



麥迪衛康健康醫療管理科技股份有限公司
MEDIWELCOME HEALTHCARE
MANAGEMENT & TECHNOLOGY INC.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2159

2024

**INTERIM
REPORT**

Contents

Corporate Information	2
Business Highlights	4
Business Review	5
Management Discussion and Analysis	7
Condensed Consolidated Statement of Comprehensive Income	15
Condensed Consolidated Statement of Financial Position	16
Condensed Consolidated Statement of Changes in Equity	18
Condensed Consolidated Statement of Cash Flows	19
Notes to the Condensed Consolidated Financial Statements	20
Other Information	37



Corporate Information

BOARD OF DIRECTORS

Executive Directors:

Mr. Shi Wei (*Chairman*)
Mr. Yang Weimin
Mr. Wang Liang (*Chief Executive Officer*)
Mr. Wang Wei

Non-executive Director:

Mr. Liu Xia

Independent Non-executive Directors:

Mr. Song Ruilin
Mr. David Zheng Wang
Mr. Yang Xiaoxi

AUDIT COMMITTEE

Mr. Yang Xiaoxi (*Chairman*)
Mr. Song Ruilin
Mr. David Zheng Wang

REMUNERATION COMMITTEE

Mr. David Zheng Wang (*Chairman*)
Mr. Song Ruilin

NOMINATION COMMITTEE

Mr. Shi Wei (*Chairman*)
Mr. David Zheng Wang
Mr. Yang Xiaoxi

JOINT COMPANY SECRETARIES

Ms. Zhao Luyang
Ms. Tsoi Siu Wai

AUTHORIZED REPRESENTATIVES

Mr. Shi Wei
Ms. Tsoi Siu Wai

REGISTERED OFFICE

Floor 4, Willow House
Cricket Square
Grand Cayman KY1-9010
Cayman Islands

HEADQUARTERS

10/F–12/F, Parkview Place
2 East 4th Ring Road, Chaoyang District
Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

35/F
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Campbells Corporate Services Limited
Floor 4, Willow House, Cricket Square
Grand Cayman KY1-9010
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

Moore CPA Limited
Certified Public Accountants and Registered Public Interest Entity Auditor
801–806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

Corporate Information

LEGAL ADVISER

As to Hong Kong Law:
Sidley Austin
Level 39
Two International Finance Centre
8 Finance Street
Central, Hong Kong

PRINCIPAL BANK

Bank of Communications Yuhui East Road Branch
1/F, Yayun Garden
12 Xiaoying Road
Chaoyang District
Beijing
PRC

STOCK CODE

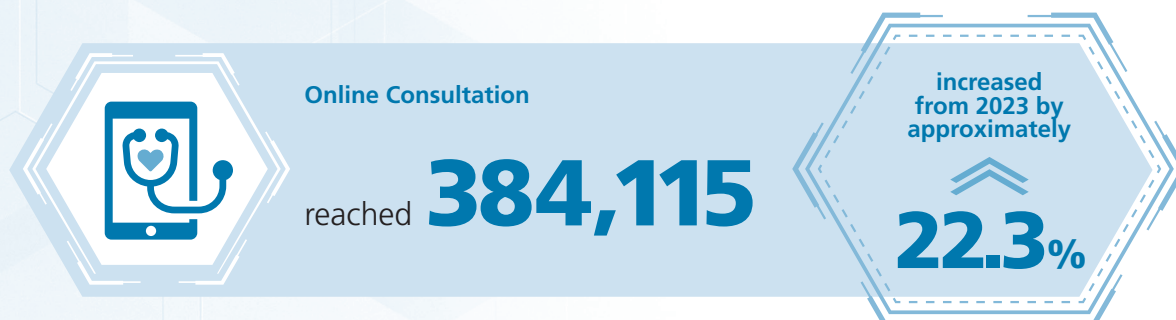
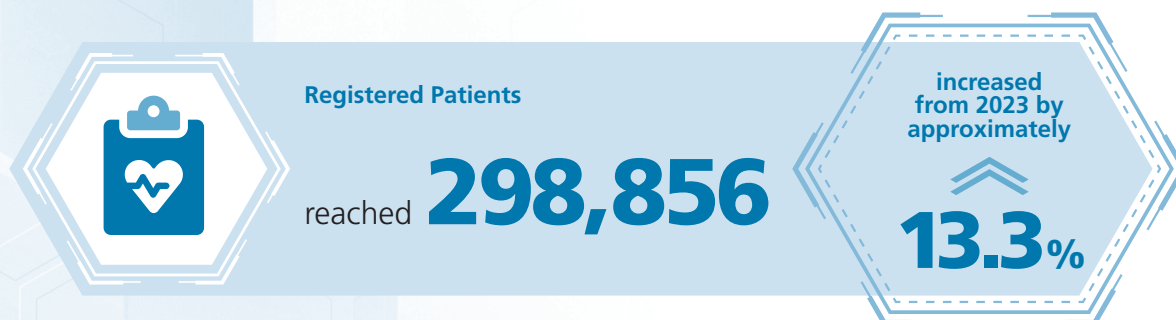
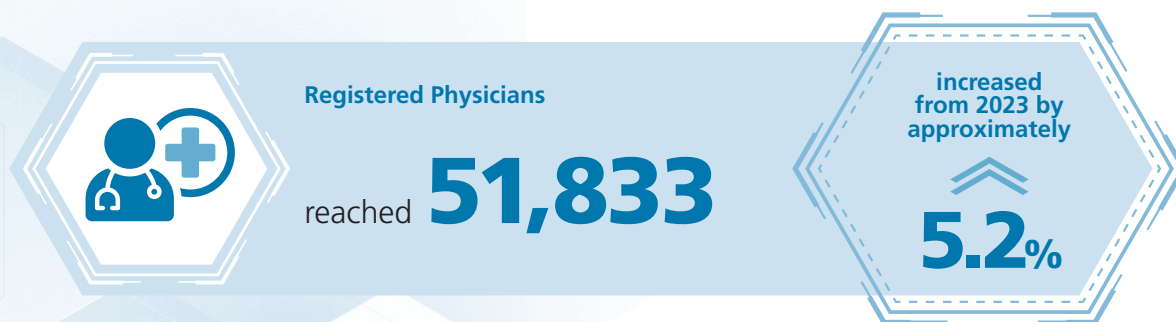
2159

WEBSITE

www.mediwelcome.com

Business Highlights

The figures below are the results for the six months ended 30 June 2024 (the "Reporting Period") with comparative figures for the corresponding period in 2023:



BUSINESS REVIEW

In the first half of 2024, China's economy moved forward steadily amidst a complex and severe external environment, demonstrating a steady and progressive development. During this period, 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**", together with its subsidiaries, the "**Group**", "**we**", "**us**" or "**our**") proactively integrated cutting-edge artificial intelligence ("**AI**")-generated content ("**AIGC**") technology and web 3.0 digital technology into its business innovation and successfully implemented them to provide AI+medicine services to societies and large-scale pharmaceutical and medical equipment companies, which effectively boosted the Group's business growth. Meanwhile, the Group also vigorously expanded and upgraded its digital pharmaceutical industry services and internet healthcare services, leveraging on data analysis to achieve accurate digital services, which significantly enhanced the quality and efficiency of academic promotion.

