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 2024, CHANGE IN COMPOSITION OF NOMINATION COMMITTEE AND CHANGE OF ADDRESS OF HEADQUARTERS

The board (the "**Board**") of directors (the "**Directors**") of Mediwelcome Healthcare Management & Technology Inc. (麥迪衛康健康醫療管理科技股份有限公司) (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**", "**we**", "**us**" or "**our**") for the year ended 31 December 2024 (the "**Year**"), together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	3	**321,558**	331,308
Cost of sales		**(270,554)**	(301,413)
Gross profit		**51,004**	29,895
Other income, gains and losses	4	**3,804**	7,287
Selling expenses		**(20,666)**	(22,335)
Administrative expenses		**(39,924)**	(51,014)
Research and development expenses		**(18,680)**	(32,685)
Finance costs	5	**(1,087)**	(1,304)
Impairment losses on trade receivables		**(7,943)**	(5,776)
Impairment losses on intangible assets	6	**(11,679)**	(20,446)
Loss before taxation	6	**(45,171)**	(96,378)
Income tax (expense)/credit	7	**(1,776)**	287
Loss for the year		**(46,947)**	(96,091)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Fair value change of equity investments at fair value through other comprehensive income		**259**	15,899
Total comprehensive loss for the year		**(46,688)**	(80,192)
Loss for the year attributable to:			
— Owners of the Company		**(45,245)**	(94,096)
— Non-controlling interests		**(1,702)**	(1,995)
		(46,947)	(96,091)
Total comprehensive loss for the year attributable to:			
— Owners of the Company		**(44,986)**	(78,197)
— Non-controlling interests		**(1,702)**	(1,995)
		(46,688)	(80,192)
Loss per share			
— Basic and diluted per share (RMB cents)	9	**(23.63)**	(49.15)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**3,026**	3,720
Right-of-use assets		**8,513**	7,025
Equity instruments at fair value through other comprehensive income		**20,646**	17,046
Intangible assets		**–**	–
Deferred tax assets		**–**	2,175
Prepayments, deposits and other receivables		**1,043**	3,283
		33,228	33,249
Current assets			
Trade receivables	*10*	**50,394**	56,864
Contract costs		**35,785**	27,383
Prepayments, deposits and other receivables		**3,025**	16,470
Bank balances and cash		**71,656**	80,352
		160,860	181,069
Total assets		**194,088**	214,318
LIABILITIES			
Current liabilities			
Trade payables	*11*	**37,602**	32,297
Contract liabilities		**23,153**	18,695
Other payables and accruals		**12,327**	12,170
Lease liabilities		**4,937**	7,602
Borrowings		**39,027**	21,507
		117,046	92,271
Net current assets		**43,814**	88,798
Total assets less current liabilities		**77,042**	122,047

	2024 *RMB'000*	2023 *RMB'000*
Non-current liabilities		
Deferred tax liabilities	**–**	58
Lease liabilities	**3,763**	2,022
	3,763	2,080
Net assets	**73,279**	119,967
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital	**1**	1
Reserves	**71,138**	116,124
	71,139	116,125
Non-controlling interests	**2,140**	3,842
Total equity	**73,279**	119,967

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mediwelcome Healthcare Management & Technology Inc. (the "**Company**") was incorporated under the laws of the Cayman Islands with limited liability on 21 February 2020. The registered office is located at Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands and its principal place of business in Hong Kong is located at Unit 1218, 12th Floor, Corporation Square, No. 8 Lam Lok Street, Kowloon Bay, Kowloon, Hong Kong.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies and methods of computation used by the Group in the preparation of the consolidated financial statements for the year ended 31 December 2024 are consistent with those adopted in the consolidated financial statements for the year ended 31 December 2023, 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.

Application of new and amendments to HKFRSs

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

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

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

2.2 Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

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

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

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

Changes in the Group's interests in existing subsidiaries

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

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

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

3. REVENUE AND SEGMENT INFORMATION

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

	2024	2023
	RMB'000	*RMB'000*
The Group's loss before taxation	**(45,171)**	(96,378)
Less: Other income, gains and losses	**(3,804)**	(7,287)
Operating loss presented to the CODM	**(48,975)**	(103,665)

Revenue by service type as follows:

	2024 *RMB'000*	2023 *RMB'000*
Medical conference services	**158,680**	163,680
Patient education and screening services	**7,112**	5,612
Marketing strategy and consulting services	**137,118**	136,801
Contract research organisation services	**5,386**	11,673
Internet hospital services	**3,154**	3,007
Digital marketing and sales solutions services	**10,108**	10,535
Total revenue	**321,558**	331,308

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

	2024 *RMB'000*	2023 *RMB'000*
Timing of revenue recognition		
At a point in time	**320,566**	330,144
Over time	**992**	1,164
Total revenue	**321,558**	331,308

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

	2024	2023
Customer A	**14%**	12%

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.

