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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

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) ("**Mediwelcome**" or the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2021 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2020 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
Revenue	3	**708,358**	432,291
Cost of sales		**(614,762)**	(335,978)
Gross profit		**93,596**	96,313
Other income, gains and losses	4	**9,077**	3,337
Selling expenses		**(16,520)**	(10,380)
Administrative expenses		**(59,321)**	(41,950)
Research and development expenses		**(18,696)**	(14,012)
Listing expenses		**(8,904)**	(9,054)
Finance costs	5	**(1,257)**	(896)
Reversal of impairment losses/(impairment losses) on trade receivables		**7,613**	(1,030)
Other expenses		**–**	(47)
Profit before taxation	6	**5,588**	22,281
Income tax expense	7	**(386)**	(302)
Profit for the year		**5,202**	21,979
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Fair value changes in equity instruments at fair value through other comprehensive income		**4,181**	4,212
Total comprehensive income for the year		**9,383**	26,191
Profit for the year attributable to:			
— Owners of the Company		**4,645**	21,042
— Non-controlling interests		**557**	937
		5,202	21,979
Total comprehensive income for the year attributable to:			
— Owners of the Company		**8,826**	25,254
— Non-controlling interests		**557**	937
		9,383	26,191
Earnings per share			
— Basic earnings per share *(RMB cents)*	9	**2.56**	14.03
— Diluted earning per share *(RMB cents)*		**2.55**	14.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	**2021** **RMB'000**	2020 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**6,808**	7,763
Right-of-use assets		**17,623**	21,723
Equity instruments at fair value through other comprehensive income		**22,565**	16,826
Goodwill		**3,115**	3,115
Intangible assets		**37,944**	23,159
Deferred tax assets		**619**	2,098
Prepayments, deposits and other receivables		**2,708**	2,808
		91,382	77,492
Current assets			
Trade receivables	*10*	**84,246**	78,447
Contract costs		**12,536**	11,086
Prepayments, deposits and other receivables		**3,707**	8,165
Financial assets at fair value through profit or loss		**9,500**	15,900
Bank balances and cash		**165,329**	88,990
		275,318	202,588
Total assets		**366,700**	280,080
LIABILITIES			
Current liabilities			
Trade payables	*11*	**27,413**	26,153
Contract liabilities		**5,800**	28,713
Other payables and accruals		**14,436**	25,834
Lease liabilities		**9,525**	2,104
Tax payable		**96**	2,628
		57,270	85,432
Net current assets		**218,048**	117,156
Total assets less current liabilities		**309,430**	194,648

	2021	2020
	RMB'000	*RMB'000*
Non-current liabilities		
Deferred tax liabilities	**287**	329
Lease liabilities	**15,656**	23,323
	15,943	23,652
Net assets	**293,487**	170,996
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital	**1**	1
Reserves	**283,108**	161,174
	283,109	161,175
Non-controlling interests	**10,378**	9,821
Total equity	**293,487**	170,996

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 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 28th Floor, AIA Central, 1 Connaught Road Central, Central, 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 (the "**Listing Date**").

The immediate holding companies of the Company include Ji Ze Investment Management Company Limited ("**Ji Ze Investment**") (incorporated in British Virgin Islands ("**BVI**")), Shun Jia Investment Management Company Limited ("**Shun Jia Investment**") (incorporated in BVI), He Hui Wan Yi Investment Management Company Limited ("**He Hui Wan Yi Investment**") (incorporated in BVI) and Tai Zhi Feng Investment Management Company Limited ("**Tai Zhi Feng Investment**") (incorporated in BVI). 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. Mr. Shi Wei, Mr. Yang Weimin and Mr. Wang Liang are executive directors of the Company and Ms. Zhang Yitao is non-executive director of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies and methods of computation used by the Company and its subsidiaries (collectively referred to as the "**Group**") in the preparation of the consolidated financial statements for the year ended 31 December 2021 are consistent with those adopted in the consolidated financial statements for the year ended 31 December 2020, 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 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 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

The Group has early applied the Amendment to HKFRS 16 "Covid-19-Related Rent Concessions" in prior year and the Amendment to HKFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021" (the "**2021 Amendment**") in the current year. The 2021 Amendment extends the availability of the practical expedient set out in paragraph 46A of HKFRS 16 to rent concessions on or before 30 June 2022.

