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Chaoju Eye Care Holdings Limited

朝聚眼科醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2219)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Revenue of the Group increased by 2.6% to RMB1,405.5 million for the year ended December 31, 2024 from RMB1,369.5 million for the year ended December 31, 2023.

Profit before tax of the Group decreased by 12.2% to RMB262.7 million for the year ended December 31, 2024 from RMB299.2 million for the year ended December 31, 2023. Pre-tax profit margin decreased to 18.7% for the year ended December 31, 2024 from 21.9% for the year ended December 31, 2023.

Net profit of the Group decreased by 15.6% to RMB186.2 million for the year ended December 31, 2024 from RMB220.7 million for the year ended December 31, 2023. Net profit margin decreased to 13.2% for the year ended December 31, 2024 from 16.1% for the year ended December 31, 2023.

Non-IFRS adjusted net profit^(Note) of the Group decreased by 9.1% to RMB202.7 million for the year ended December 31, 2024 from RMB223.1 million for the year ended December 31, 2023. Non-IFRS adjusted net profit margin decreased to 14.4% for the year ended December 31, 2024 from 16.3% for the year ended December 31, 2023.

Basic earnings per Share of the Group decreased by 15.2% to RMB0.28 for the year ended December 31, 2024 from RMB0.33 for the year ended December 31, 2023.

As at December 31, 2024, the number of ophthalmic hospitals and optical centers operated by the Group was 31 and 29, respectively, showing no change as compared to that as at December 31, 2023.

The Board recommended the payment of a final dividend of HK\$0.1193 per Share (2023: HK\$0.2208 per Share), and there was no special dividend (2023: HK\$0.0767 per Share) for the year ended December 31, 2024. For the six months ended June 30, 2024, the Company declared and paid an interim dividend of HK\$0.1307 per Share, amounting to a total of approximately HK\$90.28 million (equivalent to RMB82.5 million).

NON-IFRS MEASURES

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Company has provided non-IFRS adjusted net profit and non-IFRS adjusted net profit margin as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors and others in understanding and evaluating the Group's consolidated statements of profit or loss in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's operating performance from period to period by eliminating impacts of items that the Group does not consider indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS.

Note:

- (1) Non-IFRS adjusted net profit for the year ended December 31, 2024 was calculated as a net profit excluding share-based compensation expenses, and that for the year ended December 31, 2023 was calculated as a net profit excluding share-based compensation expenses and one-off gain on a deemed disposal of interest previously held in an associate. The above adjustments will only have an impact on the net profit for this fiscal year, and will no longer have a continuous impact from the next fiscal year.

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2024

	Year ended December 31,	
	2024	2023
	(RMB'000)	(RMB'000)
Revenue	1,405,454	1,369,505
Cost of sales	<u>(794,152)</u>	<u>(748,371)</u>
Gross profit	611,302	621,134
Other income and gains	57,260	83,278
Selling and distribution expenses	(124,574)	(104,989)
Administrative expenses	(237,485)	(222,459)
Other expenses	(31,098)	(59,666)
Impairment losses on financial assets, net	(2,028)	(5,835)
Finance costs	<u>(10,654)</u>	<u>(12,221)</u>
Profit before tax	262,723	299,242
Income tax expense	<u>(76,513)</u>	<u>(78,507)</u>
Net profit	186,210	220,735
Non-IFRS adjusted net profit ⁽¹⁾	<u>202,729</u>	<u>223,105</u>
Gross profit margin	43.5%	45.4%
Net profit margin	13.2%	16.1%
Non-IFRS adjusted net profit margin ⁽²⁾	<u>14.4%</u>	<u>16.3%</u>
Non-IFRS EBITDA ⁽³⁾	374,126	377,295
Non-IFRS adjusted EBITDA	<u>390,645</u>	<u>379,665</u>

Notes:

- (1) Adjustments to the net profit for the year ended December 31, 2024 include share-based compensation expenses. Adjustments to the net profit for the year ended December 31, 2023 include share-based compensation expenses and one-off gain on a deemed disposal of interest previously held in an associate.
- (2) Non-IFRS adjusted net profit margin was calculated based on non-IFRS adjusted net profit divided by revenue.
- (3) Non-IFRS EBITDA represents profit before tax excluding: (i) finance costs; (ii) fair value gains and interest income on financial assets at fair value through profit or loss; (iii) depreciation of property, plant and equipment; (iv) depreciation of investment properties; (v) amortization of intangible assets; and (vi) depreciation of right-of-use assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is a leading ophthalmic medical service group in North China with a strong reputation nationwide. The Group was founded in 1988 in Baotou, Inner Mongolia, as a clinic providing ophthalmic services. Since its inception, the Group adheres to the vision of “Being a Leader of Happy Ophthalmic Healthcare” (成為全球快樂眼健康引領者) and has been “Providing its Patients with a Safe, Reassuring and Pleasant Ophthalmic Medical Experience” with the aid of effective medical equipment and technology as well as professional, caring and considerate services.

As at December 31, 2024, the Group operated a network of 31 ophthalmic hospitals and 29 optical centers spanning across a total of 7 provinces, municipalities and autonomous regions in China. The ophthalmic hospitals specialize in providing ophthalmic services and the optical centers offer a series of optical products and services to satisfy a wide array of requests from customers.

The following table sets forth a breakdown of certain operational information by type of services provided by the Group for the years indicated:

	Year ended December 31,	
	2024	2023
The hospitals		
Out-patient services		
Number of out-patient visits	1,137,742	1,128,719
Average spending per visit (RMB) ⁽²⁾	713	698
In-patient services		
Number of in-patient visits	72,120	67,258
Average spending per visit (RMB) ⁽²⁾	6,914	7,109
Optical centers		
Number of customer visits ⁽¹⁾	105,354	120,184
Average selling price (RMB) ⁽²⁾	900	806

Notes:

- (1) Represents the total number of purchases made by customers at the optical centers. If a customer makes more than one purchase at the optical centers within the same day, he/she will only be counted once. If a customer purchases at the optical centers on different days, he/she will be counted according to the number of days he/she made purchases at the optical centers.

- (2) Subject to rounding adjustments, (i) average spending per visit represents the average spending per visit calculated by the total revenue generated from the out-patient or in-patient services (as applicable) divided by the total number of out-patient or in-patient visits (as applicable); and (ii) average selling price represents the average selling price calculated by the total revenue generated from the optical centers divided by the total number of customer visits.

The Group's revenue increased by 2.6% from RMB1,369.5 million for the year ended December 31, 2023 to RMB1,405.5 million for the year ended December 31, 2024, primarily attributable to an increase in our market share through our acquisition of ophthalmic hospitals and optical centers in 2023.

The following table sets forth a breakdown of revenue by business segments for the years indicated:

	Year ended December 31,			
	2024		2023	
	Revenue	Percentage	Revenue	Percentage
	(RMB'000)	of revenue	(RMB'000)	of revenue
		%		%
Consumer ophthalmic services	706,445	50.3	709,225	51.8
Basic ophthalmic services	697,840	49.6	654,011	47.8
Sales of equipment and medical consumables	1,169	0.1	6,269	0.4
Total	1,405,454	100.0	1,369,505	100.0

Consumer ophthalmic services

The Group's consumer ophthalmic services include treatments and prevention of various types of ophthalmic disorders, including refractive correction (including presbyopia correction), myopia prevention and control, dry eye syndrome, oculoplastic and provision of optical products and services, the costs for which are currently not covered by public health insurance programs.

