")

EIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC for both years calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The EIT rate is 25% during both years.

One of the entities comprising the Group was approved to be the High and New Technology Enterprise ("**HNTE**") on 31 October 2018 and renewed the certificate on 17 December 2021, and the entity enjoyed the preferential tax rate of 15% for HNTE from 2018 to 2024. Another entity comprising the Group was approved to be the HNTE on 2 December 2019 and is eligible to enjoy the preferential tax rate for HNTE of 15% from 2019 to 2022. The HNTE certificate needs to be renewed every three years so as to enable to enjoy the reduced tax rate of 15%.

The Group enjoyed additional 100% tax reduction based on the eligible research and development expenses for the year ended 31 December 2023 (for the year ended 31 December 2022: 75%).

For the year ended 31 December 2023, eight (2022: four) of the entities comprising the Group is qualified as small and micro-sized enterprises ("**SMEs**") for tax reduction. For the first RMB1 million of annual taxable income is eligible for 95.0% (2022: 87.5% reduction for first RMB1 million and 75% reduction for income between RMB1 million and RMB3 million) reduction.

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong for both years.

(b) PRC withholding tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant WHT rate will be reduced from 10% to 5%.

The Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was provided as at 31 December 2023 and 2022.

The income tax expense for the year can be reconciled to the loss before taxation per the consolidated statement of comprehensive income as follows:

	2023	2022
	RMB'000	*RMB'000*
Loss before taxation	**(96,378)**	(91,035)
Tax calculated at PRC statutory tax rate of 25% (2022: 25%)	**(24,094)**	(22,759)
Tax effect of expenses that are not deductible for tax purposes	**1,109**	1,505
Tax effect of tax losses and temporary difference not recognised	**30,138**	26,961
Tax effect of additional tax reduction for eligible research and development expenses	**(8,261)**	(5,729)
Under provision of taxation for previous years	**821**	2,730
Income tax (credit)/expense	**(287)**	2,708

8. DIVIDEND

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 December 2023 (2022: Nil).

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares during the year.

	2023	2022
	RMB'000	*RMB'000*
Loss attributable to owners of the Company	**(94,096)**	(89,202)
Weighted average number of ordinary shares in issue in the basic and diluted earnings per share calculation (in thousands)	**191,442**	185,817

The computation of diluted loss per share for the year ended 31 December 2023 does not assume the issue of the Company's unvested RSUs as the assumed issue would result in a decrease in loss per share.

10. TRADE RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Receivables from third parties	**69,396**	83,446
Less: allowance for credit losses	**(12,532)**	(6,756)
	56,864	76,690

Note:

The Group normally allows a credit period of 90 days to its customers.

An aging analysis of trade receivables (after allowance for credit losses) based on invoice date is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 90 days	**47,665**	72,365
91 days to 180 days	**9,199**	4,325
	56,864	76,690

An aging analysis of trade receivables (after allowance for credit losses) based on due date is as follows:

	2023	2022
	RMB'000	*RMB'000*
Neither past due nor impaired	**47,665**	72,365
0-90 days past due	**9,199**	4,325
	56,864	76,690

Trade receivables are classified as financial assets measured at amortised cost, their carrying amounts approximated their fair values due to their short maturities.

11. TRADE PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Payables to third parties	**32,297**	34,021

Trade payables and their aging analysis based on invoice date are as follows:

	2023	2022
	RMB'000	*RMB'000*
Up to 90 days	**23,248**	26,284
91 days to 180 days	**1,161**	2,799
181 days to 360 days	**2,700**	1,932
Over 360 days	**5,188**	3,006
	32,297	34,021

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

2023 is an unusual year for the global economy. Although the COVID-19 pandemic has basically ended, its impacts left behind are still difficult to fully vanish. As one of the biggest economies in the world, the People's Republic of China ("**China**" or the "**PRC**") will continue to maintain a stable development trend, promote high-quality development and innovation drive, accelerate the digitalization of technology and green transformation, deepen reform and opening up, and promote the development pattern of the new concept of the One Belt One Road, so as to inject new motivation into global economic growth.

In a complex and changing environment, the Company has actively responded to the trend, focusing on the development of its main business while endeavouring to grasp the opportunities of the digital economy. The Group has applied the latest artificial intelligence ("**AI**") technology and web 3.0 digital technology in business innovation in order to inject new motivation in business growth. Meanwhile, we are actively expanding and upgrading our digital pharmaceutical market services, achieving accurate digital services through data analysis and improving the quality and efficiency of academic promotion.

