

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 unaudited consolidated interim results of the Company and its subsidiaries (collectively, “**we**”, “**us**”, “**our**” or the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *For the six months ended 30 June 2025*

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	127,052	140,670
Cost of sales		(105,268)	(119,985)
Gross profit		21,784	20,685
Other income, gains and losses, net	4	447	791
Selling expenses		(7,480)	(7,260)
Administrative expenses		(18,689)	(28,617)
Research and development expenses		(6,305)	(12,051)
Finance costs	5	(714)	(529)
Reversal of impairment losses on trade receivables		6,871	4,633
Loss before taxation	6	(4,086)	(22,348)
Income tax expense	7	—	(581)
Loss for the period		(4,086)	(22,929)

		Six months ended 30 June	
		2025	2024
<i>Notes</i>		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Other comprehensive income/(loss)			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value change of equity investments at fair value through other comprehensive income		<u>(783)</u>	<u>3,827</u>
Total comprehensive loss for the period		<u>(4,869)</u>	<u>(19,102)</u>
Loss for the period attributable to:			
— Owners of the Company		<u>(6,123)</u>	<u>(22,213)</u>
— Non-controlling interests		<u>2,037</u>	<u>(716)</u>
		<u>(4,086)</u>	<u>(22,929)</u>
Total comprehensive loss for the period attributable to:			
— Owners of the Company		<u>(6,906)</u>	<u>(18,386)</u>
— Non-controlling interests		<u>2,037</u>	<u>(716)</u>
		<u>(4,869)</u>	<u>(19,102)</u>
Loss per share			
— Basic and diluted loss per share (<i>RMB cents</i>)	9	<u>(3.20)</u>	<u>(11.60)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		2,457	3,026
Right-of-use assets		6,887	8,513
Equity instruments at fair value through other comprehensive income		18,138	20,646
Deposits and other receivables		1,004	1,043
		28,486	33,228
Current assets			
Trade receivables	10	25,966	50,394
Contract costs		34,948	35,785
Prepayments, deposits and other receivables		8,410	3,025
Bank balances and cash		94,240	71,656
		163,564	160,860
Assets classified as held for sale		27,093	—
		190,657	160,860
Total assets		219,143	194,088

		30 June 2025	31 December 2024
	<i>Note</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
LIABILITIES			
Current liabilities			
Trade payables	11	28,720	37,602
Contract liabilities		46,585	23,153
Other payables and accruals		9,516	12,327
Lease liabilities		3,622	4,937
Borrowings		42,357	39,027
		<u>130,800</u>	<u>117,046</u>
Liabilities associated with assets classified as held for sale		<u>16,531</u>	<u>—</u>
		<u>147,331</u>	<u>117,046</u>
Net current assets		<u>43,326</u>	<u>43,814</u>
Total assets less current liabilities		<u>71,812</u>	<u>77,042</u>
Non-current liabilities			
Lease liabilities		<u>3,403</u>	<u>3,763</u>
		<u>3,403</u>	<u>3,763</u>
Net assets		<u><u>68,409</u></u>	<u><u>73,279</u></u>
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		1	1
Reserves		<u>64,231</u>	<u>71,138</u>
		<u>64,232</u>	<u>71,139</u>
Non-controlling interests		<u>4,177</u>	<u>2,140</u>
Total equity		<u><u>68,409</u></u>	<u><u>73,279</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

Mediwelcome Healthcare Management & Technology Inc. (the “**Company**”) was incorporated under the laws of the Cayman Islands with limited liability on 21 February 2019. The registered office is located at Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands and its principal place of business in Hong Kong is located at Unit 1218, 12/F, Corporation Square, No.8 Lam Lok Street, Kowloon Bay, Kowloon, Hong Kong. The shares of the Company (“**Shares**”) have been listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 19 January 2021 (“**Listing Date**”).

