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SoftMedx Healthcare Limited

京玖醫療健康有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 648)

2023 FINAL RESULTS

The board (“Board”) of directors of SoftMedx Healthcare Limited (the “Company”) hereby presents the audited consolidated final results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2023.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	3	51,340	33,765
Cost of goods sold		<u>(30,215)</u>	<u>(20,028)</u>
Gross profit		21,125	13,737
Other income, gains and losses	5	6,921	9,765
Administrative expenses		(15,087)	(23,021)
Loss on disposal of subsidiaries		(4,725)	—
Gain/(loss) arising from financial assets at fair value through profit or loss (“FVTPL”)		19,075	(725)
Written off of property, plant and equipment		—	(345)
Impairment loss on other receivables		—	(494)
Finance costs	6	<u>(12,940)</u>	<u>(15,549)</u>
Profit/(loss) before income tax		14,369	(16,632)
Income tax	7	<u>(1,858)</u>	<u>(2,593)</u>
Profit/(loss) and total comprehensive income/ (expense) for the year	8	<u>12,511</u>	<u>(19,225)</u>
Profit/(loss) and total comprehensive income/ (expense) attributable to:			
Owners of the Company		12,511	(19,225)
Non-controlling interests		<u>—</u>	<u>—</u>
		<u>12,511</u>	<u>(19,225)</u>
Earnings/(loss) per share attributable to owners of the Company (HK cents)			
— Basic and diluted	10	<u>3.8</u>	<u>(5.9)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		238	463
Right-of-use assets		210	858
Financial assets at FVTPL		20,527	4,714
		<u>20,975</u>	<u>6,035</u>
Current assets			
Inventories		2,830	1,970
Trade receivables	11	7,108	1,037
Prepayments, other receivables and other assets		17,092	12,480
Financial assets at FVTPL		—	22
Bank balances and cash		8,068	3,096
		<u>35,098</u>	<u>18,605</u>
Current liabilities			
Other payables		85,955	89,632
Tax payable		2,965	2,440
Borrowings	12	226,739	215,555
Bonds payable	13	60,818	57,891
Lease liabilities		211	889
		<u>376,688</u>	<u>366,407</u>
Net current liabilities		<u>(341,590)</u>	<u>(347,802)</u>
Total assets less current liabilities		<u>(320,615)</u>	<u>(341,767)</u>
Non-current liability			
Borrowings	12	3,246	2,188
Net liabilities		<u>(323,861)</u>	<u>(343,955)</u>
CAPITAL AND RESERVES			
Share capital	14	3,030,660	3,030,660
Reserves		(3,354,521)	(3,367,032)
Deficit attributable to owners of the Company		(323,861)	(336,372)
Non-controlling interests		—	(7,583)
Total deficit		<u>(323,861)</u>	<u>(343,955)</u>

Notes:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and Hong Kong Accounting Standards and Interpretations (“HKASs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Companies Ordinance. These consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Going concern

As at 31 December 2023, the Group had net current liabilities and net liabilities of HK\$341,590,000 and HK\$323,861,000 respectively. Although there exists a material uncertainty relating to the above conditions that may cast significant doubt about the Group’s ability to continue as a going concern, the Directors have been undertaking the following measures to improve the Group’s liquidity and financial position:

- (a) In July 2022, the Company entered into an agreement with an investor for the investor to provide a loan of up to HK\$8 million, which had been fully drawn down as at 31 December 2023. In October 2022, the Company and the investor entered into a second loan agreement under which the investor agreed to provide a loan of up to HK\$10 million for payment of the scheme settlement consideration to the creditors of the Company. Such loans will be settled by way of share subscription upon resumption of trading in the shares of the Company.
- (b) The Group is conducting a debt restructuring by way of a scheme in order to restore the Company’s financial and business positions to normality. The scheme is not subject to trading resumption and the scheme settlement consideration shall be settled by cash to be drawn down from the second loan. As at 31 December 2023, debts of HK\$345 million are expected to be fully and finally discharged upon payment of the scheme settlement consideration which will range between HK\$8.6 million and HK\$10.4 million, depending on the settlement options elected by the creditors. In December 2023, the scheme has become effective.
- (c) In January 2024, the winding up petition against the Company has been dismissed.
- (d) The Group has been continuing to develop its medical and well-being business to improve its cashflow from operations.

