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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)**

### **ISSUE OF LOAN CAPITALISATION SHARES AND CONVERTIBLE NOTES UNDER SPECIFIC MANDATE**

#### **LOAN CAPITALISATION AGREEMENT**

On 13 June 2024 (after trading hours), the Company and the Subscriber entered into the Loan Capitalisation Agreement, pursuant to which the Company has conditionally agreed to allot and issue to the Subscriber the Loan Capitalisation Shares and the Convertible Notes. Completion of the Loan Capitalisation Agreement is conditional upon, among others, completion of the Loan Conversions under the Restructuring Agreement.

Based on (i) 326,036,828 Shares in issue as at the date of this announcement; (ii) 1,800,000,000 Loan Conversion Shares to be issued and allotted under the Loan Conversions; and (iii) 16,301,842 Scheme Shares to be issued and allotted under the Scheme, 900,000,000 Loan Capitalisation Shares will represent (i) 276% of the number of Shares in issue as at the date of this announcement; (ii) 42% of the number of Shares in issue as enlarged by the Loan Conversion Shares and the Scheme Shares; (iii) 29.6% of the number of Shares in issue as enlarged by the Loan Conversion Shares, the Scheme Shares and the Loan Capitalisation Shares; and (iv) 24.7% of the number of Shares in issue as enlarged by the Loan Conversion Shares, the Scheme Shares, the Loan Capitalisation Shares and the CN Conversion Shares. 600,000,000 CN Conversion Shares will represent (i) 184% of the number of Shares in issue

as at the date of this announcement; and (ii) 16.5% of the number of Shares in issue as enlarged by the Loan Conversion Shares, the Scheme Shares, the Loan Capitalisation Shares and the CN Conversion Shares.

The gross proceeds and net proceeds from the Loan Capitalisation are HK\$15 million and HK\$14.8 million respectively. The Company has applied/intends to apply the net proceeds for (i) payment of the corporate and administrative expenses of the Company relating to its daily operations, Trading Resumption and the Scheme costs; and (ii) as working capital for the Healthcare Business.

### **SPECIFIC MANDATE**

The Loan Capitalisation Shares and the CN Conversion Shares will be allotted and issued under the Specific Mandate to be approved by way of ordinary resolution by the Shareholders at the EGM. Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Loan Capitalisation Shares and the CN Conversion Shares.

### **LISTING RULES IMPLICATIONS**

The Loan Capitalisation Price represented a theoretical dilution effect (as defined under the Listing Rules) of 80.1% and, when aggregated with the Loan Conversions, represented a theoretical dilution effect of 88.7%. Pursuant to Rule 7.27B of the Listing Rules, the Company should not undertake a share subscription that would result in a theoretical dilution effect of 25% or more within a 12-month period. However, since the Loan Capitalisation, together with the Loan Conversions, form parts of a critical rescue proposal for the Company given (i) its imminent funding needs to accommodate the operating costs relating to its daily operations, Trading Resumption and the Scheme costs as well as the working capital for the Healthcare Business to save the Company from being delisted and to enable the Company to fulfil the resumption conditions; and (ii) its net liabilities as at 31 December 2023, the Company is of the view that there are exceptional circumstances for the Loan Capitalisation to proceed for purpose of Rule 7.27B of the Listing Rules.

### **EGM**

The EGM will be convened and held for approval of the Loan Capitalisation Agreement (including the Loan Capitalisation) and the Specific Mandate. A circular containing (i) further details of the Loan Capitalisation Agreement and the Specific Mandate; (ii) the notice of the EGM; and (iii) other information as required under the Listing Rules will be despatched to the Shareholders within 21 days from the date of this announcement.

Since neither the Subscriber nor its beneficial owner holds any Share and no Shareholder is involved in or interested in the Loan Capitalisation Agreement and the Specific Mandate, no

Shareholder is required to abstain from voting at the EGM in respect of the resolution(s) approving the Loan Capitalisation Agreement and the Specific Mandate. However, if it is to the reasonable belief of the chairperson of the EGM that there is any vote which is not independent of and/or is related to or under the influence of the Implicated Persons, such vote will not be counted towards the vote at the EGM by the chairperson of the EGM pursuant to the articles and association of the Company.

