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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)**

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

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The Company and M3 entered into the Precision Marketing and Corporate Solutions Services Framework Agreement dated 18 June 2021 and the 2022 Renewal Agreement dated 24 March 2022, pursuant to which the Group agreed to provide digital market research services and digital content creation and digital detailing services to M3 and/or its associates in the ordinary and usual course of business. The Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed by the 2022 Renewal Agreement) will expire on 31 December 2024.

On 11 November 2024, the Company and M3 entered into the 2024 Renewal Agreement to extend the term of the Precision Marketing and Corporate Solutions Services Framework Agreement to 31 December 2027.

### **LISTING RULES IMPLICATIONS**

M3 is a controlling shareholder of the Company and hence a connected person of the Company. Accordingly, the transactions contemplated under the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) constitute continuing connected transactions for the Company under Rule 14A.25 of the Listing Rules.

Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the highest annual cap for the service fees payable by M3 and/or its associates to the Group under the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) is above 0.1% but below 5%, the transactions contemplated thereunder are classified as continuing connected transactions under Rule 14A.76(2) of the Listing Rules which are only subject to the reporting, annual review and announcement requirements set out in the Listing Rules but are exempt from the independent shareholders' approval requirement under the Listing Rules. Details of the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) will be included in the annual report and accounts of the Company in accordance with Rules 14A.49, 14A.71 and 14A.72 of the Listing Rules.

## RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

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On 11 November 2024, the Company and M3 entered into the 2024 Renewal Agreement to extend the term of the Precision Marketing and Corporate Solutions Services Framework Agreement to 31 December 2027.

The key terms of the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed by the 2024 Renewal Agreement) are as follows:

Date: 11 November 2024

Parties: The Company  
M3

Tenure: 1 January 2025 to 31 December 2027

Services provided by the Company: The Company provides digital market research services and digital content creation and digital detailing services to M3 and/or its associates in the ordinary and usual course of business.

Digital market research services entail the provision of customized digital surveys targeted to a group of physicians selected on the basis of specialty, years in practice, practice setting and geography as requested by M3 and/or its associates.

Digital content creation and digital detailing services entail the development of tailored sponsored information relating to prescription drugs and/or medical devices, in both text and multimedia formats, and delivery of such sponsored information to specific groups of physicians based on factors specified by M3 and/or its associates (such as specialties and locations) through multiple channels on the Group's platform.

Pricing and payment term: As a general principle, the service fee shall be determined on normal commercial terms, negotiated on arm's length basis, on similar basis as the Group conducts businesses with other independent third parties and shall be at rates no less favorable than rates at which the Company and/or its subsidiaries charge independent third parties for similar services. For this purpose, the service fee charged to M3 will be determined with reference to the fees the Company charges independent third parties for comparable services. In particular,

- (i) in the case of digital market research services, target physicians are categorized in accordance with their specialties, years in practice, practice setting and geographical location and different rates are assigned to the different categories of target physicians. The rates applicable to M3 under the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) are the same as the rates the Company charges to independent third parties for similar services. The Company then (a) estimates the time to be incurred by the target physicians to complete such surveys and applies the applicable rates, and (b) estimates the time to be incurred by the Company and/or its subsidiaries to customize the electronic surveys and to match such surveys to target physicians, in order to determine the basic fee. The Company will add to such basic fee the prices for any optional services such as development of questionnaire, programming, development of reports where applicable and negotiate and adjust the final fee to reflect clients' specific needs on a case by case basis; and

- (ii) in the case of digital content creation and digital detailing services, (a) the content creation fee is determined with reference to the type of sponsored information to be developed and the estimated time to be incurred by the Group for such development. There is no fixed rate for content creation as the levels of complexity vary in each assignment. The Company determines the fee with reference to the fee it charges independent third parties for similar services; and (b) the digital detailing services fee is determined with reference to the method of and the channels in which the sponsored information is to be delivered, the number of target physicians to whom such sponsored information will be delivered and the Company charges on a cost-per-click basis plus a fee to reflect the estimated time that the Company will incur to manage the marketing campaign. The cost-per-click charge applicable to M3 under the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) is the same as what the Company charges to independent third parties for similar services. To the extent that optional services such as development of special systems and reports are required, the Company will charge additional fee to reflect such additional services and negotiate and adjust its final fee to reflect clients' specific needs on a case by case basis.

The Company will also annually review the service fee charged to M3 with reference to similar transactions it entered into with other independent third parties which obtained comparable service.

The service fees are payable after the service for the relevant order or instruction has been performed and delivered.

Historical transaction  
amounts:

For the year ended 31 December 2021: RMB9.84 million  
For the year ended 31 December 2022: RMB8.95 million  
For the year ended 31 December 2023: RMB8.97 million  
For the six months ended 30 June 2024: RMB5.14 million

Historical annual caps: For the year ended 31 December 2022: RMB13.6 million  
For the year ended 31 December 2023: RMB13.6 million  
For the year ending 31 December 2024: RMB13.6 million

Proposed annual caps: For the year ending 31 December 2025: RMB20 million  
For the year ending 31 December 2026: RMB20 million  
For the year ending 31 December 2027: RMB20 million

Reasons for the transactions and the proposed annual caps: The Company provides digital market research services and digital content creation and digital detailing services to its customers in the ordinary and usual course of business. Certain customers of M3 Group which have global budgets to obtain services from M3 Group may require digital market research services and digital content creation and digital detailing services in the PRC. In such cases, M3 Group obtains the Company's digital market research services and digital content creation and digital detailing services on behalf of its customers. Such arrangement is mutually beneficial to M3 Group and the Group. With a single point of contact for the customers of M3 Group, it increases customer satisfaction with service offerings, while at the same time provides the Group with an additional opportunity to broaden its income source.