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

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

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

1.2 Basis of preparation

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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

3. REVENUE AND SEGMENT INFORMATION

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The Group's loss before taxation	(4,086)	(22,348)
Less: Other income, gains and losses, net	(447)	(791)
Operating loss presented to the CODM	<u>(4,533)</u>	<u>(23,139)</u>

Revenue by service type as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Medical conference services	43,660	76,133
Patient education and screening services	1,102	1,706
Marketing strategy and consulting services	66,591	53,096
Contract research organisation services	795	1,666
Digital marketing and sales solutions services	14,078	7,496
Internet hospital services	826	573
Total revenue	<u>127,052</u>	<u>140,670</u>

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

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
At a point in time	125,431	134,760
Over time	1,621	5,910
Total revenue	127,052	140,670

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Customer A	13%	21%
Customer B	13%	17%

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

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Within one year	309,566	626,967

4. OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Foreign exchange (loss)/gains, net	(520)	238
Bank interest income	118	184
Gain on fair value changes of financial assets at fair value through profit or loss (“FVTPL”)	203	240
Government subsidy (<i>Note</i>)	550	–
Others	96	129
	<u>447</u>	<u>791</u>

Note: Amount represented subsidy on the Group’s business development without any specific conditions attached to the subsidy during the six months ended 30 June 2025. No government subsidy was received during the six months ended 30 June 2024.

5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Interest expense on lease liabilities	24	158
Interest expense on borrowings	545	191
Guarantee fees	145	180
	<u>714</u>	<u>529</u>

6. LOSS BEFORE TAXATION

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss before taxation has been carried at after charging:		
Depreciation of property, plant and equipment	589	704
Depreciation of right-of-use assets	1,037	3,030
Staff costs:		
— Fee and salaries (including directors' remuneration)	29,280	29,977
— Staff retirement benefit costs (including directors' retirement benefit scheme contributions)	2,669	2,462
— Social security costs, housing benefits and other employee benefits (including directors' social security costs, housing benefits and other benefits)	3,366	3,185
	<u>35,315</u>	<u>35,624</u>

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Under provision of taxation for previous years	<u>—</u>	<u>203</u>
	—	203
Deferred tax expense	<u>—</u>	<u>378</u>
	<u>—</u>	<u>581</u>

(a) PRC enterprise income tax (“EIT”)

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

One of the entities comprising the Group was approved to be the High and New Technology Enterprise (“HNTe”), and the entity enjoyed the preferential tax rate of 15% for HNTe from 2022 to 2025. 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% tax reduction based on the eligible research and development expenses for the six months ended 30 June 2025 (six months ended 30 June 2024: 100%).

For the six months ended 30 June 2025, nine (six months ended 30 June 2024: nine) of the entities comprising the Group is qualified as small and micro-sized enterprises (“SMEs”) for tax reduction. For the six months ended 30 June 2025, SMEs are eligible for 75% reduction at the applicable EIT tax rate of 20% (six months ended 30 June 2024: SMEs are eligible for 75% reduction at the applicable EIT tax rate 20%).

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

(b) PRC withholding tax (“WHT”)

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

The Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was provided as at 30 June 2025 and 2024.

8. DIVIDEND

No dividends were paid, declared or proposed during the six months ended 30 June 2025. The directors of the Company have determined that no dividend will be paid in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: 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 period.

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company	<u>(6,123)</u>	<u>(22,213)</u>
Weighted average number of ordinary shares in issue in the basic and diluted earnings per share calculation (in thousands)	<u>191,422</u>	<u>191,422</u>

The computation of diluted loss per share for the six months ended 30 June 2025 does not assume the issue of the Company's unvested RSUs as their assumed issue would result in a decrease in loss per share.

10. TRADE RECEIVABLES

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Receivables from third parties	38,881	70,724
Less: allowance for credit losses	<u>(12,915)</u>	<u>(20,330)</u>
	<u>25,966</u>	<u>50,394</u>

Note:

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

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 90 days	23,480	47,365
91 days to 180 days	2,486	3,029
	25,966	50,394

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Not past due	23,480	47,365
0–90 days past due	2,486	3,029
	25,966	50,394

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

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Payables to third parties	<u>28,720</u>	<u>37,602</u>