## **GENERAL**

Reference is made to the announcement of the Company dated 3 November 2023 in relation to the Restructuring Agreement. Capitalised terms used in this announcement shall have the same meaning as those defined in the said announcement unless context requires otherwise.

Trading in the Shares will continue to be suspended pending fulfilment of the resumption conditions imposed by the Stock Exchange.

**The release of this announcement is not an indication that (a) Trading Resumption has been or will be approved, (b) approval for the listing of the Loan Conversion Shares, the Scheme Shares, the Loan Capitalisation Shares and the CN Conversion Shares will be granted, or (c) the conditions precedent to the Restructuring Agreement or the Loan Capitalisation Agreement have been or will be fulfilled, or (d) completion of the Loan Conversions and the Loan Capitalisation will take place. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and are recommended to consult their professional advisers if they are in any doubt about their positions and as to the actions that they should take.**

## **BACKGROUND**

As disclosed in the announcement of the Company dated 3 November 2023, the Company entered into the Restructuring Agreement with the Investor, pursuant to which the Company would issue and allot 1,800,000,000 Loan Conversion Shares to the Investor at the issue price of HK\$0.01 per Share for settlement of the First Loan and the Second Loan. Since (i) the First Loan of HK\$8 million for payment of the costs relating to the daily operations of the Company and Trading Resumption has been fully drawn down and utilised by the Company in 2023; (ii) the Second Loan of HK\$10 million has been designated for payment of the Scheme Settlement Consideration; and (iii) the Company is in need of additional funding to accommodate corporate and administrative expenses relating to its daily operations, Trading Resumption and the Scheme costs as well as working capital for the Healthcare Business, on 28 December 2023, the Company entered into a loan facility agreement with the Subscriber for provision of the Subscriber Loan. As at the date of this announcement, HK\$12.8 million of the Subscriber Loan has been drawn down by the Company, of which HK\$1 million has been applied for the costs relating to the Scheme, HK\$4.1 million has been applied for the corporate expenses of the

Company (including professional fees) and approximately HK\$7 million has been applied as working capital for the Healthcare Business. It is the intention of the Company to drawdown the remaining facility amount of HK\$2.2 million on or before 30 June 2024.

On 13 June 2024 (after trading hours), the Company and the Subscriber entered into the Loan Capitalisation Agreement, pursuant to which the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe the Loan Capitalisation Shares and the Convertible Notes, for settlement of the Subscriber Loan.

## **LOAN CAPITALISATION AGREEMENT**

Date: 13 June 2024

Parties: (i) the Company as the issuer; and  
(ii) the Subscriber, as the subscriber

The Subscriber is wholly and beneficially owned by Mr. Zhou. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and Mr. Zhou are parties independent and not connected persons of the Company.

Under the Loan Capitalisation Agreement, the Subscriber will subscribe (i) 900,000,000 Loan Capitalisation Shares at the price of HK\$0.01 per Share and (ii) the Convertible Notes in the principal amount of HK\$6 million, which are convertible into 600,000,000 CN Conversion Shares at the price of HK\$0.01 per Share. Upon completion of the Loan Capitalisation, all liabilities under the Subscriber Loan shall be deemed fully paid, settled and waived.

The Subscriber has agreed to waive the interest accrued under the Subscriber Loan upon completion of the Loan Capitalisation. In addition, the Subscriber has also agreed that commencing from the date of the EGM having approved the Loan Capitalisation Agreement, it will provide to the Company another loan facility of up to HK\$10 million (the “**Additional Loan**”) which may be drawn down by the Company on or before 31 December 2024. The Additional Loan will be unsecured, interest free and repayable on or before 31 December 2025 and does not carry conversion rights into the Shares.

