Beijing Airdoc Technology Co., Ltd.

北京鷹瞳科技發展股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2251)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The Board of the Company is pleased to announce the consolidated annual results of the Group for the year ended December 31, 2024, together with the comparative figures for the corresponding period of 2023 as follows. The consolidated financial statements of the Group for the Reporting Period prepared in accordance with the IFRS Accounting Standards have been reviewed by the Audit Committee.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

FINANCIAL SUMMARY

	For the Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Revenue	**156,367**	203,964
Cost of sales	**(69,691)**	(78,831)
Gross profit	**86,676**	125,133
Loss before tax	**(268,701)**	(145,859)
Loss for the year	**(265,073)**	(145,654)
Loss per share		
Basic and diluted *(RMB)*	**(2.50)**	(1.28)

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Financial Position		
Non-current assets	**517,244**	402,985
Current assets	**894,222**	1,281,927
Non-current liabilities	**12,473**	16,891
Current liabilities	**122,391**	110,237
Net assets	**1,276,602**	1,557,784
Total equity attributable to equity shareholders of the Company	**1,268,808**	1,540,383
Non-controlling interests	**7,794**	17,401

BUSINESS SUMMARY

- In 2024, through our SaMDs and health risk assessment solutions, we served a total of 7.10 million cases and identified 35,627 significant positive cases, while the number of active service sites grew to 7,883, representing a year-over-year increase of 39.01%.

- In 2024, Airdoc-AIFUNDUS (1.0) has received regulatory approvals or registrations in the European Union, Singapore, Thailand, Indonesia, Vietnam, South Africa, Saudi Arabia, the United Arab Emirates and Malaysia, and AI-FUNDUSCAMERA-P has received regulatory approvals or registrations in the European Union, Indonesia, South Africa, Saudi Arabia, the United Arab Emirates and Thailand.

- In 2024, our myopia prevention and control AI products recorded 4,025 thousand uses, representing a year-on-year increase of 352.1%. We provided services to 23.0 thousand registered users, representing a year-on-year increase of 61.8%.

- In 2024, visual training AI products recorded 2,017.1 thousand trainings, providing trainings to 17.0 thousand homebased registered users and 175.0 thousand in-hospital registered users. Moreover, our AI-based visual training products have covered over 800 hospitals nationwide and helped 392.0 thousand patients recover.

- In 2024, we sold our Airdoc-AIFUNDUS (1.0) to hospitals and primary healthcare institutions, witnessing a significant growth in the number of service sites covered and detections conducted. The number of active hospital service sites we covered reached 417, representing a year-over year increase of 51.1%, with the number of detections conducted reaching 401 thousand, up by 65.5% year-over-year. The number of active primary healthcare institution service sites we covered reached 2,092, representing a year-over-year increase of 71.3%, with the number of detections conducted reaching 1,034 thousand, up by 62.6% year-over year.

- Based on our self-developed WanYu Large Language Model (萬語大模型), we have also supported iKang launching an AI digital human "ikkie", iKang's first AI based health butler, offering interactive medical knowledge Q&A on physical examination knowledge, disease consultation, report result interpretation and intelligent answering, covering all stages before, during and after examinations, thereby providing users with a real-time, intelligent, precise and connected new experience.

- In 2024, the Company launched a portable fundus camera for the home and small B-end markets, which has received Class II medical device certification from the NMPA in January 2025. This product is empowered by and optimised with AI technology and uses new optical and structural innovations to improve detection convenience while reducing costs.

- In 2024, the Company has achieved significant breakthroughs in the field of treatment. The non-invasive, light-based myopia treatment device utilizing Photobiomodulation LED (PBM-LED) technology has received medical device certification from the NMPA, making it the first product of its kind in China to receive such certification. Furthermore, the Company's independently developed visual training integrated device, which integrates high-precision eye-tracking technology and intelligent algorithms, provides users with personalized visual training programs, significantly enhancing training effectiveness and driving innovation in the field of visual rehabilitation.

- We were granted 40 new patents, including 20 inventions, 8 utility models, and 12 appearance designs in 2024. To date, we have 270 patents, including 128 inventions, 64 utility models, and 78 appearance designs. We also possess 100 software copyrights.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

As an industry leader, we are focused on leveraging AI technology to develop a dual-engine strategy built on precise detection and innovative treatment, with a view to offering an integrated diagnosis and treatment solutions designed for chronic and ophthalmic diseases.

Precise Detection Segment

Leveraging on our proprietary AI-empowered retina-based deep algorithm platform, we maintain our leadership in the early detection, diagnosis, and health risk assessment of chronic and ophthalmic diseases. As one of the pioneers in AI-empowered detection services harnessing the Retinal AI technology in China, our products are widely used in medical institutions and consumer healthcare sector. Our key product offerings include AI-based SaMDs, health risk assessment solutions, and AI detection hardware, which create an integrated software and hardware ecosystem for AI-empowered detection.

Innovative Treatment Segment

With our detection expertise, we have expanded into the fields of myopia prevention and control as well as vision training. We have introduced comprehensive AI-enabled therapy solutions for children and adolescents that address vision health issues such as myopia, strabismus and amblyopia. Our solutions enable the closed-loop management from detection and assessment to intervention, giving users a precise and tailor-made vision health improvement plans.

Our dual-engine strategy built on precise detection and innovative treatment not only strengthens our synergy of market operation, but also further expands the reach of our products. This enables our solutions to extend from hospital clinical departments to primary healthcare institutions, consumer health settings, and eye health management, benefiting a wider population to have an access to efficient and intelligent eye health services.

Upholding the mission of "Accessible and Affordable to Everyone", we are steadfast in extending our service sites, enhancing the volume of detections and treatments, and thereby realizing substantial growth in revenue. With our ongoing efforts in optimizing sales strategy, during the Reporting Period, the number of our active service sites grew from 5,671 to 7,883, representing a year-over-year increase of 39.01%. Through our SaMDs and health risk assessment solutions, we detected 7.10 million cases during the Reporting Period, representing a year-over-year increase of 3.87%.

In 2024, compared with 2023, the increase in service sites was accompanied by a more than 50% year-over-year increase in the number of UVs in hospitals and primary healthcare in the Airdoc Medical segment.

Airdoc-AIFUNDUS (1.0) and AI-FUNDUSCAMERA-P have successfully obtained regulatory approvals and registrations from relevant authorities in various international markets, including the European Union, Southeast Asia, the Middle East and Africa during the past two years. Specifically, Airdoc-AIFUNDUS (1.0) has received regulatory approvals or registrations in the European Union, Singapore, Thailand, Indonesia, Vietnam, South Africa, Saudi Arabia, the United Arab Emirates and Malaysia, and AI-FUNDUSCAMERA-P has received regulatory approvals or registrations in the European Union, Indonesia, South Africa, Saudi Arabia, the United Arab Emirates and Thailand.

