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)

DISCLOSEABLE TRANSACTION
CAPITAL REDUCTION OF THE TARGET COMPANY

THE CAPITAL REDUCTION RESOLUTIONS

On 13 June 2025, Beijing Medi Healthcare (one of the Group's PRC operating entities), Mr. Sun Jian and Ms. Duan Lili, all being shareholders of the Target Company, passed the Capital Reduction Resolutions, pursuant to which it is resolved that the registered capital of the Target Company will be reduced by approximately RMB3.1 million, representing 51.00% of existing registered capital of the Target Company, all of which will be reduced from the registered capital owned by Beijing Medi Healthcare.

As at the date of this announcement and before the completion of the Capital Reduction, the Target Company is an indirect non-wholly-owned subsidiary of the Company and is held as to approximately 51.00% by Beijing Medi Healthcare and approximately 49.00% by the Existing Shareholders. Upon completion of the Capital Reduction, Beijing Medi Healthcare will cease to own any interest in the Target Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Rule 14.07 of the Listing Rules) in respect of the Capital Reduction is more than 5% but less than 25%, the Capital Reduction constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but exempt from circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

CAPITAL REDUCTION RESOLUTIONS

On 13 June 2025, Beijing Medi Healthcare (one of the Group's PRC operating entities), Mr. Sun Jian and Ms. Duan Lili, all being shareholders of the Target Company, passed the Capital Reduction Resolutions, pursuant to which it is resolved that the registered capital of the Target Company will be reduced by approximately RMB3.1 million, representing 51.00% of existing registered capital of the Target Company, all of which will be reduced from the registered capital owned by Beijing Medi Healthcare.

As at the date of this announcement and before the completion of the Capital Reduction, the Target Company is an indirect non-wholly-owned subsidiary of the Company and is held as to approximately 51.00% by Beijing Medi Healthcare and approximately 49.00% by the Existing Shareholders. Upon completion of the Capital Reduction, Beijing Medi Healthcare will cease to own any interest in the Target Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

Basis of Consideration

The total consideration payable by the Target Company to the Group in relation to the Capital Reduction shall be RMB7.0 million, comprising approximately RMB3.1 million of the registered capital contributed by the Group. The consideration was determined based on the arm's length negotiation between Beijing Medi Healthcare and the Existing Shareholders with reference to the appraised market value of Beijing Medi Healthcare's attributable interest (being 51.00% equity interest in the Target Company before the Capital Reduction) in the total attributable shareholders' interests of the Target Company as at 31 December 2024, which is approximately RMB14.0 million.

The Board's View on the Fairness and Reasonableness of the Consideration

Considering that (i) the Valuation provides an objective and unbiased assessment of the value of the Target Company which ensures the fairness for parties involved, as it takes into account the market value and financial performance of the Target Company; (ii) the Valuation takes into consideration the comparable transactions in the market and industry benchmarks, which ensures that the Capital Reduction reflects the prevailing market conditions and pricing; (iii) it is required under relevant regulatory authorities that the equity interest transfer needs to be based on fair market value or an independent valuation; (iv) the Board has cautiously reviewed the relevant basis, assumptions and methodology of the Valuation; (v) the Board has discussed with the Valuer, the Board is of the view that the Valuation is a reasonable estimate of the total attributable shareholders' interests in the Target Company as of the benchmark date and that adopting the results of the Valuation as basis for forming the consideration is suitable and in the interest of the Company and the Shareholders as a whole.

Conditions Precedent to the Capital Reduction

The Capital Reduction is conditional upon, among others, (i) all necessary approvals with respect to the Capital Reduction has been obtained by the Target Company; (ii) each of the Existing Shareholders had waived its pre-emptive rights with respect to the proportional capital reduction requirement; and (iii) Beijing Medi Healthcare has confirmed that all its registered capital in the Target Company had been fully paid up.

Settlement of Consideration

The consideration for the Capital Reduction shall be paid by the Target Company to the designated bank account of Beijing Medi Healthcare in a lump sum within 15 working days upon the fulfilment of all conditions precedent of the Capital Reduction.

Completion

The Target Company shall complete the registration procedures with the relevant authority in the PRC in relation to the Capital Reduction within 20 working days (or any longer time as agreed by Beijing Medi Healthcare) upon settlement of the consideration.

VALUATION AND ASSUMPTIONS

The Company has engaged Beijing Zhongping Zhengxin Asset Appraisal Co., Ltd. (北京中評正信資產評估有限公司), an independent third-party valuer, to conduct the valuation against the Target Company. Pursuant to the valuation report prepared by the Valuer, the valuation is conducted on the market and asset-based approaches.