Go with the flow and ride the wave. The Group complies with the Healthy China Strategy (健康中國戰略) and Intelligent Medical Development Strategy (智能醫療發展戰略) proposed by the PRC Government, applies AI technology and web 3.0 new technology in advance, relies on innovative services integrating new technology, and strengthens cooperation with industry associations, medical institutions and enterprises. In 2023, AI-generated content ("**AIGC**") technology was successfully applied to the Giraffe Smart Medical Platform, the Medical Camp Platform (醫陣營平台) and the Giraffe Doctor+ Internet Hospital Platform (長頸鹿醫加互聯網醫院平台). Through AIGC technology, the Group has rapidly produced its own virtual digital person in videos for explaining health knowledge and patient education, which allowed the patient education services to be delivered more efficiently, and provided doctors with unprecedented medical knowledge content production experience. Giraffe Doctor+ Internet Hospital Platform has been committed to providing high-quality online specialized medical services such as online consultation, e-prescription, online prescription, drug delivery, patient education, follow-up management, etc., so that patients can conveniently access specialized medical services on the Internet. With the application of AI technology, we have achieved the intelligent upgrading of medical services and improved the efficiency and quality of doctor-patient communication. Medical Camp is a service platform built by the Group in recent years to provide innovative services for doctors to manage out-of-hospital patients. With the application of AI technology, the Medical Camp Platform enables patient management to be smarter and improves the quality and efficiency of patient management and follow-up.

In November 2023, the Group's web 3.0-based digital technology was officially launched, aiming to assist doctors in establishing digital assets and laying the foundation for the efficient provision of a future platform for digital assets and medical content copyright assets to confirm rights, authorization, rights maintenance and trading.

In terms of digital services for the pharmaceutical market, the Group has developed targeted promotion strategies based on the characteristics of different therapeutic areas. We have not only consolidated our digital services for medicines in the areas of cardiovascular and cerebrovascular diseases, oncology, gynaecological diseases and respiratory diseases, but have also expanded to other areas such as neuroimmune diseases and rare diseases, bringing benefits to more patients. Following the application of AI technology and web 3.0 digital technology, the Group's business platforms demonstrated innovation in digital services for the pharmaceutical market, completing the upgrading of the new model of cardiovascular, cerebrovascular and chronic disease patient education. The Group established a deep connection with doctors and patients, and through new tools such as APP, WeChat public number and apps, doctors can easily provide medical science and health management services to patients.

Despite the challenges in both the domestic and international economic environments, the Company achieved steady growth in performance through technological innovation, business transformation, management innovation and other initiatives, and all the operating targets were accomplished or exceeded the targets set at the beginning of the year. As of 31 December 2023, the Group's digital services platform had 449,480 registered doctor users, 57,125 online doctor education events, 26,573 online patient education events, a total of 9,789 online live streaming sessions, 20,631 videos, and a total of 2,816,794 viewers. In addition, we have also produced 594,631 pieces of academic content, including research questionnaires, academic slides and articles on patient education.

Based on the vision of providing quality Internet medical services to the vast number of doctors and patient groups in the PRC, and meeting the growing personalized needs of various stakeholders in the medical industry (including industry associations, specialists, hospitals, pharmaceutical and medical equipment companies, etc.), the Group's Internet medical platform will continue to optimize its online medical service solutions in 2023, and will actively develop products and services for the out-of-hospital digital management of patients with chronic diseases. As of 31 December 2023, the number of registered doctor users of Internet medical platform reached 66,573, representing an increase of 44.13% as compared to 31 December 2022, while the number of patient users reached 278,471, representing an increase of 14.4% as compared to 31 December 2022. This achievement demonstrated the Group's proactive efforts to continue to expand in the field of Internet healthcare and the remarkable results achieved.

OUTLOOK

Plans for the Group's development in 2024

1. Continue to expand the scale of business

In 2024, the Group will further expand its two business lines, namely Innovative Smart Healthcare and Digital Services for Healthcare Markets. Through cooperating with more hospitals, the Group's business coverage is expanded. Meanwhile, the Group will continue to expand partnerships with innovative pharmaceutical and medical equipment companies and leverage innovative digital technologies to improve access and standardization of treatment modalities.