1. Our Portfolio

We consistently take step up our strategic focus on integrated diagnosis and treatment, thus having successfully built a comprehensive product matrix that encompasses both detection and treatment modalities. This includes three major AI-enabled medical product lines: Retinal Detection AI, Myopia Prevention and Control AI, and Visual Training AI. Additionally, leveraging our proprietary "WanYu Large Language Model", we have empowered these three key product lines with robust intelligent capabilities and have achieved full integration of the diagnostic-treatment closed loop.

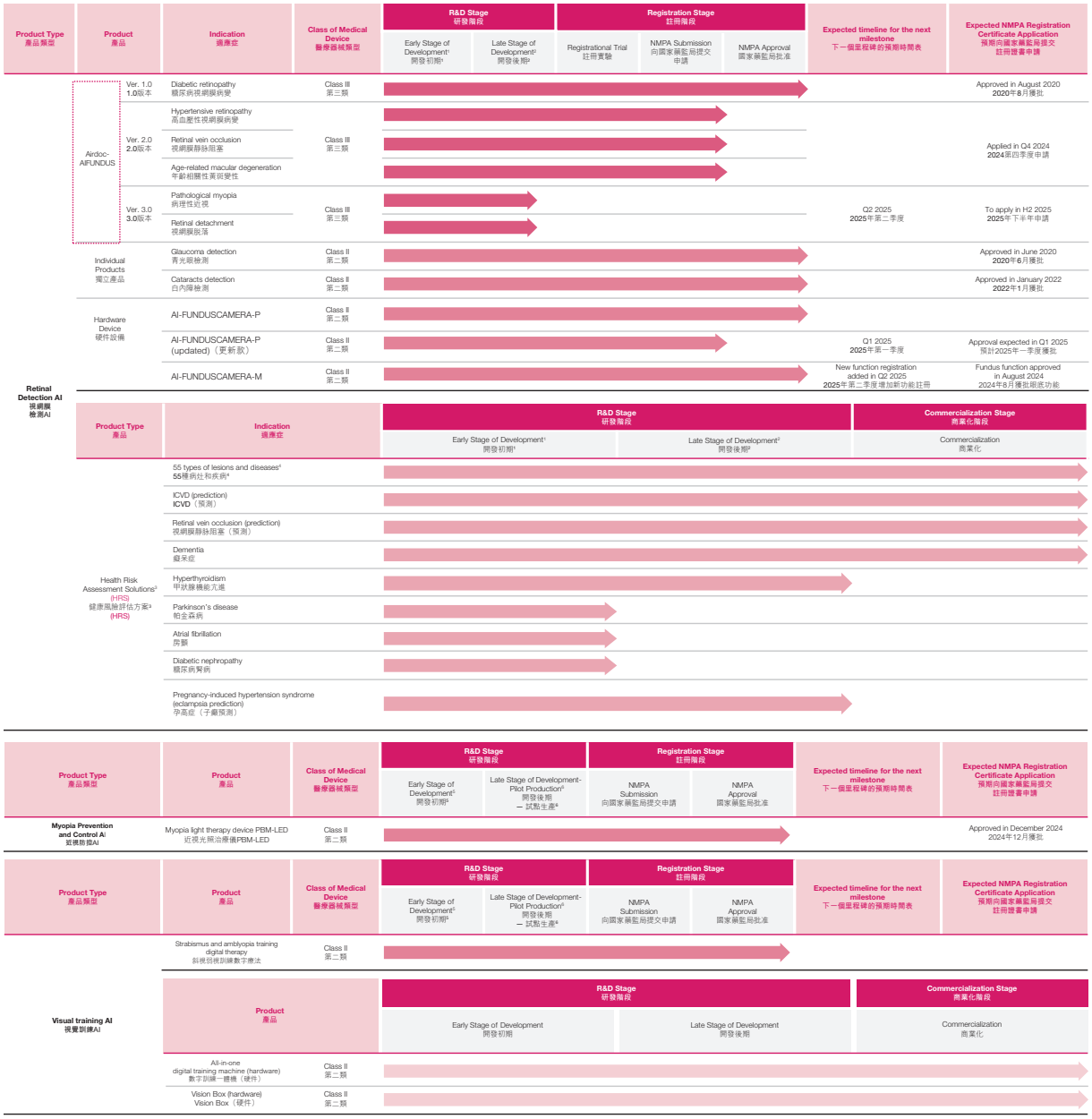
Our Retinal Detection AI product is designed to address the significant unmet medical needs for early detection and diagnosis of chronic diseases and fundus complications. By developing AI-empowered retinal image recognition technology, we provide an integrated solution for early detection, diagnosis, and health risk assessment, covering a broad spectrum of diseases and lesions. This product matrix includes SaMDs for detection and diagnosis, health risk assessment solutions, and proprietary AI-powered hardware equipment, forming a comprehensive intelligent diagnostic and therapeutic system that combines software and hardware.

Our Visual Training AI is a digital treatment product. By incorporating AI-powered eye-tracking and AI-guided training modules into our proprietary high-precision eye trackers and supporting algorithms, we have developed a series of products,

including our visual training platform. This product series represent the innovative breakthroughs in clinical applications, which has earned us high acclaim from professional doctors and clients.

In the field of Myopia Prevention and Control AI, our leading R&D capabilities have enabled us to launch a PBM LED-based non-invasive photobiomodulation myopia treatment product, further solidifying our technological advantage in this area. This product has obtained medical device registration certification. It meets the regulatory requirements while precisely addressing customer needs and filling a gap in the market.

The following diagram sets forth key details of our portfolio as of the date of this announcement:



Notes:

1. Early stage development denotes the process of data collection, data labelling and model training.

2. Late stage development denotes the process of data supplementation, algorithm training iteration and algorithm Validation.

3. No regulatory approval or registration is required for the sale of our health risk assessment solutions in consumer healthcare and eye health settings.

4. During the Reporting Period, we offer health risk assessment solutions with the ability to detect risk indicators, including risk assessments of retinal abnormalities, retinal vascular diseases, vitreous abnormalities, retinal tumors, optic nerve pathologies, macular diseases, congenital anomalies of the retina, cardiovascular disease and anemia.

5. Early stage development denotes the process of product planning, product definition, engineering verification and design verification.

6. Pilot production denotes the process of production verification.

Retinal Detection AI

Our Retinal Detection AI product line is part of our detection product portfolio, including SaMDs for detection and auxiliary diagnosis, health risk assessment solutions and proprietary smart hardware devices.

Airdoc-AIFUNDUS, our core SaMD product for AI-assisted diagnosis of retinal detection, is an AI-based SaMD product which is available in three versions:

- Version 1.0, which has obtained the Class III medical device registration certificate from the NMPA, is able to assist in the diagnosis of diabetic retinopathy and has industry-leading performance and compatibility with most of the fundus cameras in the market.

- Version 2.0, which address a wide range of fundus diseases, has completed clinical trials and the registration application of it has been submitted.

- Version 3.0 focuses on the diagnosis of pathological myopia and retinal detachment.