In the first half of 2024, AIGC technology and web 3.0 digital technology were successfully applied in 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). Leveraging on the new technology-driven tools and platforms, the Group explored the establishment of a "data asset model for physician-owned intellectual property rights" and a "cooperation model for data asset transaction"; and provided doctors with high-quality and high-efficiency medical knowledge content production experience and medical intellectual property certification services. These models and services have been applied in the nationwide academic dissemination projects undertaken in collaboration with foundations and large-scale pharmaceutical and medical equipment companies and have been widely recognised by clinicians.

As at 30 June 2024, the Group's digital services platform had 767,345 registered doctor users, held 60,935 online education sessions with doctors and 26,612 online education sessions for patients, livestreamed 13,665 times, with 33,150 videos available and viewed by 5,261,980 visitors. In addition, 947,230 pieces of academic content were produced, including professional medical and patient education.

The Group has sustained its effort to develop and expand its internet healthcare platform to cater for the increasing needs of various stakeholders in the medical field, including hospitals, doctors, patients as well as pharmaceutical and medical equipment companies. Our internet healthcare platform, on top of providing doctors and patients with convenient online medical service by offering consistent and quality online medical service solutions, has also actively developed products and services of digital management for patients with chronic illnesses in the out-of-hospital context. As at 30 June 2024, the number of registered doctor and patient users of the internet healthcare platform reached 51,883 and 298,856, representing an increase of approximately 5.2% and 13.3%, respectively, as compared to those as at 30 June 2023. This achievement demonstrates our proactive efforts to continue to expand in the field of internet healthcare and the significant results we have achieved.

Business Review

OUTLOOK

Plans for the Group's development in the second half of 2024

The Group will continue to deepen the exploration of scenarios combining AIGC technology and clinicians. By applying AIGC technology to the Giraffe Medical Camp Platform and the Giraffe Doctor+ Internet Hospital Platform, the Group will achieve a comprehensive connection between doctors, patients, organisations as well as pharmaceutical and medical equipment companies with the Group's digital tools and platforms, and provide accurate digital medical dissemination solutions and digital services. Facing the service targets, especially the clinician group, the core of the healthcare industry, the synergistic cooperation with doctors through the Group's AIGC technology-driven tools and platforms will break the traditional linear and inefficient models, create incremental value of clinical medicine+AIGC and web 3.0, and ultimately drive the business to grow steadily.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

During the Reporting Period, 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; (iv) contract research organisation (“CRO”) services; and (v) internet hospital services. In addition, the Group developed and generated revenue from digital marketing and sales solutions services.

The Group’s revenue decreased by approximately 4.3% from approximately RMB146.9 million for the six months ended 30 June 2023 to approximately RMB140.7 million for the Reporting Period. The following table sets forth a breakdown of the Group’s revenue by service type for the periods indicated:

	For the six months ended 30 June			
	2024 (RMB'000)		2023 (RMB'000)	
Medical conference services	76,133	54.1%	71,592	48.7%
Marketing strategy and consulting services	53,096	37.8%	58,927	40.1%
Digital marketing and sales solutions services	7,496	5.3%	6,102	4.2%
CRO services	1,666	1.2%	5,908	4.0%
Patient education and screening services	1,706	1.2%	2,781	1.9%
Internet hospital services	573	0.4%	1,613	1.1%
Total	140,670	100.0%	146,923	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 increased by approximately 6.3% from approximately RMB71.6 million for the six months ended 30 June 2023 to approximately RMB76.1 million for the Reporting Period, primarily due to certain projects of the Group that were scheduled to be completed last year had been delayed to the current Reporting Period after the prolonged COVID-19 pandemic.

Management Discussion and Analysis

Marketing Strategy and Consulting Services

The Group provides marketing strategy and consulting services to assist pharmaceutical companies in formulating and implementing effective business strategies in enhancing their brands and product awareness among physicians. Revenue from marketing strategy and consulting services decreased by approximately 9.9% from approximately RMB58.9 million for the six months ended 30 June 2023 to approximately RMB53.1 million for the Reporting Period due to the slowdown in demand for marketing strategy and consulting services, which was in line with the reduction of economic activities in the People's Republic of China (the "PRC") during the Reporting Period.

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. 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 increased by approximately 22.8% from approximately RMB6.1 million for the six months ended 30 June 2023 to approximately RMB7.5 million for the Reporting Period, primarily attributable to the Group's business strategy to focus on digital marketing projects with higher profit margin during the Reporting Period.

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 38.7% from approximately RMB2.8 million for the six months ended 30 June 2023 to approximately RMB1.7 million for the Reporting Period, primarily attributable to the reduction of economic activities in the PRC and the Group's business strategy to down-scale projects with lower profit margin during the Reporting Period.

CRO Services and Internet Hospital Services

The Group's 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 decreased by approximately 71.8% from approximately RMB5.9 million for the six months ended 30 June 2023 to approximately RMB1.7 million for the Reporting Period due to the reduction of economic activities in the PRC.

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 platform. Revenue from internet hospital services decreased by approximately 64.5% from approximately RMB1.6 million for the six months ended 30 June 2023 to approximately RMB0.6 million for the Reporting Period, primarily attributable to the tightening regulations in the PRC in respect of rectifying the practices in pharmaceutical sales and medical services.

Management Discussion and Analysis

Cost of sales

The Group's cost of sales, which mainly represents speaker fees paid to physicians, venue costs and staff costs, decreased by approximately 6.3% from approximately RMB128.0 million for the six months ended 30 June 2023 to approximately RMB120.0 million for the Reporting Period, which was generally in line with the decrease in the Group's revenue.

Gross profit and gross profit margin

As a result of the foregoing, the Group's overall gross profit increased by approximately RMB1.8 million from approximately RMB18.9 million for the six months ended 30 June 2023 to approximately RMB20.7 million for the Reporting Period. The Group's overall gross profit margin slightly increased from 12.9% for the six months ended 30 June 2023 to 14.7% for the Reporting Period, primarily due to the Group's business strategy to concentrate on projects with higher 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"), government subsidy, bank interest income and value-added tax refund. The Group's other income, gains and losses decreased by approximately 74.9% from approximately RMB3.2 million for the six months ended 30 June 2023 to approximately RMB0.8 million for the Reporting Period, primarily attributable to the decrease in value added tax refund during the Reporting Period.

Selling expenses

Selling expenses mainly consist of transportation expenses, salaries, performance bonuses and employee benefits expenses for the sales and marketing and business development expenses. The Group's selling expenses decreased by approximately 36.9% from approximately RMB11.5 million for the six months ended 30 June 2023 to approximately RMB7.3 million for the Reporting Period, primarily due to the decrease in staff cost and a reduction in the cost of enhancing customer networks and promoting the Group's services during the Reporting Period.

Administrative expenses

Administrative expenses mainly represent salaries and benefits of the administrative and management staff, professional consulting fees, depreciation and other miscellaneous administrative expenses. The Group's administrative expenses decreased by approximately 4.5% from approximately RMB30.0 million for the six months ended 30 June 2023 to approximately RMB28.6 million for the Reporting Period, primarily due to the decrease in staff cost and professional fee as a result of the cost saving strategy of the Group, which was partially net off by the exchange loss.