Giraffe Smart Medical Platform will integrate AIGC technology more deeply, realizing a comprehensive link between doctors, patients, institutions and pharmaceutical and medical equipment companies, and providing accurate digital medical communication solutions and digital technology and industry services. This will promote the faster application of life science research results to the clinic, optimize the healthcare ecosystem, improve the quality of healthcare, and create a better and healthier life together with all parties in the industry.

The integration of Giraffe Doctor+ Internet Hospital Platform and Medical Camp Platform will efficiently provide digital contents, Clinical Decision Support System (CDSS), customized algorithms and authoritative disease management concepts and applications required for outreach scenarios in healthcare institutions. This will free diagnosis and treatment, science popularization and patient home management from disorder, inefficiency and irregularity, help doctors to enhance the value of healthcare, and make professional, green and smart healthcare services within reach.

2. Innovate and expand

For innovation and expansion, the Group will continue to innovate digital healthcare service model and optimize intelligent and personalized doctor-patient interaction features. Meanwhile, the Group will rely on the industry-academic-research enhancement initiative led by industry associations, assist industry associations, and actively participate in the Healthy China Initiative-Cardiovascular and Cerebrovascular Disease Prevention and Control Initiative 2023-2030 Implementation Programme (健康中國行動—心腦血管疾病防治行動2023-2030實施方案). Through the Group's digital technology capabilities, we provide services related to the process of preventing and treating cardiovascular and cerebrovascular diseases.

3. *Keep exploring and innovating*

Against the backdrop of rapid change in the medical industry, the only way to stay ahead is to innovate. The Group will continue to explore new needs in the medical industry and, based on new scenarios, develop and optimize innovative technologies to meet these needs. Through insights into new discoveries and scenarios in the market, we actively integrate AI technology and web 3.0 digital technology into various platforms, and promote the synergy of various tools and lines of business to ultimately realize in-depth, market-demanded innovative medical services and digital services in the market.

Healthcare is a national livelihood project, and innovative healthcare is a long but great road of opportunity. In 2024, the Company will continue to focus on digital and intelligent innovation in healthcare services to promote the enhancement of the medical industry, improve the quality of services, and achieve continuous expansion of business scale. Through advanced technology, we enable doctors and patients to access higher quality digital healthcare services, thereby continuing to deepen the Group's value chain and influence in the industry.

Financial Review

Revenue

During the Year, the Group primarily generated revenue from its integrated healthcare marketing solutions, consisting of (i) medical conference services; (ii) patient education and screening services; (iii) marketing strategy and consulting services; and (iv) digital marketing and sales solutions services. In addition, the Group developed and generated revenue from contract research organisation ("**CRO**") services and internet hospital services.

The Group's revenue increased by approximately 2.5% from approximately RMB323.4 million for the year ended 31 December 2022 to approximately RMB331.3 million for the Year. The following table sets forth a breakdown of the Group's revenue by service type for the years indicated:

	For the year ended 31 December			
	2023		2022	
	(RMB'000)		*(RMB'000)*	
Medical conference services	**163,680**	**49.4%**	166,760	51.6%
Marketing strategy and consulting services	**136,801**	**41.3%**	102,977	31.8%
Digital marketing and sales solutions services	**10,535**	**3.2%**	14,643	4.5%
Patient education and screening services	**5,612**	**1.7%**	28,554	8.8%
CRO services	**11,673**	**3.5%**	6,436	2.0%
Internet hospital services	**3,007**	**0.9%**	4,004	1.3%
Total	**331,308**	**100%**	323,374	100.0%

Medical Conference Services

Medical conference services primarily represent the medical conventions and seminars that the Group organises which are generally hosted by medical non-government organisations ("**NGOs**") and sponsored by enterprises in the healthcare industry, which primarily include pharmaceutical companies. The Group has built various technology platforms to enhance its integrated healthcare marketing solutions. To strengthen the Group's conference management capabilities, the Group has launched the Conference+ App (醫會+) for users, i.e. medical NGOs and pharmaceutical companies, to submit onsite conference requests and monitor conference implementation.

Revenue from medical conference services decreased by approximately 1.8% from approximately RMB166.8 million for the year ended 31 December 2022 to approximately RMB163.7 million for the Year, primarily attributable to the reduction of economic activities in the PRC and the Group's business strategy to down-scale the projects with lower profits margin during the Year.