	2024 *RMB'000*	2023 *RMB'000*
Within one year	**450,379**	458,336

4. OTHER INCOME, GAINS AND LOSSES

	2024 *RMB'000*	2023 *RMB'000*
Foreign exchange gain, net	**731**	476
Loss on disposal of property, plant and equipment	**(58)**	(54)
Bank interest income	**264**	415
Gain on fair value changes of financial assets at FVTPL	**463**	2,194
Gain on early termination of lease	**–**	1,789
Government subsidy *(Note)*	**2,213**	1,090
Value added tax refund	**26**	2,134
Others	**165**	(757)
	3,804	7,287

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

5. FINANCE COSTS

	2024 *RMB'000*	2023 *RMB'000*
Interest expense on lease liabilities	**546**	732
Interest expense on borrowings	**541**	572
	1,087	1,304

6. LOSS BEFORE TAXATION

	2024 *RMB'000*	2023 *RMB'000*
Loss before taxation has been carried at after charging:		
Auditor's remuneration	**1,111**	1,251
Depreciation of property, plant and equipment	**1,608**	2,595
Depreciation of right-of-use assets	**8,340**	7,638
Amortisation of intangible assets (included in cost of sales)	**402**	10,316
Impairment losses on intangible assets *(Note)*	**(11,679)**	(20,446)
Staff costs:		
— Fee and salaries (including directors' remuneration)	**51,774**	73,654
— Staff retirement benefit costs (including directors' retirement benefit scheme contributions)	**5,115**	6,921
— Social security costs, housing benefits and other employee benefits (including directors' social security costs, housing benefits and other benefits)	**9,956**	16,550
— Share-based compensation	**–**	(700)
	66,845	96,425

Note: During year ended 31 December 2024, taking into consideration of the recurring losses incurred by the Group, impairment assessment was performed by the management on property, plant and equipment, right-of-use assets and intangible assets. Based on the results of the impairment assessment, the carrying amounts of intangible assets before any provision of impairment exceeded their recoverable amounts, impairment losses of RMB11,679,000 (2023: RMB20,446,000) have been recognised in the consolidated statement of comprehensive income for the year ended 31 December 2024. The impairment assessment was made based on management's estimation of the recoverable amount against the carrying amount of the assets. The estimated recoverable amount as at 31 December 2024 was determined based on the value in use of the cash generating unit ("**CGU**") to which the assets belong and represented the present value of expected future revenue and related cash flows arising from CGU.

7. INCOME TAX EXPENSE/(CREDIT)

	2024	2023
	RMB'000	*RMB'000*
Current tax	**–**	–
Under-provision of taxation for previous years	**–**	821
	–	821
Deferred tax	**1,776**	(1,108)
	1,776	(287)

(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**"), and the entity enjoyed the preferential tax rate of 15% for HNTE from 2022 to 2024. Another entity comprising the Group was approved to be the HNTE and is eligible to enjoy the preferential tax rate for HNTE of 15% from 2024 to 2026. 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% (2023: 100%) tax reduction based on the eligible research and development expenses for both years.

For the year ended 31 December 2024, nine (2023: nine) of the entities comprising the Group is qualified as small and micro-sized enterprises ("**SMEs**") for tax reduction. For the first RMB1 million of annual taxable income is eligible for 95.0% (2023: 95.0% reduction for first RMB1 million) reduction.

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

(b) PRC withholding tax ("WHT")

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

The Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was provided as at 31 December 2024 and 2023.

8. DIVIDEND

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 December 2024 (2023: Nil).

9. LOSS PER SHARE

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

	2024	2023
	RMB'000	*RMB'000*
Loss attributable to owners of the Company	**(45,245)**	(94,096)
Weighted average number of ordinary shares in issue in the basic and diluted earnings per share calculation (in thousands)	**191,442**	191,442

The computation of diluted loss per share for the year ended 31 December 2024 and 2023 does not assume the issue of the Company's unvested RSUs as the assumed issue would result in a decrease in loss per share.

10. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Receivables from third parties	**70,724**	69,396
Less: allowance for credit losses	**(20,330)**	(12,532)
	50,394	56,864

As at 1 January 2023, trade receivables from contracts with customers, net of allowance for credit losses, amounted to RMB76,690,000.

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:

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**47,365**	47,665
91 days to 180 days	**3,029**	9,199
	50,394	56,864

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

	2024	2023
	RMB'000	*RMB'000*
Neither past due nor impaired	**47,365**	47,665
0-90 days past due	**3,029**	9,199
	50,394	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.

11. TRADE PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Payables to third parties	**37,602**	32,297

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

	2024	2023
	RMB'000	*RMB'000*
Up to 90 days	**27,411**	23,248
91 days to 180 days	**3,165**	1,161
181 days to 360 days	**1,868**	2,700
Over 360 days	**5,158**	5,188
	37,602	32,297

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In 2024, the global economy faced uncertainties. However, amidst a complex and ever-changing global environment, China's economy continued to demonstrate stability, advantages, resilience, and significant potential. The fundamental conditions and long-term positive trends remained unchanged, with comprehensive advancements in technological digitalisation and green transformation providing robust support to the global economy.

Against this backdrop, the Group seized opportunities, steadily advancing its main business while continually innovating and expanding, dedicating efforts to the transformation and upgrading of the digital economy. We deeply integrated AIGC technology, digital person technology, and web 3.0 technology to drive business development, exhibiting strong growth momentum and business growth in the digital pharmaceutical market. Through data-driven precision services, the Group not only enhanced the effectiveness of academic promotions but also improved the service efficiency of the entire industry.

Aligning with the national health strategy and intelligent healthcare development policies in the PRC, the Group continued its innovation and has proactively applied AI and web 3.0 technologies, engaging in in-depth strategic collaborations with industry associations, medical institutions, and enterprises, fostering the intelligent development of multiple platforms. In 2024, significant progress was made in the application of AIGC technology, further enhancing the functionalities of the Giraffe Smart Medical Platform, the Medical Camp Platform (醫陣營平台) and the Giraffe Doctor+ Internet Hospital Platform (長頸鹿醫加互聯網醫院平台). Through AI technology, our virtual digital human persons have improved the interactivity and efficiency of patient education, significantly enhancing the doctor-patient communication experience and further promoting the adoption of intelligent healthcare services.

Moreover, starting from June 2024, the Group has deepened development based on web 3.0 digital technology, officially launching a new platform aimed at assisting doctors in managing digital assets and laying the foundation for future digital asset copyright transactions. Through this platform, doctors and healthcare practitioners can confirm, authorise, protect, and trade medical content copyrights more efficiently.

In terms of the digital transformation of the pharmaceutical market, the Group has not only further optimised drug promotion strategies in areas such as cardiovascular and cerebrovascular diseases, oncology, and gynaecology but also expanded digital services into rare diseases like autoimmune diseases of the nervous system, striving to cover more patient groups. With the support of AI and web 3.0 technologies, we continually innovate medical education models, promoting the efficient integration of online and offline educational resources. Through new tools such as APP, WeChat public accounts and mini-programs, doctors can provide patients with medical science education and health management services more conveniently, enhancing patient engagement and satisfaction.

Despite the complex and severe global economic environment, the Mediwelcome Group has achieved steady growth through technological innovation, business transformation, and management innovation. As of 31 December 2024, the number of registered doctor users on our platform exceeded 747,873, with the number of online educational activities continuing to rise: 66,645 online doctor education events, 27,631 online patient education events, 21,049 online live streaming sessions, and 32,494 videos, with total views reaching 14,038,024. Additionally, the number of academic content continued to grow, with a total of 1,306,769 pieces of academic content produced, covering various forms such as research questionnaires, academic slides, and patient education articles.

In the hope of providing high-quality internet healthcare services to a broad base of Chinese doctors and patients, and to meet the growing personalised needs of stakeholders in the medical industry (including industry associations, experts, hospitals, and pharmaceutical and medical equipment companies), in 2024, the Group's internet hospital continuously optimised online healthcare service solutions, actively developing digital management products and services for chronic disease patients outside the hospital. As of 31 December 2024, the number of registered doctor users reached 53,926, an increase of 6.6% compared to 31 December 2023; the number of patient users reached 320,296, an increase of 15.2% compared to 31 December 2023. These achievements demonstrate the Group's proactive efforts and significant results in the continuous expansion of the internet healthcare area.