Management Discussion and Analysis

Research and development expenses

The Group's research and development expenses decreased by approximately 38.5% from approximately RMB19.6 million for the six months ended 30 June 2023 to approximately RMB12.1 million for the Reporting Period, mainly due to reduced expenses incurred during the Reporting Period for the Group's research and development projects, including digital marketing solutions, digital medical solutions, and development of an artificial intelligent online platform.

Finance costs

Finance costs mainly represent interest expense on bank loans and interest expense on lease liabilities. The Group's finance costs decreased by approximately 29.7% from approximately RMB0.8 million for the six months ended 30 June 2023 to approximately RMB0.5 million for the Reporting Period, mainly due to the decrease in interest expense on lease liabilities resulted from the early termination of a lease.

Income tax expense

The Group recorded income tax expense of approximately RMB0.6 million for the Reporting Period as compared with income tax expense of approximately RMB0.1 million for the six months ended 30 June 2023, primarily due to the underprovision for income tax expense for the six months ended 30 June 2023 and decrease in tax reduction for eligible research and development expenses during the Reporting Period.

Loss for the period

The Group's loss for the period decreased by approximately 39.7% from approximately RMB38.0 million for the six months ended 30 June 2023 to approximately RMB23.0 million for the Reporting Period due to the net effects of (i) the increase in the Group's gross profit by approximately RMB1.8 million as the Group concentrated on projects with higher profit margin; (ii) the decrease in research and development expenses by approximately RMB7.5 million; and (iii) the decrease in selling expenses by approximately RMB4.3 million.

Other comprehensive income/(loss)

The Group recorded other comprehensive income of approximately RMB3.8 million for the Reporting Period, as compared with other comprehensive loss of approximately RMB1.6 million for the six months ended 30 June 2023, primarily due to the increase in recognition of unrealised fair value gain on the Group's investment in unlisted equity securities during the Reporting Period.

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 RMB56.9 million as at 31 December 2023 to approximately RMB49.3 million as at 30 June 2024 due to the decrease in the Group's sales as a result of the scaling-down of projects with lower profit margin as part of the Group's business strategy.

Management Discussion and Analysis

Trade payables

Trade payables mainly represent 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 RMB32.3 million as at 31 December 2023 to approximately RMB26.5 million as at 30 June 2024, which was generally in line with the decrease in the Group's revenue.

Financial assets at fair value through profit or loss

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 30 June 2024, the financial assets at FVTPL have been fully redeemed and the Group did not record any financial assets at FVTPL (31 December 2023: Nil). For the Reporting Period, the gain on fair value changes of financial assets at FVTPL amounted to approximately RMB0.2 million, representing a decrease of approximately 31.8% from approximately RMB0.4 million for the six months ended 30 June 2023. The decrease was mainly attributable to the decrease in average balance of the financial assets at FVTPL during the Reporting Period.

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 behavior 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 30 June 2024, the Group had net current assets of approximately RMB66.8 million, as compared with net current assets of approximately RMB88.8 million as at 31 December 2023.

Bank balances and cash

The Group's bank balances and cash mainly consist of (i) bank deposits denominated in Renminbi and carried the People's Bank of China (中國人民銀行) benchmark interest rate throughout the Reporting Period; and (ii) cash on hand.

As at 30 June 2024, the Group had bank balances and cash of approximately RMB82.4 million, representing an increase of approximately 2.6% from approximately RMB80.4 million as at 31 December 2023. 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.

Management Discussion and Analysis

Indebtedness

As at 30 June 2024, the Group, as a lessee, had outstanding current and non-current lease liabilities of approximately RMB5.5 million as compared with approximately RMB9.6 million as at 31 December 2023. The lease liabilities represent payment for the right to use underlying assets, which is unsecured and unguaranteed.

As at 30 June 2024, the Group had outstanding bank borrowings of approximately RMB21.5 million (31 December 2023: RMB21.5 million), which was unsecured, unguaranteed 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 30 June 2024, the Group had no available unutilised banking facilities (31 December 2023: RMB3.5 million).

The Group's gearing ratio (calculated as total bank and other borrowings divided by total equity) as at 30 June 2024 was 21.3% (31 December 2023: 17.9%).

Capital expenditures

Capital expenditures of the Group increased to approximately RMB939,000 for the Reporting Period as compared with approximately RMB364,000 for the six months ended 30 June 2023. These capital expenditures were related to purchases of property, plant and equipment. It is expected that the Group will incur expenses to develop computer and mobile software and platforms for its digital marketing and sales solutions services which may be capitalised. These expenses will be financed by the cash flow from operating activities.

Capital structure

There has been no change in the capital structure of the Company since the listing (the "**Listing**") of the Company's ordinary shares (the "**Share(s)**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). As at 30 June 2024, the total number of issued Shares was 200,000,000 and the Company did not hold any treasury shares.

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 Reporting Period.

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.

Management Discussion and Analysis

Contingent liabilities

As at 30 June 2024, the Group did not have any material contingent liabilities (31 December 2023: nil).

Pledge of assets

As at 30 June 2024, the Group did not pledge any of its assets (31 December 2023: nil).

Human resources

As at 30 June 2024, the Group had 280 employees (30 June 2023: 419 employees). For the Reporting Period, the staff cost recognised as expenses of the Group amounted to approximately RMB35.6 million, representing a decrease of approximately 26.9% from approximately RMB48.7 million for the six months ended 30 June 2023. The decrease was mainly attributable to the decrease in headcounts during the Reporting Period.

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 the restricted share units scheme on 18 September 2019 (the “**RSU Scheme**”) and a share option scheme (the “**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 of the Company dated 31 December 2020 (the “**Prospectus**”).

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

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 its existing service.

As at 30 June 2024, the Group holds 19.41% equity interest in Shanghai Bohuikang (31 December 2023: 19.41%), the fair value of which was approximately RMB20.2 million as at 30 June 2024 (31 December 2023: approximately RMB14.2 million), accounting for approximately 9.5% (31 December 2023: approximately 6.6%) of the total assets of the Group of approximately RMB211.5 million as at 30 June 2024 (31 December 2023: approximately RMB214.3 million).

Management Discussion and Analysis

During the Reporting Period, the change in fair value of the equity interests in Shanghai Bohuikang of approximately RMB6.0 million was credited to other comprehensive income (30 June 2023: other comprehensive loss of approximately RMB1.6 million). No dividend income was received from the equity interests in Shanghai Bohuikang during the Reporting Period (30 June 2023: 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 significant investment, material acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

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 (including sale of treasury shares) of the Company during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no other future plans for material investments or capital assets as at 30 June 2024.

EVENTS AFTER REPORTING PERIOD

There were no significant events after 30 June 2024 and up to date of this report.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

The Group had not provided any financial assistance or guarantee to affiliated companies during the Reporting Period.

FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES

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

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	3	140,670	146,923
Cost of sales		(119,985)	(128,017)
Gross profit		20,685	18,906
Other income, gains and losses, net	4	791	3,150
Selling expenses		(7,260)	(11,513)
Administrative expenses		(28,617)	(29,974)
Research and development expenses		(12,051)	(19,594)
Finance costs	5	(529)	(752)
Reversal of impairment losses on trade receivables		4,633	1,746
Loss before taxation	6	(22,348)	(38,031)
Income tax expense	7	(581)	(14)
Loss for the period		(22,929)	(38,045)
Other comprehensive income/(loss)			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value change of equity investments at fair value through other comprehensive income		3,827	(1,608)
Total comprehensive loss for the period		(19,102)	(39,653)
Loss for the period attributable to:			
— Owners of the Company		(22,213)	(35,611)
— Non-controlling interests		(716)	(2,434)
		(22,929)	(38,045)
Total comprehensive loss for the period attributable to:			
— Owners of the Company		(18,386)	(37,219)
— Non-controlling interests		(716)	(2,434)
		(19,102)	(39,653)
Losses per share			
— Basic losses per share (RMB cents)	9	(11.60)	(18.60)
— Diluted losses per share (RMB cents)	9	(11.60)	(18.60)

Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	10	3,926	3,720
Right-of-use assets	10	3,995	7,025
Equity instruments at fair value through other comprehensive income	11	24,950	17,046
Deferred tax assets		893	2,175
Deposits and other receivables	12	1,236	3,283
		35,000	33,249
Current assets			
Trade receivables	13	49,276	56,864
Contract costs		38,998	27,383
Prepayments, deposits and other receivables	12	5,833	16,470
Bank balances and cash		82,436	80,352
		176,543	181,069
Total assets		211,543	214,318

Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
LIABILITIES			
Current liabilities			
Trade payables	14	26,548	32,297
Contract liabilities		41,875	18,695
Other payables and accruals	15	15,223	12,170
Lease liabilities		4,576	7,602
Borrowings		21,497	21,507
		109,719	92,271
Net current assets		66,824	88,798
Total assets less current liabilities		101,824	122,047
Non-current liabilities			
Deferred tax liabilities		–	58
Lease liabilities		959	2,022
		959	2,080
Net assets		100,865	119,967
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	16	1	1
Reserves		97,738	116,124
		97,739	116,125
Non-controlling interests		3,126	3,842
Total equity		100,865	119,967

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the Company												Non-controlling interests	Total
	Share capital RMB'000 (Note 16)	Share premium RMB'000	Shares held for RSU Scheme RMB'000	Shareholder contribution RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Fair value reserve RMB'000	Other reserve RMB'000	Share-based compensations RMB'000	Retained earnings RMB'000	Sub-total RMB'000	RMB'000		
As at 1 January 2024 (Audited)	1	98,602	-*	-*	37,878	16,121	11,055	54,216	774	(102,522)	116,125	3,842	119,967	
Loss for the period	-	-	-	-	-	-	-	-	-	(22,213)	(22,213)	(716)	(22,929)	
Other comprehensive income	-	-	-	-	-	-	3,827	-	-	-	3,827	-	3,827	
Total comprehensive loss for the period	-	-	-	-	-	-	3,827	-	-	(22,213)	(18,386)	(716)	(19,102)	
Share-based compensation — Value of employee services (Notes 6 and 17)	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at 30 June 2024 (Unaudited)	1	98,602	-*	-*	37,878	16,121	14,882	54,216	774	(124,735)	97,739	3,126	100,865	

	Attributable to owners of the Company												Non-controlling interests	Total
	Share capital RMB'000 (Note 16)	Share premium RMB'000	Shares held for RSU Scheme RMB'000	Shareholder contribution RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Fair value reserve RMB'000	Other reserve RMB'000	Share-based compensations RMB'000	Retained earnings RMB'000	Sub-total RMB'000	RMB'000		
As at 1 January 2023 (Audited)	1	98,602	-*	-*	37,878	16,121	(3,984)	54,216	1,474	(9,286)	195,022	5,837	200,859	
Loss for the period	-	-	-	-	-	-	-	-	-	(35,611)	(35,611)	(2,434)	(38,045)	
Other comprehensive loss	-	-	-	-	-	-	(1,608)	-	-	-	(1,608)	-	(1,608)	
Total comprehensive loss for the period	-	-	-	-	-	-	(1,608)	-	-	(35,611)	(37,219)	(2,434)	(39,653)	
Share-based compensation — Value of employee services (Notes 6 and 17)	-	-	-	-	-	-	-	700	-	700	-	-	700	
As at 30 June 2023 (Unaudited)	1	98,602	-*	-*	37,878	16,121	(5,592)	54,216	2,174	(44,897)	158,503	3,403	161,906	

* Less than RMB1,000

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Net cash used in operating activities		(4,952)	(8,264)
Investing activities			
Purchases of property, plant and equipment	10	(939)	(364)
Purchases of financial assets at fair value through profit or loss		(32,500)	(117,396)
Proceeds from disposal of financial assets at fair value through profit or loss		32,740	75,246
Acquisition of equity instruments at fair value through other comprehensive income	11	(3,000)	–
Proceeds from equity instruments at fair value through other comprehensive income		15,000	–
Placement of time deposits		–	(3,688)
Interest received	4	184	306
Net cash generated from/(used in) investing activities		11,485	(45,896)
Financing activities			
Payment for principal portion of lease liabilities		(4,089)	(5,255)
Payment for interest portion of lease liabilities		(158)	(339)
Repayment of bank loans		(21,698)	(156)
Increase of interest-bearing bank borrowing		21,496	15,862
Net cash (used in)/generated from financing activities		(4,449)	10,112
Net increase/(decrease) in cash and cash equivalents		2,084	(44,048)
Cash and cash equivalents at beginning of the period		80,352	138,571
Cash and cash equivalents at end of the period, representing bank balances and cash		82,436	94,523

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

1. GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

Mediwelcome Healthcare Management & Technology Inc. (the “**Company**”) was incorporated under the laws of the Cayman Islands with limited liability on 21 February 2019. 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 35/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The shares of the Company (“**Shares**”) have been listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 19 January 2021 (“**Listing Date**”).

The Company acts as an investment holding company. The Company and its subsidiaries are collectively referred to as the “**Group**”.

The Company is ultimately controlled by Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao and Mr. Wang Liang, 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.

Items included in the condensed consolidated financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The functional currency of the Company is Renminbi (“**RMB**”) since the Company’s primary subsidiaries were incorporated and are operating in the People’s Republic of China (the “**PRC**”) and these subsidiaries considered RMB as their functional currency. The condensed consolidated financial statements is presented in RMB, which is the Company’s functional and the Group’s presentation currency. All values are rounded to the nearest thousand except when otherwise indicated.

1.2 Basis of preparation

The condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

2. PRINCIPAL ACCOUNTING POLICIES

The condensed 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.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following 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 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker (“**CODM**”) reviews the “operating loss” 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 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.