The Directors are of the opinion that taking into account the above-mentioned measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of these consolidated financial statements. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. APPLICATION OF NEW HKFRSs AND AMENDMENTS

2.1 New HKFRSs and amendments that are mandatorily effective for the current year

In the current year, the Group has applied the following new HKFRSs and amendments issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023, for preparation of its consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new HKFRSs and amendments in the current year had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements is amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are also added. The application of the amendments had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies. In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer required to be disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

2.2 New HKFRSs and amendments in issue but not yet effective

The Group has not early applied the following new HKFRSs and amendments that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The Directors anticipate that the application of all the above new HKFRSs and amendments will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE

(i) Disaggregation of revenue from contracts with customers

<i>HK\$'000</i>	2023	2022
Types of goods or service		
Medical and well-being business		
— Distribution of medical equipment and products	<u>51,340</u>	<u>33,765</u>
Geographical markets		
Hong Kong	<u>51,340</u>	<u>33,765</u>
Timing of revenue recognition		
On point in time basis	<u>51,340</u>	<u>33,765</u>

(ii) Performance obligations for contracts with customers

For distribution of medical equipment and products to customers, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to and accepted by the customer. Delivery occurs when the goods have been shipped to a customer's specified location.

4. SEGMENT INFORMATION

The Group's reportable and operating segments under HKFRS 8 are based on the information reported to the executive directors, being the chief operating decision maker of the Group, for the purposes of resource allocation and assessment of segment performance. During the year, the Group has one reportable and operating segment i.e. the medical and well-being business for distribution of medical equipment and products. Segment performance is evaluated based on reportable segment results, which is measure of adjusted profit or loss before income tax. The adjusted profit or loss before income tax is measured consistently with the Group's profit or loss before income tax except that unallocated other income, gains and losses, finance costs and corporate expenses are excluded from such measurement. Segment assets exclude unallocated head office and corporate assets that are managed on a group basis. Segment liabilities exclude borrowings, bonds payable and unallocated head office and corporate liabilities that are managed on a group basis.

The following summary describes the Group's reportable segment:

<i>HK\$'000</i>	Medical and well-being business	Total
For the year ended 31 December 2023		
External sales and reportable segment revenue	<u>51,340</u>	<u>51,340</u>
Reportable segment results	<u>11,308</u>	<u>11,308</u>
Unallocated corporate income and expenses		<u>15,000</u>
Unallocated finance costs		<u>(11,939)</u>
Profit before taxation		<u>14,369</u>
Reportable segment assets	<u>34,530</u>	<u>34,530</u>
Unallocated assets		<u>21,543</u>
Total assets		<u>56,073</u>
Reportable segment liabilities	<u>23,768</u>	<u>23,768</u>
Unallocated liabilities		<u>356,166</u>
Total liabilities		<u>379,934</u>
For the year ended 31 December 2022		
External sales and reportable segment revenue	<u>33,765</u>	<u>33,765</u>
Reportable segment results	<u>6,834</u>	<u>6,834</u>
Unallocated corporate expenses		<u>(8,677)</u>
Unallocated finance costs		<u>(14,789)</u>
Loss before taxation		<u>(16,632)</u>
Reportable segment assets	<u>23,314</u>	<u>23,314</u>
Unallocated assets		<u>1,326</u>
Total assets		<u>24,640</u>
Reportable segment liabilities	<u>20,800</u>	<u>20,800</u>
Unallocated liabilities		<u>347,795</u>
Total liabilities		<u>368,595</u>

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

<i>HK\$'000</i>	2023	2022
Income from distribution of medical equipment and products	<u>51,340</u>	<u>33,765</u>

Geographical information

The Group's operation is located in Hong Kong. The Group's revenue from external customers is all from Hong Kong and non-current assets are located in Hong Kong.