The early application of the 2021 Amendment has had no impact to the opening retained earnings at 1 January 2021 and the financial position and financial performance for the current year.

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.

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

		Effective for annual periods beginning on or after
HKFRS 17	Insurance Contracts and the related Amendments	1 January 2023
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use	1 January 2022
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020	1 January 2022

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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 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.

	2021	2020
	RMB'000	*RMB'000*
The Group's profit before taxation	**5,588**	22,281
Add: Listing expenses	**8,904**	9,054
Less: Other income, gains and losses	**(9,077)**	(3,337)
Operating profit presented to the CODM	**5,415**	27,998

Revenue by service type as follows:

	2021	2020
	RMB'000	*RMB'000*
Medical conference services	**424,183**	256,947
Patient education and screening services	**152,109**	80,905
Marketing strategy and consulting services	**121,182**	88,598
Contract research organisation services	**6,566**	5,403
Internet hospital services	**4,318**	438
Total revenue	**708,358**	432,291

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

	2021	2020
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time	**706,890**	431,473
Over time	**1,468**	818
Total revenue	**708,358**	432,291

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

	2021	2020
Customer A *(Note)*	**19%**	N/A
Customer B	**10%**	16%

Note: The percentage of contribution is not applicable for Customer A in 2020 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 end of the Reporting Period.

	2021	2020
	RMB'000	*RMB'000*
Within one year	**312,946**	329,479

4. OTHER INCOME, GAINS AND LOSSES

	2021	2020
	RMB'000	*RMB'000*
Foreign exchange loss, net	**(771)**	(7)
Loss on disposal of property, plant and equipment	**(16)**	(34)
Bank interest income	**792**	304
Gain on fair value changes of financial assets at fair value through profit or loss	**1,031**	418
Government subsidy *(Note (a))*	**5,088**	880
Value added tax refund	**2,802**	1,180
COVID-19 related rent concessions *(Note (b))*	**–**	474
Others	**151**	122
	9,077	3,337

Notes:

(a) Amount represented subsidy on the Group's business development without any specific conditions attached to the subsidy.

(b) The amount represents rental concession from the landlords in relation to the compensation of lockdown of the PRC cities due to COVID-19 pandemic for the year ended 31 December 2020. The Group elected not to apply lease modification by applying practical expedient that meets the conditions in paragraph 46B of the HKFRS 16 *Leases*.

5. FINANCE COSTS

	2021	2020
	RMB'000	*RMB'000*
Interest expense on lease liabilities	**1,257**	896

6. PROFIT BEFORE TAXATION

	2021	2020
	RMB'000	*RMB'000*
Profit before taxation has been carried at after charging:		
Auditor's remuneration		
— audit services	**1,308**	1,094
— non-audit services	**1,009**	2,996
	2,317	4,090
Depreciation of property, plant and equipment	**3,254**	3,173
Depreciation of right-of-use assets	**8,355**	7,457
Amortisation of intangible assets (included in cost of sales)	**7,890**	7,079
Short-term lease payments	**22**	570
Staff costs:		
— Fee and salaries (including directors' remuneration)	**53,196**	49,187
— Staff retirement benefit costs (including directors' retirement benefit scheme contributions)	**5,351**	526
— Social security costs, housing benefits and other employee benefits (including directors' social security costs, housing benefits and other benefits)	**8,180**	8,035
— Share-based compensation	**14,457**	–
	81,184	57,748

7. INCOME TAX EXPENSE

	2021	2020
	RMB'000	*RMB'000*
Current tax	**–**	1,517
Over provision of taxation for previous years	**(737)**	(316)
	(737)	1,201
Deferred tax	**1,123**	(899)
	386	302

(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 75% tax reduction based on the eligible research and development expenses for both years.

For the year ended 31 December 2021, four (2020: five) 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 87.5% (2020: 75%) reduction and the income between RMB1 million and RMB3 million is eligible for 50% (2020: 50%) reduction at the applicable EIT tax rate of 20% (2020: 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 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 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 31 December 2021 and 2020.