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
The Group's loss before taxation	(22,348)	(38,031)
Less: Other income, gains and losses, net	(791)	(3,150)
Operating loss presented to the CODM	(23,139)	(41,181)

Revenue by service type as follows:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Medical conference services	76,133	71,592
Patient education and screening services	1,706	2,781
Marketing strategy and consulting services	53,096	58,927
Contract research organisation services	1,666	5,908
Digital marketing and sales solutions services	7,496	6,102
Internet hospital services	573	1,613
Total revenue	140,670	146,923

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

3. REVENUE AND SEGMENT INFORMATION (Continued)

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

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Timing of revenue recognition		
At a point in time	134,760	146,744
Over time	5,910	179
Total revenue	140,670	146,923

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

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Customer A	21%	23%
Customer B	17%	11%

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.

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Within one year	626,967	623,098

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

4. OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Foreign exchange gains, net	238	1,055
Bank interest income	184	306
Gain on fair value changes of financial assets at fair value through profit or loss ("FVTPL")	240	352
Government subsidy (Note)	–	90
Value added tax refund	–	1,261
Others	129	86
	791	3,150

Note: No government subsidy was received during the six months ended 30 June 2024. Amount represented subsidy on the Group's business development without any specific conditions attached to the subsidy during the six months ended 30 June 2023.

5. FINANCE COSTS

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest expense on lease liabilities	158	339
Interest expense on borrowings	191	257
Guarantee fees	180	156
	529	752

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

6. LOSS BEFORE TAXATION

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Loss before taxation has been carried at after charging:		
Auditor's remuneration		
— audit services	—	—
— non-audit services	—	250
Depreciation of property, plant and equipment	704	1,624
Depreciation of right-of-use assets	3,030	4,515
Amortisation of intangible assets (included in cost of sales)	—	5,102
Staff costs:		
— Fee and salaries (including directors' remuneration)	29,977	38,317
— Staff retirement benefit costs (including directors' retirement benefit scheme contributions)	2,462	3,631
— Social security costs, housing benefits and other employee benefits (including directors' social security costs, housing benefits and other benefits)	3,185	6,061
— Share-based compensation	—	700
	35,624	48,709

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Under provision of taxation for previous years	203	—
	203	—
Deferred tax expense	378	14
	581	14

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

7. INCOME TAX EXPENSE (Continued)

(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 periods 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 periods.

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 the entity enjoyed the preferential tax rate for HNTE of 15% from 2019 to 2025. 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 six months ended 30 June 2024 (six months ended 30 June 2023: 100%).

For the six months ended 30 June 2024, nine (six months ended 30 June 2023: six) of the entities comprising the Group is qualified as small and micro-sized enterprises ("SMEs") for tax reduction. For the six months ended 30 June 2024, SMEs are eligible for 75% reduction at the applicable EIT tax rate of 20% (six months ended 30 June 2023: SMEs are eligible for 75% reduction at the applicable EIT tax rate 20%).

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 periods.

(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 withholding tax 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 30 June 2024 and 2023.

8. DIVIDEND

No dividends were paid, declared or proposed during the six months ended 30 June 2024. The directors of the Company have determined that no dividend will be paid in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

9. LOSSES PER SHARE

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Losses attributable to owners of the Company	(22,213)	(35,611)
Weighted average number of ordinary shares in issue in the basic losses per share calculation (in thousands)	191,422	191,442
Effect of conversion of unvested restricted share units ("RSUs") (in thousands)	N/A	N/A
Weighted average number of ordinary shares in issue in the diluted losses per share calculation (in thousands)	N/A	N/A
Losses per share attributable to the owners of the Company		
— Basic losses per share (RMB cents)	(11.60)	(18.60)
— Diluted losses per share (RMB cents)	(11.60)	(18.60)

The computation of diluted loss per share for the six months ended 30 June 2024 does not assume the issue of the Company's unvested RSUs as their assumed issue would result in a decrease in loss per share.

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group incurred RMB939,000 (six months ended 30 June 2023: RMB364,000) on the acquisition of property, plant and equipment. During the current interim period, the disposal of property, plant and equipment from the Group was RMB89,000 (six months ended 30 June 2023: Nil).

During the current interim period, five new lease agreements have been entered by the Group (six months ended 30 June 2023: 4 new lease agreements). During the current interim period, no addition of right-of-use assets has been recognised by the Group (six months ended 30 June 2023: RMB1,158,468 of right-of-use assets has been recognised).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Unlisted equity securities		
— Beijing Cezhiyi Consulting Co., Ltd. (“ Beijing Cezhiyi ”)	1,009	1,638
— Shanghai Bohuikang Biological Technology Co., Ltd. (“ Shanghai Bohuikang ”)	20,169	14,212
— Beijing Lingchuang Yigu Technology Development Co., Ltd. (“ Lingchuang Yigu ”)	772	1,196
— Yuanyu Dingcheng Technology Development (Beijing) Co., Ltd. (“ Yuanyu Dingcheng ”)	3,000	–
	24,950	17,046

Note:

The above mentioned investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at fair value through other comprehensive income as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Included in non-current assets		
Deposits and other receivables (Note (a))	1,236	3,283
Included in current assets		
Prepayments (Note (b))	1,401	378
Consideration receivable (Note (c))	–	15,000
Other receivables (Note (d))	4,432	1,092
	5,833	16,470

Notes:

- (a) As at 30 June 2024 and 31 December 2023, deposits and other receivables mainly represent non-current portion of rental deposits.
- (b) As at 30 June 2024, the balances mainly represent prepayments for petrol, short-term lease and management fee, legal retainer fee and research and development expenses which will be utilised within 12 months from the end of the reporting period.
- As at 31 December 2023, the balances mainly represent prepayments for petrol, short-term lease and management fee, legal retainer fee which will be utilised within 12 months from the end of the reporting period.
- (c) As at 31 December 2023, consideration receivable represented a cash consideration of RMB15,000,000 in connection to disposal of 2.2255% equity interests of Lingchuang Yigu. The consideration receivable was received during the period ended 30 June 2024.
- (d) As at 30 June 2024, other receivables mainly represent current portion of rental deposit of RMB2,850,000 (31 December 2023: RMB247,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

13. TRADE RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Receivables from third parties	57,052	69,396
Less: allowance for credit losses	(7,776)	(12,532)
	49,276	56,864

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:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 90 days	42,346	47,665
91 days to 180 days	6,930	9,199
	49,276	56,864

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Neither past due nor impaired	42,346	47,665
0–90 days past due	6,930	9,199
	49,276	56,864

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

14. TRADE PAYABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Payables to third parties	26,548	32,297

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Up to 90 days	13,743	23,248
91 days to 180 days	2,013	1,161
181 days to 360 days	7,085	2,700
Over 360 days	3,707	5,188
	26,548	32,297

15. OTHER PAYABLES AND ACCRUALS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Reimbursement to staff	894	2,194
Accrued social security costs	967	1,082
Accrued listing expenses	–	314
Accrued services fee to auditor	1,269	1,269
Other tax payables (Note)	5,132	3,056
Salary payable	4,323	3,971
Others	2,638	284
	15,223	12,170

Note:

As at 30 June 2024, other tax payables mainly represent PRC Value Added Tax payable of RMB919,000 (31 December 2023: RMB914,000) and PRC Individual Income Tax payable (withholding tax) of RMB378,000 (31 December 2023: RMB639,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

16. SHARE CAPITAL

	Par value	Number of ordinary shares '000	Amount RMB'000
Authorised:			
At 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)	HK\$0.00001	38,000,000	334
At 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)		200,000	1

* Less than RMB1,000

Notes: As at 30 June 2024, 8,558,000 (31 December 2023: 8,558,000) shares held by a designated trustee for the purpose of providing existing and future RSUs grants under the restricted share units scheme ("RSU Scheme") (effective from Listing Date) were considered as treasury shares of the Company (Note 17).