5. OTHER INCOME, GAINS AND LOSSES

<i>HK\$'000</i>	2023	2022
Interest income on bank balances	363	38
Government subsidies under COVID-19	—	216
Exchange gain, net	4,200	8,794
Others	2,358	717
	<u>6,921</u>	<u>9,765</u>

6. FINANCE COSTS

<i>HK\$'000</i>	2023	2022
Interest expenses on:		
Bank and other borrowings	9,976	12,414
Bonds payable	2,927	3,035
Lease liabilities	37	100
	<u>12,940</u>	<u>15,549</u>

7. INCOME TAX

<i>HK\$'000</i>	2023	2022
Current tax — Hong Kong Profits Tax	<u>1,858</u>	<u>2,593</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity is taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of the group entities not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. At the end of the reporting period, the Group has no (2022: no) unused tax losses available for offset against future profits.

8. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging:

<i>HK\$'000</i>	2023	2022
Depreciation of property, plant and equipment	225	333
Depreciation of right-of-use assets	964	1,707
Total depreciation	<u>1,189</u>	<u>2,040</u>
Auditors' remuneration	1,000	862
Cost of inventories recognised as expenses	30,215	20,028
Employee salaries and other benefits	<u>4,685</u>	<u>17,497</u>

9. DIVIDEND

The Directors do not recommend any dividend for the year ended 31 December 2023 (2022: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

<i>HK\$'000</i>	2023	2022
Profit/(loss) for the year attributable to owners of the Company	<u>12,511</u>	<u>(19,225)</u>

No diluted earnings/(loss) per share for both 2023 and 2022 were presented as there was no potential ordinary share in issue for both 2023 and 2022.

<i>Number of shares('000)</i>	2023	2022
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<u>326,037</u>	<u>326,037</u>

11. TRADE RECEIVABLES

<i>HK\$'000</i>	2023	2022
Trade receivables	7,108	1,037
Less: Impairment	—	—
	<u>7,108</u>	<u>1,037</u>

The Group's trading terms with its customers are mainly on credit and the credit period is generally 90 days (2022: 30 days). The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Each customer has a maximum credit limit and overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing and the Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The following is an aged analysis of the trade receivable based on the invoice date at the end of the reporting period, which approximated the revenue recognition dates:

<i>HK\$'000</i>	2023	2022
Age		
0–30 days	506	262
31–90 days	5,090	—
91–180 days	1,185	—
Over 181 days	327	775
	<u>7,108</u>	<u>1,037</u>

12. BORROWINGS

<i>HK\$'000</i>	2023	2022
Bank loans (note a)	16,380	13,046
Loans from financial institutions (note b)	131,947	124,208
Loans from independent third parties (note c)	81,658	80,489
	<u>229,985</u>	<u>217,743</u>
Analysed into:		
Repayable within one year or on demand	226,739	215,555
Repayable within a period of more than one year	3,246	2,188
	<u>229,985</u>	<u>217,743</u>

- (a) The amount represented bank loans with aggregate principal of HK\$16,380,000 (2022: HK\$13,046,000) with interest rates ranging from 2.6% per annum over one-month-HIBOR to 2.5% per annum below the prime lending rate. No carrying amount of bank loans was expected to be settled by way of the scheme.
- (b) The amount represented loans with aggregate principal of HK\$95,800,000 (2022: HK\$95,800,000) bearing interest rates ranging from 8% to 8.5%. The carrying amount of HK\$131,947,000 as at 31 December 2023 was expected to be settled by way of the scheme.
- (c) The amount represented loans with aggregate principal of HK\$73,684,000 (2022: HK\$74,005,000) bearing interest rates ranging from 2% to 8%. The carrying amount of HK\$69,971,000 as at 31 December 2023 was expected to be settled by way of the scheme.