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

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Up to 90 days	21,237	27,411
91 days to 180 days	1,870	3,165
181 days to 360 days	2,528	1,868
Over 360 days	<u>3,085</u>	<u>5,158</u>
	<u>28,720</u>	<u>37,602</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of 2025, in face of a complex and volatile macro-environment as well as the evolving landscape of the medical industry, Mediwelcome Healthcare Management & Technology Inc. (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) had been grasping our development strategy with dual-driving forces of “AIGC medical market services and innovative digital medical services”, resulting in steady business growth. Remarkable initial achievements of the Group represent our business upgrade “from providing digital innovation services for the medical industry, AIGC medical promotion services and digital solutions to providing web 3.0 medical digital services in relation to asset transaction platform”, when the ecosystem of the medical digital services will continue to be developed and refined.

For our core strategy and technological innovation, the Group made additional breakthroughs in the first half of 2025, backed up by our solid foundation laid in 2024 relative to the research and development and the operational applications of AIGC technology and web 3.0 digital technology. We have focused on expediting our exploration on the research and development and the application of AI intelligent systems, with a view to materializing the labelling of medical knowledge and data as well as the generation of medical products under our copyrights with medical professionals. Such processes are conducted by AI, combined with manpower, and would be integrated into our business of digital asset transaction platform. Meanwhile, the Group has made initial achievements on the research and development and the application of cutting-edge items such as AI intelligent systems for special disease management, intelligent robots for special diseases and innovative products of multi-omics testing. Not only have these innovations enriched the Group’s service matrix, but also they have suggested new ways for realizing the value transformation of medical data assets.

Data and Performance of Core businesses

As at 30 June 2025, the number of registered doctor users on the Group’s digital medical platform mounted to 781,606. During the Reporting Period, 75,987 online doctor education events and 28,167 online patient education events were held, when 106,614 videos were produced and disseminated with total views reaching 14,038,024.

As at 30 June 2025, the number of registered doctor users on the Group’s internet medical platform reached 56,154, representing an increase of 8.2% over the corresponding period in 2024, while the number of patient users were 342,575, representing an increase of 14.6% over the corresponding period in 2024.

Recent Activities in Capital Market

In response to the Group's long-term development strategy, the Company successfully completed the placing of new shares under the general mandate between June and July in 2025. The successful placing has fully demonstrated high recognition of the Group's business model, development potential and future value in the capital market. The funds raised will be used as general working capital of the Group, solidly and financially supporting the continued expansion of our business and the implementation of our strategies which would assist the Group in consolidating our leading position in the digital medical field.

OUTLOOK

Looking ahead at the second half of 2025, the Group shall continue to develop its core capabilities in areas such as digital solutions for the medical market, AIGC technology, intelligent robots for special diseases, innovative products of medical testing and asset digitalization for the medical industry, when the fitting-in of our capabilities with fields such as multi-scenario healthcare (醫療多場景) and digital transaction of medical assets with copyright is promoted. We will be dedicated to creating the incremental value of "clinical medicine + AIGC + Web3.0" and providing higher-valued digital services to NGOs, medical institutions, doctors, patients, pharmaceutical and medical device enterprises and other parties. The Group is confident in our future business development and shall strive to achieve sustained and stable growth so as to create greater value for shareholders.

FINANCIAL REVIEW

Revenue

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

The Group's revenue decreased by approximately 9.7% from approximately RMB140.7 million for the six months ended 30 June 2024 to approximately RMB127.1 million for the Reporting Period. The following table sets forth a breakdown of the Group's revenue by service type for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	(RMB'000)		(RMB'000)	
Medical conference services	43,660	34.3%	76,133	54.1%
Marketing strategy and consulting services	66,591	52.4%	53,096	37.8%
Digital marketing and sales solutions services	14,078	11.1%	7,496	5.3%
CRO services	795	0.6%	1,666	1.2%
Patient education and screening services	1,102	0.9%	1,706	1.2%
Internet hospital services	826	0.7%	573	0.4%
Total	<u>127,052</u>	<u>100.0%</u>	<u>140,670</u>	<u>100.0%</u>

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 significantly decreased by approximately 42.7% from approximately RMB76.1 million for the six months ended 30 June 2024 to approximately RMB43.7 million for the Reporting Period, primarily attributable to the reduction of economic activities in the People's Republic of China (the “PRC”) and the postponement of several major conferences to the second half of the year, whereas in the prior year, such conferences were held during the first half of the period.