To maintain the Group's strong reputation in the provision of consumer ophthalmic services, the Group (i) optimized its marketing and promotion activities with a focus on online promotion, new media and other online channels; (ii) chaired various pro bono eye disease screening activities for the public; (iii) formulated operational management measures to optimize its customer membership management model for maintaining customer loyalty; and (iv) streamlined the admission process to increase the Group's capacity for patient visits. The Group continued to reinforce the training on consumer ophthalmic services techniques and related skills and improve the service quality in adherence to the Group's core values of "Providing its Patients with a Safe, Reassuring and Pleasant Ophthalmic Medical Experience". Furthermore, the Group also implemented stringent medical quality control measures in providing quality medical services to its patients to enhance its reputation.

In addition, consumer ophthalmic services are usually more profitable as it is not subject to the pricing guidance imposed by public health insurance authorities and as such, the Group devoted more resources to pursue continuous and rapid growth of consumer ophthalmic services. For the year ended December 31, 2024, the Group's consumer ophthalmic services contributed to 50.3 % of the Group's total revenue. In terms of revenue, consumer ophthalmic services have continued to be the Group's major source of revenue.

Basic ophthalmic services

The Group's basic ophthalmic services include treatments of a wide range of common eye diseases, including cataract, glaucoma, squint, ocular fundus diseases, ocular surface diseases, orbital diseases and pediatric eye diseases, the cost of which are partially eligible to be covered by public health insurance programs.

The Group continued to devote significant resources on the procurement of cutting-edge medical equipment for the treatment of eye diseases and expanded the use of advanced treatment regimes, premium medical equipments and consumables, which further raised the quality of the Group's medical services, and in turn increased the patient retention rate returning to the Group's ophthalmic hospitals to purchase treatment for other basic eye diseases.

For the year ended December 31, 2024, the Group's basic ophthalmic services accounted for approximately 49.6% of the Group's total revenue, being another major source of revenue of the Group.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of gross profit by business segments and the corresponding gross profit margin for the years indicated:

	Year ended December 31,			
	2024		2023	
	Gross profit (RMB'000)	Gross profit margin %	Gross profit (RMB'000)	Gross profit margin %
Consumer ophthalmic services	316,426	44.8	348,519	49.1
Basic ophthalmic services	294,789	42.2	271,768	41.6
Sales of equipment and medical consumables	87	7.4	847	13.5
Total	611,302	43.5	621,134	45.4

The gross profit generated from consumer ophthalmic services was RMB316.4 million for the year ended December 31, 2024, representing a decrease of 9.2% compared to the year ended December 31, 2023, mainly due to the heightened industry competition, which compressed the profit margin and led to a decline in the segment's gross margin. The gross profit generated from basic ophthalmic services was RMB294.8 million for the year ended December 31, 2024, representing an increase of 8.5% compared to the year ended December 31, 2023, which was primarily due to an increase in revenue from basic ophthalmic services of 6.7% compared to the year ended December 31, 2023 and the dilution of related costs. The Group's gross profit was RMB611.3 million for the year ended December 31, 2024, representing a decrease of 1.6% compared to the year ended December 31, 2023.

Team of Medical Professionals

The Group has a deep bench of ophthalmic experts with medical expertise and rich experience to treat a wide range of eye diseases and to provide various types of ophthalmic services. The Group focuses on the quality of ophthalmic services and devotes resources to allow its ophthalmologists to provide ophthalmic medical services in a professional, dedicated and responsible manner. The Group is also committed to recruiting and cultivating qualified professionals to form an ophthalmic medical team with outstanding professional and ethical standards and strong sense of responsibility. As at December 31, 2024, the Group had a total of 1,464 full-time medical professionals, among which, are composed of 296 physicians, 625

nurses and 543 other professionals. Among the 296 physicians, 267 are full-time physicians registered as specialized ophthalmologists. In addition, the Group also had 58 multi-site practice physicians who were full-time employees of other medical institutions.

Awards, Recognitions and Social Responsibility

Awards and Recognitions

In 2024, the Group received recognitions and awards at different levels and from different aspects, such as:

- | | |
|---------------|---|
| January 2024 | Chaoju (Chifeng) Eye Hospital Co., Ltd. (朝聚(赤峰)眼科醫院有限公司) was recognized as “Municipal Civilized Unit (市級文明單位)”; |
| | Xiangshan Chaoju Eye Hospital Co., Ltd. (象山朝聚眼科醫院有限公司) received the “Caring Team(愛心團隊)” honorary title; |
| February 2024 | The Glaucoma Departments of both Baotou City Chaoju Eye Hospital Co., Ltd.(包頭市朝聚眼科醫院有限公司) and Chaoju (Inner Mongolia) Eye Hospital Co., Ltd.(朝聚(內蒙古)眼科醫院有限公司) was recognized as a “Glaucoma Standardized Diagnosis and Treatment Center Demonstration Unit (青光眼規範化診療中心建設項目示範中心)”; |
| March 2024 | Baotou City Chaoju Optometry Correction Eyeglasses Co., Ltd. (包頭市朝聚眼視光矯治配鏡有限公司) was awarded the title of “Inner Mongolia Autonomous Region Integrity Measurement Demonstration Unit (內蒙古自治區誠信計量示範單位)”; |
| May 2024 | Chaoju (Chifeng) Eye Hospital Co., Ltd. (朝聚(赤峰)眼科醫院有限公司) awarded the title of “Humanitarian Public Welfare Good Partner (人道公益好夥伴)” ; |
| | The Cataract Department of Chaoju (Inner Mongolia) Eye Hospital Co., Ltd.(朝聚(內蒙古)眼科醫院有限公司) was awarded the “National Worker Pioneer (全國工人先鋒)” honor; |
| June 2024 | Baotou City Chaoju Eye Hospital Co., Ltd.(包頭市朝聚眼科醫院有限公司) was recognized as one of the first “Benchmark Private Hospitals in Western China (西部社會辦醫標竿醫院)” ; |
| August 2024 | Chaoju (Chifeng) Eye Hospital Co., Ltd. (朝聚(赤峰)眼科醫院有限公司) was honored as a “Statistical Integrity Enterprise (統計誠信企業)” ; |

- November 2024 Chaoju (Inner Mongolia) Eye Hospital Co., Ltd.(朝聚(內蒙古)眼科醫院有限公司)received the “Outstanding Organization Award(優秀組織獎)” at the 2nd Hohhot Health Science Popularization Competition (第二屆呼和浩特健康科普大賽) ;
- December 2024 The Company was awarded the “New Quality Productive Enterprise Grand Prize 2024 (新質生產力企業大獎2024)”

Social Responsibility

The Group provides charitable medical aid and medical consultations to public institutions and disadvantaged communities from time to time. Such charitable events allow the Company to maintain good relationships with government authorities and agencies while simultaneously promote its ophthalmic and optical services. These events do not only benefit the vulnerable communities, but also improve our brand awareness and reputation. For example, in 2024, the Group:

1. continued to participate in the “Spread the Love in Inner Mongolia, Helping Patients in Pursuit of Health and Dreams” (大愛北疆助康圓夢) charity campaign jointly organized by the Inner Mongolia Disabled Persons’ Federation and Inner Mongolia Disabled Persons’ Welfare Foundation to provide examination and treatment to children suffering from amblyopia;
2. continued to participate in the “Belt and Road: Bright Tour” public welfare project in the China-Mongolia, provided training for optometrists in Mongolia and performed cataract recovery operation services for cataract patients in Mongolia;
3. provided optical screening services to and established medical profiles for primary and secondary school students in Inner Mongolia;
4. provided professional and customized rehabilitation training for children with low vision and squint, and carried out prevention activities to educate children and parents for early diagnosis;
5. conducted various forms of online and offline expert science popularization lectures on eye health for students and their parents for enriching their knowledge in eye health and common eye diseases among children; and
6. led 5 scientific research projects with various authorities and published 11 articles on reputable scientific journals, obtained 5 patents, and published 7 articles domestically and 2 books.