13. BONDS PAYABLE

<i>HK\$'000</i>	2023	2022
Bonds payable	<u>60,818</u>	<u>57,891</u>

The amount represented bonds with aggregate principal of HK\$49,000,000 (2022: HK\$49,000,000) bearing interest rates ranging from 5% to 6.5% (2022: 5% to 6.5%) and effective interest rates ranging from 7% to 9% (2022: 7% to 9%). Bonds payable of HK\$60,818,000 as at 31 December 2023 was expected to be settled by way of the scheme.

14. SHARE CAPITAL

	Number of shares	Amount
	'000	<i>HK\$'000</i>
Issued and fully paid:		
At 31 December 2022, 1 January 2023 and 31 December 2023	<u>326,037</u>	<u>3,030,660</u>

15. EVENTS OCCURRING AFTER THE REPORTING PERIOD

In April 2023, a creditor filed a winding up petition against the Company for the alleged failure of the Company to settle a debt of HK\$16,175,304, together with the unpaid interest and cost thereon. An order was made by the High Court of Hong Kong in January 2024 that the winding up petition be dismissed.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Financial Results

The Group is principally engaged in medical and well-being business. For the year ended 31 December 2023, the Group recorded revenue of HK\$51.3 million (2022: HK\$33.8 million), gross profit of HK\$21.1 million (2022: HK\$13.7 million) and gross profit margin of 41.1% (2022: 40.5%) respectively. The consolidated profit of the Company and the consolidated profit attributable to the owners of the Company amounted to HK\$12.5 million (2022: loss of HK\$19.2 million) respectively.

Liquidity, Financial Resources and Capital Structure

As at 31 December 2023, the Group's total assets and net liabilities amounted to HK\$56.1 million (2022: HK\$24.6 million) and HK\$323.9 million (2022: HK\$344.0 million) respectively. Its cash and bank balances amounted to HK\$8.1 million (2022: HK\$3.1 million) and liquidity ratio (calculated based on the Group's total assets to total liabilities) was 0.15 (2022: 0.07). The Group's total borrowings amounted to HK\$290.8 million (2022: HK\$275.6 million), including borrowings of HK\$230.0 million (2022: HK\$217.7 million) and bond payable of HK\$60.8 million (2022: HK\$57.9 million). During the year ended 31 December 2023, the Group's net cash outflow from operating activities amounted to HK\$4.5 million (2022: HK\$2.8 million), net cash outflow from investing activities amounted to HK\$0.8 million (2022: HK\$0.5 million) and net cash inflow from financing activities amounted to HK\$10.3 million (2022: HK\$2.8 million). As a result, the Group recorded a net cash inflow of HK\$5.0 million (2022: outflow of HK\$0.6 million).

As at 31 December 2023, the total number of issued shares and the issued share capital of the Company were 326,036,828 (2022: 326,036,828) and HK\$3,030,660,000 (2022: HK\$3,030,660,000) respectively.

Corporate Development and Future Prospects

Since 27 November 2017, trading in the shares of the Company has been suspended under the direction of the Securities and Futures Commission. Resumption of trading in the shares of the Company is pending fulfilment of the resumption conditions imposed by the Stock Exchange. Despite the Company's very limited resources resulted from the long suspension of trading and heavy indebtedness as well as the challenges arising from the Sino-United States trade conflict, the war in Ukraine, the disruptive changes in the business environment due to the COVID-19 pandemic and the worldwide higher-and-longer interest rate environment, the Group's businesses achieved growth in 2023. Looking ahead, these challenges will continue to impact on the global economy and may inevitably affect the Group's business operations. The Company, while adopting newly established policies in ensuring disciplined execution of prudent financial, liquidity and cash flow management, will continue to expand its existing businesses and seek new business opportunities with a view to achieving earning growth and enhancing the long term value of all of its stakeholders.