Marketing Strategy and Consulting Services

The Group provides marketing strategy and consulting services to assist pharmaceutical companies in formulating and implementing effective business strategies in enhancing their brands and product awareness among physicians. Revenue from marketing strategy and consulting services increased by approximately 25.4% from approximately RMB53.1 million for the six months ended 30 June 2024 to approximately RMB66.6 million for the Reporting Period due to the increase in demand for marketing strategy and consulting services.

Digital Marketing and Sales Solutions Services

The Group utilises its own newly developed digital marketing integration platform to assist pharmaceutical companies in formulating and implementing effective digital marketing and sales solutions. The Group provides customised digital marketing solutions based on the different forms and life cycle of customer products in order to reduce marketing costs, improve coverage efficiency, and reach users precisely. Revenue from digital marketing and sales solutions services increased by approximately 87.8% from approximately RMB7.5 million for the six months ended 30 June 2024 to approximately RMB14.1 million for the Reporting Period, primarily attributable to the Group's business strategy to focus on digital marketing projects with higher profit margin during the Reporting Period.

Patient Education and Screening Services

Patient education and screening services of the Group allow patients to administer better self-care and disease control, which will lower the burden on the healthcare system in the long run. Revenue from patient education and screening services decreased by approximately 35.4% from approximately RMB1.7 million for the six months ended 30 June 2024 to approximately RMB1.1 million for the Reporting Period, primarily attributable to the reduction of economic activities in the PRC and a corresponding drop in demand for the relevant services during the Reporting Period.

CRO Services and Internet Hospital Services

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

Revenue from CRO services decreased by approximately 52.3% from approximately RMB1.7 million for the six months ended 30 June 2024 to approximately RMB0.8 million for the Reporting Period due to the reduction of economic activities in the PRC.

The Group has developed the mobile platforms, Mediwelcome Doctor+ (麥迪衛康醫加) and Doctor+ for Doctor (醫加醫生端), to provide internet hospital services. Currently, physicians' existing patients can schedule online follow up consultations, obtain e-prescriptions and purchase medicine through the platform. Revenue from internet hospital services increased by approximately 44.2% from approximately RMB0.6 million for the six months ended 30 June 2024 to approximately RMB0.8 million for the Reporting Period, primarily attributable to the increase in demand for the services.

Cost of sales

The Group's cost of sales, which mainly represents speaker fees paid to physicians, venue costs and staff costs, decreased by approximately 12.3% from approximately RMB120.0 million for the six months ended 30 June 2024 to approximately RMB105.3 million for the Reporting Period, which was generally in line with the decrease in the Group's revenue.

Gross profit and gross profit margin

As a result of the foregoing, the Group's overall gross profit increased by approximately RMB1.1 million from approximately RMB20.7 million for the six months ended 30 June 2024 to approximately RMB21.8 million for the Reporting Period. The Group's overall gross profit margin slightly increased from 14.7% for the six months ended 30 June 2024 to 17.1% for the Reporting Period, primarily due to the Group's business strategy to concentrate on projects with higher profit margin.

Other income, gains and losses

Other income, gains and losses mainly consist of foreign exchange gains, net, gains on fair value changes of financial assets at fair value through profit or loss ("FVTPL"), government subsidy and bank interest income. The Group's other income, gains and losses decreased by approximately 43.5% from approximately RMB0.8 million for the six months ended 30 June 2024 to approximately RMB0.4 million for the Reporting Period, primarily attributable to the increase in foreign exchange losses which was partially offset by increasing in government subsidy during the Reporting Period.

Selling expenses

Selling expenses mainly consist of transportation expenses, salaries, performance bonuses and employee benefits expenses for the sales and marketing and business development expenses. The Group's selling expenses increased by approximately 3.0% from approximately RMB7.3 million for the six months ended 30 June 2024 to approximately RMB7.5 million for the Reporting Period, primarily due to more marketing activities and increased business development efforts.