### **Loan Capitalisation Price**

The Loan Capitalisation Price of HK\$0.01 is the same as the Loan Conversion Price and represents:

(a) a discount of 97.4% to the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (b) a discount of 97.4% to the average closing price of HK\$0.38 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (c) a discount of 97.6% to the average closing price of HK\$0.41 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;
- (d) a theoretical dilution effect (as defined under the Listing Rules) of 80.1% based on the theoretical diluted price of HK\$0.0789 to the benchmarked price (as defined under the Listing Rules) of HK\$0.40 per Share, taking into account the closing price of HK\$0.38 on the Last Trading Day and the average closing price of HK\$0.40 for the five consecutive trading days prior to the Last Trading Day;
- (e) a cumulative theoretical dilution effect (as defined in the Listing Rules) in aggregation with the Loan Conversions of 88.7%, based on the theoretical diluted price of HK\$0.0447 per Share to the benchmarked price (as defined in the Listing Rules) of HK\$0.40 per Share, taking into account the closing price of HK\$0.38 on the Last Trading Day and the average closing price of HK\$0.40 for the five consecutive trading days prior to the Last Trading Day; and
- (e) a premium of HK\$1.003 to the Company's audited net liabilities of HK\$0.993 per Share as at 31 December 2023 based on 326,036,828 Shares then in issue.

The Loan Capitalisation Price was determined after arm's length negotiation between the Company and the Subscriber with reference to (i) the Loan Conversion Price of HK\$0.01 under the Restructuring Agreement; (ii) the lack of recent open market price of the Shares for comparison purpose (trading in the Shares has been suspended for over 6 years); (iii) the imminent funding needs of the Company for additional funding to accommodate corporate and administrative expenses relating to its daily operations, Trading Resumption and the Scheme costs as well as the working capital for the Healthcare Business to rescue the Company from being delisted given that the First Loan and the Second Loan have either been fully utilised or designated for specific purpose; (iv) the risk born by the Subscriber in having provided the Subscriber Loan while the Trading Resumption remains uncertain; (v) the additional risk born by the Subscriber in having undertaken to provide the Additional Loan in light of the Trading Resumption uncertainty; (vi) the safety net of the Additional Loan provided to the Company to keep it running to accommodate any delay in Trading Resumption; (vii) the significant premium of the Loan Capitalisation Price to the net liabilities per Share as at 31 December 2023; and (viii) the unfavourable market sentiments. The Board is of the view that the Loan Capitalisation Price is fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

The net price per Loan Capitalisation Share and CN Conversion Share is estimated to be HK\$0.009 after deduction of costs relating to the Loan Capitalisation.

## **Loan Capitalisation Shares and CN Conversion Shares**

Based on (i) 326,036,828 Shares in issue as at the date of this announcement; (ii) 1,800,000,000 Loan Conversion Shares to be issued and allotted under the Loan Conversions; and (iii) 16,301,842 Scheme Shares to be issued and allotted under the Scheme, 900,000,000 Loan Capitalisation Shares will represent (i) 276% of the number of Shares in issue as at the date of this announcement; (ii) 42% of the number of Shares in issue as enlarged by the Loan Conversion Shares and the Scheme Shares; (iii) 29.6% of the number of Shares in issue as enlarged by the allotment and issue of the Loan Conversion Shares, the Scheme Shares and the Loan Capitalisation Shares; and (iv) 24.7% of the number of Shares in issue as enlarged by the Loan Conversion Shares, the Scheme Shares, the Loan Capitalisation Shares and the CN Conversion Shares. 600,000,000 CN Conversion Shares will represent (i) 184% of the number of Shares in issue as at the date of this announcement; and (ii) 16.5% of the number of Shares in issue as enlarged by the Loan Conversion Shares, the Scheme Shares, the Loan Capitalisation Shares and the CN Conversion Shares.