BUSINESS PROSPECTS AND STRATEGIC HIGHLIGHTS

The demand for ophthalmic medical services has gradually increased in recent years and is expected to remain relatively steady growth rates in the foreseeable future as a result of continued economic growth and an increasingly aging population. However, ophthalmic medical resources in China are scarce, and the penetration rate of surgeries for eye diseases in China is low.

As at the date of this announcement, the Group operated a network of 31 ophthalmic hospitals and 29 optical centers. The Group plans to continue expanding its network layout and strengthening its network coverage in the key regions of North China and expects to acquire more hospitals in the coming future. The Group also plans to expand its layout in the key regions of Yangtze River Delta region through acquisitions and establishment of new hospitals and optical centers. As at the date of this announcement, the Group had not entered into any letters of intent or agreements with respect to acquisitions and had not identified any definite acquisition targets.

As a leading ophthalmic medical services group in China, the Group is able to leverage on its branding and market reputation in North China and continue to increase its market share in North China. The Group has further enhanced its brand awareness and reputation in East China through continuously expanding its market share and consolidating the Group's market position in the region. The Group is well-positioned to capture the significant growth potential of the underserved market of private ophthalmic services in China.

Looking into the future, the Group expects to:

1. adhere to the vision of “Being a Leader of Happy Ophthalmic Healthcare” to provide effective medical services and continuously revise its improvement plans and promote the “Happy Action” plans;
2. reinforce its leading position in North China and enhance its market positioning in Yangtze River Delta region and other key regions while developing its featured ophthalmic hospitals, new-build and mergers and acquisitions in key regions;
3. seize opportunities in the consumer ophthalmic market and expand consumer ophthalmology by leveraging Chaoju Eye ophthalmic's clinical expertise in ophthalmology diagnosis and treatment in order to become a national chain provider of ophthalmic services trusted by the public;
4. improve the utilization efficiency of its regional resources and strengthen its centralized management model with regional center hospitals as the core;
5. serve with quality medical services and continuously improve patient satisfaction and brand awareness;

6. continue to promote Golocal Talent Program, actively attract and recruit talents by further refining its training and career developments programs, cultivating its unique corporate culture and offering fair incentives to its key employees;
7. standardize the management of the Group and the communication with regulatory authorities, such as the Stock Exchange, and various professional institutions, so as to improve the comprehensive corporate governance;
8. deepen the application of intelligent technologies and leverage artificial intelligence to enhance our work efficiency; and
9. continue to promote the construction of a sound environmental, social and corporate governance (ESG) system and constantly give back to the society.

Financial Review

Revenue

During the Reporting Period, the Group generated revenue primarily from providing (i) consumer ophthalmic services; and (ii) basic ophthalmic services. The revenue of the Group increased by 2.6% from RMB1,369.5 million for the year ended December 31, 2023 to RMB1,405.5 million for the year ended December 31, 2024.

Consumer ophthalmic services

The Group's consumer ophthalmic services offer a variety of ophthalmic disorder treatments and prevention measures, including myopia control, refractive correction (including presbyopia correction), dry eye syndrome, oculoplastic and provision of optical products and services.

The Group's revenue from consumer ophthalmic services decreased by 0.4% from RMB709.2 million for the year ended December 31, 2023 to RMB706.4 million for the year ended December 31, 2024, indicating a relatively minor adjustment in pricing due to slow down in consumer market in the PRC.

Basic ophthalmic services

The Group's basic ophthalmic services offer a wide range of common eye diseases treatments, including cataract, glaucoma, squint, ocular fundus diseases, ocular surface diseases, orbital diseases and pediatric eye diseases.

The Group's revenue from basic ophthalmic services increased by 6.7% from RMB654.0 million for the year ended December 31, 2023 to RMB697.8 million for the year ended December 31, 2024. The increase in revenue was primarily due to (i) our enhanced marketing efforts by chairing and holding various pro bono health lectures, eye disease screening, physical examination and other activities for the public; (ii) our enhanced admission,

reception, pre-surgery and post-surgery processes which improved our reception capacity to enable serving rapidly increased patients in a short period of time; (iii) our increase in the successful rate of converting potential patients to the Group's customers and increase patients average spending with value-added healthcare services; and (iv) the enhanced reputation of our Group, which attracted more patients to receive basic ophthalmic services in the Group's ophthalmic hospitals, among which, more and more patients chose to return to receive treatment on their other eye for basic diseases.

Cost of Sales

During the Reporting Period, the Group's cost of sales was primarily composed of medical consumables and optical products, employee compensation directly related to our provision of medical services, cost of pharmaceuticals, depreciation, amortization and rental expenses.

The Group's cost of sales increased by 6.1% from RMB748.4 million for the year ended December 31, 2023 to RMB794.2 million for the year ended December 31, 2024, primarily due to an increase in fixed costs (such as depreciation, amortization and lease payments) and expenses incurred in relation to (i) the upgrading and renovation of the Group's existing hospitals, (ii) additional medical consumables, employee compensation and cost of pharmaceuticals from both the commencement of businesses of Zhangjiakou Chaoju Eye Hospital Co., Ltd. in July 2023 and the acquisitions of Beijing Chaoju Ophthalmic Clinic Co., Ltd., Bayannur Xudong Ophthalmic Hospital Co., Ltd., Bayannur Chaoju Optometry Co., Ltd., Wuyuan County Xudong Ophthalmic Hospital Co., Ltd. and Wulate Qianqi Chaoju Eye Hospital Co., Ltd. (collectively referred as to the "New Hospitals") in September 2023.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by 1.6% from RMB621.1 million for the year ended December 31, 2023 to RMB611.3 million for the year ended December 31, 2024.

The Group's gross profit margin decreased from 45.4% for the year ended December 31, 2023 to 43.5% for the year ended December 31, 2024. The decrease in gross profit margin was mainly due to (i) intensified industry competition, (ii) structural impacts of healthcare reimbursement reforms, and (iii) pricing pressures under the China's National Volume-Based Procurement.

Other Income and Gains

During the Reporting Period, the Group's other income and gains were primarily composed of interest income, fair value gains, gains on remeasurement to fair value in an associate and government grants.

The Group's other income and gains decreased by 31.2% from RMB83.3 million for the year ended December 31, 2023 to RMB57.3 million for the year ended December 31, 2024, primarily due to (i) the appreciation gain on the valuation of Ningxia Chaoju Kaiming Eye Hospital Co., Ltd. (寧夏朝聚開明眼科醫院有限公司) was no longer incurred during the Reporting Period; and (ii) a decrease in fair value gains from financial assets at fair value through profit or loss.

Selling and Distribution Expenses

During the Reporting Period, the Group's selling and distribution expenses were primarily composed of the compensation of the Group's sales and marketing personnel and advertising expenses, depreciation, amortization and rental expenses.

The Group's selling and distribution expenses increased by 18.7% from RMB105.0 million for the year ended December 31, 2023 to RMB124.6 million for the year ended December 31, 2024, primarily due to the operation of hospitals acquired in 2023 and the increased expansion marketing and advertising activities by existing hospitals as part of our efforts in market expansion.

Administrative Expenses

During the Reporting Period, the Group's administrative expenses were primarily composed of the compensation and share-based payments of the Group's administrative and management personnel, depreciation and amortization, rental expenses, start-up costs of hospitals and fees paid for the professional services.