Marketing Strategy and Consulting Services

The Group provides marketing strategy and consulting services to assist pharmaceutical companies in formulating and implementing effective business strategies to enhance their brands and product awareness among physicians. Revenue from marketing strategy and consulting services increased by approximately 32.8% from approximately RMB103.0 million for the year ended 31 December 2022 to approximately RMB136.8 million for the Year due to the marketing strategy and consulting services projects of the Group that were scheduled to be completed last year have been delayed to the current year after the prolonged COVID-19 pandemic.

Digital Marketing and Sales Solutions Services

The Group utilises its own newly developed digital marketing integration platform to assist pharmaceutical companies in formulating and implementing effective digital marketing and sales solutions during the Year. The Group provides customised digital marketing solutions based on the different forms and life cycle of customer products in order to reduce marketing costs, improve coverage efficiency, and reach users precisely. Revenue from digital marketing and sales solutions services decreased by approximately 28.1% from approximately RMB14.6 million for the year ended 31 December 2022 to approximately RMB10.5 million for the Year, primarily attributable to the slowdown in demand of digital marketing and sales solutions services, which was in line with the reduction of economic activities in the PRC during the Year.

Patient Education and Screening Services

Patient education and screening services of the Group allow patients to administer better self-care and disease control, which will lower the burden on the healthcare system in the long run. Revenue from patient education and screening services decreased by approximately 80.3% from approximately RMB28.6 million for the year ended 31 December 2022 to approximately RMB5.6 million for the Year, primarily attributable to the Group's business strategy to down-scale the projects with lower profits margin during the Year.

CRO Services and Internet Hospital Services

The Group offers CRO services primarily consist of patients recruitment and clinical data collection services, and internet hospital services which mainly provides online follow-up consultations to the physicians' existing patients and e-prescription service.

Revenue from CRO services increased by approximately 81.4% from approximately RMB6.4 million for the year ended 31 December 2022 to approximately RMB11.7 million for the Year due to increase in (i) the number of users of CRO services during the Year; and (ii) the demand for CRO services during the Year after the prolonged COVID-19 pandemic.

The Group has developed the mobile platforms, Mediwelcome Doctor+ (麥迪衛康醫加) and Doctor+ for Doctor (醫加醫生端), to provide internet hospital services. Currently, physicians' existing patients can schedule online follow-up consultations, obtain e-prescriptions and purchase medicine through the platforms. Revenue from internet hospital services decreased by approximately 24.9% from approximately RMB4.0 million for the year ended 31 December 2022 to approximately RMB3.0 million for the Year, primarily attributable to the tightening regulations in the PRC in respect of rectifying the practices in pharmaceutical sales and medical services during the Year.

Cost of sales

The Group's cost of sales, which mainly represent speaker fee paid to physicians, venue costs and staff costs, increased by approximately 3.6% from approximately RMB290.8 million for the year ended 31 December 2022 to approximately RMB301.4 million for the Year, which was generally in line with the increase in the Group's revenue.

Gross profit and gross profit margin

As a result of the foregoing, the Group's overall gross profit decreased by approximately RMB2.7 million from approximately RMB32.6 million for the year ended 31 December 2022 to approximately RMB29.9 million for the Year. The Group's overall gross profit margin decreased from 10.1% for the year ended 31 December 2022 to 9.0% for the Year, primarily due to the increased proportion of marketing strategy and consulting services income during the Year, which has lower profit margin.

Other income, gains and losses

Other income, gains and losses mainly consist of foreign exchange gains, net, gains on fair value changes of financial assets at fair value through profit or loss ("**FVTPL**"), gain on early termination of lease, government subsidy, bank interest income and value-added tax refund. The Group's other income, gains and losses had no material change, which amounted to approximately RMB7.2 million for the year ended 31 December 2022 and approximately RMB7.3 million for the Year.

Selling expenses

Selling expenses mainly consist of transportation expenses, salaries, share-based compensation expenses, performance bonuses and employee benefits expenses, and sales and marketing and business development expenses. The Group's selling expenses decreased by approximately 12.3% from approximately RMB25.5 million for the year ended 31 December 2022 to approximately RMB22.3 million for the Year, primarily due to a reduction in the cost of enhancing customer networks and promoting the Group's services during the Year.