Plans for the Group's development in 2025

1. *Further expand the scale of business*

   In 2025, the Group will continue to deepen its business layout in smart healthcare and medical market digital services, striving to expand cooperation with more hospitals and medical institutions globally, further expanding business coverage. The Group will also strengthen in-depth cooperation with innovative pharmaceutical and medical equipment companies, promoting the popularity and standardisation of digital technologies in treatment plans to improve treatment efficiency.

   The Giraffe Smart Medical Platform will further innovate based on AIGC technology, promoting multi-party interconnection among doctors, patients, medical institutions, and pharmaceutical and medical equipment companies, providing the industry with more precise digital medical communication solutions. Through this platform, life science research results will be more quickly transformed into clinical applications, assisting in the optimisation of the medical ecosystem, improving overall medical quality, and promoting the co-creation of healthy living.

   The integration of the Giraffe Doctor+ Internet Hospital Platform and the Medical Camp Platform will further optimise digital content in extended medical scenarios, providing more intelligent Clinical Decision Support Systems (CDSS) and customised treatment plans, promoting the standardisation of science education and patient home management. This upgrade will provide doctors with more efficient working methods and allow patients to benefit from more professional and smart healthcare services.

2. *Continuous innovation and expansion*

   In terms of innovation and expansion, the Group will continue to optimise digital healthcare service models, promoting the further enhancement of personalised doctor-patient interaction functions. The Group will deeply participate in industry-academic-research enhancement initiative led by industry associations, especially in the implementation of the Healthy China initiative, assisting in promoting Cardiovascular and Cerebrovascular Disease Prevention and Control Initiative. Leveraging the Group's advantages in digital technology, we will provide strong support throughout the entire process of preventing and treating cardiovascular and cerebrovascular diseases, promoting the digital transformation of related services.

3. Deepening exploration and technological innovation

In the face of the rapidly developing trends in the medical industry, the Group will continue to monitor emerging needs and changes in industry landscape, actively exploring the application of innovative technologies. Based on market demand, we will deeply explore the potential of AI technology and web 3.0, promoting the synergies and upgrade of various platforms and tools to achieve a more precise integration of healthcare services and market digitalisation. Through continuous technological innovation, the Group will continue to take the lead in industry transformation, delivering medical solutions that better align with market needs.

As an essential component of public well-being, healthcare innovation is a prolong journey with plenty of opportunities. In 2025, the Mediwelcome Group remains committed to advancing the digitalisation and intelligent transformation of healthcare services, continuously improving service quality, expanding business scale, and deepening our presence in the industry to enhance the Group's influence and value chain. Through relentless technological innovation, we will provide higher-quality digital healthcare services for doctors and patients, contributing to the sustainable development of the medical industry.

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.

Financial Review

Revenue

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

The Group's revenue decreased by approximately 2.9% from approximately RMB331.3 million for the year ended 31 December 2023 to approximately RMB321.6 million for the Year. The following table sets forth a breakdown of the Group's revenue by service type for the years indicated:

	For the year ended 31 December			
	2024		2023	
	(RMB'000)		*(RMB'000)*	
Medical conference services	**158,680**	**49.4%**	163,680	49.4%
Marketing strategy and consulting services	**137,118**	**42.6%**	136,801	41.3%
Digital marketing and sales solutions services	**10,108**	**3.1%**	10,535	3.2%
Patient education and screening services	**7,112**	**2.2%**	5,612	1.7%
CRO services	**5,386**	**1.7%**	11,673	3.5%
Internet hospital services	**3,154**	**1.0%**	3,007	0.9%
Total	**321,558**	**100%**	331,308	100%

Medical Conference Services

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

Revenue from medical conference services decreased by approximately 3.1% from approximately RMB163.7 million for the year ended 31 December 2023 to approximately RMB158.7 million for the Year, primarily attributable to the reduction of economic activities in the PRC.

Marketing Strategy and Consulting Services

The Group provides marketing strategy and consulting services to assist pharmaceutical companies in formulating and implementing effective business strategies to enhance their brands and product awareness among physicians. Revenue from marketing strategy and consulting services increased by approximately 0.2% from approximately RMB136.8 million for the year ended 31 December 2023 to approximately RMB137.1 million for the Year due to the increase in demand for marketing strategy and consulting services, which was partially offset by the Group's business strategy to scale down projects with lower profit margins.