8. DIVIDEND

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 December 2021 (2020: Nil).

9. EARNINGS PER SHARE

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

	2021 ***RMB'000***	2020 *RMB'000*
Profit attributable to owners of the Company	**4,645**	21,042
Weighted average number of ordinary shares in issue in the basic earnings per share calculation (in thousands)	**181,205**	150,000
Effect of conversion of unvested restricted share units (in thousands)	**1,013**	–
Weighted average number of ordinary shares in issue in the diluted earnings per share calculation (in thousands)	**182,218**	150,000

10. TRADE RECEIVABLES

	2021	2020
	RMB'000	*RMB'000*
Receivables from third parties	**87,590**	89,403
Less: allowance for credit losses	**(3,344)**	(10,956)
	84,246	78,447

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:

	2021	2020
	RMB'000	*RMB'000*
Within 90 days	**79,839**	68,466
91 days to 180 days	**4,007**	7,481
181 days to 365 days	**400**	2,500
	84,246	78,447

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

	2021	2020
	RMB'000	*RMB'000*
Neither past due nor impaired	**79,839**	68,466
0-90 days past due	**4,007**	7,481
Over 90 days	**400**	2,500
	84,246	78,447

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

	2021	2020
	RMB'000	*RMB'000*
Payables to third parties	**27,413**	26,153

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

	2021	2020
	RMB'000	*RMB'000*
Up to 90 days	**21,721**	24,359
91 days to 180 days	**1,539**	510
181 days to 360 days	**1,873**	871
Over 360 days	**2,280**	413
	27,413	26,153

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group maintained a positive growth momentum in 2021, as at 31 December 2021, the Group's total revenue reached RMB708.4 million, representing an increase of approximately 63.9% as compared to that in 2020.

In particular, the Group has made achievements in the field of cardiovascular and cerebrovascular medicine and marketing services:

1. In recent years, the National Health Commission has issued a statement to support the establishment of medical centers, such as stroke centers and chest pain centers, in general hospitals at the second level and above. In view of this, the Group continues to support the construction of stroke centers, chest pain centers, vascular centers of health management and multidisciplinary oncology clinics nationwide. As at 31 December 2021, the Group has carried out doctor projects and patient projects through online + offline to support the work of the China Stroke Center Alliance; assisted Chest Pain Center Headquarters; supported the primary healthcare industry and promoted the development of the "Vascular Center of Health Management". As at 31 December 2021, the Group assisted more than 1,000 vascular centers of health management across the country, conducting events which covered doctors and patients; and cooperated with oncologists to start the construction of a multidisciplinary diagnosis and treatment center system, contributing to the new development of the specialised medical association of clinical diagnosis and treatment of oncology.

2. In response to national policies and initiatives to meet the needs of clinical practitioners for quality academic content and continuous medical education, and the needs of patients for disease knowledge and health education content, the Group has launched online and offline educational activities for doctors and patients. The Group's doctor/patient education and conference services business is well developed. Among which, the 7th Annual Scientific Session of the Chinese Stroke Association & Tiantan International Stroke Conference 2021 (CSA & TISC 2021) was held in the form of offline + online, covering approximately 155,000 doctors in total. Through the online internet platform, as at 31 December 2021, we completed 37,684 online doctor educational activities and 29,168 patient educational activities, with a total of 5,635 videos that attracted 20,543 and 108,814 views from doctors and patients, respectively.

The Group's achievements in the internet hospital service business in 2021:

With the long-term impact brought from the emergence of new norms such as COVID-19 and centralised procurement of drugs, coupled with the wave of digital transformation and upgrading in various industries, the needs and behaviours of stakeholders in the medical sector (hospitals, doctors, patients, pharmaceutical companies, etc.) have undergone profound changes, and an upward trend of the demand for diagnosis and medical treatment is witnessed in internet hospitals. The Group's internet hospital platform focuses on the connection of doctors and patients and the provision of quality online medical services. As at 31 December 2021, the number of registered doctor users reached 30,761, representing an increase of 63.8% compared with 2020, and the number of patient users reached 86,729, representing an increase of 235.2% compared with 2020.