Administrative expenses

Administrative expenses mainly represent the salaries and benefits of the administrative and management staff, professional consulting fees, share-based compensation expenses, depreciation and other miscellaneous administrative expenses. The Group's administrative expenses was approximately RMB51.0 million for the Year, which remained stable as compared approximately RMB50.1 million for the year ended 31 December 2022.

Research and development expenses

The Group's research and development expenses decreased by approximately 35.4% from approximately RMB50.6 million for the year ended 31 December 2022 to approximately RMB32.7 million for the Year, mainly due to the decrease in the Group's research and development expenses to carry out the research and development projects, including digital marketing solutions, digital medical solutions, and development of an artificial intelligent online platform during the Year.

Impairment losses on intangible assets

Intangible assets primarily represent (i) software and systems used for our medical conference services, patient education and screening services and internet hospital services; and (ii) customer contracts related to the installation of software and equipment of the internet hospital services. During the Year, the Group performed impairment tests to compare the recoverable amount and the book value of the intangible assets and the indication of impairment was identified due to the changes in the economic and business environment. The Group recognised the corresponding provision for impairment on the intangible assets in order to provide an objective and fair reflection of the financial position and assets value of the Group as at 31 December 2023.

During the Year, the Group recognised an impairment loss of approximately RMB20.4 million (31 December 2022: nil), details of which are set out in Note 6 to the consolidated financial statements of this announcement. The Board is of the view that the provision for the impairment of intangible assets has reflected the asset condition of the Group fairly and accurately, which is in line with the accounting policies adopted by the Group.

Finance costs

Finance costs mainly represent the interest expense on bank loans and interest expense on lease liabilities. The Group's finance costs increased by approximately 4.7% from approximately RMB1.2 million for the year ended 31 December 2022 to approximately RMB1.3 million for the Year, mainly due to the combined effects of (i) the increase in interest expense on the Group's bank loans driven by the increase in average balance of outstanding bank loans during the Year as compared to the year ended 31 December 2022; and (ii) the decrease in interest expense on lease liabilities due to early termination of lease during the Year.

Income tax credit/(expense)

The Group recorded income tax credit of approximately RMB0.3 million for the Year as compared with income tax expense of approximately RMB2.7 million for the year ended 31 December 2022, primarily due to increase in tax reduction for eligible research and development expenses during the Year.

Loss for the year

The Group recorded a loss for the year of approximately RMB96.1 million for the Year as compared to a loss for the year of approximately RMB93.7 million for the year ended 31 December 2022, due to the combined effects of (i) the decrease in gross profit for the Year, primarily attributable to the increased proportion of marketing strategy and consulting services income during the Year, which has lower profit margin; (ii) the impairment on the intangible assets during the Year in order to provide an objective and fair reflection of the financial position and assets value of the Group; and (iii) the decrease in the Group's research and development expenses to carry out the research and development projects during the Year, including digital medical solutions, artificial intelligent robot and online platform.

Other comprehensive income/(loss)

The Group recorded other comprehensive income of approximately RMB15.9 million for the Year, as compared with other comprehensive loss of approximately RMB5.8 million for the year ended 31 December 2022, primarily due to the recognition of fair value gain of approximately RMB14.0 million arising from the disposal of the Group's interest in Beijing Lingchuang Yigu Technology Development Co., Ltd. ("**Lingchuang Yigu**") during the Year. For details, please refer to the section headed "SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES" in this announcement.

Trade receivables

Trade receivables represent outstanding amounts due from customers for services that the Group has provided in the ordinary course of business. The Group's trade receivables decreased from approximately RMB76.7 million as at 31 December 2022 to approximately RMB56.9 million as at 31 December 2023, due to the implementation of more efficient credit control measures by the Group during the Year, resulting in faster collection of payments from customers.

Trade payables

Trade payables mainly represent the balances due to suppliers for the procurement of goods and services used for the Group's service offerings, such as travel and lodging services, presentation materials, venue set-up, rental services and video production services. The Group's trade payables decreased from approximately RMB34.0 million as at 31 December 2022 to approximately RMB32.3 million as at 31 December 2023, due to the implementation of more efficient cash flow management by the Group during the Year, enabling it to make payments to suppliers more promptly and reduce its outstanding trade payables.