Digital Marketing and Sales Solutions Services

The Group utilises its own newly developed digital marketing integration platform to assist pharmaceutical companies in formulating and implementing effective digital marketing and sales solutions during the Year. The Group provides customised digital marketing solutions based on the different forms and life cycle of customer products in order to reduce marketing costs, improve coverage efficiency, and reach users precisely. Revenue from digital marketing and sales solutions services decreased by approximately 4.1% from approximately RMB10.5 million for the year ended 31 December 2023 to approximately RMB10.1 million for the Year, primarily attributable to the slowdown in demand of digital marketing and sales solutions services, which was in line with the reduction of economic activities in the PRC during the Year.

Patient Education and Screening Services

Patient education and screening services of the Group allow patients to administer better self-care and disease control, which will lower the burden on the healthcare system in the long run. Revenue from patient education and screening services increased by approximately 26.7% from approximately RMB5.6 million for the year ended 31 December 2023 to approximately RMB7.1 million for the Year, primarily attributable to (i) the expansion of client base; and (ii) the improvement in client retention.

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 decreased by approximately 53.9% from approximately RMB11.7 million for the year ended 31 December 2023 to approximately RMB5.4 million for the Year due to the reduction of economic activities in the PRC and the Group's business strategy to down-scale the projects with lower profits margin during the Year.

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 approximately 4.9% from approximately RMB3.0 million for the year ended 31 December 2023 to approximately RMB3.2 million for the Year, primarily attributable to increase in demand of internet hospital services.

Cost of sales

The Group's cost of sales, which mainly represent speaker fee paid to physicians, venue costs and staff costs, decreased by approximately 10.2% from approximately RMB301.4 million for the year ended 31 December 2023 to approximately RMB270.6 million for the Year, primarily attributable to (i) the decrease in the Group's revenue; and (ii) the downscaling of projects with higher costs during the Year.

Gross profit and gross profit margin

As a result of the foregoing, the Group's overall gross profit increased by approximately RMB21.1 million from approximately RMB29.9 million for the year ended 31 December 2023 to approximately RMB51.0 million for the Year. The Group's overall gross profit margin increased from 9.0% for the year ended 31 December 2023 to 15.9% for the Year, primarily due to the Group's business strategy of downscaling projects with lower profit margins during the Year.

Other income, gains and losses

Other income, gains and losses mainly consist of foreign exchange gains, net, gains on fair value changes of financial assets at fair value through profit or loss ("**FVTPL**"), gain on early termination of lease, government subsidy, bank interest income and value-added tax refund. The Group's other income, gains and losses decreased by approximately 47.8% from approximately RMB7.3 million for the year ended 31 December 2023 to approximately RMB3.8 million for the Year, due to the net effects of (i) a reduction in value added tax refund by approximately RMB2.1 million; (ii) a reduction in gains on fair value changes of FVTPL by approximately RMB1.7 million; (iii) a reduction in gain on early termination of lease by approximately RMB1.8 million; and (iv) an increase in government subsidy by approximately RMB1.1 million.

Selling expenses

Selling expenses mainly consist of transportation expenses, salaries, share-based compensation expenses, performance bonuses and employee benefits expenses, and sales and marketing and business development expenses. The Group's selling expenses decreased by approximately 7.5% from approximately RMB22.3 million for the year ended 31 December 2023 to approximately RMB20.7 million for the Year, primarily due to (i) the decrease in the Group's revenue during the Year; and (ii) a reduction in the cost of enhancing customer networks and promoting the Group's services during the Year.

Administrative expenses

Administrative expenses mainly represent the salaries and benefits of the administrative and management staff, professional consulting fees, share-based compensation expenses, depreciation and other miscellaneous administrative expenses. The Group's administrative expenses decreased by approximately 21.7% from approximately RMB51.0 million for the year ended 31 December 2023 to approximately RMB39.9 million for the Year, primarily due to the decrease in staff cost and professional fee as a result of the cost saving strategy of the Group during the Year.

Research and development expenses

The Group's research and development expenses decreased by approximately 42.8% from approximately RMB32.7 million for the year ended 31 December 2023 to approximately RMB18.7 million for the Year, mainly due to the decrease in the Group's research and development expenses to carry out the research and development projects, including digital marketing solutions, digital medical solutions, and development of an artificial intelligent online platform during the Year.