Administrative expenses

Administrative expenses mainly represent salaries and benefits of the administrative and management staff, professional consulting fees, depreciation and other miscellaneous administrative expenses. The Group's administrative expenses significantly decreased by approximately 34.7% from approximately RMB28.6 million for the six months ended 30 June 2024 to approximately RMB18.7 million for the Reporting Period, primarily due to the reallocation of rental premises to reduce costs, a decrease in depreciation expenses, and a reduction in professional consultancy fees.

Research and development expenses

The Group's research and development expenses significantly decreased by approximately 47.7% from approximately RMB12.1 million for the six months ended 30 June 2024 to approximately RMB6.3 million for the Reporting Period, mainly due to reduced expenses incurred during the Reporting Period for the Group's research and development projects, including digital marketing solutions, digital medical solutions, and development of an artificial intelligent online platform.

Finance costs

Finance costs mainly represent interest expense on bank loans and interest expense on lease liabilities. The Group's finance costs increase by approximately 35.0% from approximately RMB0.5 million for the six months ended 30 June 2024 to approximately RMB0.7 million for the Reporting Period, mainly due to the increase in the average balance of bank borrowings.

Income tax expense

The Group recorded no income tax expense for the Reporting Period, as compared with income tax expense of approximately RMB0.6 million for the six months ended 30 June 2024, primarily due to tax reductions granted for eligible research and development expenses during the Reporting Period.

Loss for the period

The Group's loss for the period significantly decreased by approximately 82.2% from approximately RMB23.0 million for the six months ended 30 June 2024 to approximately RMB4.1 million for the Reporting Period due to the net effects of (i) the increase in the Group's gross profit by approximately RMB1.1 million as the Group concentrated on projects with higher profit margin; (ii) the decrease in research and development expenses by approximately RMB5.7 million; and (iii) the decrease in administrative expenses by approximately RMB9.9 million.

Other comprehensive income/(loss)

The Group recorded other comprehensive loss of approximately RMB0.8 million for the Reporting Period, as compared with other comprehensive income of approximately RMB3.8 million for the six months ended 30 June 2024, primarily attributable to the increase in recognition of unrealised fair value loss on the Group's investment in unlisted equity securities during the Reporting Period, whereas an unrealised fair value gain was recognised for the six months ended 30 June 2024.

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 significantly decreased from approximately RMB50.4 million as at 31 December 2024 to approximately RMB26.0 million as at 30 June 2025 due to lower sales from scaling down projects with lower profit margins and a shift in revenue mix toward services with shorter billing cycles.

Trade payables

Trade payables mainly represent balances due to suppliers for the procurement of goods and services used for the Group's service offerings, such as travel and lodging services, presentation materials, venue set-up, rental services and video production services. The Group's trade payables decreased from approximately RMB37.6 million as at 31 December 2024 to approximately RMB28.7 million as at 30 June 2025, which was generally in line with the decrease in the Group's revenue.

Financial assets at fair value through profit or loss

The Group's financial assets at FVTPL mainly represent financial products that the Group purchased. These financial products were primarily low risk structured deposit from reputable PRC commercial banks, the principal of which was invested in low risk debt instruments, while the interest was invested in derivatives market. As at 30 June 2025, the financial assets at FVTPL have been fully redeemed and the Group did not record any financial assets at FVTPL (31 December 2024: Nil). For the Reporting Period, the gain on fair value changes of financial assets at FVTPL amounted to approximately RMB0.2 million, representing a decrease of approximately 15.4% from approximately RMB0.2 million for the six months ended 30 June 2024. The decrease was mainly attributable to the decrease in average balance of the financial assets at FVTPL during the Reporting Period.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Treasury policy

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

Net current assets

As at 30 June 2025, the Group had net current assets of approximately RMB43.3 million, as compared with net current assets of approximately RMB43.8 million as at 31 December 2024.

Bank balances and cash

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

As at 30 June 2025, the Group had bank balances and cash of approximately RMB94.2 million, representing an increase of approximately 31.5% from approximately RMB71.7 million as at 31 December 2024. 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 30 June 2025, the Group, as a lessee, had outstanding current and non-current lease liabilities of approximately RMB7.0 million as compared with approximately RMB8.7 million as at 31 December 2024. The lease liabilities represent payment for the right to use underlying assets, which is unsecured and unguaranteed.