Financial assets at FVTPL

The Group's financial assets at FVTPL mainly represent financial products that the Group purchased. These financial products were primarily low risk structured deposit from reputable PRC commercial banks, the principal of which was invested in low risk debt instruments, while the interest was invested in derivatives market. As at 31 December 2023, the financial assets at FVTPL have been fully redeemed and the Group did not record any financial assets at FVTPL (31 December 2022: RMB15.5 million). For the Year, the gain on fair value changes of financial assets at FVTPL amounted to approximately RMB2.2 million, representing an increase of approximately 73.0% from approximately RMB1.3 million for the year ended 31 December 2022. The increase was mainly attributable to the increase in average balance of the financial assets at FVTPL during the Year.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Treasury Policy

The Group's funding and treasury policies are designed to strengthen the internal control and management of the Group's overall financial position and to mitigate the Group's financial risks, and to better regulate the Company's financial behaviour and improve the efficiency of the use of funds. The policies manage the use of the Group's funds in foreign investments and fund raising activities.

Net Current Assets

As at 31 December 2023, the Group had net current assets of approximately RMB88.8 million, as compared with net current assets of approximately RMB143.2 million as at 31 December 2022.

Bank Balances and Cash

The Group's bank balances and cash mainly consist of (i) bank deposits denominated in Renminbi and Hong Kong Dollar and carried the relevant benchmark interest rates throughout the Year; and (ii) cash on hand.

As at 31 December 2023, the Group had bank balances and cash of approximately RMB80.4 million, representing a decrease of approximately 42.0% from approximately RMB138.6 million as at 31 December 2022. The Group's bank balances and cash were denominated in Renminbi and Hong Kong dollars. The Group's principal sources of liquidity and capital resources are cash from operating activities. The Group monitors cash flows and cash balance on a regular basis and strive to maintain an optimal liquidity that can meet its working capital needs while supporting a healthy level of business scale and expansion.

Indebtedness

As at 31 December 2023, the Group, as a lessee, had outstanding current and non-current lease liabilities of approximately RMB9.6 million as compared with approximately RMB17.4 million as at 31 December 2022. The lease liabilities represent payment for the right to use underlying assets, which is unsecured and unguaranteed.

As at 31 December 2023, the Group had outstanding bank borrowings of approximately RMB21.5 million (31 December 2022: RMB9.1 million), which was unsecured, guaranteed and repayable within 12 months. All borrowings are charged with reference to the floating interest rate of Loan Prime Rate of the PRC and denominated in Renminbi.

As at 31 December 2023, the Group had available unutilised banking facilities of approximately RMB3.5 million (31 December 2022: RMB22.9 million).

The Group's gearing ratio (calculated as total bank borrowings divided by total equity) as at 31 December 2023 was 17.9% (31 December 2022: 4.5%).

Capital Expenditures

As at 31 December 2023, capital expenditures of the Group decreased to approximately RMB1.6 million for the Year as compared with approximately RMB4.3 million for the year ended 31 December 2022. These capital expenditures were related to (i) purchases of property, plant and equipment; and (ii) expenses for research and development activities capitalised as intangible assets. The Group is expected to incur expenses to develop computer and mobile software and platforms for its digital marketing and sales solutions services which may be capitalised. These expenses would be financed by the net proceeds in the manner consistent with that as mentioned in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 31 December 2020 (the "**Prospectus**") and cash flow from operating activities.

Capital Structure

The shares of the Company (the "**Share(s)**") were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 19 January 2021. There has been no change in the capital structure of the Group since then.

As at 31 December 2023, the total number of issued Shares was 200,000,000.

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the functional currencies of the respective entities of the Group. The Group manages its foreign exchange risk by performing regular reviews of its net foreign exchange exposures. The Group did not hedge against any fluctuation in foreign currencies during the Year.

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

Contingent Liabilities

As at 31 December 2023, the Group did not have any material contingent liabilities (31 December 2022: nil).

Pledge of Assets

As at 31 December 2023, the Group did not pledge any of its assets (31 December 2022: nil).

Human Resources

As at 31 December 2023, the Group had 335 employees (31 December 2022: 427 employees) as a result of the increase in headcount in relation to the expansion plan of the Group. For the Year, the staff cost recognised as expenses of the Group amounted to approximately RMB96.4 million, representing an increase of approximately 1.9% from approximately RMB94.6 million for the year ended 31 December 2022. The increase was mainly attributable to the increase in proportion of employees with higher income and increase in salaries to retain the talents.