17. EQUITY-SETTLED SHARE-BASED COMPENSATION

Share option scheme

On 21 December 2020, the Company has adopted a share option scheme under which eligible persons, including directors of the Group may be granted options to subscribe for shares in the Company.

No share option has been granted as at 30 June 2024 and 31 December 2023.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

17. EQUITY-SETTLED SHARE-BASED COMPENSATION (Continued)

RSU Scheme

On 18 September 2019, the Company conditionally adopted the RSU Scheme by a resolution of shareholders and a resolution of board of directors. The purpose of the RSU Scheme is to attract and to retain quality personnel and other persons and to provide them with incentive to contribute to the business and operation of the Group. The RSU Scheme became effective since 19 January 2021, the Listing Date.

Under the RSU Scheme, the directors of the Company may grant award of RSUs to any directors, employees, consultants and any persons contribute to the Company, its subsidiaries or PRC operating entities a conditional right when the award vests to obtain shares of the Company on the date of vesting, as determined by the board of directors of the Company in its absolute discretion.

The RSU Scheme will remain in force for a period of 10 years commencing from 18 September 2019.

On 25 June 2021, in exchange for employee services to the Group, 15,170,000 RSUs (equivalent to 15,170,000 ordinary shares of the Company) were granted to certain eligible persons selected by the board of directors. Under the terms of the grant letter, the RSUs shall be vested as to 34%, 23%, 38% and 5% on 25 June 2021, 31 December 2021, 31 December 2022 and 31 December 2023, respectively, of which certain designated grantees also required to fulfil certain service conditions and non-market performance conditions, except for the aforesaid first 34% of the RSUs.

The fair values of the RSUs have been arrived with reference to a valuation carried out on grant date by Norton Appraisals Holdings Limited, an independent professional valuer not connected with the Group, with reference to the grant date share price. As at 25 June 2021, the fair value of the RSUs was HK\$2.19.

Movement of the RSU Scheme for the six months ended 30 June 2024 and 2023 is as follows:

	Six months ended 30 June	
	2024 '000 (Unaudited)	2023 '000 (Unaudited)
At 1 January	–	720
Granted during the period	–	–
Vested and settled (Note)	–	–
Lapsed/cancelled (Note)	–	–
At 30 June	–	720

Note:

On 25 June 2021, RSUs representing 5,154,030 underlying shares were vested, representing the first 34% of the underlying shares of the RSUs. On 31 December 2021, RSUs of 647,500 underlying shares and 2,963,970 underlying shares were vested and lapsed/cancelled respectively, representing the second 23% of the granted RSUs. On 31 December 2022, RSUs of 5,640,500 underlying shares and 44,000 underlying shares were vested and forfeited respectively, representing the third 38% of the RSUs granted. On 31 December 2023, RSUs of 720,000 underlying shares were lapsed/cancelled, representing the third 5% of the RSUs granted. None of the RSUs vested during the year ended 31 December 2023. During the six months ended 30 June 2024, none of the RSUs vested (30 June 2023: amount of RSUs vested was approximately RMB699,862). During the six months ended 30 June 2024, none of the RSUs were lapsed/cancelled (30 Jun 2023: nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The table below analyses the Group's financial instruments carried at fair value or fair value less costs to sell as at 30 June 2024 and 31 December 2023 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value or fair value less costs to sell.

	Level 3 RMB'000
At 30 June 2024 (unaudited)	
Assets	
— Long-term equity instruments at FVTOCI (<i>Note 11</i>)	24,950
At 31 December 2023 (audited)	
Assets	
— Long-term equity instruments at FVTOCI (<i>Note 11</i>)	17,046

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

The following table presents the changes in level 3 instruments of financial assets at FVTPL and equity instruments at FVTOCI and assets classified as held for sale during the period.

	Financial assets at FVTPL RMB'000	Equity instruments at FVTOCI RMB'000
At 1 January 2024 (audited)	–	17,046
Purchased	32,500	3,000
Disposal	(32,740)	–
Total gain:		
— in profit or loss	240	–
— in other comprehensive income	–	4,904
At 30 June 2024 (unaudited)	–	24,950
At 1 January 2023 (audited)	15,450	16,154
Purchased	117,396	–
Disposal	(75,598)	–
Total gain:		
— in profit or loss	352	–
— in other comprehensive income	–	(1,891)
At 30 June 2023 (unaudited)	57,600	14,263

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

Notes:

- (i) The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements of the financial assets at FVTOCI as at 30 June 2024 and 31 December 2023.

Description	Fair value		Valuation techniques	Price to sales ratio		Relationship of unobservable inputs to fair value
	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)		30 June 2024	31 December 2023	
Unlisted equity securities						
Beijing Cezhiyi	1,009	1,638	Market comparison	1.11	1.11	An increase in the price to sales ratio used would result in an increase in the fair value measurement of the unlisted equity security, and vice versa.
Shanghai Bohuikang	20,169	14,212	Market comparison	5.36	5.36	
Lingchuang Yigu	772	1,196	Market comparison	12.95	12.95	
Yuanyu DingCheng	3,000	–	Market comparison	14.18	–	
	24,950	17,046				

As at 30 June 2024, the fair values or fair value less costs to sell of the above equity instruments at FVTOCI have been estimated by management of the Group by using market comparison method with adjustments. As at 31 December 2023, the fair values of the above equity instruments at FVTOCI have been arrived with reference to a valuation carried out on 31 December 2023 by 北京立信東華資產評估有限公司, an independent professional valuer not connected with the Group, using market comparison method with adjustments.

