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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)

PROFIT WARNING

This announcement is made by Mediwelcome Healthcare Management & Technology Inc. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**Year**”), the Group is expected to record a decrease in the consolidated net profit by approximately 78% as compared with the consolidated net profit of approximately RMB22.0 million for the year ended 31 December 2020.

In the opinion of the Board, such expected decrease in the consolidated net profit was primarily attributable to (i) the decrease in gross profit margin mainly due to the increase in proportion of revenue generated from provision of online medical seminars and online patient education services which generally entail lower gross profit margins as compared to other services and the competitive pricing strategy implemented by the Group to procure sizeable and reputable customers; (ii) the increase in staff costs which was in line with the increase in revenue and expansion strategy of the Group; and (iii) the grant of a total of 15,170,000 restricted share units to 31 eligible participants under the restricted share units scheme by the Group on 25 June 2021 in recognition of their contributions to the development of the Group and to incentivise them to further promote the development of the Company, resulting in recognition of share-based compensation expenses of approximately RMB14.0 million for the Year. The Group did not record any share-based compensation expenses for the year ended 31 December 2020.

The Group is still in the process of finalising the annual results for the Year. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the Year, which has not been audited or reviewed by the auditor and reviewed by the audit committee of the Company and may be subject to further adjustment based on further updated information. The actual financial results of the Group for the Year may be different from what is disclosed in this announcement. The shareholders of the Company and potential investors are advised to read carefully the annual results of the Group for the Year, which is expected to be announced in late March 2022.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 7 March 2022

As at the date of this announcement, the executive Directors are Mr. Shi Wei, Mr. Yang Weimin, Mr. Wang Liang, Mr. Wang Wei and Mr. Sui Huijun; the non-executive Directors are Ms. Zhang Yitao and Mr. Liu Xia; and the independent non-executive Directors are Mr. Song Ruilin, Mr. Fei John Xiang, Mr. David Zheng Wang and Mr. Yang Xiaoxi.