Based on business development, market demand and regulatory policy changes over the past few years, we have adjusted our product pipeline in line with market demand, expanding from a single market detection product line to a integrated diagnosis and treatment product structure, and at the same time, we have lowered the registration priority of the Airdoc-AIFUNDUS 3.0 version to focus our resources on fully advancing the development of our treatment product.

In addition, we have developed SaMD products for glaucoma and cataracts detection, which received Class II medical device certification from the Shanghai branch of NMPA in June 2020 and January 2022 respectively. Based on our existing technology platform, we are developing SaMD products for the detection and auxiliary diagnosis of various diseases to further extend the application of AI technology in healthcare.

Rely on the AI-empowered retinal imaging technology, our health risk assessment solutions provides end-users with accurate health assessment and risk screening services, detecting a broad range of diseases and lesions. Currently, the system is able to identify 55 types of lesions and disease risks, meeting diversified healthcare needs. In the medical field, our major customers include but not limited to general hospitals, primary healthcare institutions and health checkup centers; in the field of consumer healthcare settings, our customer base covers diverse organizations such as insurance companies, optometry centers and pharmacies. In the future, in seeking greater competitiveness and satisfying growing market demand, we will continue to optimize our technological know-hows and expand the scope of detection to cover more relevant disease risk assessments.

Our product portfolio includes three in-house developed fundus cameras, which seamlessly integrate with our auxiliary diagnosis SaMDs and health risk assessment solutions, providing an all-in-one software and hardware healthcare solution. The AI technology empowers us to effectively optimize the user experience of our existing fundus cameras, reduce operating costs and improve detection efficiency.

- The AI-FUNDUSCAMERA-P series is a kind of portable, automatic and self-service fundus cameras that allows retinal images capture without the need for specialized operators. This product received Class II medical device certification from the Shanghai branch of NMPA in March 2021 and has since been sold to the market. In 2024, the Company launched a portable fundus camera for the home and small B-end markets, which has received Class II medical device certification from the NMPA in January 2025, which is empowered by and optimised with AI technology and uses new optical and structural innovations to improve detection convenience while reducing costs.

- The AI-FUNDUSCAMERA-M, a multimodal health scanner, integrates a variety of biosensors and supports a number of health detection functions. Its fundus camera module received Class II medical device certification in August 2024, and is scheduled to further enhance its functionality in 2025 to include slit-lamp examination and dry eye screening.

In the future, the Company will continue to enhance product R&D and broaden application scenarios to deliver a health screening and disease risk assessment solution of enhanced intelligence and greater ease of use for medical institutions and the consumer healthcare industry.

Myopia Prevention and Control AI

In the field of youth myopia prevention and control, relying on our world-leading AI algorithm platform of retinal analysis and WanYu Large Language Model, we have successfully developed and commercialized an AI-driven comprehensive myopia intervention program, which is part of our treatment product matrix. Our key product, myopia light therapy device, adopts LED light source and is among the first to obtaining medical device certificate from the NMPA. The device innovatively applies our patented PBM-LED ring-shaped beam technology (PRC registered patent No.: ZL 2024 1 0456292.3, with international PCT patent application in progress) to realize non-contact, non-invasive myopia intervention through targeted photobiomodulation therapy. Along with the application of myopia phototherapy, we have released fundus AI evaluation products suitable for myopia examination and phototherapy fitting, forming a comprehensive solution of myopia phototherapy plus fundus AI fitting for optometry. The myopia light therapy device won the highest honor in the medical technology category — the "Special Commendation Gold Awards" at International Exhibition of Inventions in Geneva in 2023.

Visual Training AI

The Visual Training AI product is part of the treatment product matrix. It has received a Class II medical device certification from the NMPA and is widely used in hospitals for strabismus and amblyopia treatment. With nearly 500 training modules, the product addresses various training stage for vision rehabilitation in a well-rounded way, including stimulation training, precision training, binocular visual training, fusion training and stereoscopic visual training. Through the combination of in-hospital and at-home training, it realizes the seamless connection between hospital and home, and significantly improves the accessibility and treatment compliance of patient training.

During the Reporting Period, we further optimized the AI digital therapy for visual training by adding the AI-empowered eye tracking module and an AI training guide module to make the training more intelligent and personalized. AI-empowered eye tracking module relies on AI algorithms to track pupil size, blink frequency, and gaze trajectory to simulate training of the human eye's gaze, sweep, and follow functions. Based on our deep-learning-based eye tracking algorithm, it can accurately estimate the gaze direction, making it widely used in visual training and reading ability assessment. The AI training guide, combining the device camera and AI behavior management algorithms, monitors the training process in real time and provides instant feedback on including but not limited to posture, training distance and concentration, addresses the lack of professional guidance in at-home training and improves the training effect.

In addition, our proprietary all-in-one visual training machine integrates our self-developed high-precision eye trackers and supporting algorithms to provide users with a more accurate and efficient visual training experience.

Looking ahead, we remain committed to optimizing our AI visual training technology for higher accuracy and accessibility of rehabilitation training, thus further driving the development of intelligent visual rehabilitation solutions.

WARNING UNDER RULE 18A.08(3) OF THE LISTING RULES: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR CORE PRODUCT, AIRDOC-AIFUNDUS.

2. Our R&D and Technologies

Our Retinal Detection AI was approved by the NMPA as the first Class III AI-empowered retina-based auxiliary diagnosis product in China. Our AI-empowered retina-based early detection, diagnosis and health risk assessment technology has been fully validated in terms of scientific theory, clinical trial data and clinical pathways, and is supported by the results of the FDA-approved proof-of-concept clinical trial for MOA-equivalent products. We have also published over 20 papers in prestigious peer-reviewed scientific journals such as the Lancet series, the British Journal of Ophthalmology and British Journal of Dermatology, and at influential artificial intelligence conferences such as the Medical Image Computing and Computer-Assisted Intervention Society. In addition, the high performance of our products has been reported in prestigious peer-reviewed scientific journals such as the Natural series. In response to the demand for affordable and efficient solutions applicable to chronic diseases, we believe that our AI-empowered early detection and diagnostic solutions address the need by strengthening diagnostic capabilities, improving treatment compliance, and providing non-invasive, accurate, rapid, effective and scalable diagnostic solutions.

Since our Airdoc-AIFUNDUS built-in algorithms are already highly adaptable, they are compatible with a wide range of fundus camera brands and models. Different fundus cameras have different image characteristics, which vary in brightness, color, noise level and viewing angle. We have trained Airdoc AIFUNDUS with images from a variety of fundus cameras to ensure consistent and accurate analysis results without the need to consider the camera model being used. In addition, we have utilized the data augmentation feature to generate more differentiated images and trained Airdoc-AIFUNDUS for greater compatibility.

Our Airdoc-AIFUNDUS (1.0) has been trained on data from 15 different organizations in China, making it applicable to a wider range of populations. Our data varies in terms of gender, age, geographic region, and other demographic characteristics, covering a significant portion of the national population. By training our Airdoc-AIFUNDUS with such data and conducting multi-dimensional analysis on our product performance across different customers types, we can ensure that our products are always effective for all customers, thereby expanding the applicability of our products across markets.