Basis of Using the Market and Asset-Based Approaches

Income Approach

The Target Company's business operations have fluctuated significantly in recent years with considerable losses. Its historical operating performance cannot be used as a reference for predicting its future earnings. It is not possible to reasonably forecast the Target Company's future earnings. Therefore, it is not appropriate to use the income approach for the Valuation.

Market Approach

In recent years, equity transaction cases in companies in the cultural planning industry have been quite active. The relationships in merger and acquisition cases, specific conditions affecting transaction prices, and relevant indicator data can be obtained through public annual reports or announcements of listed companies, providing sufficient information for analyzing transaction prices. Among listed companies, there are relatively few companies in the cultural planning-related industry, and they are usually involved in diverse businesses. Therefore, it is not suitable to use the listed-company comparison. Based on the subject, purpose and the background of this Valuation, it is appropriate to use the transaction-case comparison to value the total attributable shareholders' interests of the Target Company.

Asset-based Approach

The assets of the Target Company can be verified based on its financial information and on-site inspections. It belongs to a relatively mature industry, with comprehensive industry data available. Based on on-site inspections and the collection of relevant information, the assets and liabilities of the Target Company as of the benchmark date are clear, and it is a complete income-generating entity. Therefore, it is appropriate to use the asset-based approach for the Valuation.

Major Assumptions Adopted In The Valuation

The principal assumptions of the Valuation are as follows:

I. Assumptions of conditions

(i) Fair Transaction Assumption

The fair transaction assumption presumes that the Valuation subject is already in the process of being traded. The Valuer simulates the market to estimate the value based on the transaction conditions of the Valuation subject, adhering to the principles of fairness.

(ii) Open Market Assumption

The open market assumption presumes that the Valuation subject is within a fully competitive and well-developed market (whether regional, national, or international). In the market, the parties involved in the proposed transaction have equal market status and both have the ability, opportunity and time to obtain sufficient market information. The transaction behavior of both parties is conducted voluntarily and rationally, without coercion or restrictions, allowing them to make informed judgments about the functionality, use, and transaction price of the transaction subject. Under conditions of full market competition, the exchange value of the transaction subject is constrained by market mechanisms and determined by market conditions, rather than by individual transaction prices.

(iii) Going Concern Assumption

The going concern assumption presumes that the Target Company (including the assets encompassed by the Valuation subject) will continue to operate continuously according to its current model, scale, frequency and environment. This assumption not only establishes the continuity status of the Valuation subject but also sets the market conditions or market environment faced by the Valuation subject.

II. General Assumptions

(i) It is assumed that there will be no significant changes in the current laws and regulations, industry policies, industrial policies, and macroeconomic environment of the country and the local area (regions involved in the business operations of the Target Company) compared to the benchmark date; and that there will be no significant changes in the political, economic, and social environment of the regions where the parties involved in the Capital Reduction are located.

(ii) It is assumed that there will be no significant changes in the fiscal and monetary policies, as well as the applicable interest rates, exchange rates, tax bases and rates, and policy-related fees in the regions involved in the business operations of the Target Company.

(iii) It is assumed that there will be no other irresistible human factors or unforeseen factors that would have a significant adverse impact on the continued operations of the Target Company.

III. Special Assumptions

(i) It is assumed that the Target Company will maintain its current management style (model) and management level, with its business scope (operating scope) and operating methods remaining largely consistent with the present, and that the future development trend of its business will be generally consistent with the development trend of the industry as of the benchmark date.

(ii) It is assumed that the operators of the Target Company are responsible and that its management team is capable of fulfilling their roles and responsibilities.

(iii) It is assumed that the information provided by the Company and the Target Company (including basic data, financial data, operational data, etc.) is true, accurate, and complete, with full disclosure of significant matters.

(iv) It is assumed that the Target Company fully complies with all current relevant laws and regulations.

(v) It is assumed that the Target Company will maintain its current management style and management level, with its operating scope, operating model, product structure, decision-making procedures, etc., remaining largely consistent with the present.

VALUATION USING MARKET APPROACH

Criteria for Selection of the Comparable Transactions

The comparable transactions are selected with reference to the following criteria:

(i) the underlying company of such transaction provides professional consulting services in the cultural and communication industry;

(ii) such transactions were conducted within two years of the benchmark date; and

(iii) such underlying company was acquired or disposed by listed companies.