Outlook

Plans for the Group's development in 2022:

1. Continue to consolidate its leading edge in the field of cardiovascular and cerebrovascular medicine and marketing services and expand its expertise in oncology:

   With new opportunities, the Group will continue to optimise its products and services and leverage the favourable health policy environment and its own resources to maintain revenue growth of its professional medicine and marketing services in the traditional cardiovascular and cerebrovascular discipline in the face of growing market demand.

2. Optimise internet hospital services and business scale:

   The Group will continue to upgrade the platform construction of internet hospitals and improve the internal system of the Company with a renowned internet enterprise in respect of protection of information security and user privacy with black chain technology. Based on the standardised out-of-hospital management of stroke patients, which has been implemented nationwide and achieved initial results, the Group's operation has been extended to the vertical field of cardiovascular and cerebrovascular discipline to form a more distinctive online specialised medical service platform, on which health records, online consultation, e-prescription/online drug purchase, care plan/follow-up plan, health education video/graphics, and follow-up management services are provided for doctors and patients.

3. Enhance the model and scale of the digital marketing business:

   In 2022, doctors will be empowered through the creation of digital tools such as software tools, search engines and knowledge mapping, which will promote the digitization and intelligence of medical education and clinical research and provide doctors with a professional, cutting-edge and user-friendly digital professional medical content ecology; meanwhile, the Group provides enterprises with accurate, convergent and efficient solutions for digital medicine and marketing, and deliver the latest medical technology and knowledge to its target customers.

In 2022, the medical industry is in the midst of a wave of development that presents both challenges and opportunities. Mediwelcome aspires to become the pioneer of innovative medical care in the field of chronic diseases to improve the clinical results of patients and build a professional, equal and intelligent platform for health products, services and marketing. Under the trend of digital transformation of pharmaceutical enterprises and the upgrade of diversified patient needs, the digital marketing and internet hospital business in the area of specialised diseases will be boosted to achieve high growth; the pioneering exploration of digital therapy for stroke rehabilitation will become an important growth engine for the Group in the future.

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; and (iii) marketing strategy and consulting 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 63.9% from approximately RMB432.3 million for the year ended 31 December 2020 to approximately RMB708.4 million for the year ended 31 December 2021. The following table sets forth a breakdown of the Group's revenue by service type for the periods indicated:

	For the year ended 31 December			
	2021		2020	
	(RMB'000)		*(RMB'000)*	
Medical conference services	**424,183**	**59.9%**	256,947	59.5%
Patient education and screening services	**152,109**	**21.5%**	80,905	18.7%
Marketing strategy and consulting services	**121,182**	**17.1%**	88,598	20.5%
CRO services	**6,566**	**0.9%**	5,403	1.2%
Internet hospital services	**4,318**	**0.6%**	438	0.1%
Total	**708,358**	**100.0%**	432,291	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 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 65.1% from approximately RMB256.9 million for the year ended 31 December 2020 to approximately RMB424.2 million for the year ended 31 December 2021, primarily due to the increase in the revenue generated from online medical seminars. After the outbreak of COVID-19 and the prolonged effects of the epidemic, more medical NGOs and pharmaceutical companies have engaged the Group to organise online medical seminars and six projects contributed a revenue of approximately RMB212.4 million 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 increased by 88.0% from approximately RMB80.9 million for the year ended 31 December 2020 to approximately RMB152.1 million for the year ended 31 December 2021 as the Group has successfully shifted most of its onsite patient education and screening services to its online platforms which can access more participants and increase the contract value of each project. During the Reporting Period, the Group recognised revenue of approximately RMB101.5 million for projects with online educational programmes, which was 231.7% higher than the revenue of approximately RMB30.6 million in the corresponding period last 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 36.8% from approximately RMB88.6 million for the year ended 31 December 2020 to approximately RMB121.2 million for the year ended 31 December 2021 due to the market expansion of the Group's top five customers. These five customers actively engaged the Group for marketing strategy and consulting services in order to expand their markets. The Group recognised revenue of approximately RMB50.4 million for the provision of such services to them during the Reporting Period.