Our Airdoc-AIFUNDUS includes an automatic quality control feature that verifies retinal area, focus, color balance and exposure with multiple independent detectors. This feature can assess each captured image in real time and alert the user when the image quality is inadequate, ensuring that usable images are captured before departure of the patient. Traditional quality control relies on the operator's experience to assess the quality of retinal images, which has many drawbacks. For example, due to the lack of specialized training necessary to assess image quality, operators may need a considerable amount of time to assess all captured images, and maintaining consistency in assessment standards among different operators is challenging. Our automated real-time image quality control addresses these issues by improving accessibility and efficiency, enhancing diagnostic quality and reducing reliance on experienced physicians.

During the Reporting Period, the research results of our program in cooperation with the team of Professor Wang Xiaoying (王曉瑛) from the Eye and ENT Hospital of Fudan University (復旦大學附屬眼耳鼻喉科醫院) were published in the *Journal of Cataract and Refractive Surgery (JCRS)*, the official journal of the American Society of Cataract and Refractive Surgery (ASCRS) and the European Society of Cataract and Refractive Surgeons (ESCRS). Using AI technology, this research explores the impact of vault and other ocular biometric parameters on predicting refractive errors after ICL implantation surgery, and proposed and validated a postoperative refractive power prediction method demonstrating greater accuracy than existing computational methods. This research enables further quantitative analysis of the correlation between vault and refractive power, which will help ophthalmologists better select the most appropriate ICL for each individual.

During the Reporting Period, the results of a research in which we collaborated with the team of Professor Zhao Peiquan (趙培泉) from the Department of Ophthalmology at Xinhua Hospital affiliated with Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院附屬新華醫院), were published in *iScience*, a prestigious sub-journal of *Cell*. The research team innovatively proposed a novel semi-supervised deep learning model that enhances the model's classification performance using a small amount of labeled data and a large amount of unlabeled data, aiming to reduce the data annotation cost required for automatic staging of retinopathy of prematurity. Experiments have proved that this method can achieve good classification performance while significantly reducing the need for annotations in clinical scenarios.

We completed the R&D phase of our AI-FUNDUSCAMERA-M, which will enable the inclusion of additional modules for diagnosing different types of potential diseases. The fundus camera module for this product was certified as a Class II medical device by the NMPA in August 2024, with other additional detection capabilities planned for 2025. Meanwhile, our new generation of AI-FUNDUSCAMERA-P series cameras for the C-end and small B-end markets completed research and development during the Reporting Period, and was certified as a Class II Medical Device by the NMPA in January 2025.

Our myopia light therapy device uses LED light source and is the first to obtain medical device certification from the NMPA. It innovatively applies the patented PBM-LED annular spot technology (PRC registered patent No.: ZL 2024 1 0456292.3, with international PCT patent application in progress) to achieve non-contact, non-invasive myopia intervention through targeted photobiomodulation therapy.

During the Reporting Period, our in-house developed AI eye movement technology was expected to cost-effectively applying eye trackers into the realm of ophthalmic visual health. With AI training guidance based on ordinary RGB cameras, it is expected to establish an Airdoc-featured AI visual training digital therapy, thus forming a competitive advantage.

During the Reporting Period, we were granted 40 new patents, including 20 inventions, 8 utility models, and 12 appearance designs. To date, we have 270 patents, including 128 inventions, 64 utility models, and 78 appearance designs. We also possess 100 software copyrights.

3. Commercialization Development

The Company has successfully built three major medical AI product lines, being Retinal Detection AI, Myopia Prevention and Control AI, and Visual Training AI. Our Retinal Detection AI product portfolio, based on advanced AI-empowered retina-based technology, provides early detection, accurate diagnosis and health risk assessment solutions that can be widely applied to the screening and management of multiple chronic diseases. At the same time, our Myopia Prevention and Control AI and Visual Training AI products are deeply integrated, and leverages the synergy with Retinal Detection AI to build an integrated intelligent diagnosis and treatment system. The system covers all age groups and the entire life cycle, from AI-based examination and fitting, intelligent assessments and predictive analysis to the prevention, correction and control of myopia, as well as AI-based strabismic and amblyopic visual training. It comprehensively integrates a diagnosis and treatment closed loop to enhance the intelligence and precision of diagnosis and treatment. In addition, with our self-developed "WanYu Large Language Model", we have equipped our three key product lines with robust intelligence driving force, which not only optimised the intelligence capability of our products, but also significantly improved the efficiency of our marketing efforts, thus making better intelligent diagnosis and treatment services available to healthcare organisations and users.

Retinal Detection AI Products. During the Reporting Period, the number of our customer decreased from 551 in 2023 to 492 in 2024, and the number of active service sites using our SaMDs and health risk assessment solutions grew from 5,671 to 7,883, representing an increase of 39.01% year-over year. For our provision of SaMDs or health risk assessment solutions, we charge our customers on a pay-per-use basis based on the actual amount of testing services we provided. During the Reporting Period, we charged an average of RMB15.89 per use, which is calculated by dividing our revenue from the provision of AI-based software solutions by the uses, representing a year-over-year decrease of 29.7% from RMB22.60 per use for the same period in 2023.

Myopia Prevention and Control AI Products. During the Reporting Period, our myopia AI-based prevention and control products recorded 4,025 thousand uses, a year-on-year increase of 352.1%, providing services to 23.0 thousand registered users, a year-on-year increase of 61.8%.

Visual Training AI. Our Visual Training AI products recorded 2,017.1 thousand trainings, providing trainings to 17.0 thousand homebased registered users and 175.0 thousand in-hospital registered users. Moreover, our AI-based visual training products have covered over 800 hospitals nationwide and helped 392.0 thousand patients recover.

As of December 31, 2024, our marketing team consists of 94 members, providing customers with a full life cycle of customized supports. Our sales and marketing team comprises functions of sales, marketing, product solutions and customer success, which covers different geographical regions and commercialization channels. We provide our sales and marketing personnel with comprehensive trainings covering corporate culture, product knowledge, medical theories and marketing strategies to further enhance their professional capabilities.

Retinal Detection AI

The Retinal Detection AI product line addresses a number of market application scenarios, mainly including Airdoc Medical business, consumer healthcare settings and eye health settings.

Airdoc Medical Business

Airdoc Medical business covers medical institutions which include hospitals, primary healthcare institutions (such as community clinics) and health checkup centers. Aiming to be of great help to doctors and address the issue of unavailable experienced retinal specialists in underserved regions, our Airdoc Medical solutions primarily serve the clinical needs for detection and auxiliary diagnosis of certain indications with quantitative measurements, such as the total size and number of hemorrhages and exudates.