The Group's administrative expenses increased by 6.7% from RMB222.5 million for the year ended December 31, 2023 to RMB237.5 million for the year ended December 31, 2024, primarily due to (i) strengthening expense controls; (ii) additional management personnel from New Hospitals and the amortization effects related to identified intangible asset value increments through the allocation of acquisition consideration.

Impairment Losses on Financial Assets, Net

During the Reporting Period, the Group's impairment losses on financial assets were primarily composed of provision for impairment losses on trade receivables and other receivables.

The Group's impairment losses on financial assets decreased by 65.5% from RMB5.8 million for the year ended December 31, 2023 to RMB2.0 million for the year ended December 31, 2024, primarily due to a decrease in the provision for impairment in the Reporting Period.

Finance Costs

During the Reporting Period, the Group's finance costs were primarily composed of interest expenses on lease liabilities.

The Group's finance costs decreased by 12.3% from RMB12.2 million for the year ended December 31, 2023 to RMB10.7 million for the year ended December 31, 2024, primarily due to a decrease in interest expenses arising from lease liabilities.

Income Tax Expense

During the Reporting Period, the income tax rate generally applicable to the Group's subsidiaries in China is 25% and certain subsidiaries of the Group are eligible for a preferential income tax rate of 15%. Certain other subsidiaries are eligible for preferential income tax rates of 3% and 5% with respect to part of their taxable income.

The Group's income tax expense decreased by 2.5% from RMB78.5 million for the year ended December 31, 2023 to RMB76.5 million for the year ended December 31, 2024, due to a decrease in the Group's profit before tax.

Net Profit and Net Profit Margin

As a result of the foregoing, the Group's net profit decreased by 15.6% to RMB186.2 million for the year ended December 31, 2024 from RMB220.7 million for the year ended December 31, 2023. The Group's net profit margin decreased to 13.2% for the year ended December 31, 2024 from 16.1% for the year ended December 31, 2023. The Group defined non-IFRS adjusted net profit as profit for the period adjusted for items which are non-recurring or extraordinary, including share-based compensation expenses and one-off gain on a deemed disposal of interest previously held in an associate. The Group's non-IFRS adjusted net profit decreased by 9.1% to RMB202.7 million for the year ended December 31, 2024 from RMB223.1 million for the year ended December 31, 2023.

Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Company has provided non-IFRS adjusted net profit and non-IFRS adjusted net profit margin as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors and others in understanding and evaluating the Group's consolidated statements of profit or loss in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's operating performance from period to period by eliminating impacts of items that the Group

does not consider indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS.

The following table sets forth the reconciliations of the Group's non-IFRS financial measures for the years ended December 31, 2023 and 2024 to the nearest measures prepared in accordance with IFRS:

	Year ended December 31,	
	2024	2023
	(RMB'000)	(RMB'000)
Net Profit	<u>186,210</u>	<u>220,735</u>
Adjustments:		
Share-based compensation expenses	<u>16,519</u>	<u>14,443</u>
One-off gain on deemed disposal of interest previously held in an associate	–	(12,073)
Non-IFRS adjusted net profit	<u><u>202,729</u></u>	<u><u>223,105</u></u>
Non-IFRS adjusted net profit margin	<u><u>14.4%</u></u>	<u><u>16.3%</u></u>

Note:

Non-IFRS adjusted net profit margin was calculated based on non-IFRS adjusted net profit divided by revenue.

Financial Position

Trade Receivables

The Group's trade receivables increased by 33.6% from RMB55.7 million for the year ended December 31, 2023 to RMB74.4 million for the year ended December 31, 2024, primarily due to an increase in medical insurance receivables as a result of the growth in the Group's provision of basic ophthalmic services.

Prepayments, other receivables and other assets

The Group's prepayments, other receivables and other assets mainly include prepayments, trust funds, loans to third parties and deposits. Prepayments, other receivables and other assets decreased by 21.0% from RMB76.8 million for the year ended December 31, 2023 to RMB60.7 million for the year ended December 31, 2024, primarily due to a decrease in other receivables paid to third party companies which have been recovered in the year.

Cash and Bank Balances

The Group's business operations and expansion plans require significant amount of capital, which will be used for upgrading the existing ophthalmic hospitals and optical centers, establishing and acquiring new hospitals and other working capital requirements. The Group's principal sources of liquidity are cash generated from its business operations, as well as debt and equity financing.

	For the year ended December 31,	
	2024	2023
	(RMB'000)	(RMB'000)
Net cash flows from operating activities	354,355	372,569
Net cash flows from investing activities	245,357	(654,095)
Net cash flows from financing activities	(292,297)	(204,015)
Effect of foreign exchange rate changes, net	9,933	4,251
Net increase/(decrease) in cash and cash equivalents	<u>317,348</u>	<u>(481,290)</u>

The Group's net increase in cash and cash equivalents was RMB317.3 million for the year ended December 31, 2024, primarily due to net cash inflows of RMB354.4 million from operating activities, net cash inflows of RMB245.4 million from investing activities, mainly attributable to withdrawal of time deposits over three months in the year, and net cash outflows of RMB292.3 million from financing activities, which resulted from the payment of dividends for the year ended December 31, 2023.

Trade Payables

The Group's trade payables decreased by 3.2% from RMB55.4 million for the year ended December 31, 2023 to RMB53.6 million for the year ended December 31, 2024, primarily due to a decrease in payables for medical consumables.

Other Payables and Accruals

The Group's other payables and accruals include salaries and welfare payables, rent payables, equity payables, payables for purchases of property, plant and equipment and contract liabilities.

The Group's other payables and accruals increased by 0.8% from RMB229.2 million for the year ended December 31, 2023 to RMB231.0 million for the year ended December 31, 2024, primarily due to (i) an increase in compensation payable to the employees; and (ii) equity payables of the consideration for the acquisition of Beijing Chaoju Ophthalmic Clinic Co., Ltd. (北京朝聚眼科診所有限公司), were paid in the current period.

Contingent Liabilities

As at December 31, 2024, the Group did not have any material contingent liabilities or guarantees (as at December 31, 2023: nil).

Pledge of Assets

As at December 31, 2024, no asset has been pledged by the Group (as at December 31, 2023: nil).

Capital Commitments

As at December 31, 2024, the Group had a total capital commitment of approximately RMB56.4 million (as at December 31, 2023: RMB71.5 million), primarily related to (i) an increase in the Group's liabilities in relation to the subscription of limited partnership interest in Xiamen Ronghui Hongshang Phase II Equity Investment Partnership (Limited Partnership)* (廈門融匯弘上二期股權投資合夥企業(有限合夥)); and (ii) the construction and renovation of its in-network hospitals and the procurement of medical equipment.

Significant Investments

The Group subscribed for low-risk short-term structured deposit products issued by reputable commercial banks with certain portion of its temporary idle funds (including surplus cash received from its business operations and idle IPO Proceeds) for treasury management purpose in order to enhance the efficiency, the utilization of and the return on its temporary idle funds. These products are of very low risk nature with satisfactory liquidity and the Group expects that the structured deposit products will earn a better yield than current deposits generally offered by commercial banks in the PRC while at the same time offer flexibility to the Group in terms of treasury management. The Group has implemented adequate and appropriate internal control procedures to ensure subscriptions of structured

deposit products would not affect the working capital or the operations of the Group, and that such investments would be closely monitored and conducted in accordance with the Group's treasury policy. As such, the Board is of the view that the subscriptions of the structured deposit products (as listed below) are fair and reasonable and are on normal commercial terms and the subscriptions are in the interests of the Company and the Shareholders as a whole.