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 22.2% from approximately RMB5.4 million for the year ended 31 December 2020 to approximately RMB6.6 million for the year ended 31 December 2021 due to the Group's successful development and expansion of the CRO services which was newly launched in late 2019.

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 increased by 975.0% from approximately RMB0.4 million for the year ended 31 December 2020 to approximately RMB4.3 million for the year ended 31 December 2021, representing the significant increase in the number of active patient users purchasing prescribed medicine through the Group's internet hospital platform. The monthly active patient number increased from 1,659 as at 31 December 2020 to 9,011 as at 31 December 2021.

Cost of sales

The Group's cost of sales which mainly represent speaker fee paid to physicians, venue costs and staff costs increased by 83.0% from approximately RMB336.0 million for the year ended 31 December 2020 to approximately RMB614.8 million for the year ended 31 December 2021. The significant increase in cost of sales was mainly due to increase in number of organised conferences caused by (i) down scale of each conference to comply with the enhanced anti-epidemic measures in view of uncertain epidemic situation; and (ii) increase in provision of services 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 RMB96.3 million for the year ended 31 December 2020 to approximately RMB93.6 million for the year ended 31 December 2021. The Group's overall gross profit margin decreased from 22.3% for the year ended 31 December 2020 to 13.2% for the year ended 31 December 2021, primarily due to (i) the increase in revenue generated from provision of online medical seminars which generally entails lower profit margin as compared to other service types; (ii) the competitive pricing strategy implemented by the Group to procure sizeable and reputable customers, including famous pharmaceutical companies, medical associations and foundations in order to gain market share; and (iii) increase in the cost of provision of services in order to comply with the enhanced anti-epidemic measures in view of uncertain epidemic situation.

Other income, gains and losses

Other income, gains and losses mainly consist of government grants, bank interest income, fair value changes of financial assets at fair value though profit or loss and value-added tax refund. The Group's other income, gains and losses increased by 175.8% from approximately RMB3.3 million for the year ended 31 December 2020 to approximately RMB9.1 million for the year ended 31 December 2021, primarily attributable to the government subsidy of approximately RMB5.0 million in connection with the successful Listing and the increase in value-added tax refund.

Selling expenses

Selling expenses mainly consist of transportation expenses, salaries, share-based compensation expenses, performance bonuses and employee benefits expenses for the sales and marketing and business development expenses. The Group's selling expenses increased by 58.7% from approximately RMB10.4 million for the year ended 31 December 2020 to approximately RMB16.5 million for the year ended 31 December 2021, primarily due to (i) the recognition of share-based compensation expenses of approximately RMB3.1 million; and (ii) the increase in staff costs and travel and business development expenses in relation to the overall expansion of the Group's services.

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 increased by 41.2% from approximately RMB42.0 million for the year ended 31 December 2020 to approximately RMB59.3 million for the year ended 31 December 2021, primarily due to (i) the recognition of share-based compensations of approximately RMB10.8 million; (ii) increase in staff costs and travel and business expenses; and (iii) increase in depreciation of right-of-use of assets as a result of the overall expansion of the Group.

Research and development expenses

The Group's research and development expenses increased by 33.6% from approximately RMB14.0 million for the year ended 31 December 2020 to approximately RMB18.7 million for the year ended 31 December 2021, representing the increase in the Group's research and development expenses primarily due to more resources and headcounts were incurred to develop the Group's internet hospital services and digital related medical products, software and platform.

Listing expenses

The Group recorded a decrease in listing expenses by 2.2% from approximately RMB9.1 million for the year ended 31 December 2020 to approximately RMB8.9 million for the year ended 31 December 2021, primarily attributable to the net effects of (i) a significant portion of service fees of professional parties in connection with the Listing were recognised for the year ended 31 December 2020 according to the stage of completion of the Listing; and (ii) the increase in reimbursements of professional parties for the year ended 31 December 2021.

Finance costs

The Group's finance costs increased by 44.4% from approximately RMB0.9 million for the year ended 31 December 2020 to approximately RMB1.3 million for the year ended 31 December 2021, primarily attributable to the increase in interest expense on lease liabilities due to office expansion, which was in line with the Group's service line expansion strategy.