As at 30 June 2025, the Group had outstanding bank borrowings of approximately RMB42.4 million (31 December 2024: RMB39.0 million), which was unsecured, unguaranteed and repayable within 12 months. All borrowings are charged with reference to the floating interest rate of Loan Prime Rate of the PRC and denominated in Renminbi.

As at 30 June 2025, the Group had available unutilised banking facilities of approximately RMB9.2 million (31 December 2024: RMB6.5 million).

The Group's gearing ratio (calculated as total bank and other borrowings divided by total equity) as at 30 June 2025 was 61.9% (31 December 2024: 53.3%).

Capital expenditures

Capital expenditures of the Group decreased to approximately RMB119,000 for the Reporting Period as compared with approximately RMB939,000 for the six months ended 30 June 2024. These capital expenditures were related to purchases of property, plant and equipment. It is expected that the Group will incur expenses to develop computer and mobile software and platforms for its digital marketing and sales solutions services which may be capitalised. These expenses will be financed by the cash flow from operating activities.

Capital structure

There has been no change in the capital structure of the Company since the listing (the “**Listing**”) of the Company's ordinary shares (the “**Share(s)**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). As at 30 June 2025, the total number of issued Shares was 200,000,000 and the Company did not hold any treasury shares.

Foreign exchange risk

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

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

Contingent liabilities

As at 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

Pledge of assets

As at 30 June 2025, the Group did not pledge any of its assets (31 December 2024: nil).

Human resources

As at 30 June 2025, the Group had 278 employees (30 June 2024: 280 employees). For the Reporting Period, the staff cost recognised as expenses of the Group amounted to approximately RMB35.3 million, representing a slightly decrease of approximately 0.9% from approximately RMB35.6 million for the six months ended 30 June 2024. The decrease was mainly attributable to the decrease in headcounts during the Reporting Period.

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

Furthermore, the Company has conditionally adopted the restricted share units scheme on 18 September 2019 (the “**RSU Scheme**”) and a share option scheme (the “**Share Option Scheme**”) on 21 December 2020, details of which are set out in “Appendix IV — Statutory and General Information — D. Other information — 2. RSU Scheme” and “Appendix IV — Statutory and General Information — D. Other Information — 3. Share Option Scheme” in the prospectus of the Company dated 31 December 2020 (the “**Prospectus**”).

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

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

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

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

As at 30 June 2025, the Group holds 19.41% equity interest in Shanghai Bohuikang (31 December 2024: 19.41%), the fair value of which was approximately RMB14.3 million as at 30 June 2025 (31 December 2024: approximately RMB15.1 million), accounting for approximately 6.5% (31 December 2024: approximately 7.8%) of the total assets of the Group of approximately RMB219.1 million as at 30 June 2025 (31 December 2024: approximately RMB194.1 million).

During the Reporting Period, the change in fair value of the equity interests in Shanghai Bohuikang of approximately RMB0.8 million was debited to other comprehensive income (30 June 2024: other comprehensive income of approximately RMB6.0 million). No dividend income was received from the equity interests in Shanghai Bohuikang during the Reporting Period (30 June 2024: 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.

Discloseable Transaction

On 13 June 2025, Beijing Medi Healthcare Management Consulting Co., Ltd.* (北京麥迪康健管理諮詢有限公司) (“**Beijing Medi Healthcare**”) (one of the Group's PRC operating entities), Mr. Sun Jian and Ms. Duan Lili, all being shareholders of Beijing Haice Culture Communication Co., Ltd* (北京海策文化傳播有限公司) (the “**Target Company**”), passed the capital reduction of the registered capital of the Target Company at the total consideration of RMB7.0 million (the “**Capital Reduction Resolutions**”), pursuant to which it was resolved that the registered capital of the Target Company has been reduced by approximately RMB3.1 million, representing 51.00% of existing registered capital of the Target Company, all of which has been reduced from the registered capital owned by Beijing Medi Healthcare. Upon completion of the Capital Reduction, Beijing Medi Healthcare ceased to own any interest in the Target Company. Accordingly, the financial results of the Target Company has no longer be consolidated into the consolidated financial statements of the Company.