There is an increasing demand from pharmaceutical and medical device companies worldwide for digital services at every point along the value chain to help them reduce costs, shorten market launch time, and improve sales results. In particular, pharmaceutical and medical device companies urgently need clinical research service providers with solid clinical research experience, digital clinical trial systems and close cooperation with clinical physicians to provide efficient clinical research services aimed at generating evidence-based support. The Group has developed various systems and digital tools, including decentralized clinical trial (DCT) system, digital patient follow-up system, patient management system based on big data, centralized monitoring and remote monitoring and AI equipped journal selection to meet such needs. With such core capability, the Group has extended the digital market research services provided under the Precision Marketing and Corporate Solutions Services Framework Agreement to cover patient recruitment, patient follow-up, data collection and data quality control, thereby increasing the fees received under the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed).

For the six months ended 30 June 2024, both the number of quotes given by the Company and the number of projects won under the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) have recorded double-digit growth, when compared with the first half of 2023. Given the trend of increasing demand and win rate, the Board has decided that the annual cap for the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) for the years ending 31 December 2025, 2026 and 2027 shall increase to RMB20 million, RMB20 million and RMB20 million, respectively.

The annual caps are determined and calculated by the Company after taking into account the historical transaction amounts under the Precision Marketing and Corporate Solutions Services Framework Agreement, the Company's estimation of the types and volume of instructions or orders from M3 for digital market research services and digital content creation and digital detailing services and the rates or fee levels applicable to each type of services for the next three years, with reference to the extended services relating to patient recruitment as well as the Group's solid clinical research capability as mentioned above. The stable annual caps for the three years reflects the Company's current estimation of business needs from M3 under the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed).

Save for the extension of the tenure of the Precision Marketing and Corporate Solutions Services Framework Agreement, the other terms and conditions of the Precision Marketing and Corporate Solutions Services Framework Agreement remain unchanged.

From time to time, and as required, the Company may enter into implementation agreements to specify the service required by M3 and/or its associates for a particular instruction or order. Each implementation agreement will set out the details of the relevant service or product to be provided, including the precise scope of service or product specification and service fees calculation, in accordance with the principles set out in the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed).

## **LISTING RULES IMPLICATIONS**

M3 is a controlling shareholder of the Company and hence a connected person of the Company. Accordingly, the transactions contemplated under the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) constitute continuing connected transactions for the Company under Rule 14A.25 of the Listing Rules.

Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the highest annual cap for the service fees payable by M3 and/or its associates to the Group under the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) is above 0.1% but below 5%, the transactions contemplated thereunder are classified as continuing connected transactions under Rule 14A.76(2) of the Listing Rules which are only subject to the reporting, annual review and announcement requirements set out in the Listing Rules but are exempt from the independent shareholders' approval requirement under the Listing Rules. Details of the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) will be included in the annual report and accounts of the Company in accordance with Rules 14A.49, 14A.71 and 14A.72 of the Listing Rules.

The Group had no other prior transactions with M3 and its associates which required aggregation with the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) under Rule 14A.81 of the Listing Rules.

As Mr. Eiji Tsuchiya, Mr. Kazutaka Kanairo and Ms. Zhou Xin also hold executive positions at M3, these three Directors have abstained from voting on the board resolutions approving the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) and the related annual caps. The Board (including the independent non-executive Directors but excluding the three Directors who have abstained from voting) is of the view that the Precision Marketing and Corporate Solutions Services Framework Agreement (as renewed) was entered into after arm's length negotiation between the Company and M3 and in the ordinary and usual course of business of the Group, reflects normal commercial terms and is in the interests of the Shareholders and the Company as a whole, and the terms as well as the proposed annual caps for the transactions thereunder are fair and reasonable.

## **GENERAL INFORMATION**

M3 is a controlling shareholder of the Company. As at the date of this announcement, M3 holds approximately 36.51% interests in the Company. M3 and its subsidiaries, among others, supplies medical information services for physicians through the Internet, clinical trial related services, job search and placement services for physicians and pharmacists, consumer facing services, and supports pharmaceutical companies and medical equipment manufacturers, hospitals, healthcare institutions and other stakeholders in the healthcare industry, outside of China primarily in Japan, Korea, India, Europe and U.S.

M3 is listed on the Tokyo Stock Exchange (Stock Code: 2413.T). Sony Group Corporation is the largest shareholder of M3 although M3 operates independently from Sony Group Corporation.

The Group is the leading online professional physician platform in China. The Group has focused on using technology to support physicians' clinical decision making for over 20 years.

## DEFINITIONS

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

“2022 Renewal Agreement”	the Precision Marketing and Corporate Solutions Services Framework Agreement — 2022 Renewal Agreement entered into by the Company and M3 on 24 March 2022
“2024 Renewal Agreement ”	the Precision Marketing and Corporate Solutions Services Agreement — 2024 Renewal Agreement entered into by the Company and M3 on 11 November 2024
“associate(s)”	has the meaning ascribed to such term under the Listing Rules
“Board”	the board of Directors
“Company”	Medlive Technology Co., Ltd. (醫脈通科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2192)
“controlling shareholder”	has the meaning ascribed to such term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange

“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“M3”	M3, Inc., a stock company incorporated in Japan with limited liability on September 29, 2000, the shares of which are listed on the Tokyo Stock Exchange (Stock Code: 2413.T), and one of the controlling shareholders of the Company
“M3 Group”	M3 and its subsidiaries
“PRC”	The People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Reminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares in the capital of the Company with nominal value of US\$0.00001 each
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to such term under the Listing Rules
“%”	per cent. or percentage

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

Hong Kong, 11 November 2024

*As of 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.*