Income tax expense

The Group recorded income tax expense of approximately RMB0.4 million for the year ended 31 December 2021 as compared with income tax expense of approximately RMB0.3 million for the year ended 31 December 2020, primarily due to recognition of deferred tax as at year ended.

Profit for the year

The Group's profit for the year decreased by 76.4% from approximately RMB22.0 million for the year ended 31 December 2020 to approximately RMB5.2 million for the year ended 31 December 2021 due to the net effects of (i) the decrease in gross profit margin mainly due to the increase in proportion of revenue generated from provision of online medical seminars which generally entails 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; (iii) increase in the cost of provision of services in order to comply with the enhanced anti-epidemic measures in view of uncertain epidemic situation; and (iv) the grant of a total of 15,170,000 restricted share units ("**RSUs**") to 31 eligible participants under the restricted share units scheme ("**RSU 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 RMB14.5 million for the year ended 31 December 2021. The Group did not record any share-based compensation expenses for the year ended 31 December 2020.

Other comprehensive income

The Group recorded other comprehensive income of approximately RMB4.2 million for the year ended 31 December 2021, remaining stable as compared with other comprehensive income of approximately RMB4.2 million for the year ended 31 December 2020.

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 increased from approximately RMB78.4 million as at 31 December 2020 to approximately RMB84.2 million as at 31 December 2021 which was generally in line with the increase in the Group's revenue.

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 increased from approximately RMB26.2 million as at 31 December 2020 to approximately RMB27.4 million as at 31 December 2021 which was mainly due to the increase in cost of sales in relation to the overall expansion of the Group's services.

Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss mainly represent financial products that the Group purchased. As at 31 December 2021, the 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. The financial products the Group held as at 31 December 2021 had an expected rate of return of 2.62% to 3.22% per annum depending on the returns of the derivatives.

As at 31 December 2021, the fair value of the Group's financial assets at fair value through profit or loss was approximately RMB9.5 million, details of which are summarised below:

Issuer	**Name of wealth management products**	**Fair value as at 31 December 2021** *RMB'000*	**Size as compared to the Company's total assets as at 31 December 2021**
Everbright Wealth Management Co., Ltd.	CEB Cash A (光銀現金A)	8,000	2.2%
China Merchants Bank Co., Ltd.	Ririxin 80008 (日日鑫80008號)	1,500	0.4%

The Group invested in these financial products during the year ended 31 December 2021 with an aim to enhance its income by generating higher yield than cash deposits, while maintaining a stable liquidity at low level risk. The Group generally limits its investments in financial products to low-risk, short-term products from reputable PRC commercial banks.

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 2021, the Group had net current assets of approximately RMB218.0 million, as compared with net current assets of approximately RMB117.2 million as at 31 December 2020.

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 Reporting Period; and (ii) cash on hand.

As at 31 December 2021, the Group had bank balances and cash of approximately RMB165.3 million, representing an increase of 85.7% from approximately RMB89.0 million as at 31 December 2020 as the Group raised fund from the Listing in January 2021. 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

The Group's indebtedness represents lease liabilities. As at 31 December 2021, the Group, as a lessee, had outstanding current and non-current lease liabilities of approximately RMB25.2 million as compared with approximately RMB25.4 million as at 31 December 2020. The lease liabilities represent payment for the right to use underlying assets, which is unsecured and unguaranteed.

As at 31 December 2021, the Group did not enter into any banking facility agreement and had no unutilised banking facilities. As a result, the Group's gearing ratio (calculated as total bank and other borrowings divided by total equity) as at 31 December 2021 was nil (31 December 2020: nil).

Capital Expenditures

As at 31 December 2021, capital expenditures of the Group significantly increased to approximately RMB25.0 million for the year ended 31 December 2021 as compared with approximately RMB13.8 million for the year ended 31 December 2020. 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 internet hospital services which may be capitalised. These expenses will be financed by net proceeds from the Listing 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 were successfully listed on the Main Board of 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 2021, 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 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.