For our sales to hospitals, we seek to include our Airdoc-AIFUNDUS (1.0) in the pricing guidance in most provinces in China, upon which hospitals can charge patients separately for such medical service. As of the date of this announcement, the pricing guidance related to our products had been issued by local governmental authorities in Beijing, Hebei, Shandong, Shanxi, Anhui and Jiangsu, pursuant to which our Airdoc-AIFUNDUS can be utilized as a new charging item. For primary healthcare institutions and health checkup centers, we also market our health risk assessment solutions as we see strong opportunities there.

We are dedicated to increasing the penetration of our products in both hospitals and primary healthcare institutions. During the Reporting Period, we sold our Airdoc-AIFUNDUS (1.0) to hospitals and primary healthcare institutions, witnessing a significant growth in the number of service sites covered and detections conducted. The number of active hospital service sites we covered reached 417, representing a year-over year increase of 51.1%, with the number of detections conducted reaching 401 thousand, up by 65.5% year-over-year. The number of active primary healthcare institution service sites we covered reached 2,092, representing a year-over-year increase of 71.3%, with the number of detections conducted reaching 1,034 thousand, up by 62.6% year-over year. In addition, we also implemented our AI-based solutions in over 350 health checkup centers across China. Among them, some health checkup centers have achieved a repurchase rate of over 50% for our SaMD products. Based on self-developed WanYu Large Language Model, we have also supported iKang launching an AI digital human "ikkie", iKang's first AI based health butler, offering interactive medical knowledge Q&A on physical examination knowledge, disease consultation, report result interpretation and intelligent answering, covering all stages before, during and after examinations, thereby providing users with a real-time, intelligent, precise and connected new experience.

During the Reporting Period, we recorded revenue of RMB51.9 million from Airdoc Medical business through the sales of our Airdoc-AIFUNDUS (1.0).

Our rapid growth of business under Airdoc Medical settings is attributable to the social benefits and social values generated from our industry upgrades empowered by AI technology and the new trends in industry development led by us. We also introduced our products to the physical examination, endocrinology, ophthalmology, obstetrics and gynecology, and cardiology departments of several hospitals, for example, the Chinese People's Liberation Army General Hospital (301 Hospital) (解放軍總醫院(301醫院)), Peking University First Hospital (北京大學第一醫院), Beijing Anzhen Hospital (北京安貞醫院), Sichuan Provincial People's Hospital (四川省人民醫院), Shanghai First Maternity and Infant Hospital (上海第一婦嬰保健院) and Zhongshan Hospital affiliated to Fudan University (復旦大學附屬中山醫院). Moreover, during the Reporting Period, we secured a project in relation to the technology application scenarios in Beijing Zhongguancun Science City, and successfully developed and deployed our diabetes retinopathy auxiliary diagnosis SaMD, namely Airdoc-AIFUNDUS (1.0), and follow-up algorithms on the Beijing

Haidian District Government Affairs Cloud (北京市海淀區政務雲). It is the first time to match our fundus AI algorithm with the China-made Cambricon Technologies' GPU chip, and at the same time, it has also established a new model of AI-based regional primary healthcare screening, follow-up and referral, linking 49 community health service centers in Haidian District, Beijing.

Consumer Healthcare Settings

Consumer healthcare settings cover a wide range of non-serious healthcare settings, such as insurance companies and pharmacies, to which we offer our health risk assessment solutions that focus on chronic diseases. As the concept of health management is on the rise, more types of business settings have emerged as the entry point of daily health management for specific populations, and they are keen to better serve their end users' specific healthcare needs. We empower consumer healthcare settings to provide the AI-enabled assessment of risk factors for chronic diseases and continuous health monitoring services, allowing high-quality healthcare services accessible in a much wider range of business settings and to a much larger base of end users.

In the business setting of financial insurance, we assist insurance companies and banks in evaluating customers' health conditions and provide health check services in an accurate, efficient and continuous manner. During the Reporting Period, we provided our product solutions to a number of top commercial insurance companies, including Taikang Life Insurance Company Limited, Ping An Insurance (Group) Company of China, Ltd., China Life Insurance Company Limited, New China Life Insurance Co., Ltd., Hebei Postal Savings Bank and Ping An Health Insurance Co., Ltd. Among them, we have successfully deployed the "Retina Primary Screening Fundus Camera Detection and Health Management Solution" in more than 400 branches of Hebei Postal Savings Bank, providing advanced fundus health monitoring services for its customer base, and have served more than 145,000 customers in total.

During the Reporting Period, we recorded revenue of RMB27.6 million from consumer healthcare settings.

Eye Health Settings

Eye health management settings mainly cover optometry centers, optical shops and government sponsored vision screening projects, to which we offer our health risk assessment solutions that focus on retinal conditions. We launched empowering our Airdoc Eye Health product solutions by AI technology, relevant products of which can detect over 30 eye health risks, including vascular, neural, hemorrhages, plaques and other abnormal manifestations. Through GenAI (generative artificial intelligence) technology, such products are able to predict retinal changes and refractive progression. Through monitoring progression parameters, we achieved precise and personalized eye health management, producing visual reports suitable for eyewear fitting and eye health management settings. This not only enhances the sense of

value, but also significantly reduces professional reliance, helping optometry institutions achieve improvements in both professional eye health capabilities and business performance. Moreover, we made full use of AI technological advantages to achieve an all-around process from AI recognition and analysis to digital management and to on-the-ground support, providing efficient and intelligent solutions for Airdoc Eye Health business. During the Reporting Period, our solutions were deployed in optometry chain institutions through our effective distributors, and the number of service sites covered reached 2,828, representing a year-over-year increase of 42.4%.

During the Reporting Period, we recorded revenue of RMB33.2 million from the Airdoc Eye Health business.

Moreover, with the progress of our overseas CE mark registration activities, we actively explored the overseas market during the Reporting Period, making business progress in Chile, Spain, the Czech Republic, Thailand, the Philippines, Indonesia, South Africa and Malaysia.

During the Reporting Period, our overseas revenue reached RMB9.6 million, accounting for 6.1% of our total revenue for the Reporting Period.

Myopia Prevention and Control AI

In the field of myopia prevention and control, the Company responded to the policy changes and took the lead in developing a myopia light therapy device using Airdoc PBM-LED light source, which was certified as a Class II medical device by the NMPA. At the same time, Airdoc myopia light therapy device has integrated into the self-developed WanYu Large Language Model, so that the myopia light therapy device has been transformed from a single treatment tool into a "family optometrist (家庭視光師)" with the highly autonomous decision-making ability. Featuring precise tracking of axial length changes, generation of structured visual health report and provision of data-based personalised intervention suggestions, the device not only optimises the therapeutic effect of photobiomodulation therapy (PBMT), but also builds up a set of scientific and systematic myopia prevention and control management system for users.

In the fourth quarter of 2024, we started to build a distribution service system and star-rated store service system based on PBM-LED myopia light therapy device. Currently, the product has covered 1,200 optometry stores in 20 provincial administrative regions across the country, and we plan to cover 3,000 optometry stores in 2025 to serve 50,000 teenage patients.

