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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)

**SUPPLEMENTAL ANNOUNCEMENT
ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

Reference is made to the annual report (“2024 Annual Report”) of SoftMedx Healthcare Limited (the “Company”) for the year ended 31 December 2024 (“FY2024”) published on 28 April 2025. The Company wishes to supplement the following information to the Report of the Directors of the 2024 Annual Report. Unless otherwise specified, capitalised terms used in this announcement shall have the same meaning as those defined in the 2024 Annual Report.

BUSINESS OVERVIEW

The Group is principally engaged in the medical and well-being business for distribution of medical and healthcare equipment and products in Hong Kong. The Group is currently the authorized distributor of seven equipment providers. The Group’s revenue comprises income from sales of devices and consumable products and provision of supportive services. Despite shifting in local consumer preferences and the increasingly competitive market condition which have led to a decrease in its overall profit margin, the Group has managed to mitigate this impact by achieving growth in both revenue and sales volume in FY2024 compared to previous year through the Group’s relentless efforts to expand its business on both the supplier and customer fronts.

Furthermore, the Group recorded a gain of HK\$328.0 million mainly attributable to derecognition of liabilities, resulting in a significant improvement in its financial position with a positive net asset value as at 31 December 2024. The Group now has the resources to further invest and expand its business in the medical devices market and expects sales revenue and sales volume will continue to grow in the coming years.

The medical devices market in Hong Kong has been growing since 2022 and is projected to further expand at a rate of 8.3% in 2025 and to continue to grow at a compounded annual growth rate of 7.6% between 2025 and 2030. This performance is driven by factors such as local special circumstances, consumer preference for high quality and latest technology, and the well-developed local healthcare system. The Group will continue to leverage its industry experience, customer relationships, technical proficiency, and significantly improved financial position to keep expanding its product sources and product offerings, while maintaining its market position and delivering high quality and reliable services to customers.

FINANCIAL OVERVIEW

Revenue and gross profit

The Group's revenue in FY2024 recorded an increase of 6.4% to HK\$54.6 million from HK\$51.3 million in previous year. Such increase was mainly attributable to the Group's continued efforts in obtaining new product sources to broaden its product offerings. On the other hand, since the sales of consumable goods, which commanded lower gross profit margins, constituted a greater weight in the Group's sales composition during the year, the gross profit and the gross profit margin of the Group decreased by 12.9% and 7.4% respectively to HK\$18.4 million and 33.7% from HK\$21.1 million and 41.1% respectively from previous year.

Profit for the year

The Group recorded a consolidated profit attributable to the owners of the Company of HK\$326.3 million (2023: HK\$12.5 million) in FY2024. The increase in profit was mainly attributable to the following factors:

Gain on scheme

The Company recorded a one-off gain of HK\$328.0 million on derecognition of liabilities in FY2024.

Administrative expenses

The decrease of 35.1% in administrative expenses to HK\$9.8 million in FY2024 (2023: HK\$15.1 million) was mainly due to the Group's decrease in staff costs and office expenses resulted from effective cost control and absence of the major legal and professional costs in relation to litigations and corporate exercises in the previous year.

Finance costs

The Group recorded decrease in finance costs by 89.9% to HK\$1.3 million from HK\$12.9 million in previous year resulted from the scheme during the year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business, financial condition, results of operations and prospects might be affected by a number of risks and uncertainties. The following were the key risks and uncertainties identified by the Group for FY2024. There might be other risks in addition to those set out below which were not known to the Group or which might not be material during the year but would turn out to be material in the future.

- (i) Global economic uncertainty and political factors, including US-China tensions, global reciprocal tariff, slowing down in worldwide economic growth and inflation are factors which may impact the global supply chains and potentially adversely affect the business performance of the Group;
- (ii) Having weathered the financial challenges in previous years, the Group recognizes its continuity as a going concern is critical to its business operations. Should the Group fail to manage a healthy capital structure, its financial performance may be impaired;
- (iii) The medical devices market is competitive and competition pressure may reduce the profit margin of the Group's products. If the Group fails to respond to the market conditions with appropriate strategies, its business and financial performance may be adversely affected;

- (iv) Evolving consumer preferences and technologies might lead to reduction in product demand and obsolescence. If the Group fails to adapt to these changes, its customer loyalty and financial performance may be compromised;
- (v) The Group's business depends on suppliers for key products and is exposed to risks of upstream disruptions. Any production delay, quality issue or supply shortage may have downstream impacts on the Group's inventory and customer satisfactions;
- (vi) The Group's business relies on acquiring and renewal of distributorships with its suppliers. Should the Group fail to renew its distributorships or continue to acquire new distributorships, the supply of the Group's inventory will be disrupted; and
- (vii) The recent COVID-19 pandemic had shown the fragile nature of global supply chains and market demand. Sudden surges in demand, combined with lockdowns and transportation restrictions, may lead to logistical bottlenecks and inventory shortages. Should the Group fail to respond promptly to these disruptions, its ability to meet customer demand may be hindered.

Please refer to note 36 to the consolidated financial statements of the 2024 Annual Report for the financial risks the Group faces.

EVENT AFTER THE REPORTING DATE

There was no material event after 31 December 2024 and up to the date of the 2024 Annual Report which would materially affect the Group's operating and financial performance.

GENERAL

Trading in the Shares will continue to be suspended pending fulfilment of the resumption conditions. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

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

Hong Kong, 17 July 2025

As at the date of this announcement, the board of directors of the Company comprises Mr. Lin Pinzhuo as executive director; and Mr. Ngok Ho Wai, Ms. Tang Cuihuen and Mr. Yiu Chun Wing as independent non-executive directors.