For details, please refer to the announcement issued by the Company dated 13 June 2025.

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

Placing under General Mandate

On 13 June 2025, the Company entered into a placing agreement with a placing agent pursuant to which the Company has conditionally agreed to place, through the placing agent on a best effort basis, up to 40,000,000 ordinary Shares at the placing price of HK\$0.40 per placing share to not less than six placees (who are individual, institutional or professional investors), who and whose ultimate beneficial owners are independent third parties. The placing shares have been allotted and issued pursuant to the general mandate. A total of 40,000,000 ordinary Shares have been successfully placed by the placing agent at the placing price of HK\$0.40 per placing share pursuant to the terms and conditions of the placing agreement on 13 June 2025. The net proceeds from this placing at the time of its completion were approximately HK\$15.45 million. The Company will utilise all net proceeds from the placing as general working capital of the Group. The Placing can provide the Company with additional funds to strengthen the financial position of the Group and provide funding for the business operation of the Group. The placing was completed on 8 July 2025. Further information of this placing can be found in the Company's announcements dated 13 June 2025 and 8 July 2025.

An analysis of the utilisation of the use of proceeds during the interim period is set out as follows:

	Net proceeds as at 8 July 2025 (HK\$ million)	Amount utilised during the Reporting Period (HK\$ million)	Amount unutilised as at 30 June 2025 (HK\$ million)	Expected timeline of full utilisation
General working capital of the Group	15.45	N/A	N/A	By 31 December 2028
Total	<u>15.45</u>	<u>N/A</u>	<u>N/A</u>	

The net proceeds have been and will be utilised in accordance with the purposes set out in the Company's announcements dated 13 June 2025 and 8 July 2025. The expected timeline for utilising the remaining proceeds is based on the best estimation of the future progress of business expansion and market conditions made by the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no other future plans for material investments or capital assets as at 30 June 2025.

EVENTS AFTER REPORTING PERIOD

Use of Proceeds in Relation to the Placing under General Mandate

On 14 July 2025, the Company entered into a placing agreement with a placing agent pursuant to which the Company has conditionally agreed to place, through the placing agent on a best effort basis, up to 40,000,000 ordinary Shares at the placing price of HK\$0.55 per placing share to not less than six placees (who are individual, institutional or professional investors), who and whose ultimate beneficial owners are independent third parties. The placing shares have been allotted and issued pursuant to the general mandate. A total of 40,000,000 ordinary Shares have been successfully placed by the placing agent at the placing price of HK\$0.55 per placing Share pursuant to the terms and conditions of the placing agreement on 14 July 2025. The net proceeds from this placing at the time of its completion were approximately HK\$21.32 million. The Company will utilise all net proceeds from the Placing as general working capital of the Group. The placing was completed on 28 July 2025. Further information of this placing can be found in the Company's announcements dated 14 July 2025 and 28 July 2025.

Save as disclosed above, there were no significant events after 30 June 2025 and up to date of this announcement.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

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

FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES

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

AUDIT COMMITTEE

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

The Audit Committee has reviewed the unaudited interim results of the Group and the interim report of the Company for the six months ended 30 June 2025. 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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted corporate governance practices based on the principles and code provisions as set out in the Appendix C1 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance practices. During the Reporting Period, the Company had applied the principles of good corporate governance and complied with all the applicable code provisions set out in Part 2 of the CG Code.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors’ securities transactions.

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

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

DIVIDEND

The Board resolved not to declare the payment of any interim dividend in respect of the six months ended 30 June 2025 (2024: Nil).

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mediwelcome.com). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules 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, 28 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Shi Wei, Mr. Yang Weimin, Mr. Wang Liang and Ms. Liu Guijin; the non-executive director of the Company is Mr. Liu Xia; and the independent non-executive directors of the Company are Mr. Song Ruilin, Mr. David Zheng Wang and Mr. Yang Xiaoxi.