During the Reporting Period, our revenue from our AI-based myopia prevention and control product line amounted to RMB28.2 million.

Visual training AI

Our visual training AI product has received the Class II medical device certification and can be widely used in hospitals for the treatment of strabismus and amblyopia. The product includes a comprehensive range of visual training programs, such as stimulation training, precision training, binocular visual training, fusion training and stereoscopic visual training, fully supporting all stages of strabismus and amblyopia treatment with the aim of enhancing patients' visual functions. We provide treatments in both hospital and home settings, achieving seamless integration between the two and significantly enhancing the convenience of patient training. To date, we have developed a product line that includes various visual function examination and training systems, and launched nearly 500 types of training content. Our products emphasize multimedia digital therapy, which is not only highly engaging, but also continuously updated and upgraded. Based on the latest AI technology, we can tailor personalized training programs for each patient. Long-term training practice has proven that patients can maintain high treatment compliance, significantly improving treatment outcomes.

Driven by in-depth clinical research with influential ophthalmology institutions, we innovatively discovered the close link between eye movement precision and visual function development. Accordingly, we independently developed high-sensitivity eye movement tracking technology, and integrated it into our training system along with AI visual analysis algorithms. This technological breakthrough not only realizes the precise control during the treatment process, but also provides an innovative tool for exploring the mechanism of optic nerve development. The technology has been applied to the clinical treatment of ophthalmology in many Grade 3A hospitals, receiving praise from both doctors and patients.

During the Reporting Period, our revenue from our AI-based visual training product line amounted to RMB15.5 million.

4. Production Capability

Cost control and quality assurance have always been crucial to us. In order to optimize cost structure, we shifted our primary production efforts to our manufacture base located in the High-tech Industrial Development Zone in Changsha, Hunan. The manufacturing base had a site area of nearly 5,000 square meters with complete testing and production equipment, started production after obtaining the Medical Device Production License in October 2022 and received ISO13485 medical device quality management system certification in 2023. Our factories strictly implement the 6S lean management system and ERP production management system to ensure manufacture efficiency and compliance with all required safety measures and laws and regulations. Currently, our Changsha manufacture base has a management team of nearly 30 members, all of which possess professional medical device production

experience. Our Changsha manufacture base currently operates four production lines and a cleanroom, capable of producing various types of devices and conducting product R&D, with a capacity of approximately 100,000 fundus cameras per year.

During the Reporting Period, we invested in establishing a reliability laboratory in the Changsha factory. This laboratory currently possesses 15 types of equipment, including high- and low-temperature impact testing machines, salt mist testing machines, ultraviolet (UV) testing machines, and sand and dust testing chambers, and is capable of undertaking over 20 experimental projects, fully meeting various experimental needs for R&D and production. By establishing the Changsha factory, we can strengthen cost and quality control and are therefore confident that we will keep maintaining competitive advantages in the future.

5. Future and Outlook

In 2025, we will continue to expand sales channels to boost sales of our core detection businesses based on AI-assisted diagnostics. We will give priority to invest in treatment businesses, including myopia prevention and control and visual training, to broaden our footprint and consolidate our long-term strategy. In addition, ongoing investment in the R&D of WanYu Large Language Model will be expected to empower all product lines, thereby ensuring our leadership in cutting-edge technologies. We will actively explore and expand into the C-end market, and increase investment therein to diversify our businesses with innovative business models and channel positioning. In addition to revenue growth, we will improve cost control and resource allocation to achieve breakeven and sustainable growth.

In addition, we are well prepared to expand into overseas markets aggressively. With our continued expansion in markets such as Malaysia, Singapore, Thailand, the United Arab Emirates and South Africa, our global footprint will be further expanded. We are confident that these markets will gradually accept and recognize our brand thanks to our excellent product quality and professional services. In particular, in the Middle East, we plan to step up development efforts in this market in 2025, and we expect sales in this region to grow steadily.

Our WanYu Large Language Model ("WanYu LLM") technology is spearheading a transformation of the industry and becomes increasingly pervasive in daily life. We continue to invest in the research and development of WanYu LLM technology and deeply integrate it into our products and services system. Currently, we are actively implementing strategic initiatives to apply WanYu LLM to auxiliary diagnosis, disease detection and personalized medical advice and other scenarios, aiming to develop an intelligent and integrated diagnosis and treatment medical solutions, connect doctors and patients more effectively, and deliver precision medical services anytime, anywhere.

With the perfection of our laboratory in Changsha manufacture base, we will have more competitive edges in terms of our three main products, namely Retinal Detection AI, Myopia Prevention and Control AI, and Visual Training AI. At the same time, we will continue reducing costs and improving gross profit margins.

Looking ahead, we will continue investing in R&D, integrating comprehensive AI-based therapy solutions into our existing diagnostic technologies. We will also remain committed to increasing production capacity, expanding global coverage, and launching the next-generation products that are "accessible and affordable to everyone".

FINANCIAL REVIEW

Revenue

During the Reporting Period, we primarily generated revenue from provision of AI-based software solutions, which represented provision of SaMDs and health risk assessment solutions to medical institutions and healthcare providers, including hospitals, community clinics, health checkup centers, insurance companies, optometry centers and pharmacies. We also generated revenue from the sales of hardware devices, representing the fundus cameras we sold together with our software, as well as the sales of AI-based myopia prevention and control products and visual training products. Depending on customer needs, we may sell our software as a standalone product or as a bundle with hardware developed by us or third parties.

Our revenue decreased by 23.3% from RMB204.0 million for the year ended December 31, 2023 to RMB156.4 million for the year ended December 31, 2024. This decrease was primarily attributable to the impact of myopia prevention and control product policies, as well as the implementation of stricter agent selection policies aiming at laying foundation for long-term healthy development in the future.

Cost of Sales

Our cost of sales primarily consists of (i) employee benefits expenses; (ii) hardware devices costs, representing the cost of sales of in-house fundus camera and in-house myopia prevention and control products, and the purchase cost of fundus cameras from third parties. We provide integrated healthcare solutions that combine hardware and software and do not sell hardware devices separately to our customers; (iii) depreciation expenses primarily relate to the depreciation of hardware devices; and (iv) cloud service fees, representing the service fees we paid to cloud service suppliers to support our AI-based software solutions.

Our cost of sales decreased by 11.6% from RMB78.8 million for the year ended December 31, 2023 to RMB69.7 million for the year ended December 31, 2024, primarily due to (i) the decrease in revenue and the corresponding decrease in the cost of sales of hardware; (ii) the improvement in efficiency of our service personnel through regional management, the number of personnel was under control and the labour costs were reduced.

Gross Profit and Gross Profit Margin

Based on the factors described above, the gross profit of the Group decreased from RMB125.1 million for the year ended December 31, 2023 to RMB86.7 million for the year ended December 31, 2024. Gross profit margin is calculated as gross profit divided by revenue. The overall gross profit margin of the Group decreased from 61.4% for the year ended December 31, 2023 to 55.4% for the year ended December 31, 2024, primarily due to the increase in service costs and the higher initial production costs for new products.