As at December 31, 2024, the Group maintained a portfolio of structured deposit products with a total outstanding principal amount of RMB460.0 million, representing 16.0% of the Group's total assets. For the year ended December 31, 2024, the total principal amount of the structured deposit products that the Group has subscribed for was RMB960.0 million and the amount of interest income that the Group has recognized as fair value gains on financial assets at fair value through profit or loss was approximately RMB9.4 million.

The following table sets forth a breakdown of the major structured deposit products subscribed by the Group and remain outstanding as at December 31, 2024:

Name of the issuer of the structured deposit products	Name of the structured deposit products	Deposit Starting Date	Date of maturity	Principal amount of subscription (RMB'000)	Expected annualized return rate ⁽¹⁾	Realized/ Fair value as at December 31, 2024 (RMB'000)	Percentage of the total assets of the Group as at December 31, 2024
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鉤型結構性存款(機構客戶) (CSDVY202418186)	December 10, 2024	June 10, 2025	39,000	1.0500% to 3.0000%	39,049	1.36%
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鉤型結構性存款(機構客戶) (CSDVY202418187)	December 10, 2024	June 12, 2025	37,000	1.0450% to 3.0010%	37,046	1.29%
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鉤型結構性存款(機構客戶) (CSDVY202418188)	December 11, 2024	June 16, 2025	38,000	1.0500% to 3.0000%	38,045	1.32%
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鉤型結構性存款(機構客戶) (CSDVY202418189)	December 11, 2024	June 18, 2025	36,000	1.0480% to 3.0020%	36,043	1.25%

Name of the issuer of the structured deposit products	Name of the structured deposit products	Deposit Starting Date	Date of maturity	Principal amount of subscription (RMB'000)	Expected annualized return rate ⁽¹⁾	Realized/ Fair value	Percentage of the total assets of the Group as at
						as at December 31, 2024 (RMB'000)	December 31, 2024
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鈎型結構性存款(機構客戶) (CSDVY202412451))	August 13, 2024	August 13, 2025	11,000	1.4000% to 3.1010%	11,096	0.39%
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鈎型結構性存款(機構客戶) (CSDVY202412452))	August 13, 2024	August 15, 2025	9,000	1.3960% to 3.0950%	9,078	0.32%
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鈎型結構性存款(機構客戶) (CSDVY202414800))	September 30, 2024	September 24, 2025	125,000	1.3000% to 3.1500%	125,710	4.36%
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鈎型結構性存款(機構客戶) (CSDVY202414801))	September 30, 2024	September 26, 2025	115,000	1.2950% to 3.1470%	115,653	4.01%
CIB	CIB Corporate RMB Structured Deposit (興業銀行企業金融人民幣結構性存款) (CC59240806000)	August 9, 2024	August 8, 2025	20,000	1.7000% to 2.3600%	20,188	0.70%
CIB	CIB Corporate RMB Structured Deposit (興業銀行企業金融人民幣結構性存款) (CC59241008015)	October 10, 2024	October 9, 2025	30,000	1.7000% to 2.3500%	30,160	1.05%

Notes:

- (1) Upon maturity, the Group expects to receive the principal amount together with the expected interest.
- (2) All of the above subscriptions are funded by surplus cash of the Group.

Save as disclosed in this announcement, there was no other significant investments held by the Group during the Reporting Period.

Future Plan for Material Investment and Capital Asset

Save as disclosed in this announcement and the Prospectus, for the year ended December 31, 2024, the Group did not have any future plan for material investments and capital assets.

Borrowings and Gearing Ratio

As at December 31, 2024, the Group is in a net cash position and thus, gearing ratio is not applicable.

Foreign Exchange Risk

Foreign exchange risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which our Group conducts business may affect our financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars, has been based on rates set by the People's Bank of China. The Group seeks to limit our exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

Interest Rate Risk

The Group's interest rate risk arises from interest-bearing borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group currently does not use any interest rate swap contracts or other financial instruments to hedge against interest rate exposure.

Credit Risk

Credit risk is the risk regarding the loss arising from a counterparty's inability to meet its obligations. The management of the Group has put in place a credit policy and the exposure to such credit risks is monitored on an on-going basis.

Liquidity Risk

The Group's liquidity is primarily dependent on our ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and the ability to obtain external financing to meet its committed future capital expenditure.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by its management to finance the operation and mitigate the effects of fluctuations in cash flows.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Since January 1, 2024 and up to the date of this announcement, save as provisions addressed below, the Company has complied with all the applicable code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The roles of chairman of the Board and chief executive officer of the Company are held by Mr. Zhang Bozhou who has extensive experience in the industry. The Board believes that vesting the roles of the chairman and chief executive officer in Mr. Zhang Bozhou is beneficial to the management of the Group and will improve the efficiency of the Group's decision making and executive process given his knowledge in the Group's affairs. Further, the Group has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors.

In view of the above, the Board considers that such structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangement when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Upon specific enquiry, all Directors confirmed that they had complied with the requirements as set out in the Model Code since January 1, 2024 and up to the date of this announcement.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. The Audit Committee is composed of three independent non-executive Directors, being Mr. Li Jianbin (chairman of the Audit Committee), Ms. Guo Hongyan and Mr. Bao Shan. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process, the internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

UTILIZATION OF PROCEEDS FROM GLOBAL OFFERING

The shares of the Company were listed on the Main Board of the Stock Exchange on July 7, 2021. In the Global Offering, the Company issued 137,500,000 Shares at HK\$10.60 per Share and subsequently issued 20,125,000 Shares at HK\$10.60 per Share on August 3, 2021 upon partial exercise of the overallotment option. The net proceeds from the Global Offering received by the Company, after deduction of the underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, were approximately HK\$1,599 million.

As disclosed in the Prospectus, the Company intended to use the net proceeds from the Global Offering for the following purposes:

- (i) approximately 35.8% of the net proceeds is intended to be used for the establishment of new hospitals and the relocation, upgrade and renovation of existing hospitals;
- (ii) approximately 44.8% of the net proceeds is intended to be used for acquiring hospitals, when appropriate opportunities arise, in new markets with sizable population and relatively high level of demand for ophthalmic healthcare services;
- (iii) approximately 9.4% of the net proceeds is intended to be used for upgrading information technology systems;
- (iv) approximately 10.0% of the net proceeds is intended to be used for working capital and other general corporate purposes.

The Group had utilized an aggregate of approximately HK\$854.85 million of the net proceeds as at December 31, 2024 according to the intentions set out in the Prospectus. With a view to enhancing the utilisation and efficiency of its idle IPO Proceeds, the Company has applied some of the idle IPO Proceeds to further subscribe for low-risk short-term wealth management products issued by reputable commercial banks, thereby increasing the overall income of the Company.