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") are as follows:

Long position in the Shares

Name of Director	Nature of Interest	Number of Shares ⁽¹⁾	Total Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding ⁽¹⁾
Mr. Shi Wei	Beneficial owner	2,600,000 (L)	108,519,000 ⁽³⁾	54.26%
	Interest in a controlled corporation	40,651,000 (L)		
	Interest held jointly with another person	65,268,000 (L) ⁽²⁾		
Mr. Yang Weimin	Interest in a controlled corporation	25,415,000 (L)	108,519,000 ⁽⁴⁾	54.26%
	Interest held jointly with another person	83,104,000 (L) ⁽²⁾		
Mr. Wang Liang	Beneficial owner	2,400,000 (L)	108,519,000 ⁽⁵⁾	54.26%
	Interest in a controlled corporation	12,038,000 (L)		
	Interest held jointly with another person	94,081,000 (L) ⁽²⁾		
Mr. Wang Wei	Beneficial owner	800,000 (L)	800,000	0.40%

Notes:

- (1) The Letter "L" denotes the person's long position in the Shares. The percentage of shareholding was calculated based on Company's total issued shares of 200,000,000 Shares as at 30 June 2024.
- (2) The Company's ultimate controlling shareholders, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao and Mr. Wang Liang, are parties acting in concert and on 13 October 2019, they entered into written agreement to, among others, confirm their acting-in-concert arrangement. Please refer to the section headed "History and Reorganization — Parties Acting in Concert" in the Prospectus for further details. By virtue of the SFO, each controlling shareholder is deemed to be interested in the Shares beneficially owned by other controlling shareholders.
- (3) Mr. Shi Wei was deemed to be interested in 108,519,000 Shares, among which 40,651,000 Shares were held by Ji Ze Investment Management Company Limited ("Ji Ze Investment"), 2,600,000 Shares were held in his own capacity and 65,268,000 Shares were held jointly with another person as stated in Note (2).
- (4) Mr. Yang Weimin was deemed to be interested in 108,519,000 Shares, among which 25,415,000 Shares were held by Shun Jia Investment Management Company Limited ("Shun Jia Investment") and 83,104,000 Shares were held jointly with another person as stated in Note (2).
- (5) Mr. Wang Liang was deemed to be interested in 108,519,000 Shares, among which 12,038,000 Shares were held by Tai Zhi Feng Investment Management Company Limited ("Tai Zhi Feng Investment"), 2,400,000 Shares were held in his own capacity and 94,081,000 Shares were held jointly with another person as stated in Note (2).

Other Information

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, the following persons (other than the Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

(i) Long Position in the Share

Name of Shareholder	Nature of Interest	Number of Shares ⁽¹⁾	Total Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding ⁽¹⁾
Ji Ze Investment ⁽²⁾⁽³⁾	Beneficial interest/Interest held jointly with another person	103,519,000 (L)		51.76%
Shun Jia Investment ⁽²⁾⁽⁴⁾	Beneficial interest/Interest held jointly with another person	103,519,000 (L)		51.76%
Tai Zhi Feng Investment ⁽²⁾⁽⁵⁾	Beneficial interest/Interest held jointly with another person	103,519,000 (L)		51.76%
He Hui Wan Yi Investment Management Company Limited ("He Hui Wan Yi Investment") ⁽²⁾⁽⁶⁾	Beneficial interest/Interest held jointly with another person	103,519,000 (L)		51.76%
Ms. Zhang Yitao ⁽²⁾⁽⁷⁾	Interest in a controlled corporation Interest held jointly with another person	25,415,000 (L) 83,104,000 (L)	108,519,000	54.26%
The Core Trust Company Limited ⁽⁸⁾	Trustee	20,000,000 (L)		10.00%
TCT (BVI) Limited ⁽⁸⁾	Other	20,000,000 (L)		10.00%
Great Insight Global Limited ⁽⁸⁾	Nominee for another person	20,000,000 (L)		10.00%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares. The percentage of shareholding was calculated based on Company's total issued shares of 200,000,000 Shares as at 30 June 2024.
- (2) The Company's ultimate controlling shareholders, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao and Mr. Wang Liang, are parties acting in concert and on 13 October 2019, they entered into written agreement to, among others, confirm their acting-in-concert arrangement. Please refer to the section headed "History and Reorganization — Parties Acting in Concert" in the Prospectus for further details. By virtue of the SFO, each controlling shareholder is deemed to be interested in the Shares beneficially owned by other controlling shareholders.

Other Information

- (3) Ji Ze Investment is wholly-owned by Mr. Shi Wei. By virtue of the SFO, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao, Mr. Wang Liang, Shun Jia Investment, He Hui Wan Yi Investment and Tai Zhi Feng Investment are deemed to be interested in the Shares held by Ji Ze Investment.
- (4) Shun Jia Investment is wholly-owned by Mr. Yang Weimin. By virtue of the SFO, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao, Mr. Wang Liang, Ji Ze Investment, He Hui Wan Yi Investment and Tai Zhi Feng Investment are deemed to be interested in the Shares held by Shun Jia Investment.
- (5) Tai Zhi Feng Investment is wholly-owned by Mr. Wang Liang. By virtue of the SFO, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao, Mr. Wang Liang, Ji Ze Investment, Shun Jia Investment and He Hui Wan Yi Investment are deemed to be interested in the Shares held by Tai Zhi Feng Investment.
- (6) He Hui Wan Yi Investment is wholly-owned by Ms. Zhang Yitao. By virtue of the SFO, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao, Mr. Wang Liang, Ji Ze Investment, Shun Jia Investment and Tai Zhi Feng Investment are deemed to be interested in the Shares held by He Hui Wan Yi Investment.
- (7) Ms. Zhang Yitao was deemed to be interested in 108,519,000 Shares, among which 25,415,000 Shares were held by He Hui Wan Yi Investment and 83,104,000 Shares were held jointly with another person as stated in Note (2).
- (8) The Core Trust Company Limited, as a trustee, holds 20,000,000 Shares on trust under the RSU Scheme through Great Insight Global Limited (the “**Nominee**”). The Nominee is wholly-owned by TCT (BVI) Limited, which is in turn wholly-owned by The Core Trust Company Limited.

Save as disclosed above, as at 30 June 2024, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” above, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

RSU SCHEME

The Company has conditionally adopted the RSU Scheme by a resolution of the shareholders of the Company and a resolution of the Board on 18 September 2019.

Please refer to the section headed “Statutory and General Information — RSU Scheme” in the Prospectus for further details of the RSU Scheme.

Other Information

On 25 June 2021, an aggregate of 15,170,000 restricted share units (“**RSUs**”) were granted under the RSU Scheme. The closing price of the Shares on the date immediately before the date of grant of such RSUs was HK\$2.140. Among the 15,170,000 RSUs granted, 9,100,000 RSUs were granted to the Directors and 6,070,000 RSUs were granted to other employees of the Group. As at 1 January 2024, none of the RSUs granted under the Scheme were outstanding or unvested. Save for the aforesaid, no other RSUs had been granted or agreed to be granted under the RSU Scheme, and no RSUs were lapsed or cancelled during the Reporting Period. The number of RSUs available for grant under the scheme mandate of the RSU scheme as at 1 January 2024 and 30 June 2024 was 4,830,000 Shares.

Please refer to the announcement of the Company dated 30 June 2021 for further details in relation to the grant of RSUs.

For the fair value of the RSUs as at the date of grant and the accounting standard and policy adopted, please refer to note 17 of the notes to the consolidated financial statement.

SHARE OPTION SCHEME

The Company has conditionally adopted the Share Option Scheme on 21 December 2020, which became effective on 19 January 2021, the Listing Date.

Please refer to the section headed “Statutory and General Information — Share Option Scheme” in the Prospectus for further details of the Share Option Scheme.

As at 30 June 2024, no share option had been granted under the Share Option Scheme. The total number of options available for grant under the Share Option Scheme as at 1 January 2024 and 30 June 2024 was 20,000,000.