Other Income and Gains

Our other income and gains decreased from RMB58.1 million for the year ended December 31, 2023 to RMB32.2 million for the year ended December 31, 2024, primarily due to the decrease in interest income from bank deposits and investment income from financial assets measured at fair value.

R&D Expenses

Our R&D expenses decreased by 8.9% from RMB111.6 million for the year ended December 31, 2023 to RMB101.7 million for the year ended December 31, 2024, primarily because we strengthened R&D project management, adjusted staffing structure and reduced labor costs and expenses.

The following table summarizes a breakdown of our R&D expenses for the periods indicated.

	For the Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Employee benefits expenses	**70,863**	78,112
Product development expenses	**9,644**	9,863
Product registration expenses	**2,823**	5,826
IP registration expenses	**500**	902
Depreciation expenses	**8,335**	8,316
Others	**9,528**	8,623
Total	**101,693**	111,642

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of employee benefits expenses for our in-house sales and marketing team and marketing expenses.

Our selling and distribution expenses decreased by 25.3% from RMB100.6 million for the year ended December 31, 2023 to RMB75.2 million for the year ended December 31, 2024, primarily due to the centralized management of targeted marketing campaigns; and the streamlining and optimisation of personnel, which significantly reduced labour costs and expenses.

Administrative Expenses

Our administrative expenses mainly consist of employee benefits expenses for our employees involved in administrative and supportive functions and professional service expenses.

Our administrative expenses increased by 12.7% from RMB99.0 million for the year ended December 31, 2023 to RMB111.6 million for the year ended December 31, 2024, primarily due to increase in employee termination payments.

Finance Costs

Our finance costs mainly consist of interest on leasing liabilities relating to our lease of office premises and interest on bank loans. We recorded finance costs of RMB0.2 million for the year ended December 31, 2024 (2023: RMB0.5 million).

Income Tax

We recorded income tax credit of RMB3.6 million for the year ended December 31, 2024 (2023: RMB0.2 million).

Loss for the Year

We recorded a loss of RMB265.1 million for the year ended December 31, 2024, compared with a loss of RMB145.7 million for the year ended December 31, 2023. The increase in loss for the period was primarily due to (i) a loss allowance of RMB23.7 million made for the Reporting Period by the Company due to a recent regulatory change, (ii) an increase of RMB22.3 million in the share-based payments made during the Reporting Period, and (iii) an impairment of goodwill of RMB43.2 million in relation to the carrying amount of the myopia treatment products cash-generating units. The loss allowance was made for a batch of laser-based myopia treatment device sold to a customer, because the relevant business of the customer was affected by a recent regulatory change, which reclassified laser-based myopia treatment device as Class III medical devices and prohibits the sales of laser-based myopia treatment device that have not obtained the Class III medical device certification in the PRC since July 1, 2024. Due to the same reason, the carrying amount of the myopia treatment products cash-generating units was impaired by RMB43.2 million for the year ended December 31, 2024, which led to a decrease in revenue of our Myopia Prevention and Control AI business. For further details, please see the subsection headed "Trade Receivables" below.

Property, Plant and Equipment

Our property, plant and equipment primarily consist of (i) hardware devices, representing fundus cameras which have been deployed or will be deployed at our customers' service site to be used together with our software; (ii) furniture and others; and (iii) leasehold improvement.

Our property, plant and equipment decreased to RMB16.5 million as of December 31, 2024 from RMB18.0 million as of December 31, 2023, which was primarily due to depreciation expense of equipment and the clean-up of some damaged equipment.

Inventories

Our inventories primarily consist of raw materials for manufacturing our in-house fundus cameras and the third-party fundus cameras we purchased for the bundled sales together with our software and in-house myopia treatment products. We assign specific personnel to regularly monitor our inventories and endeavor to keep an optimal inventory level in line with the expected usages in the near term.

Our inventories decreased to RMB31.2 million as of December 31, 2024 from RMB40.1 million as of December 31, 2023, which was primarily due to the decrease in overall inventory level as a result of sales-oriented production, enhanced inventory management and improved inventory turnover rate.

Trade Receivables

Our trade receivables decreased to RMB46.5 million as of December 31, 2024 from RMB79.6 million as of December 31, 2023, which was primarily due to the decrease in the gross amount of trade receivables and the increase in impairment loss.

During the Reporting Period, we recognized loss allowance of RMB39.2 million for trade receivables and wrote off RMB32.7 million. Of the provisions made in 2024, RMB23.7 million was related to the loss allowance made for sales contracts of laser-based myopia treatment device.

Impairment of trade receivables

In the fourth quarter of 2022 ("**Q4 2022**"), we entered into a contract with Customer B (the same Customer B referred to in Note 3 to the Consolidated Financial Statements below) for the sale of a batch of laser myopia treatment devices (the "**Sold Devices**"). We recognized the corresponding sales revenue and the associated trade receivables in Q4 2022 as the Sold Devices were delivered to and accepted by Customer B and the controls of the Sold Devices was transferred to the Customer B by the end of Q4 2022.

In June 2023, the NMPA issued the "Notice on Regulating the Registration Management of Laser Myopia and Amblyopia Treatment Devices (關於規範激光近視弱視治療儀類產品註冊管理工作的通知)" (Medical Device Notice No. [2023] 354) (the "**Notice**"), which stipulates that, with effect from July 1, 2024 (the "**Effective Date**"), myopia treatment devices of laser tech route that have not obtained Class III medical device certification would no longer be permitted for production and sales in the PRC.

Since the sale of the Sold Devices, we have engaged in ongoing communications with Customer B regarding the settlement of the outstanding trade receivables with respect to the Sold Devices. Notwithstanding the promulgation of the Notice, based on the following considerations, we did not identify any significant increase in credit risk associated with the trade receivables with respect to the Sold Devices from Customer B in the second half of 2023: (i) we have constantly received timely and regular payments from Customer B for other trade receivables, without any delays or defaults, (ii) we have maintained a sound financial position, supported by ongoing assessments of its creditworthiness, (iii) we received partial payments totaling RMB2.62 million from Customer B specifically related to the Sold Devices as of December 31, 2023, which was consistent with our established commercial practices and the payment expectations with Customer B in respect of the Sold Devices, and (iv) the Notice had no immediate impact on Customer B's ability to resell the Sold Devices.

During the first half of 2024, we noticed that as the Effective Date of the Notice was approaching, Customer B's ability to resell the Sold Devices was materially and adversely impacted, affecting its ability to repay the trade receivables through the resale of the Sold Devices.

As of June 30, 2024, the outstanding trade receivables from Customer B with respect to the Sold Devices amounted to RMB23.7 million. Despite our Group's efforts, Customer B has been unable to repay the outstanding amount. Considering that the deterioration of the business performance and reduced cash flows of Customer B's myopia treatment devices business, as well as the approaching of the Effective Date, we assessed that the expected credit loss ("**ECL**") associated with the trade receivables from Customer B had increased significantly, and the possibility of recovering the relevant trade receivables became remote. Consequently, our Company recognized an impairment loss of RMB23.7 million (the "**Impairment**") for the total outstanding trade receivables from Customer B with respect to the Sold Devices.