The unutilized net proceeds in the amount of HK\$744.15 million are expected to be utilized as set out on the Prospectus. The following table sets out the planned applications of the net proceeds as well as the expected timeline for utilization:

Use of Proceeds	Net Proceeds from the Global Offering <i>HK\$ million</i>	Percentage of the net proceeds from the Global Offering	Utilized during the year ended December 31, 2024 <i>HK\$ million</i>	Utilized as at December 31, 2024 <i>HK\$ million</i>	Unutilized amount as at December 31, 2024 <i>HK\$ million</i>	Updated timeline for utilization ⁽¹⁾ ⁽²⁾
Establishment of new hospitals and the relocation, upgrade and renovation of existing hospitals	572.44	35.8%	103.45	286.05	286.39	Expected to be fully utilized on or before December 31, 2025
Acquiring hospitals, when appropriate opportunities arise, in new markets which has sizable population and relatively high level of demand for ophthalmic healthcare services	716.35	44.8%	28.71	360.25	356.10	Expected to be fully utilized on or before December 31, 2025
Upgrading information technology systems	150.31	9.4%	14.70	48.65	101.66	Expected to be fully utilized on or before December 31, 2025
Working capital and other general corporate purposes	159.90	10.0%	-	159.90	-	
Total	1,599.00	100.0%	146.86	854.85	744.15	

Notes:

- (1) The update on the expected timeline for the use of proceeds as per announcement dated March 26, 2024.
- (2) The updated expected timeline for utilizing the remaining net proceeds is made based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business development and need, and is therefore subject to change.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

For the year ended December 31, 2024, in order to safeguard the value of the Company and the interests of the Shareholders, the Company repurchased from the Stock Exchange 49,000 Shares and 49,500 Shares on January 12, 2024 and January 15, 2024, respectively, all of which were cancelled on January 25, 2024. The Company repurchased a total of 98,500 Shares on the Stock Exchange, with an aggregate cash consideration (excluding expenses) of HK\$422,200. Please refer to the next day disclosure returns of the Company dated January 15, 2024 and January 25, 2024 for further details. As at December 31, 2024 and the date of this announcement, the Company did not hold any treasury shares.

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2024, the Group had 2,608 full-time employees, among which, 1,464 were professionals at the hospitals, 97 were professionals at the optical centers and 1,047 were administrative, finance and other employees at the Group's headquarters, hospitals and optical centers. In addition, the Group also had 58 practice physicians who were full-time employees of other medical institutions. The following table shows a breakdown of the Group's full-time employees by function as at that date:

	As at December 31, 2024	
	Number of employees	Percentage of total employees
Professionals at the hospitals		
Physicians ⁽¹⁾	296	11.35%
Nurses	625	23.96%
Other professionals	543	20.82%
Professionals at the optical centers	97	3.72%
Administrative, finance and other employees at		
The headquarters	190	7.29%
The hospitals	823	31.56%
The optical centers	34	1.30%
Total	2,608	100%

Note:

(1) As at December 31, 2024, 267 of the full-time physicians were registered as specialized ophthalmologists.

The Group enters into employment contracts with all of its full-time employees. The remuneration packages for its employees primarily comprise one or more of the following elements: basic salary, performance-based incentive bonus and discretionary year-end bonus. The Group also sets performance targets for its employees based on their position and regularly reviews their performance, the results of which are used in their annual salary review and promotion appraisal.

The Group adopted a share award scheme on May 10, 2022, for the purposes of recognizing and motivating the contribution of certain employees of the Group and incentivising them and helping the Group in retaining its existing employees and attracting and recruiting suitable personnel as additional employees to further the operation and development of the Group and providing them with a direct economic interest in attaining the long-term business objectives of the Group. The Scheme is analogous to a share scheme and subject to provisions of Chapter 17 of the Listing Rules (as amended with effect from January 1, 2023). As at December 31, 2024, the Company has granted 16,330,994 award Shares in aggregate to 311 employees, Directors and directors of the Company's subsidiaries pursuant to the Scheme. As at the date of this announcement, a total of 54,803,769 Shares are allowed to be granted under the Scheme. Further details of the Scheme are set out in the section headed "Share Schemes" in our 2024 annual report to be issued in due course.

The Group provides structured training and education programs which enables its employees to consistently deliver high quality services. The Group's discipline development committees are responsible for training its medical professionals, maintaining a proper mix of different levels of professionals, as well as research and development, and have supplied numerous young ophthalmologists with solid skills and rich clinical experience. The Group also engages external consultants, experts and professors to provide training for the physicians with an aim to cultivate clinicians with extensive practical capabilities in a precise, standardized and high-quality manner. These programs aim to equip them with a sound foundation of the medical principles, ethics and knowledge as well as practical skills, and foster a high standard of practice. Regular internal and external mandatory online and on-site training are organized for the medical team to keep them abreast of the latest development in the ophthalmology industry. From time to time, the Group identifies and sponsors its employees with high development potential to undertake further study and professional training in prestigious medical institutions. They also support their attending physicians to train at top-tier eye hospitals in China for a period of three to six months, such as Wenzhou Medical University Eye Hospital (溫州醫科大學附屬眼視光醫院). In addition, the Group also designs and implements specialized training for its nurses and medical assistants to improve their respective professional skills and foster their professional career path.

As at December 31, 2024, none of the Group's employees had negotiated with them on the employment terms through the labor unions or in a way of collective bargaining and the Group had not experienced any major labor disputes or labor strikes that had interfered with its operations in any material respect.

REVIEW OF ANNUAL RESULTS

The Audit Committee has jointly reviewed with the management and the independent auditors of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the audited annual results for the year ended December 31, 2024) of the Group. The Audit Committee and the independent auditors of the Company considered that the annual results for the year ended December 31, 2024 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year ended December 31, 2024. The work performed by Ernst & Young 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

EVENTS AFTER THE REPORTING PERIOD

There was no other significant event that might affect the Group after the Reporting Period and up to the date of this announcement.

ANNUAL GENERAL MEETING

The AGM will be held on June 6, 2025. A notice convening the AGM will be published on the Company's website and the Stock Exchange's website in accordance with the requirements of the Listing Rules in due course.

DIVIDEND

The Company declared and paid the final dividend of HK\$0.2208 per Share and the special dividend of HK\$0.0767 per Share for the year ended December 31, 2023, amounting to approximately HK\$205.5 million (approximately RMB187.1 million) in total.

For the six months ended June 30, 2024, the Company declared and paid an interim dividend of HK\$0.1307 per Share, amounting to a total of approximately HK\$90.28 million (equivalent to RMB82.5 million).

The Board has recommended the payment of a final dividend of HK\$0.1193 per Share for the year ended December 31, 2024, which is subject to the approval of Shareholders at the forthcoming AGM. The final dividend is expected to be payable to the Shareholders on Friday, June 27, 2025, and will be payable to the Shareholders whose names appear on the register of members of the Company at the close of business on Monday, June 16, 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from June 3, 2025 to June 6, 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on June 2, 2025.

The register of members of the Company will be closed from June 12, 2025 to June 16, 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to the proposed final dividend, during which period no share transfers will be registered. To be eligible to receive the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on June 11, 2025.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chaojueye.com), and the 2024 annual report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company.

The Board is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2024 together with the comparative figures for the year ended December 31, 2023:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	4	1,405,454	1,369,505
Cost of sales		<u>(794,152)</u>	<u>(748,371)</u>
Gross profit		611,302	621,134
Other income and gains	5	57,260	83,278
Selling and distribution expenses		(124,574)	(104,989)
Administrative expenses		(237,485)	(222,459)
Other expenses		(31,098)	(59,666)
Impairment losses on financial assets, net		(2,028)	(5,835)
Finance costs	7	<u>(10,654)</u>	<u>(12,221)</u>
PROFIT BEFORE TAX	6	262,723	299,242
Income tax expense	8	<u>(76,513)</u>	<u>(78,507)</u>
PROFIT FOR THE YEAR		<u>186,210</u>	<u>220,735</u>
Attributable to:			
Owners of the parent		195,076	228,914
Non-controlling interests		<u>(8,866)</u>	<u>(8,179)</u>
		<u>186,210</u>	<u>220,735</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic for profit for the year (expressed in RMB per Share)	10	0.28	0.33
Diluted for profit for the year (expressed in RMB per Share)	10	<u>0.28</u>	<u>0.33</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>186,210</u>	<u>220,735</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>13,112</u>	<u>12,320</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>13,112</u>	<u>12,320</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>13,112</u>	<u>12,320</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>199,322</u>	<u>233,055</u>
Attributable to:		
Owners of the parent	208,188	241,234
Non-controlling interests	<u>(8,866)</u>	<u>(8,179)</u>
	<u>199,322</u>	<u>233,055</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