Impairment losses on intangible assets

Intangible assets primarily represent (i) AI model, software and systems used for our medical conference services, patient education and screening services and internet hospital services; and (ii) customer contracts related to the installation of software and equipment of the internet hospital services.

During the Year, the Group performed impairment tests on intangible assets with impairment indications and made provision for impairment amounting to approximately RMB11.7 million (31 December 2023: RMB20.4 million). The provision for impairment of intangible assets made by the Group has attributed to the consolidated net loss of the Group for the Year by approximately RMB11.7 million. The Board is of the view that the provision for the impairment of intangible assets has reflected the asset condition of the Group fairly and accurately, which is in line with the accounting policies adopted by the Group.

Finance costs

Finance costs mainly represent the interest expense on bank loans and interest expense on lease liabilities. The Group's finance costs decreased by approximately 16.6% from approximately RMB1.3 million for the year ended 31 December 2023 to approximately RMB1.1 million for the Year, mainly due to the combined effects of (i) the increase in interest expense on the Group's bank loans driven by the increase in average balance of outstanding bank loans during the Year as compared to the year ended 31 December 2023; and (ii) the decrease in interest expense on lease liabilities due to decrease in weighted average lessee's incremental borrowing rate during the Year as compared to the year ended 31 December 2023.

Income tax (expense)/credit

The Group recorded income tax expense of approximately RMB1.8 million for the Year as compared with income tax credit of approximately RMB0.3 million for the year ended 31 December 2023, primarily due to changes in tax effect of tax losses and temporary difference during the Year.

Loss for the year

The Group recorded a loss for the year of approximately RMB46.9 million for the Year as compared to a loss for the year of approximately RMB96.1 million for the year ended 31 December 2023, due to the combined effects of (i) the increase in gross profit for the Year, primarily attributable to the increased proportion of higher-margin services, such as medical conference services and marketing strategy and consulting services, which contributed to improved profitability; (ii) the decrease in research and development expenses; and (iii) the decrease in the impairment on the intangible assets during the Year as compared to the year ended 31 December 2023.

Other comprehensive income

The Group recorded other comprehensive income of approximately RMB0.3 million for the Year, as compared with other comprehensive income of approximately RMB15.9 million for the year ended 31 December 2023, primarily due to the recognition of fair value gain of approximately RMB15.0 million arising from the disposal of the Group's interest in Beijing Lingchuang Yigu Technology Development Co., Ltd. ("**Lingchuang Yigu**") as at the year ended 31 December 2023.

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 RMB50.4 million as at 31 December 2024, due to (i) the implementation of more efficient credit control measures by the Group; and (ii) the decrease in sales during the Year.

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 RMB32.3 million as at 31 December 2023 to approximately RMB37.6 million as at 31 December 2024, due to the implementation of more efficient cash flow management by the Group during the Year.

Financial assets at FVTPL

The Group's financial assets at FVTPL mainly represent financial products that the Group purchased. These financial products were primarily low risk structured deposit from reputable PRC commercial banks, the principal of which was invested in low risk debt instruments, while the interest was invested in derivatives market. As at 31 December 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 Year, the gain on fair value changes of financial assets at FVTPL amounted to approximately RMB0.5 million, representing a decrease of approximately 78.9% from approximately RMB2.2 million for the year ended 31 December 2023. The decrease was mainly attributable to the decrease in average balance of the financial assets at FVTPL during the Year.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Treasury Policy

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

Net Current Assets

As at 31 December 2024, the Group had net current assets of approximately RMB43.8 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 Hong Kong Dollar and carried the relevant benchmark interest rates throughout the Year; and (ii) cash on hand.

As at 31 December 2024, the Group had bank balances and cash of approximately RMB71.7 million, representing a decrease of approximately 10.8% 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.

Indebtedness

As at 31 December 2024, the Group, as a lessee, had outstanding current and non-current lease liabilities of approximately RMB8.7 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 31 December 2024, the Group had outstanding bank borrowings of approximately RMB39.0 million (31 December 2023: RMB21.5 million), which was unsecured, guaranteed and repayable within 12 months. All borrowings are charged with reference to the floating interest rate of Loan Prime Rate of the PRC and denominated in Renminbi.

As at 31 December 2024, the Group had available unutilised banking facilities of approximately RMB6.5 million (31 December 2023: RMB3.5 million).

