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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)

RESUMPTION OF TRADING

References are made to the announcement of SoftMedx Healthcare Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) regarding the Company’s fulfilment of the resumption conditions imposed by The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the arrangements for the share consolidation and change in board lot size of the Company published of even date (“**Fulfilment of Resumption Guidance Announcement**”) and the announcement of the Company dated 27 November 2017.

BACKGROUND

On 27 November 2017, the Company announced that the Commission (“**Commission**”) had issued a direction under section 8(1) of the Securities and Futures (Stock Market Listing) Rules (Cap. 571V) (“**SMLR**”) to suspend trading in the shares of the Company in both the original counter (code: 648) and the temporary counter (code: 2906) with effect from 9:00 a.m. on 27 November 2017.

TRADING RESUMPTION

The board of directors of the Company (“**Board**”) is pleased to announce that trading in the shares of the Company in both the original counter (code: 648) and the temporary counter (code: 2906), on the Stock Exchange will resume at 9:00 a.m. on 4 November 2025.

RESUMPTION CONDITIONS IMPOSED BY THE COMMISSION

The Company was informed that the Commission has, by notice to the Stock Exchange and pursuant to section 9(3)(c) of the SMLR, permitted dealings in the shares of the Company to recommence, subject to the following resumption conditions (“**Resumption Conditions**”):

Resumption Condition 1: The Company shall publish this announcement.

Resumption Condition 2: The Company undertakes to (a) procure the IC Consultant (as defined below) to perform a follow-up review on 30 September 2025 to assess whether the recommendations outlined in the IC Report (as defined below) have been properly implemented by the Company and (b) procure the IC Consultant to submit a report following the follow-up review (“**Follow-up Review Report**”) to the Company and the Commission for concurrent review.

Resumption Condition 3: The Company shall publish an announcement regarding the results of the Follow-up Review Report.

The above Resumption Conditions are without prejudice to any resumption conditions or guidance imposed by the Stock Exchange under its own powers.

SUMMARY OF THE COMMISSION’S CONCERNS

The Commission’s concerns as set out in its Show Cause Letter dated 23 November 2017 are set out as follows:

- (a) The consideration paid by the Company for the purchase of 9.9% interest in New Ray Medicine International Holding Limited from an indirect wholly-owned subsidiary of Town Health International Medical Group Limited (“**Town Health**”) (“**Transaction**”) appeared to be exorbitant.
- (b) There did not appear to be any good reason for the Transaction to be conducted in the manner it did and at the exorbitant price the Company paid.
- (c) It appeared that Dr Cho Kwai Chee (“**Cho**”) was able to control both Town Health and the Company at the time of the Transaction and that the vendor of the Transaction was not an independent third party and that the Transaction was not a result of an arm’s length negotiation.
- (d) It appeared that Cho’s control and influence over the affairs of the Company had been concealed from its public shareholders and the market as a whole.
- (e) It appeared that the announcement of the Company dated 23 June 2016 regarding the Transaction contained materially false, incomplete or misleading information by representing that the vendor of the Transaction was an independent third party and that the consideration for the Transaction was determined after arm’s length negotiation.
- (f) In view of the above, the Commission had concerns about the affairs of the Company, how they had been managed and the integrity and overall conduct of the management of the Company.

KEY FINDINGS AND RECOMMENDATIONS FROM THE IC REPORT

The Commission and the Company have jointly engaged BDO Risk Advisory Services Limited (“**IC Consultant**”) to conduct a review on the Company’s internal control system. The review has been completed and the internal control review report (“**IC Report**”) has been issued to the Company and the Commission.

The key findings and the recommendations of the IC Report are set out below:

Key Findings	Recommendations
The Company maintained registers to document the information of its directors, members and significantly controlled parties. However, no preparer and reviewer records are noted for the registers of directors, registers of members and register of significant control.	The management personnel of the Company (“ Management ”) is recommended to document the preparer and reviewer signoffs with dates, titles and names on the above-mentioned registers.
A Conflict of Interests Policy is in place to identify situations that present potential conflicts of interest and to provide the Group with a procedure. However, there was an absence of written evidence to demonstrate that the declaration procedures for conflicts of interest have been conducted regularly	The Management is recommended to request all directors, senior management and relevant personnel handling key functions of the Company and other group companies to complete the Declaration of Interest Form on an annual basis and submit to Administration and Human Resources Department