		31 December 2024	31 December 2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		391,917	396,995
Investment properties		27,415	28,774
Right-of-use assets		241,273	195,100
Goodwill		185,599	205,986
Intangible assets		165,635	166,963
Financial assets at fair value through profit or loss		125,337	92,000
Deferred tax assets		7,664	5,712
Time deposits		20,339	95,007
Prepayments, other receivables and other assets		7,753	6,604
		<hr/>	<hr/>
Total non-current assets		1,172,932	1,193,141
CURRENT ASSETS			
Inventories	<i>11</i>	40,313	51,112
Trade receivables	<i>12</i>	74,426	55,742
Prepayments, other receivables and other assets		52,983	70,190
Financial assets at fair value through profit or loss		462,068	412,453
Other current financial assets		10,092	50,222
Time deposits		287,317	626,509
Cash and cash equivalents		780,785	463,437
		<hr/>	<hr/>
Total current assets		1,707,984	1,729,665
CURRENT LIABILITIES			
Trade payables	<i>13</i>	53,614	55,356
Other payables and accruals		229,172	221,137
Due to related parties		22	306
Interest-bearing other borrowings	<i>14</i>	7,073	7,153
Lease liabilities		34,251	41,822
Tax payable		15,153	16,965
		<hr/>	<hr/>
Total current liabilities		339,285	342,739
NET CURRENT ASSETS		<hr/> 1,368,699	<hr/> 1,386,926
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 2,541,631	<hr/> 2,580,067

	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT LIABILITIES		
Convertible bonds	33,556	–
Lease liabilities	143,126	151,822
Deferred tax liabilities	36,953	41,777
Other payables and accruals	1,845	8,043
	<hr/>	<hr/>
Total non-current liabilities	215,480	201,642
	<hr/>	<hr/>
Net assets	2,326,151	2,378,425
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	152	152
Treasury shares	(63,963)	(76,901)
Equity component of convertible bonds	947	–
Reserves	2,379,054	2,436,803
	<hr/>	<hr/>
	2,316,190	2,360,054
	<hr/>	<hr/>
Non-controlling interests	9,961	18,371
	<hr/>	<hr/>
Total equity	2,326,151	2,378,425
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS

31 December 2024

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the Reporting Period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the Reporting Period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of in-patient services, out-patient services, sales of optical products and sales of equipment and medical consumables. For management purposes, the aforesaid businesses are integral and the Group has not organised into different operating segments. Management monitors the results of the Group's operation as a whole for the purpose of making decisions about resource allocation and performance assessment, and accordingly no further operating segment analysis thereof is presented.

Geographical information

As the Group's major operations, customers and non-current assets are located in the People's Republic of China (the "PRC"), no further geographical segment information is provided.

Information about major customers

No revenue from single customers individually accounted for 10% or more of the Group's revenue.

4. REVENUE

An analysis of revenue is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers	<u>1,405,454</u>	<u>1,369,505</u>
Analysed into:		
Basic ophthalmic services	697,840	654,011
Consumer ophthalmic services	706,445	709,225
Sales of equipment and medical consumables	<u>1,169</u>	<u>6,269</u>
Total	<u>1,405,454</u>	<u>1,369,505</u>

(a) **Disaggregated revenue information for revenue from contracts with customers**

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Types of goods or services</i>		
In-patient services	498,653	478,165
Out-patient services	810,856	788,210
Sales of optical products	94,776	96,861
Sales of equipment and medical consumables	1,169	6,269
	<hr/>	<hr/>
Total	1,405,454	1,369,505
	<hr/> <hr/>	<hr/> <hr/>
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Timing of revenue recognition</i>		
Services and goods transferred at a point in time	906,801	891,340
Services transferred over time	498,653	478,165
	<hr/>	<hr/>
Total	1,405,454	1,369,505
	<hr/> <hr/>	<hr/> <hr/>

The following table shows the amounts of revenue recognised in the year and prior year that were included in the contract liabilities at the beginning of the respective years:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the respective years:		
Out-patient services	5,294	5,405
Others	2,382	3,811
	<hr/>	<hr/>
Total	7,676	9,216
	<hr/> <hr/>	<hr/> <hr/>

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

In-patient services

For in-patient services, customers normally receive in-patient treatment which contains various treatment components that are all highly interdependent and regarded as a single performance obligation. Since the patient simultaneously receives and consumes the benefits of the Group's performance in the medical treatment, the relevant revenue of in-patient services is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards the complete satisfaction of performance obligation is measured by direct measurements of the value of individual products or services transferred by the Group to the customer.

Out-patient services

Revenue from the provision of out-patient services is recognised at the point in time, when the services are provided.

Sales of optical products

For the sales of optical products, the performance obligation is satisfied upon delivery of the products and the Group has already received the payment or has the right to receive the payment properly.

Sales of equipment and medical consumables

For the sales of equipment and medical consumables, the performance obligation is satisfied upon delivery of the equipment and the Group has already received the payment or has the right to receive the payment properly.

5. OTHER INCOME AND GAINS

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income	39,584	41,306
Government grants	8,265	9,589
Fair value gain from financial assets at fair value through profit or loss	3,828	16,223
Rental income	1,343	621
Gain on a deemed disposal of interest previously held in an associate	–	12,073
Others	4,240	3,466
	<hr/>	<hr/>
Total other income and gains	<u>57,260</u>	<u>83,278</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
Cost of sales		794,152	748,371
Depreciation of property, plant and equipment		73,304	64,448
Depreciation of investment properties		1,359	–
Depreciation of right-of-use assets		55,879	49,139
Amortisation of intangible assets		13,619	9,774
Impairment of goodwill [#]		20,387	13,831
Impairment of property, plant and equipment [#]		–	866
Write-down of inventories		424	–
Lease payments not included in the measurement of lease liabilities		1,338	1,302
Auditor's remuneration		2,400	2,560
Employee benefit expense (including directors' remuneration):			
Wages, salaries and allowances, social securities and benefits		373,279	338,243
Pension costs (defined contribution scheme)*		31,442	25,068
Share-based payments		16,519	14,443
Total		421,240	377,754
Impairment of trade receivables, net	12	2,154	4,123
(Reversal of impairment)/impairment of prepayments, other receivables and other assets		(126)	1,712
Interest income	5	(39,584)	(41,306)
Impairment of investment properties		–	19,137
Fair value gains on financial assets at fair value through profit or loss	5	(3,828)	(16,223)
Government grants	5	(8,265)	(9,589)
Loss on disposal of items of property, plant and equipment, net		182	860
Loss on disposal of items of intangible assets, net		–	7
Gain on revision of leases		(302)	–
Gain on a deemed disposal of interest previously held in an associate	5	–	(12,073)
Foreign exchange differences, net		5,318	8,069

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

The impairment of goodwill and impairment of property, plant and equipment are included in "Other expenses" in the consolidated statement of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on lease liabilities	10,345	11,491
Interest on other borrowings	290	730
Interest on convertible bonds	19	–
Total	10,654	12,221

8. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current – Mainland China		
Charge for the year	83,605	83,257
Deferred	(7,092)	(4,750)
Total tax charge for the year	76,513	78,507

9. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim dividend – HK13.07 cents (2023: nil) per ordinary share	90,284	–
Proposed final dividend – HK11.93 cents (2023: HK22.08 cents) per ordinary share	84,408	156,222
Proposed special dividend – HK0.00 cents (2023: HK7.67 cents) per ordinary share	–	54,267
Less: Dividend for shares held under the share award scheme	(1,998)	(5,992)
	82,410	204,497

The proposed final dividend for 2024 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

On 6 June 2024, the Company's shareholders approved a final dividend of HK22.08 cents and a special dividend of HK7.67 cents per ordinary share, amounting to a total of approximately HK\$205,506,000 (equivalent to RMB187,134,000) based on the 690,776,435 outstanding shares.