## **Principal terms of Convertible Notes**

The principal terms of the Convertible Notes are set out as follows:

Issuer:	The Company
Principal amount:	HK\$6,000,000
Interest:	Nil
Maturity Date:	The date falling on the second anniversary of the date of issue of the Convertible Notes
Conversion Period:	The period commencing from the date on which the Convertible Notes are issued to the Subscriber up to and including the Maturity Date
Conversion right and restriction:	<p>The Subscriber shall have the right at any time during the Conversion Period to convert all or any part of the outstanding principal amount of Convertible Notes subject to the extent that:</p> <ul style="list-style-type: none"><li>(i) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules for the minimum percentage of Shares being held by the public); and</li><li>(ii) the Subscriber and the persons acting in concert (as</li></ul>

defined under the Takeovers Code) with it will not be required to make a general offer under Rules 26 of the Takeovers Code

Transferability:	The Subscriber may transfer the Convertible Notes in whole or in part to other persons provided that no transfer of the Convertible Note shall be made to any connected person of the Company and its associates without the prior written approval of the Company, and compliance with the Listing Rules and all applicable laws and regulations
Conversion Price adjustments:	<p>The initial conversion price of HK\$0.01 per Share shall be subject to adjustment upon the occurrence of the following events:</p> <ul style="list-style-type: none"><li>(i) consolidation, sub-division or reclassification of Shares;</li><li>(ii) capitalisation of profits or reserves;</li><li>(iii) capital distribution;</li><li>(iv) offering new shares or other securities of the Company to the Shareholders for subscription by way of right or otherwise;</li><li>(v) issue of Shares upon conversion or exchange of securities of the Company; and</li><li>(vi) modification of rights of conversion or exchange of securities of the Company.</li></ul>
Mandatory conversion at maturity:	The Convertible Notes cannot be redeemed by cash and any amount outstanding at the Maturity Date shall be compulsorily converted into the CN Conversion Shares by the Company on the Maturity Date
Voting:	Holder of the Convertible Notes shall not be entitled to attend or vote at any meeting of the Company by reason only it being a holder of the Convertible Notes
Application for listing:	No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange

## **Conditions precedent**

Completion of the Loan Capitalisation is conditional upon satisfaction or the waiver (as the case may be) of the following conditions precedent:

- (a) passing of the resolution(s) by the Shareholders by way of poll at the EGM for approving the Loan Capitalisation Agreement and the Specific Mandate;
- (b) completion of the Loan Conversions under the Restructuring Agreement;
- (c) the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Loan Capitalisation Shares and the CN Conversion Shares;
- (d) the representations and warranties given by the Company and the Subscriber under the Loan Capitalisation Agreement remaining true, accurate, complete and not misleading in all material respects from the date of the Loan Capitalisation Agreement to the date of completion of the Loan Capitalisation; and
- (e) the Subscriber being reasonably satisfied with the due diligence review on the business and financial conditions of the Company.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Loan Capitalisation Shares and the CN Conversion Shares.

Conditions (a), (b) and (c) are not waivable by the Company and the Subscriber. The Company may waive condition (d) in respect of the representation and warranties given by the Subscriber. The Subscriber may waive conditions (d) in respect of the representation and warranties given by the Company and (e). In the event that any of the conditions not being fulfilled or waived (as the case may be) in full by 31 December 2024 (or such other date as may be agreed between the Company and the Subscriber), the Loan Capitalisation Agreement shall cease and terminate.

## **Completion of Loan Capitalisation**

Completion of the Loan Capitalisation will take place on or before the fifth business day after the satisfaction or the waiver (as the case may be) of all the above conditions precedent (or such other date as the Company and the Subscriber may agree).

## **Specific Mandate**

The Loan Capitalisation Shares and the CN Conversion Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the EGM. The Loan Capitalisation Shares and the CN Conversion Shares will rank par passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue.