Contingent Liabilities

As at 31 December 2021, the Group did not have any material contingent liabilities (31 December 2020: nil).

Pledge of Assets

As at 31 December 2021, the Group did not pledge any of its assets (31 December 2020: nil).

Human Resources

As at 31 December 2021, the Group had 408 employees (31 December 2020: 392 employees) as a result of the increase in headcount due to the development of overall expansion of the Group's services. For the year ended 31 December 2021, the staff cost recognised as expenses of the Group amounted to approximately RMB81.2 million, representing an increase of 40.7% from approximately RMB57.7 million for the year ended 31 December 2020. The increase was mainly attributable to the increase in proportion of employees with higher income, increase in headcounts and approximately RMB14.5 million share-based compensations was recognised due to the grant of 15,170,000 RSUs 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 RSU 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 2 July 2021, the Group entered into an agreement with the existing shareholders of Beijing Lingchuang Yigu Technology Development Co., Ltd.* (北京領創醫谷科技發展有限責任公司, "**Lingchuang Yigu**") and certain new investors (being independent third parties to the Group) for the capital contribution of RMB45,000,000 to Lingchuang Yigu by certain of the existing shareholders of Lingchuang Yigu and the new investors for the new registered capital of RMB1,672,000 ("**Capital Contribution**") and disposal of share capital of RMB283,000 of Lingchuang Yigu by the Group to a new investor at a cash consideration of RMB10,000,000 ("**Disposal**"). The consideration was determined after arm's length negotiation between the Group and the independent third party with reference to the latest business and development for future prospects of Lingchuang Yigu.

Lingchuang Yigu is principally engaged in the production and sale of spinal endoscopes. The Group invested in Lingchuang Yigu as pain treatment is a rising segment of the healthcare industry and Lingchuang Yigu's spinal endoscopes have relatively strong competitiveness in the market. Upon completion of the Capital Contribution and the Disposal, the Group holds 5.82% of equity interest in Lingchuang Yigu.

The consideration was received on 13 July 2021 and the Capital Contribution and the Disposal were completed as at 31 December 2021.

The Disposal did not constitute notifiable transaction of the Company for the purpose of Chapter 14 of the Listing Rules.

The fair value of the 5.82% (31 December 2020: 15%) equity interests in Lingchuang Yigu as at 31 December 2021 was approximately RMB3.2 million (31 December 2020: approximately RMB8.6 million), accounting for approximately 0.87% (31 December 2020: approximately 3.08%) of the total assets of the Group of approximately RMB366.7 million as at 31 December 2021 (31 December 2020: approximately RMB280.1 million).

During the Reporting Period, the change of fair value on the equity interests in Lingchuang Yigu, which was classified as fair value through other comprehensive income, was approximately RMB3.4 million (2020: RMB3.0 million). No dividend income was received from the equity interests in Lingchuang Yigu during the Reporting Period (2020: nil).

Subscription of New Registered Capital of an Equity Instrument

On 4 August 2021, the Group entered into a capital increase agreement in relation to the subscription of new registered capital of Shanghai Bohuikang Biological Technology Co., Ltd.* (上海柏慧康生物科技有限公司, "**Shanghai Bohuikang**") at a consideration of RMB10 million in cash (the "**Subscription**"). Prior to the Subscription, the Company held approximately 9.3382% of the equity interests in Shanghai Bohuikang. Upon completion of the Subscription, the Group would hold a total of 19.4117% of equity interest in Shanghai Bohuikang. Shanghai Bohukang is engaged in the development and production of cancer diagnostic reagents and ancillary instruments. Details of the Subscription are set out in the announcement of the Company dated 4 August 2021. The Subscription was completed on 24 August 2021.

The Subscription did not constitute notifiable transaction of the Company for the purpose of Chapter 14 of the Listing Rules.

The fair value of the 19.4117% equity interests of Shanghai Bohuikang as at 31 December 2021 was approximately RMB17.0 million, accounting for approximately 4.64% of the total assets of the Group of approximately RMB366.7 million as at 31 December 2021.