On 29 August 2024, the Board declared an interim dividend of HK13.07 cents per ordinary share, amounting to a total of approximately HK\$90,284,000 (equivalent to RMB82,538,000) based on the 690,776,435 outstanding shares.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per Share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 689,198,000 (2023: 695,610,000) outstanding during the year.

The calculation of the diluted earnings per Share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per Share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per Share are based on:

Earnings	2024	2023
	RMB'000	RMB'000
Profit for the year attributable to ordinary equity holders of the parent for the purpose of the basic and diluted earnings per Share calculation	195,076	228,914
Interest on convertible bonds	15	–
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	195,091*	228,914
	Number of shares	
Shares	2024	2023
	'000	'000
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per Share calculation	689,198[#]	695,610
Effect of dilution – weighted average number of ordinary shares:		
Share awards	2,140	1,116
Total	691,338[*]	696,726

* Because the diluted earnings per Share amount is increased when taking convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per Share for the year and were ignored in the calculation of diluted earnings per Share. Therefore, the diluted earnings per Share amount is based on the profit for the year of RMB195,076,000, and the weighted average number of ordinary shares of 691,338,000 outstanding during the year.

The weighted average number of shares was after taking into account the effect of treasury shares held.

11. INVENTORIES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Medical consumables	23,671	33,040
Pharmaceuticals	12,531	13,806
Optical products	4,111	4,266
Total	<u>40,313</u>	<u>51,112</u>

12. TRADE RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	79,381	60,429
Impairment	(4,955)	(4,687)
Net carrying amount	<u>74,426</u>	<u>55,742</u>

Trade receivables mainly represent the balances due from public health insurance programs and social organisation for the healthcare services provided by the Group, and sales of optical products.

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods range from 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	51,250	41,691
4 to 6 months	7,582	4,570
7 to 12 months	9,297	3,657
Over 12 months	6,297	5,824
Total	<u>74,426</u>	<u>55,742</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year	4,687	7,681
Acquisition of subsidiaries	–	936
Impairment losses, net (note 6)	2,154	4,123
Amount written off as uncollectible	(1,886)	(8,053)
	<hr/>	<hr/>
At end of the year	4,955	4,687
	<hr/> <hr/>	<hr/> <hr/>

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	47,937	49,477
1 to 2 years	2,424	3,093
2 to 3 years	1,252	1,392
Over 3 years	2,001	1,394
	<hr/>	<hr/>
Total	53,614	55,356
	<hr/> <hr/>	<hr/> <hr/>

The trade payables are non-interest-bearing and are normally settled on 30 to 90 days terms.

14. INTEREST-BEARING OTHER BORROWINGS

	2024			2023		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Other loans – unsecured	4.15-5.70	2025	<u>7,073</u>	4.35-5.70	2024	<u>7,153</u>
Total – current			<u>7,073</u>			<u>7,153</u>
Non-Current						
Convertible bonds*	Weighted average of 4.38	2028	<u>33,556</u>	-	-	<u>-</u>
Total – non-current			<u>33,556</u>			<u>-</u>
Total			<u><u>40,629</u></u>			<u><u>7,153</u></u>
				2024	2023	
				RMB'000	RMB'000	
Analysed into:						
Other borrowings repayable:						
Within one year				<u>7,073</u>	<u>7,153</u>	
In the second to fourth years, inclusive				<u>33,556</u>	<u>-</u>	
Total				<u><u>40,629</u></u>	<u><u>7,153</u></u>	

* As at 31 December 2024, convertible bonds carry a weighted average effective interest rate at 4.38% (2023: nil) and will mature in 2028 (2023: nil).

GLOSSARY AND DEFINITIONS

“AGM”	annual general meeting of the Company to be held on June 6, 2025
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“cataract”	a condition involving the clouding or opacification of the natural lens. Cataract is most commonly caused by aging, but may also be caused by other reasons such as malnutrition, diabetes, trauma or radiation. The more opaque the lens the more the quality of vision is reduced. As a common treatment, clear artificial lenses may be implanted as a substitute for the natural lens to restore clear vision
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan
“Company”	Chaoju Eye Care Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands on May 19, 2020
“Director(s)”	director(s) of the Company
“East China”	an eastern region of China consisting of Hangzhou, Zhoushan and Zhejiang Province

“glaucoma”	an eye condition usually caused by overly high intraocular pressure, which usually causes optic nerve atrophies and visual field defect
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Inner Mongolia”	the Inner Mongolia Autonomous Region of the PRC, unless the context indicates otherwise
“in-patient services”	treatments of patients who are checked in at hospitals and are hospitalized overnight or for an extended period of time
“IPO Proceeds”	the proceeds obtained by the Company from the Global Offering
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market (GEM) of the Stock Exchange
“Model Code”	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“myopia”	a type of refractive error also known as nearsightedness, where the patient is unable to see distant objects clearly. Myopia is usually caused by a longer-than-normal eyeball or excessive refractive ability of the crystalline lens, which results in parallel lights focusing at a position before reaching the retina, thus forming a blurred spot when it reaches the retina

“North China”	a northern region of China consisting of Beijing, Tianjin, Hebei Province, Shanxi Province and Inner Mongolia
“ocular fundus”	the interior surface of the eye opposite the crystalline lens, including the retina, optic disc, macula and posterior pole
“ocular surface”	the interface between the functioning eye and the environment, including the outer layer of the cornea, the conjunctiva, and the margin of the eye lids
“oculoplastic”	restorative or reconstructive surgeries performed near or around the eye to correct deformations caused by trauma, illness or congenital causes
“ophthalmologist”	a medical doctor who specializes in eye and vision care
“out-patient services”	treatments of patients who are not checked-in at hospitals and stay at the hospital only for a short period of time (usually completed within the day)
“presbyopia”	an eye condition where the patient has difficulty seeing near items clearly due to declines in refractive abilities of the lens. Presbyopia is a result of the aging of the eye, as the lens loses its natural elasticity and therefore its ability to focus on near objects
“Prospectus”	the prospectus of the Company published on June 24, 2021
“Reporting Period”	the year ended December 31, 2024
“RMB” or “Renminbi”	the lawful currency of the PRC
“Scheme”	the share award scheme of the Company as adopted by the Board on May 10, 2022 and as amended from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of HK\$0.00025 each
“Shareholder(s)”	holder(s) of the Shares

“squint”

deviation of the eyes where there is an eye misalignment

“Stock Exchange”

the Stock Exchange of Hong Kong Limited

By order of the Board
**Chaoju Eye Care Holdings
Limited**
ZHANG Bozhou
Chairman

Hong Kong, March 26, 2025

As at the date of this announcement, the Board comprises Mr. ZHANG Bozhou as the chairman and executive Director; Ms. ZHANG Xiaoli, Mr. ZHANG Junfeng and Mr. ZHANG Guangdi as executive Directors; Mr. Richard Chen MAO, Mr. LI Zhen and Ms. ZHANG Li as non-executive Directors; and Mr. HE Mingguang, Ms. GUO Hongyan, Mr. LI Jianbin and Mr. BAO Shan as independent non-executive Directors.

* *The English translation of the Chinese names denoted in this announcement is for illustration purposes only. Should there be any inconsistencies, the Chinese name shall prevail.*