and procedures to request for any changes of circumstances in the conflicts of interest declaration.	for review and filing. Administration and Human Resources Department should ensure that the declarations cover all directors and senior management of the Group and cover all group companies. The forms should be finally submitted to Board for review. The Management is recommended to add the relevant procedures into the Conflicts of Interest Policy.
Corporate governance policies and procedures to be enhanced	The Management is recommended to include certain sections of the Listing Rules into the corporate governance policies and procedures.
There are no written procedures of whistleblowing from the public. The Company's website had established a whistleblowing channel which only allowed the public to make reporting via post.	The Management is recommended to document the procedures of whistleblowing from the public and allow public to make reporting through the Company's website or directly send via email address for whistleblowing other than via post.
Policies on review and approval for notifiable transactions to be enhanced	The Management is recommended to include certain sections of the Listing Rules into the policies on review and approval for notifiable transactions and the relevant policy, methodology and/or manuals should be reviewed on a regular basis (at least annually).
Absence of list of relative or close persons of Cho and Hui Ka Wah Ronnie ("Hui")	The Management is recommended to maintain the list of relatives or close persons of Cho and Hui which is updated and reviewed every six months.
Lack of written evidence of regular preparation and review of financial and business performance to ensure that the management accounts, financial and business performance review and analysis have been regularly performed and reviewed	The Management is recommended to perform monthly review of management accounts, financial and business performance review and analysis with operating figures and key financial and performance indicators for the Company and its subsidiaries. Management accounts and related documents of financial and business performance review and analysis should be prepared and submitted on a monthly basis to designated management for review with written evidence.
Lack of documentation of preparing and reviewing the risk register, assessment and reporting procedures by the Risk Management Committee of the Company	The Management is recommended to have proper documentation regarding the risk identification, assessment, monitoring and reporting process with preparer and reviewer records in accordance with the current risk management policy.
There may be inconsistency between the responsibilities of Nomination Committee in the corporate governance policies and terms of reference of Nomination Committee.	The Management is recommended to include the responsibilities in board appointment and succession into the terms of reference of Nomination Committee and the updated terms of reference should be approved by the Board.
Lack of written evidence of evaluation procedures and due diligence procedures of qualifications, experience, and skills of potential candidates of senior management, consultants and advisors	The Management is recommended to keep proper documentation for evaluating the qualifications, experience, and skills of potential candidates of senior management, consultants and advisors and for due diligence procedures on potential candidates of senior management, consultants and advisors, which

	includes background screening, reference checks, and other relevant inquiries.
Supporting documents of qualification and experience of certain director(s) were not properly maintained.	The Management is recommended to ensure that the resume and qualification supporting documents of the directors are properly kept by designated personnel / department for future reference.

In addition, the IC Consultant has assessed and confirmed in the IC Report that:

- (a) the Company's board members and senior management (i) are independent of Cho and Hui and (ii) have the appropriate qualifications and experience to manage the Company, its subsidiaries, its associates and joint ventures; and
- (b) the Company's management personnel are not acting in concert (as defined under the Hong Kong Code on Takeovers and Mergers) with Cho, Hui and/or any of their connected companies (as defined under the Rules Governing the Listing of Securities on the Stock Exchange).

CIVIL PROCEEDINGS UNDER SECTION 214 OF THE SECURITIES AND FUTURES ORDINANCE, CAP 571 ("SFO")

The Commission has, as set out in its press release on 4 September 2024, commenced civil proceedings under section 214 of the SFO against seven former directors and two former *de facto* directors of the Company, seeking director disqualification orders.

FULFILMENT OF RESUMPTION CONDITIONS

Based on the above, the Company is of the view that it has fulfilled Resumption Condition 1 by publishing this announcement and has submitted to the Commission the undertakings required to fulfil the remaining Resumption Conditions imposed by the Commission.

As detailed in the Fulfilment of Resumption Guidance Announcement, the Company has fulfilled all of the resumption conditions imposed by the Stock Exchange.

RESUMPTION OF TRADING

Trading in the shares of the Company was suspended with effect from 9:00 a.m. on 27 November 2017 under the direction of the Commission. The Commission has notified the Stock Exchange that trading in the shares of the Company, in both the original counter (code: 648) and the temporary counter (code: 2906), will be permitted to recommence pursuant to section 9(3) of SMLR with effect from 9:00 a.m. on 4 November 2025.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 31 October 2025

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