Below transactions are selected as comparable transaction cases:

Case No.	Purchaser	Target of Transaction	Equity Percentage of Transaction	Consideration (RMB'000)	Total Shareholders' Equity Interests Value (RMB'000)	Principal Business	Date of Transaction
1	Guo Shenghao	Shanghai Shaohua Cultural Communication Co., Ltd.* (上海韶华文化傳播股份有限公司) ("**Shanghai Shaohua**")	99.99%	1,499.9	1,500.1	Professional Consulting Services	24 October 2024
2	Shanghai Lehehe Management Consulting Partnership (Limited Partnership)* (上海樂闔赫管理諮詢合夥企業(有限合夥))	Experience Communication Plus Co., Ltd (上海誼熙加品牌管理股份有限公司) ("**ECP**")	6.25%	2,000.0	30,000.0	Professional Consulting Services	21 September 2024
3	Xiao Dongyan	Beijing Pilotage Changyi Media Technology Co., LTD (北京領航昌益傳媒技術股份有限公司) ("**Beijing Pilotage**")	30.66%	2,299.7	7,500.0	Professional Consulting Services	20 July 2023
4	Shentai Supply Chain (Chongqing)Co., Ltd.* (申泰供應鏈(重慶)有限公司)	Future Sifang Group Cultural Media Co. Ltd (重庆申泰健康管理股份有限公司) ("**Future Sifang**")	1.02%	10.2	1,000.0	Professional Consulting Services	19 January 2023

Pricing Multiples, Adjustments and Inputs of the Valuation

Pricing Multiples

The Valuer confirmed that the Target Company belongs to the professional consulting services industry, and the analysis of market transaction cases uses the price-to-book ("**PB**") ratio method as the basis for pricing. Therefore, the Valuation uses the PB multiple from the selected transaction cases as the value ratio.

Adjustments of the Value Ratio

I. Transaction Condition Adjustment

The Valuer selected companies primarily engaged in professional consulting services from transaction cases involving listed companies acquiring professional consulting services, similar to the Target Company, Therefore, adjustments for transaction conditions affecting the transaction consideration and PB multiple are not considered.

II. Transaction Date Adjustment

The selected cases happened within the past two years. Since the benchmark date of the Valuation is 31 December 2024, adjustments for the transaction date are made with reference to the Shanghai Composite Index.

III. Financial Indicator Adjustment

Due to differences in operational risk and financial risk between the Target Company and the comparable companies in the selected transaction cases, necessary adjustments are required. The Valuation uses qualitative analysis and quantitative estimation methods to adjust for other factors, analyzing and comparing four indicators: profitability, asset quality, debt risk, and growth potential.

IV. Control Premium/Minority Interest Discount Analysis and Calculation

There are three minority interest transactions among the comparable companies, while the Valuation subject involves a 100% equity transaction. Therefore, a control premium adjustment is needed for the comparable companies.

V. Liquidity/Lack of Liquidity Premium and Discount Analysis and Calculation

Since neither the Target Company nor the comparable transaction cases involves liquidity, no adjustments are made.

The modified indicators for the Target Company and each of the comparable companies are shown in the table below:

Case No.	Comparable Company	PB	Lack of Control Rights Adjustments	Liquidity Adjustment	Financial Indicator Adjustments	Time Adjustments	Adjusted PB
1	Shanghai Shaohua	17.79	100.00%	100.00%	125.00%	100.15%	22.28
2	ECP	1.00	115.12%	100.00%	56.25%	122.93%	0.80
3	Beijing Pilotage	0.92	115.12%	100.00%	50.21%	111.19%	0.59
4	Future Sifang	1.27	115.12%	100.00%	100.00%	120.34%	1.76
	Median						1.276548

To determine the adjusted PB ratio, the Valuer multiplied the PB ratio of the comparable companies by the overall adjustment coefficient adopting the formula as follows:

Adjusted PB = ∑PB of the comparable companies × Lack of Control Rights Percentage × Liquidity Adjustment Percentage × Financial Indicators Adjustments × Time Adjustments

Due to the significant differences in the adjusted PB ratios among the comparable companies, the median is selected as the PB multiple for the Valuation, being approximately 1.276548.

Therefore, the value of the total attributable shareholders' interests of the Target Company equals adjusted PB ratio multiplied by net assets attributable to the parent company, i.e. 1.276548*RMB10,650,300 = RMB13,595,600 (approximately RMB14.0 million).