Fund Raising Activities

There was no equity fund raising activity completed during the year ended 31 December 2023.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2023.

Events after the Reporting Period

Please refer to note 15 of the consolidated financial statements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

All the Directors have confirmed that they had complied with the required standards under the Listing Rules regarding securities transactions by directors during the year ended 31 December 2023.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The audit committee of the Board is satisfied that the Company has throughout the year complied with all applicable code provisions of the Corporate Governance Code set out in Appendix 14 of the Listing Rules other than the vacancy of the office of the chief executive. The Board will keep identifying a suitable candidate with suitable skills and experience to fill the post.

RISK MANAGEMENT COMMITTEE

The Company appreciates that an effective corporate governance framework is fundamental to safeguarding the interests of shareholders and other stakeholders and therefore strives to attain high standards of corporate governance. During the year, the Company has adopted and applied a new set of corporate governance principles and practices that emphasize a quality Board, effective risk management and internal control systems, stringent disclosure practices, transparency and accountability as well as effective communication and engagement with shareholders and other stakeholders. The new set of risk management and internal control systems has put in place a comprehensive range of policies and systems, which provide a framework for systematic approach in identifying, assessing and managing risks within the Group, be they of strategic, financial, operational or compliance nature, to ensure that regulatory compliance, good corporate governance practices and culture are upheld by the Company.

The Board believes that risk management is an integral part of the day-to-day operations and management of the Group and is a continuous process carried out at all levels of the Group. Accordingly, the Board established the risk management committee in April 2023, which comprises 2 independent non-executive Directors and one executive Director, to review and monitor the effectiveness of the risk management and internal control systems on an ongoing basis. The committee is responsible for continuously evaluating and determining the nature and extent of the risk which the Group can take in achieving its strategic objectives, establishing and maintaining appropriate and effective risk management and internal control systems and setting up risk monitoring and review process for significant risks.

The audit committee and the risk management committee are satisfied that the Group has effective and adequate risk management and internal control systems in place. The Board is committed to continuously enhancing its corporate governance standards and practices and inculcating a robust culture of compliance and ethical governance underlying the business operations and practices across the Group to meet the mounting regulatory and investor expectations.

EXTRACT OF INDEPENDENT AUDITORS' REPORT

The below paragraphs set out an extract of the report by the auditors of the Company regarding the consolidated financial statements of the Group for the year ended 31 December 2023.

Basis For Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 3 to the consolidated financial statements. As at 31 December 2023, the Group had net current liabilities and net liabilities of approximately HK\$341,590,000 and HK\$323,861,000 respectively. As at 31 December 2023, the Group had cash and cash equivalents amounting to only approximately HK\$8,068,000, and there were borrowings and bonds payables totalling HK\$287,557,000 and other payables totalling HK\$85,955,000 repayable within one year or on demand. Borrowing and bond payables of approximately HK\$262,735,000 were overdue for repayment. As stated in Note 3, these conditions, along with other matters as set forth in the Note 3, indicate that material uncertainty exists that cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon evaluated outcome and the results of various financial plans and measures implemented by the Group. Our opinion is not modified in respect of this matter.

REVIEW OF ANNUAL RESULTS BY AUDITORS AND AUDIT COMMITTEE

The Group's annual results for the year ended 31 December 2023 have been reviewed by the audit committee. The figures in this Group's results for the year ended 31 December 2023 have been agreed by the Group's auditors, CL Partners CPA Limited, to the amounts set out in the Group's consolidated financial statements. The work performed by the auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA.

For and on behalf of the board of
SoftMedx Healthcare Limited
Lam Sung Him Gaston
Company Secretary

Hong Kong, 27 March 2024

As at the date of this announcement, the Board comprises Mr. Cheung Wai Kwan and Mr. Wang Jianguo as executive directors; and Ms. Hu Xuezheng, Mr. Lin Pinzhuo and Mr. Yiu Chun Wing as independent non-executive directors.