The Group's gearing ratio (calculated as total bank borrowings divided by total equity) as at 31 December 2024 was 53.3% (31 December 2023: 17.9%).

Capital Expenditures

As at 31 December 2024, capital expenditures of the Group decreased to approximately RMB12.7 million for the Year as compared with approximately RMB1.6 million for the year ended 31 December 2023. These capital expenditures were related to (i) purchases of property, plant and equipment; and (ii) expenses for research and development activities capitalised as intangible assets. The Group is expected to incur expenses to develop computer and mobile software and platforms for its digital marketing and sales solutions services which may be capitalised.

Capital Structure

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

As at 31 December 2024, the total number of issued Shares was 200,000,000.

Foreign Exchange Risk

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

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

Contingent Liabilities

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

Pledge of Assets

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

Human Resources

As at 31 December 2024, the Group had 311 employees (31 December 2023: 335 employees) as a result of the decrease in headcount due to the Group's organizational changes aimed at streamlining operations. For the Year, the staff cost recognised as expenses of the Group amounted to approximately RMB66.9 million, representing a decrease of approximately 30.7% from approximately RMB96.4 million for the year ended 31 December 2023. The decrease was mainly attributable to the Group's organizational changes aimed at streamlining operations and reducing operating costs.

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

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

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

Equity Interests in 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 31 December 2024, the Group holds 19.41% equity interest in Shanghai Bohuikang (31 December 2023: 19.41%), the fair value of which was approximately RMB15.1 million as at 31 December 2024 (31 December 2023: approximately RMB14.2 million), accounting for approximately 7.8% (31 December 2023: approximately 6.6%) of the total assets of the Group of approximately RMB194.1 million as at 31 December 2024 (31 December 2023: approximately RMB214.3 million).

During the Year, the change in fair value of the equity interests in Shanghai Bohuikang of approximately RMB0.8 million was credited to other comprehensive income (31 December 2023: other comprehensive income of approximately RMB2.3 million). No dividend income was received from the equity interests in Shanghai Bohuikang during the Year (31 December 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 of the Company during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no future plans for material investments or capital assets as at 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2024 and up to the date of this announcement, no significant events have occurred which have material impact on the performance and the value of the Group.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

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

FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to achieving high standards of corporate governance with a view to safeguarding the interests of its shareholders (the "**Shareholders**") as a whole. Throughout the Year, the Company has applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code (the "**Corporate Governance Code**") as contained in Appendix C1 to the Listing Rules in force during the year ended 31 December 2024.

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 C3 to the Listing Rules in force during the year ended 31 December 2024 as its own code of conduct regarding securities transactions of the Directors. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

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

FINAL DIVIDEND

The Board did not recommend the payment of any final dividend in respect of the year ended 31 December 2024 (2023: Nil).

ANNUAL GENERAL MEETING

It is proposed that an annual general meeting of the Company (the "**AGM**") will be convened and held on Wednesday, 25 June 2025. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the articles of association of the Company and the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

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

Latest time to lodge transfer documents for registration	4:30 p.m. on Wednesday, 18 June 2025
Closure of register of members	Thursday, 19 June 2025 to Wednesday, 25 June 2025 (both days inclusive)

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

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company (the "**Audit Committee**") comprised three independent non-executive Directors, namely Mr. Yang Xiaoxi (chairman), Mr. Song Ruilin and Mr. David Zheng Wang. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 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.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 set out in this announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Moore CPA Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mediwelcome.com). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be and made available on the same websites and despatched to the Shareholders in due course.

CHANGE IN COMPOSITION OF NOMINATION COMMITTEE

The Board announces that the composition of the Board committees has changed with effect from 26 March 2025 as follows:

(1) Mr. Shi Wei, currently an executive Director, ceased to be the chairman of the nomination committee of the Company (the "**Nomination Committee**");

(2) Mr. David Zheng Wang, an independent non-executive Director, has been re-designated as the chairman of the Nomination Committee; and

(3) Ms. Liu Guijin, an executive Director, has been appointed as a member of the Nomination Committee.

CHANGE OF ADDRESS OF HEADQUARTERS

The Board hereby announces that the address of the headquarters of the Company will be changed to 17th Floor, Tower 7, Wangjing East Park, Chaoyang District, Beijing, China with effect from 26 March 2025.

The principal place of business in Hong Kong, registered office, telephone number, facsimile number and website of the Company remain unchanged.

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

Hong Kong, 26 March 2025

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