VALUATION USING ASSET-BASED APPROACH

Key Quantitative Inputs and the Computation Process

The Valuer applied the below methods to conduct the Valuation:

I. Current assets

(i) Monetary funds

The appraised value is determined based on the audited and verified book value.

(ii) Accounts receivable, prepayments, and other receivables

The appraised value is determined based on estimated recoverable amount with reference to the aging analysis and recoverability judgment. For those with conclusive evidence of being unrecoverable, the appraised value is zero.

(iii) Inventory

As of the benchmark date, the costs have not been carried forward. The appraised value are determined according to the book value.

(iv) Other Current Assets

The Target Company's other current assets are mainly deductible input VAT. The Valuer has verified the book value, reviewed accounting and related materials, understood the reasons and timing of their formation, and reasonably determined their appraised value.

II. Equipment-Type Fixed Assets

The cost approach is mainly used for the Valuation. The basic computation process for the appraised value is:

Appraised Value = Replacement Cost × Remaining Useful Life Ratio

(i) Estimation of replacement cost:

Replacement Cost = Equipment Purchase Price + Freight and Miscellaneous Fees + Installation and Commissioning Fees + Capital Cost + Other Fees

The equipment purchase price is determined based on the market price as of the benchmark date. For various types of equipments of the Target Company, their delivery, installation, and commissioning are generally free of charge, so freight, installation, and other fees are not considered. The time from purchase to use is relatively short, so capital costs are not considered.

(ii) Estimation of Remaining Useful Life Ratio:

When valuing the remaining useful life ratio of equipment, the economic and technical life of the equipment and its usage are comprehensively considered to value its remaining service life.

For low-value equipment and office equipment such as computers and air conditioners, the remaining useful life ratio is mainly estimated using the years-of-use method, considering the equipment's maintenance and appearance. The estimation formula is as follows:

Remaining Useful Life Ratio = (Economic Service Life – Years Used) ÷ Economic Service Life × 100%

For low-value electronic equipment that has been discontinued or has a small value, the appraised value is based on the market price of second-hand equipment.

III. Right-of-Use Assets

Based on the original amount, lease term, and amortization, the book value of right-of-use assets is verified. The appraised value is determined based on the audited book value.

IV. Liabilities

Based on verification, the appraised value is determined based on the audited book value and the actual amount payable.

Below sets out the appraised value and the book value of the Target Company's assets:

	Appraised value *(RMB'000)*	**Book value** *(RMB'000)*
Current Assets	24,220.7	24,220.7
Non-current Assets	1,507.4	1,422.7
Fixed Assets	214.9	130.2
Right-of-use Assets	1,292.5	1,292.5
Total Assets	25,728.1	25,643.4
Current Liabilities	14,697.1	14,697.1
Non-current Liabilities	296.0	296.0
Total Liabilities	**14,993.1**	**14,993.1**
Net Assets	**10,735.0**	**10,650.3**

VALUATION CONCLUSION

The appraised value of the total attributable shareholders' interests using the asset-based approach is RMB10.735 million, while using the market approach is RMB13.5956 million. The difference between the two valuation methods is RMB2.8606 million, with a difference rate of 26.65%.

The asset-based approach values the total attributable shareholders' interests based on the market value of the Target Company's audited book assets and liabilities as of the benchmark date. However, it does not include off-balance-sheet and hard-to-identify assets such as human resources, customer resources, unique profit models and management models, goodwill, etc. In other words, the asset-based approach cannot cover the value of all assets of the Target Company, and since it starts from the replacement cost of the enterprise, it may overlook the overall profitability of the Target Company. Under the market approach, comparable company transactions are analysed. By calculating appropriate value ratios using the transaction data and predicting through a series of hypothetical models, the total attributable shareholders' interests in the Target Company is comprehensively assessed. The market approach considers whether each asset and liability, as well as their combinations will be reasonably and fully utilized in the future operation of the Target Company.

The Valuer confirmed that the valuation result of the market approach is more comprehensive, reasonable, and more in line with the purpose of this Valuation. Therefore, the result of the market approach is selected as the final valuation conclusion for the Valuation, i.e. RMB13.5956 million.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC. It focuses on providing full range of professional cultural-related consulting services to pharmaceutical companies, such as marketing strategy analysis, digital marketing and designing activities.