During the Reporting Period, the change of fair value on the equity interests in Shanghai Bohuikang, which was classified as fair value through other comprehensive income, was approximately RMB1.4 million. No dividend income was received from the equity interests in Shanghai Bohuikang during the Reporting Period.

Discloseable Transaction in Relation to the Formation of a Joint Venture

On 5 November 2021, Mediwelcome Beijing Healthcare Technology Co., Ltd.* (北京麥迪衛康醫療科技有限公司) ("**Mediwelcome Beijing**"), a wholly-owned subsidiary of the Company, entered into a shareholder agreement with Tianjin Yunyi Digital Intelligence Enterprise Management Consulting Partnership (Limited Partnership)* (天津雲奕數智企業管理諮詢合夥企業(有限合夥)) ("**Tianjin Yunyi**"), an independent third party to the Group, in relation to the formation of a limited liability company, Beijing Zetta-Yotta Healthcare Technology Co., Ltd.* (北京智煜健康科技有限公司) (the "**Joint Venture**"), with a registered capital of RMB60.00 million (equivalent to approximately HK$73.20 million), of which RMB39.00 million (equivalent to approximately HK$47.58 million) has been partially contributed by Mediwelcome Beijing and RMB21.00 million (equivalent to approximately HK$25.62 million) will be contributed by Tianjin Yunyi. Upon formation, the Joint Venture will be owned as to 65% and 35% by Mediwelcome Beijing and Tianjin Yunyi respectively. Up to the date of this announcement, RMB10 million has been contributed by Mediwelcome Beijing.

The Joint Venture is principally engaged in the following businesses: (i) innovation, research and development, and promotion of digital medical products, provision of market access and operational services to professional medical institutions to serve doctors and patients; (ii) research and development in medical or digital therapy related softwares for smart devices; and (iii) create a digital healthcare platform in relation to special diseases to establish an ecosystem of disease management, and to establish cooperation with other manufacturers to provide services for doctors and patients.

The Board is of the view that the formation of the Joint Venture, which is principally engaged in the development and promotion of digital medical products, digital therapy related softwares and digital healthcare platform, will be beneficial to the Company and its shareholders (the "**Shareholders**") as a whole since it will enable the Group to (i) expand its ecosystem, value chain and development plans that are in line with its business development strategy; (ii) enhance and strengthen its position in the healthcare service industry; and (iii) enhance its service capabilities by leveraging the Group's experience and resources in the healthcare service industry and integrating the extensive market and administrative resources of Tianjin Yunyi in technology, software and hardware development.

Details of the formation of the Joint Venture are set out in the announcement of the Company dated 5 November 2021. On 25 November 2021, the Joint Venture has been established and its financial results has been consolidated into the accounts of the Group for the year ended 31 December 2021.

Save as disclosed herein, the Group had no other 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 of the Company during the period from the Listing Date and up to 31 December 2021.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group intends to utilise the net proceeds raised from the Listing according to the plans set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. Save as disclosed in the Prospectus, the Group had no other future plans for material investments or capital assets as at 31 December 2021.

EVENTS AFTER THE REPORTING PERIOD

After the year ended 31 December 2021 and up to the date of this announcement, the Group had no significant events 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 Reporting Period.

FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES

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

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 as a whole. Throughout the period from the Listing Date and up to 31 December 2021, the Company has adopted and complied with the applicable code provisions set out in 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 2021 and as at 31 December 2021.

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 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 period from the Listing Date up to 31 December 2021.

FINAL DIVIDEND

The Board did not recommend the payment of any final dividend in respect of the year ended 31 December 2021.

ANNUAL GENERAL MEETING

It is proposed that an annual general meeting of the Company (the "**AGM**") will be held on Friday, 24 June 2022. 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 Monday, 20 June 2022

Closure of register of members .... Tuesday, 21 June 2022 to Friday, 24 June 2022 (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. Fei John Xiang and Mr. Song Ruilin. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2021. 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 STEPHENS 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 2021 set out in this announcement have been agreed by the Group's auditor, Moore Stephens CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore Stephens 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore Stephens 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 2021 containing all the information required by the Listing Rules will be despatched to the Shareholders and made available for review on the same websites in due course.

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

Hong Kong, 30 March 2022

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