## **REASONS FOR AND BENEFITS OF THE LOAN CAPITALISATION**

The Group is principally engaged in the Healthcare Business. Trading in the shares of the Company has been suspended since 27 November 2017 and Trading Resumption is pending fulfilment of the resumption conditions imposed by the Stock Exchange. In 2023, the Company has successfully implemented plans to rescue itself from being wound up by way of implementation of the Scheme to restore its financial position to normality and the entering into of the Restructuring Agreement to strengthen its capital base. However, as disclosed in the Company's previous announcements, the Stock Exchange's withholding to exercise its right to delist the Company under Rule 6.01A(2)(b)(i) of the Listing Rules is pending further development of the Company's submission to the SFC and the Stock Exchange may exercise its right under Rule 6.01A of the Listing Rules at a later stage when it considers appropriate. The Company is particularly concerned that if the resumption conditions are not fulfilled in a timely manner and the Stock Exchange exercises its right to delist the Company, it would be detrimental to the Company and its shareholders.

Due to the long suspension of trading and heavy indebtedness as well as the unfavourable business environment arising from the Sino-United States trade conflict, the wars in Ukraine and the Middle East and the worldwide higher-and-longer interest rate environment, the resources and fund-raising options available to the Company are very limited. As also disclosed in its circular dated 30 November 2023, none of the fund-raising attempts of the Company (save for the Investor) had met success for reasons of the long Trading Suspension and the nature of Trading Suspension. On the other hand, looking ahead, the Company, in view of the uncertainties ahead, will have to keep up its competitiveness in the market by remaining focused on the organic growth of the Healthcare Business through improvement on business model and process, increased market penetration, expansion in product range and widening customer reach. Given that (i) the Company has already fully utilised the First Loan in 2023; (ii) the Second Loan is designated for payment of the Scheme Settlement Consideration; (iii) the business loan facility for the Healthcare Business provided by the Investor is no longer available due to change in the circumstances of the Investor, the Subscriber Loan is therefore the only, crucial and timely funding source for the Company to accommodate the corporate and administrative expenses relating to daily operation, Trading Resumption and the Scheme costs and to further grow the Healthcare Business in order to rescue the Company it from being delisted. In addition, the Subscriber's intention to become a major Shareholder in addition to

the Investor would present a positive assurance to the market and the customers, suppliers and business partners of the Group.

Given the above, particularly (i) further enhancement of the Company's financial position from net liabilities as at 31 December 2023 to net asset of HK\$45 million upon completion of the Loan Capitalisation, together with the Scheme and the Loan Conversions; and (ii) the Additional Loan to be provided the Subscriber with favourable terms under the Loan Capitalisation Agreement, the Board considers that the terms of the Loan Capitalisation Agreement are fair and reasonable and on normal commercial terms and the entering into of the Loan Capitalisation Agreement is in the interest of the Company and the Shareholders as a whole.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company had 326,036,828 Shares in issue and had no other share, option, warrant, derivative or other relevant securities (as defined under the Takeovers Code) that carried rights to subscribe for or which are convertible into the Shares. Set out below are the shareholding structures of the Company (i) as at the date of this announcement; (ii) upon issue of the Scheme Shares and the Loan Conversion Shares; (iii) upon issue of the Scheme Shares, the Loan Conversion Shares and the Loan Capitalisation Shares; and (iv) upon issue of the Scheme Shares, the Loan Conversion Shares, the Loan Capitalisation Shares and the CN Conversion Shares:

	As at the date of this announcement		Upon issue of Scheme Shares and Loan Conversion Shares		Upon issue of Scheme Shares, Loan Conversion Shares and Loan Capitalisation Shares		Upon issue of Scheme Shares, Loan Conversion Shares, Loan Capitalisation Shares and CN Conversion Shares	
	Shares	%	Shares	%	Shares	%	Shares	%
The Investor	-	-	1,800,000,000	84.0%	1,800,000,000	59.1%	1,800,000,000	49.4%
The Subscriber	-	-	-	0.0%	900,000,000	29.6%	1,500,000,000	41.2%
	-	-	1,800,000,000	84.0%	2,700,000,000	88.7%	3,300,000,000	90.6%
<b>Public shareholders</b>								
Creditors	-	-	16,301,842	0.8%	16,301,842	0.5%	16,301,842	0.4%
Other public Shareholders	326,036,828	100.0%	326,036,828	15.2%	326,036,828	10.7%	326,036,828	9.0%
	<u>326,036,828</u>	<u>100.0%</u>	<u>2,142,338,670</u>	<u>100.0%</u>	<u>3,042,338,670</u>	<u>100.0%</u>	<u>3,642,338,670</u>	<u>100.0%</u>