Set out below is the consolidated financial information of the Target Company for each of the three financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 prepared in accordance with generally accepted accounting principles in the PRC:

	For the year ended 31 December		
	2024	**2023**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Audited)
Net loss before taxation	(2,045.6)	(3,226.8)	(2,834.5)
Net loss after taxation	(2,046.2)	(3,233.8)	(2,909.5)

The audited consolidated net asset value of the Target Company as at 31 December 2024 was approximately RMB10.7 million.

As at the date of this announcement and before the completion of the Capital Reduction, the Target Company is owned as to 51.00% by Beijing Medi Healthcare, 41.65% by Mr. Sun Jian (孫健) and 7.35% by Ms. Duan Lili (段麗麗). Upon completion of the Capital Reduction, the Group will not hold any equity interest in the Target Company.

REASONS FOR AND BENEFITS OF THE CAPITAL REDUCTION

The Group acquired interests in the Target Company for investment purpose. The Target Company has been loss making during the three years ended 31 December 2024, and the Group has not received any dividend from the Target Company since acquisition. Considering such performance and the investment return of the Target Company, the Company is of the view that the Capital Reduction represents a good opportunity for the Group to reduce the equity interest held in the Target Company and recoup its investment towards the Target Company through the Capital Reduction. The proceeds from the Capital Reduction are currently intended to be applied as general working capital of the Group.

In view of the above, the Directors are of the view that the Capital Reduction is in the interests of the Company and the Shareholders as a whole, and the terms and conditions of the Capital Reduction and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT OF THE CAPITAL REDUCTION

It is expected that the Group will realize a fair value gain of approximately RMB0.9 million in respect of the Capital Reduction, which is calculated with reference to the difference between the consideration to be received by Beijing Medi Healthcare and the carrying amount of the investment in the Target Company of approximately RMB6.1 million. However, the actual fair value gain is subject to audit by the Company's auditor.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Rule 14.07 of the Listing Rules) in respect of the Capital Reduction is more than 5% but less than 25%, the Capital Reduction constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but exempt from circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

The Company and the Group

The Company is an investment holding company. The Group mainly operates in the domestic market, providing medical conference services, patient education and screening services, marketing strategy and consulting services, contract research organisation services and internet hospital services.

Existing Shareholders

Mr. Sun Jian (孫健) and Ms. Duan Lili (段麗麗), both of whom are PRC residents, holding 41.65% and 7.35% equity interest in the Target Company as at the date of this announcement and before the completion of the Capital Reduction, respectively.

Mr. Sun Jian currently serves as the general manager and director of the Target Company, responsible for daily operation and overall management of the Target Company. Ms. Duan Lili is a director of the Target Company, responsible for the strategy execution, multi-department cooperation, team building and internal control.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Existing Shareholders are third parties independent of the Company and connected persons of the Company.

DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

"Beijing Medi Healthcare"	Beijing Medi Healthcare Management Consulting Co., Ltd.* (北京麥迪康健管理諮詢有限公司), an indirectly non-wholly-owned subsidiary of the Company, which was registered as a wholly-foreign-owned enterprises under PRC law
"Board"	the board of Directors of the Company
"Capital Reduction"	the capital reduction of the registered capital of the Target Company at the total consideration of RMB7.0 million
"Capital Reduction Resolutions"	the capital reduction resolutions dated 13 June 2025 of the Target Company approved by the Existing Shareholders and Beijing Medi Healthcare in relation to the Capital Reduction
"Company"	Mediwelcome Healthcare Management & Technology Inc., an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2159)
"connected persons(s)"	has the meaning ascribed thereto in the Listing Rules
"Director(s)"	the director(s) of the Company
"Existing Shareholders"	Mr. Sun Jian (孫健) and Ms. Duan Lili (段麗麗), both of whom are PRC residents, holding 41.65% and 7.35% equity interest in the Target Company as at the date of this announcement and before the completion of the Capital Reduction, respectively
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"PB"	price to book
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Beijing Haice Culture Communication Co., Ltd* (北京海策文化傳播有限公司), a limited liability entity under the PRC laws
"Valuation"	the valuation on the total attributable shareholders' interests as of 31 December 2024 in the Target Company conducted by the Valuer
"Valuer"	Beijing Zhongping Zhengxin Asset Appraisal Co., Ltd.* (北京中評正信資產評估有限公司), an independent third-party valuer engaged by the Company
"working days"	any day on which commercial banks in the PRC are open for business, other than Saturday, Sunday or statuary public holidays
"%"	per cent.

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

Hong Kong, 13 June 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.

* *For identification purposes only*