The Group is committed to establishing a fair remuneration system and will conduct performance evaluation for its employees on an annual basis. Compensation for employees typically consists of a base salary and a performance-based bonus. The Group conducts training for new staff before they start work and provides periodic training for its employees based on their respective responsibilities.

Furthermore, the Company has conditionally adopted restricted share units scheme on 18 September 2019 and a share option scheme on 21 December 2020, details of which are set out in "Appendix IV — Statutory and General Information — D. Other information — 2. RSU Scheme" and "Appendix IV — Statutory and General Information — D. Other Information — 3. Share Option Scheme" in the Prospectus.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Equity Interests in Lingchuang Yigu

On 30 September 2023, (i) Mediwelcome Beijing Healthcare Technology Co., Ltd.* (北京麥迪衛康醫療科技有限公司)("**Mediwelcome Beijing**") (one of the Group's operating entities in the PRC whose financial results have been consolidated and accounted as subsidiaries of the Company through share interests or by virtue of contractual arrangements), Shenzhen Tongchuang Zhongke Qianhai Kekong Angel Venture Capital Partnership (Limited Partnership)* (深圳市同創中科前海科控天使創業投資合夥企業(有限合夥)) and Beijing Tongchuang Gongxiang Medical Equity Investment Fund Partnership (Limited Partnership)* (北京同創共享醫療股權投資基金合夥企業(有限合夥)) (collectively the "**Vendors**"); (ii) Beijing Dachen Caizhi SME Development Fund Partnership (北京達晨財智中小企業發展基金合夥企業(有限合夥)), Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (Limited Partnership)* (深圳市財智創贏私募股權投資企業(有限合夥)) and Yangzhou Qifeng Venture Capital Partnership (Limited Partnership)" (揚州啟豐創業投資合夥企業(有限合夥)) (collectively the "**Investors**"); (iii) the existing shareholders (i.e. Mr. Xu Tianrui, Mr. Yang Weihua, Mr. Ding Shan, Beijing Yunfan Hongyi Technology Partnership (Limited Partnership)* (北京雲帆弘毅科技合夥企業(有限合夥)), Beijing Lingchuang Gongying Enterprise Management Partnership (Limited Partnership)* (北京領創共贏企業管理合夥企業(有

限合夥)) and Tianjin Lingchuang Future Enterprise Management Partnership (Limited Partnership)* (天津領創未來企業管理合夥企業(有限合夥)) (collectively, the "**Existing Shareholders**")); and (iv) Lingchuang Yigu (as the target company) entered into a subscription and equity transfer agreement (the "**Agreement**"), pursuant to which (i) the Investors have agreed to subscribe for the registered capital of Lingchuang Yigu at the total consideration of RMB52,500,000 (the "**Subscription**"); and (ii) the Vendors have conditionally agreed to dispose of, and the Investors have conditionally agreed to acquire, the 7.7893% equity interest in Lingchuang Yigu as enlarged after the Subscription at the total consideration of RMB52,500,000 (the "**Disposal**").

Pursuant to the Disposal, Mediwelcome Beijing has conditionally agreed to dispose of 2.2255% equity interest (as enlarged by the Subscription) in Lingchuang Yigu to the Investors at a consideration of RMB15,000,000. As the highest applicable percentage ratio (as defined under the Rule 14.07 of the Listing Rules on the Stock Exchange) in respect of such disposal by Mediwelcome Beijing is more than 5% but less than 25%, the disposal of equity interest in Lingchuang Yigu by Mediwelcome Beijing constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but exempt from circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. For details, please refer to the announcements of the Company dated 3 October 2023 and 24 October 2023, respectively.

As at the date of this announcement, the consideration of RMB15,000,000 has been received by the Group and the Disposal has been completed. Upon completion of the Disposal, the Company recognised a fair value gain on the Disposal of approximately RMB14.0 million.

Equity Interests in Shanghai Bohuikang Biological Technology Co., Ltd. ("Shanghai Bohuikang")

On the 17 May 2018, the Group entered into an agreement with the founding shareholders of Shanghai Bohuikang, independent third parties to the Group, for the injection of new capital to Shanghai Bohuikang by the Group. Upon the completion of the capital contribution of RMB5,150,000 on 17 May 2018, the Group held 9% equity interests of Shanghai Bohuikang.