### Notes:

1. Pursuant to the Restructuring Agreement, the Investor has undertaken to the Company that following completion of the Loan Conversions, it will sell or otherwise dispose of such number of Shares to maintain the minimum public float as required under the Listing Rules.
2. Pursuant to the Loan Capitalisation Agreement, the Subscriber has undertaken to the Company that following completion of the Loan Capitalisation, it will, regardless whether there would be placing down of Shares by the Investor, sell or otherwise dispose of such number of Shares to maintain the minimum public float of the Company as required under the Listing Rules.
3. The percentage of the Subscriber's shareholding in the Company after issue of the CN Conversion Shares is for illustrative purpose only. Pursuant to the terms of the Convertible Notes, the Subscriber shall not exercise the conversion rights of the Convertible Notes if such conversion will result in:

- (i) *the public float of the Shares falls below 25% (or any given percentage as required by the Listing Rules for the minimum percentage of Shares being held by the public); and*
- (ii) *the Subscriber and the persons acting in concert (as defined under the Takeovers Code) with it being required to make a general offer under Rules 26 of the Takeovers Code.*

## **PLACING DOWN BY THE SUBSCRIBER TO MAINTAIN PUBLIC FLOAT**

The Subscriber has undertaken to the Company that following completion of the Loan Capitalisation, it will, regardless whether the placing down by the Investor takes place, to the extent required by the Listing Rules and within the time limits permitted by the Stock Exchange sell or otherwise dispose of such number of Shares as may be required to ensure that the minimum public float as required under the Listing Rules is maintained to permit the continued listing of all issued Shares on the Stock Exchange. In other words, the Subscriber has undertaken to take up the primary responsibility for ensuring the minimum public float as required under the Listing Rules. The required number of Shares will be disposed of by the Subscriber to placees who will be professional, institutional or other private investors and are third parties independent of the Company and its connected persons (as defined in under the Listing Rules) and the Subscriber and its connected persons and not acting in concert with any of the Subscriber or Mr. Zhou. As it is not expected that any individual placee will become a substantial Shareholder immediately after completion of the placing down, the number of Shares to be placed will form part of the public float of the Company. Save for the placing down, the Subscriber and Mr. Zhou do not have any plan, agreement, arrangement, intention or understanding to transfer, charge, pledge or otherwise dispose of any Share to any other person.

## **EQUITY FUND RAISING ACTIVITIES OF IN THE PAST TWELVE MONTHS**

Save for the entering into of a Restructuring Agreement dated 3 November 2023 between the Company and the Investor in relation to the Loan Conversions for settlement of the First Loan and the Second Loan in the aggregate principal amount of HK\$18 million which has not been completed as at the date of this announcement, the Company has not conducted any equity fund raising activities in the past twelve months before the date of this announcement.

## **LISTING RULES IMPLICATIONS**

The Loan Capitalisation Price represented a theoretical dilution effect (as defined under the Listing Rules) of 80.1% and, when aggregated with the Loan Conversions, represented a theoretical dilution effect of 88.7%. Pursuant to Rule 7.27B of the Listing Rules, the Company should not undertake a share subscription that would result in a theoretical dilution effect of 25% or more within a 12-month period. However, since the Loan Capitalisation, together with the Loan Conversions, form parts of a critical rescue proposal for the Company given (i) its imminent funding needs to accommodate the operating costs relating to its daily operations, Trading Resumption and the Scheme costs as well as the working capital for the Healthcare Business to save the Company from being delisted and to enable the Company to fulfil the

resumption conditions; and (ii) its net liabilities as at 31 December 2023, the Company is of the view that there are exceptional circumstances for the Loan Capitalisation to proceed for purpose of Rule 7.27B of the Listing Rules.

