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Medlive Technology Co., Ltd.

醫脈通科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2192)

ANNOUNCEMENT PURSUANT TO RULE 14.36B(2) OF THE LISTING RULES

Background

This announcement is made by Medlive Technology Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 14.36B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) to inform the shareholders and potential investors of the Company about the adjustment to the consideration in relation to the acquisition of 60% equity interest in Beijing Focus Innovation Technology Co., Ltd.* (北京專注創新科技有限公司) (“**Beijing Focus**”).

Reference is made to the announcement of the Company dated 8 June 2022 in relation to the discloseable transaction of the acquisition of 60% equity interest in Beijing Focus (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Adjustment to Consideration

According to the Equity Transfer Agreement pursuant to which the Sellers agreed to sell, and Kingyee Beijing agreed to acquire, 60% equity interest in Beijing Focus for the Consideration of RMB48,000,000, the Sellers have undertaken to ensure that the accumulated audited net profit of Beijing Focus for the three years ended 31 December 2022, 2023 and 2024 (the “**Guaranteed Period(s)**”) in total shall be no less than RMB28,150,000 (the “**Guaranteed Profit**”).

The Consideration payable by Kingyee Beijing is RMB48,000,000 (subject to adjustments). The First Instalment totalling RMB24,001,000 was paid in June 2022, of which RMB12,001,000, RMB8,000,000 and RMB4,000,000 were paid to Seller A, Seller B and Seller C, respectively. For each of the three remaining instalments after the First Instalment (the “**Remaining Instalment(s)**”), Kingyee Beijing shall pay the Sellers an adjusted amount in accordance with the following formula:

Consideration for each of the Remaining Instalments = $(A/B \times C) - D$

where:

A = Accumulated audited net profit or loss of Beijing Focus during the Guaranteed Periods as at the end of the relevant Guaranteed Period

B = The Guaranteed Profit (being RMB28,150,000)

C = The total Consideration to be paid to each Seller

D = The Consideration already paid to each Seller at the time of each Remaining Instalment

The accumulated audited net profits of Beijing Focus for the three years ended 31 December 2022, 2023 and 2024 amounted to approximately RMB22,208,000, representing approximately 78.9% of the Guaranteed Profit of RMB28,150,000.

Based on the above formula, the Consideration was adjusted from RMB48,000,000 to RMB37,868,260, of which Seller A, Seller B and Seller C shall be entitled to RMB18,934,920, RMB12,622,230 and RMB6,311,110, respectively. Up to the date of this announcement, only the First Instalment has been paid to the Sellers. Therefore, after the adjustment to the total Consideration, a total amount of RMB13,867,260 was due to be paid (representing RMB6,933,920, RMB4,622,230 and RMB2,311,110 due to Seller A, Seller B and Seller C, respectively) (the “**Adjusted Consideration**”).

Option

Pursuant to the Equity Transfer Agreement, the Sellers have granted the Option to Kingyee Beijing so that if the accumulated audited net profit of Beijing Focus during the Guaranteed Periods in total does not reach 50% of the Guaranteed Profit, Kingyee Beijing has the right, but not an obligation, to require the Sellers to repurchase the Target Equity held by Kingyee Beijing. The consideration of such repurchase shall be the sum of all payments made under all previous Instalments plus a simple interest of 8% per annum. As the accumulated audited net profit of Beijing Focus during the Guaranteed Periods in total exceeds 50% of the Guaranteed Profit, the right under the Option is not triggered.

Acknowledgement Letter

On 24 March 2025, Kingyee Beijing and the Sellers entered into the Acknowledgement Letter (the “**Acknowledgement Letter**”) pursuant to which the parties agreed to adjust the Consideration as described above.

Reasons for the shortfall in Guaranteed Profit

Beijing Focus is in the business of planning and publishing medicine guidelines and medical consensus based on market demand, and comprehensively publicizes medicine guidelines through various conferences and publications, with the benefit of resources received from authoritative medical institutions and top-tier academics and experts. Due to the Covid pandemic and the shutdown in Shanghai and other cities in the PRC in 2022, some of the conferences organized by Beijing Focus were postponed or cancelled and in 2023, although the pandemic situation has eased, the business of Beijing Focus was affected by the general slowdown in pharmaceutical industry as resources were used by market participants to respond to the anti-corruption campaign in the industry.

Financial impact to the Company

As a result of the adjustment to the Consideration, the Company recorded a fair value adjustment of contingent consideration of RMB9,095,000 under “Other Income and gains” in its consolidated financial statements for the year ended 31 December 2024. There is no other financial impact to the Company.

Opinion of Directors

The Directors are of the view that the adjustment to the Consideration is in accordance with the terms of the Equity Transfer Agreement and by the Sellers executing the Acknowledgement Letter and by virtue of the fact that the Company is the party paying the Adjusted Consideration, the Sellers have fulfilled their obligations relating to the Guaranteed Profit under the Equity Transfer Agreement. Furthermore, since the right to exercise the Option has not been triggered, it is fair and reasonable and it is in the interests of the Shareholders for the Company not to require the Sellers to purchase the 60% equity interest in Beijing Focus held by Kingyee Beijing.

* *For identification purposes only*

By order of the Board
Medlive Technology Co., Ltd.
Tian Liping
Chairwoman and Chief Executive Officer

Hong Kong, 24 March 2025

As at the date of this announcement, the Board comprises Ms. Tian Liping, Mr. Tian Lixin, Mr. Tian Lijun and Ms. Zhou Xin as executive Directors; Mr. Eiji Tsuchiya and Mr. Kazutaka Kanairo as non-executive Directors; and Mr. Richard Yeh, Dr. Ma Jun and Ms. Wang Shan as independent non-executive Directors.