CONTRACTUAL ARRANGEMENTS

Pursuant to applicable PRC laws and regulations, foreign investors are prohibited from holding equity interest in an entity conducting video production services and are restricted from conducting internet hospital services and value-added telecommunications services, therefore, the Group cannot directly acquire equity interests in Mediwelcome Beijing Healthcare Technology Co., Ltd.* (北京麥迪衛康醫療科技有限公司, “**Mediwelcome Beijing**”) and its subsidiaries (the “**Consolidated Affiliated Entities**”). Due to these restrictions, the Group conducts part of its operations in the PRC through the Contractual Arrangements (as defined in the Prospectus) with Mediwelcome Beijing and its shareholders, namely the Registered Shareholders (as defined in the Prospectus). The Contractual Arrangements allow the financials and results of operations of the Consolidated Affiliated Entities to be consolidated into the Group’s consolidated financial statements as if they were wholly-owned subsidiaries of the Group.

Please refer to the section headed “Regulatory Overview” in the Prospectus for further details of the limitations under applicable PRC laws and regulations on foreign ownership in PRC companies conducting the said services.

Qualification Requirements

Qualification Requirements for Internet Hospital Service

According to Interim Measures for the Administration of Sino-foreign Joint Ventures and Cooperative Medical Institutions (《中外合資、合作醫療機構管理暫行辦法》) (the “**Interim Measures**”), foreign investors are not allowed to hold more than 70% of the equity interest of a sino-foreign joint venture medical institution. Furthermore, under the Interim Measures, the parties of the sino-foreign joint ventures medical institution shall have direct or indirect experience in medical or healthcare investments and management, and must satisfy certain requirements. Since the offshore companies of the Group, as newly-established entities, do not meet the said requirements, Ningxia Subsidiary could not be established in the form of sino-foreign joint venture company rather than a wholly domestic owned company as at the Listing Date. Furthermore, it is practically impossible to gain Practice License for Medical Institutions (醫療機構執業許可證) in Ningxia Autonomous Region if there is any foreign investor in Mediwelcome Beijing.

According to Administrative Measures for Internet Hospitals (for Trial Implementation) (《互聯網醫院管理辦法(試行)》) and the Implementing Measures for the Administration of Internet Hospitals in Ningxia Hui Autonomous Region (for Trial Implementation) (《寧夏回族自治區互聯網醫院管理實施辦法(試行)》) (together, the “**Relevant Measures for Internet Hospitals**”) where a third-party institution relies on and cooperates with a physical hospital to establish an internet hospital, the third party institution shall provide the physical hospital with the resources and/or connections to physicians, pharmacists and other professionals services and information technology support services.

FITE Regulations Update

According to the Regulations for the Administration of Foreign-Invested Telecommunication Enterprises (《外商投資電信企業管理規定》) (the “**FITE Regulations**”), which was promulgated by the State Council of the PRC on 11 December 2001 and amended on 10 September 2008, 6 February 2016 and 29 March 2022, foreign investors are not allowed to hold more than 50% of the equity interests of a company providing value-added telecommunications services, including Internet Content Provider services.

On 7 April 2022, the State Council announced The Decision of the State Council to Amend and Repeal Certain Administrative Regulations, which amends the FITE Regulations to, among other things, repeal the qualification requirements for foreign investors holding equity interests in Chinese companies engaged in value-added telecommunications business contained in the FITE Regulations and it will not be required to demonstrate good track records and experience in operating value-added telecommunications business overseas. The revised FITE Regulations have come into effect on 1 May 2022. There are significant uncertainties regarding the interpretation and implementation of the amended FITE Regulations. It also remains uncertain whether the PRC government agencies will impose additional requirements in practice on foreign investors in PRC companies providing value-added telecommunications services.

Other Information

Efforts and Actions Taken to Comply with the Qualification Requirements

Qualification Requirements for Internet Hospital Service

The Group has been progressively building up its track record of overseas medical services for being qualified, as soon as possible, to acquire the maximum permissible equity interests in Yinchuan Mediwelcome Internet Hospital Co., Ltd.* (銀川麥迪衛康互聯網醫院有限公司) should there be any relaxation or change in the relevant requirement in the future. The Group has taken the following measures to meet the said qualification requirements:

- the Group has incorporated a subsidiary in Hong Kong, namely Mediwelcome (HK) Investment Management Company Limited ("**Mediwelcome HK**");
- the Group has conducted feasibility study on providing conference and consulting services to medical institutions and medical associations through Mediwelcome HK, to help Mediwelcome HK accumulating management experience in medical industry; and
- Mediwelcome HK will seek cooperation opportunities from leading medical institutions to accumulate management experience and study leading management and service model in medical industry.

FITE Regulations Update

Notwithstanding the significant uncertainties in the interpretation and implementation of the amended FITE Regulations, the Group has continued to establish the operation of our overseas business gradually and has taken the following measures:

- the Group has applied for, and is in the process of, registering trademarks outside the PRC for the expansion of business operations overseas as and when appropriate;
- the Group has incorporated a subsidiary in Hong Kong, namely Mediwelcome (HK) Investment Management Company Limited, which can be readily serviced as an overseas platform when it expands its business outside the PRC; and
- the Group has considered expansion plans for overseas market and have further conducted overseas market and overseas investment feasibility research.

The Group will regularly consult with the relevant PRC government authorities to keep abreast of any new regulatory changes and to assess on an ongoing basis whether we are meeting the requirements set out by the PRC government authorities, where applicable. We will closely monitor and assess any changes in the implementation of the newly amended FITE Regulations and, when necessary and applicable, disclose in our interim report and annual report the latest progress of our response plan to address the regulatory changes to keep our shareholders and other investors informed.

For the Reporting Period, the Board has reviewed the overall performance of the Contractual Agreements and believed that the Group has complied with the Contractual Agreements in all material aspects.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Mr. Yang Xiaoxi, Mr. David Zheng Wang and Mr. Song Ruilin. Mr. Yang Xiaoxi is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited interim results of the Group and the interim report of the Company for the six months ended 30 June 2024. 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.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “**Remuneration Committee**”) consists of two independent non-executive Directors, namely, Mr. Song Ruilin and Mr. David Zheng Wang. Mr. David Zheng Wang is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the “**CG Code**”). The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration of individual executive Directors, non-executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates is involved in deciding his own remuneration, and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules..

NOMINATION COMMITTEE

The nomination committee of the Company (the “**Nomination Committee**”) consists of three members, namely Mr. Shi Wei, executive Director and Mr. Yang Xiaoxi and Mr. David Zheng Wang, independent non-executive Directors. Mr. Shi Wei is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment, re-appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted corporate governance practices based on the principles and code provisions as set out in the CG Code as its own code of corporate governance practices. During the Reporting Period, the Company had applied the principles of good corporate governance and complied with all the applicable code provisions set out in Part 2 of the CG Code.

Other Information

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions.

Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

The Company has also adopted written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the Reporting Period.

DIVIDEND

The Board resolved not to declare the payment of any interim dividend in respect of the six months ended 30 June 2024 (2023: Nil).

Hong Kong
28 August 2024

By order of the Board

Mediwelcome Healthcare Management & Technology Inc.

麥迪衛康健康醫療管理科技股份有限公司

Shi Wei

Chairman and Executive Director