Shanghai Bohuikang is principally engaged in the development and production of cancer diagnostic reagents and ancillary instruments. The Group invested in Shanghai Bohuikang since 2018 as the Group believes genetic testing is complementary to our existing service.

As at 31 December 2023, the Group holds 19.41% equity interest in Shanghai Bohuikang (31 December 2022: 19.41%), the fair value of which was approximately RMB14.2 million as at 31 December 2023 (31 December 2022: approximately RMB11.9 million), accounting for approximately 6.6% (31 December 2022: approximately 3.7%) of the total assets of the Group of approximately RMB214.3 million as at 31 December 2023 (31 December 2022: approximately RMB317.8 million).

During the Year, the change in fair value of the equity interests in Shanghai Bohuikang of approximately RMB2.3 million was credited to other comprehensive loss (31 December 2022: other comprehensive loss of approximately RMB5.2 million). No dividend income was received from the equity interests in Shanghai Bohuikang during the Year (31 December 2022: nil).

The Group remains susceptible to the risk of fair value change of its equity investments designated at fair value through other comprehensive income, and may record a fair value loss on the equity investments in the future, which would lead to a decrease in the total assets as well as net assets.

To monitor the performance of the Group's equity investments, the Group has adopted the following internal control policies: (i) the manager and supporting staff of each equity investment will report the investment budget, the operational status of the investment target, and the major issues and their potential consequences to the Group's management on a timely basis; (ii) the Group will review the equity investments at least annually; and (iii) all the files related to each equity investment will be properly documented and archived.

Save as disclosed above, the Group had no other significant investment, material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no future plans for material investments or capital assets as at 31 December 2023.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2023 and up to the date of this announcement, no significant events have occurred which have material impact on the performance and the value of the Group.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

The Group had not provided any financial assistance and guarantee to affiliated companies during the Year.

FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES

The Group did not use any financial instruments for hedging purposes during the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to achieving high standards of corporate governance with a view to safeguarding the interests of its shareholders (the "**Shareholders**") as a whole. Throughout the Year, the Company has applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code (the "**Corporate Governance Code**") as contained in Appendix 14 to the Listing Rules in force during the year ended 31 December 2023 (i.e. the new Appendix C1 to the Listing Rules with effect from 31 December 2023).

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix 10 to the Listing Rules in force during the year ended 31 December 2023 (i.e. the new Appendix C3 to the Listing Rules with effect from 31 December 2023) as its own code of conduct regarding securities transactions of the Directors. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

Having made specific enquiry to all Directors, all Directors confirmed that they have complied with the Model Code throughout the Year.

FINAL DIVIDEND

The Board did not recommend the payment of any final dividend in respect of the year ended 31 December 2023 (2022: nil).

ANNUAL GENERAL MEETING

It is proposed that an annual general meeting of the Company (the "**AGM**") will be convened and held on Wednesday, 26 June 2024. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the articles of association of the Company and the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of ascertaining the Shareholders' eligibility to attend and vote at the AGM, the Company's register of members will be closed during the following period:

Latest time to lodge transfer documents for registration	4:30 p.m. on Wednesday, 19 June 2024
Closure of register of members	Thursday, 20 June 2024 to Wednesday, 26 June 2024 (both days inclusive)

For the purposes mentioned above, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than the aforementioned latest time.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company (the "**Audit Committee**") comprised three independent non-executive Directors, namely Mr. Yang Xiaoxi (chairman), Mr. Song Ruilin and Mr. David Zheng Wang. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2023. The Audit Committee and the Company's management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 set out in this announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Moore CPA Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mediwelcome.com). The annual report of the Company for the year ended 31 December 2023 containing all the information required by the Listing Rules will be and made available on the same websites and despatched to the Shareholders in due course.

By order of the Board
Mediwelcome Healthcare Management & Technology Inc.
Shi Wei
Chairman and Executive Director

Hong Kong, 27 March 2024

As at the date of this announcement, the Board comprises Mr. Shi Wei, Mr. Yang Weimin, Mr. Wang Liang and Mr. Wang Wei as executive Directors; Mr. Liu Xia as non-executive Director; and Mr. Song Ruilin, Mr. David Zheng Wang and Mr. Yang Xiaoxi as independent non-executive Directors.