## **EGM**

The EGM will be convened and held for the approval of the Loan Capitalisation Agreement (including the Loan Capitalisation) and the Specific Mandate. A circular containing (i) further details of the Loan Capitalisation Agreement and the Specific Mandate; (ii) the notice of the EGM; and (iii) other information as required under the Listing Rules will be despatched to the Shareholders within 21 days from the date of this announcement.

Since neither the Subscriber nor its beneficial owner holds any Share and no Shareholder is involved in or interested in the Loan Capitalisation Agreement and the Specific Mandate, no Shareholder is required to abstain from voting at the EGM in respect of the resolution(s) approving the Loan Capitalisation Agreement and the Specific Mandate. However, if it is to the reasonable belief of the chairperson of the EGM that there is any vote which is not independent of and/or is related to or under the influence of the Implicated Persons, such vote will not be counted towards the vote at the EGM by the chairperson of the EGM pursuant to the articles and association of the Company.

## **GENERAL**

Reference is made to the announcement of the Company dated 3 November 2023 in relation to the Restructuring Agreement. Capitalised terms used in this announcement shall have the same meaning as those defined in the said announcement unless context requires otherwise.

Trading in the Shares will continue to be suspended pending fulfilment of the resumption conditions imposed by the Stock Exchange.

**The release of this announcement is not an indication that (a) Trading Resumption has been or will be approved, (b) approval for the listing of the Loan Conversion Shares, the Scheme Shares, the Loan Capitalisation Shares and the CN Conversion Shares will be granted, or (c) the conditions precedent to the Restructuring Agreement or the Loan Capitalisation Agreement have been or will be fulfilled, or (d) completion of the Loan Conversions and the Loan Capitalisation will take place. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and are recommended to consult their professional advisers if they are in any doubt about their positions and as to the actions that they should take.**

## DEFINITIONS

In this announcement, the following words and expressions shall have the following meanings ascribed to them:

“CN Conversion Shares”	the new Shares to be allotted and issued by the Company to the Subscriber upon exercise of the conversion rights of the Convertible Notes
“Convertible Notes”	the convertible notes in the principal amount of HK\$6 million to be issued by the Company to the Subscriber pursuant to the Loan Capitalisation Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and approve the Loan Capitalisation Agreement and the Specific Mandate
“Loan Capitalisation”	the allotment and issue of the Loan Capitalisation Shares and the Convertible Notes by the Company to the Subscriber
“Loan Capitalisation Agreement”	the conditional agreement dated 13 June 2024 and entered into between the Company and the Subscriber in connection with the Loan Capitalisation
“Loan Capitalisation Price”	the subscription price of HK\$0.01 per Loan Capitalisation Share and the conversion price of HK\$0.01 per CN Conversion Share
“Loan Capitalisation Shares”	the 900,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Loan Capitalisation Agreement
“Mr. Zhou”	Mr. Zhou Guangyou, the sole beneficial owner of the Subscriber
“Specific Mandate”	the specific mandate proposed to be considered, approved and granted by the Shareholders at the EGM to authorise the Board to allot and issue and/or deal in the Loan Capitalisation Shares and the CN Conversion Shares

“Subscriber”	Smart Noble Holdings Limited, a company incorporated in the Independent State of Samoa with limited liability and wholly and beneficially owned by Mr. Zhou
“Subscriber Loan”	the provision of a loan facility of up to HK\$15 million by the Subscriber, which bears an interest rate of 5% per annum and is repayable on 30 September 2024, pursuant to an agreement entered into between the Company and the Subscriber dated 28 December 2023

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

Hong Kong, 13 June 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 Xuezhen, Mr. Lin Pinzhuo and Mr. Yiu Chun Wing as independent non-executive Directors.*