The assessment and determination of the Impairment

The Impairment was assessed and determined following a thorough and systematic evaluation process in accordance with IFRS 9 Financial Instruments, which requires the Group to measure the ECL on trade receivables at each reporting date. Our Group employs a provision matrix for the assessment of ECL on its trade receivables. In cases where there is evidence of a significant increase in credit risk or impairment indicators for specific customers, our Group performs individual assessments of loss allowances for those trade receivables.

During the year ended December 31, 2023, based on the reasons set out in "Impairment of trade receivables" above, we did not identify any significant increase in credit risk associated with the trade receivables from Customer B with respect to the Sold Devices. Accordingly, based on our accounting policy, the credit risk on the trade receivables from Customer B with respect to the Sold Devices was assessed using the provision matrix, and no individual impairment allowance was required to be recognized.

During the Reporting Period, based on the factors set out in "Impairment of trade receivables" above, there was a significant increase in credit risk related to the trade receivables from Customer B with respect to the Sold Devices. In accordance with IFRS 9 and the Company's accounting policy and after assessing the aforesaid factors, the Company determined that, an impairment should be made for the trade receivables from Customer B with respect to the Sold Devices of RMB23.7 million.

In the fourth quarter of 2024, our Group wrote off the accumulated impairment loss of RMB23.7 million in respect of the total outstanding trade receivables from Customer B with respect to the Sold Devices.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets increased from RMB17.4 million as of December 31, 2023 to RMB41.7 million as of December 31, 2024, which was primarily due to the increase of other receivables in relation to operating activities.

Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss mainly represented fund investments and wealth management products subscribed for from certain financial institutions to improve cash utilization efficiency. Our financial assets at fair value through profit or loss decreased from RMB266.9 million as of December 31, 2023 to RMB220.7 million as of December 31, 2024.

Cash and Cash Equivalents

Our cash and cash equivalents decreased to RMB683.2 million as of December 31, 2024 from RMB891.5 million as of December 31, 2023, which was primarily due to the increase in ordinary operating activities expenses and cash outflows used in investing activities.

Trade Payables

Our trade payables decreased to RMB14.0 million as of December 31, 2024 from RMB17.5 million as of December 31, 2023, which was primarily due to the reduction in trade payables balances as a result of sales-oriented production and control over the timing of raw material procurement and delivery.

Liquidity and Source of Funding

Our policy is to regularly monitor our liquidity requirements and our compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As of or December 31, 2024, our current assets were RMB894.2 million which mainly includes cash and cash equivalents of RMB683.2 million, and other financial assets of RMB91.6 million. As of December 31, 2024, our current liabilities were RMB122.4 million which mainly includes trade payables of RMB14.0 million, other payables and accruals of RMB65.0 million and contract liabilities of RMB11.9 million.

Borrowings

As of December 31, 2024, we had bank loans of RMB30.0 million (2023: nil).

Contract Liabilities

Our contract liabilities represent our obligations to transfer services to our customers as we entered into services agreements with our customers for AI-based software solutions and sales of hardware devices for which we have received advanced payments from such customers under the relevant customer service agreements or work orders.

Our contract liabilities decreased to RMB11.9 million as of December 31, 2024 from RMB23.7 million as of December 31, 2023, which was primarily due to the acceleration of contract performance.

Net Current Assets

Our net current assets decreased to RMB771.8 million as of December 31, 2024 from RMB1,171.7 million as of December 31, 2023.

Gearing Ratio

Gearing ratio is calculated by using interest-bearing borrowings and lease liabilities less cash and cash equivalents, divided by total equity and multiplied by 100%. As of December 31, 2024, we were in a net cash position and thus gearing ratio is not applicable.

Treasury Policy

We adopt a prudent financial management approach for our treasury policy to ensure that our liquidity structure comprising assets, liabilities and other commitments is able to always meet our capital requirements.

OTHER INFORMATION

Corporate Governance

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the code provisions of the Corporate Governance Code as its own code of corporate governance. The Board is of the view that the Company has complied with all applicable code provisions of the Corporate Governance Code for the Reporting Period, except for the following.

Under the code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current organization structure of the Company, Mr. Zhang Dalei ("**Mr. Zhang**") is the chairman of the Board, chief executive officer and founder of the Company. With extensive experience in the medical devices industry and having served in the Company since its establishment, Mr. Zhang is in charge of overall management, business and strategic development of the Group. The Board considers that vesting the roles of the chairman of the Board and the chief executive officer in the same person is beneficial to the business operations and management of the Group. The balance of power and authority is ensured by the operation of the Board, which comprises experienced and diverse individuals. The Board currently comprises four executive Directors (including Mr. Zhang), and three independent non-executive Directors, and therefore has a strong independent element in its composition.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance and assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

Directors' and Supervisors' Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors, Supervisors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities.

Upon specific enquiry, all Directors and Supervisors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

Compliance with Relevant Laws and Regulations

The Group's operations are carried out in the PRC, while its H Shares are listed on the Stock Exchange. The businesses operated by the Group are subject to the laws of relevant jurisdiction in the PRC and Hong Kong. During the Reporting Period and up to the date of this announcement, as far as the Board and management are aware, the Group has complied with relevant laws and regulations that have a significant impact on the business and operation of the Group in the applicable jurisdictions.

During the Reporting Period and up to the date of the announcement, neither the Group nor, to the best of our knowledge, the Directors, Supervisors and senior management of the Company were subject to any investigation initiated or administrative penalties imposed by the China Securities Regulatory Commission, banned from entering the market, identified as inappropriate candidates, publicly condemned by stock exchanges, subject to mandatory measures, transferred to judicial organs or held criminally responsible, and none were involved in any other litigation, arbitration or administrative proceedings which would have a material adverse impact on our business, financial condition or results of operations.

Significant Investments, Material Acquisitions and Disposals

As of December 31, 2024, the Group held an investment which carried a value of 5% or more of the Group's total assets, the details of which are set out as follows:

Name of investment	Investment cost	Fair value as of December 31, 2024	Unrealized loss for the Reporting Period[2]	Size relative to the total assets of the Group as of December 31, 2024	Percentage of interests held
IndexCap Med&Tech I L.P. ("**IndexCap**")[1]	US$14,500,000	US$13,791,761	US$658,661	7.0%	24.81%

Notes:

(1) Representing the limited partnership interest in IndexCap subscribed for by a wholly-owned subsidiary of the Company on January 24, 2023. IndexCap is a British Virgin Islands limited partnership with a focus on investing in overseas companies in medicine and health, science and technology industries which its general partner deems appropriate.

(2) The investment did not record any realized gains or receive any dividend during the Reporting Period.

The Group has adopted a prudent investment strategy and would closely monitor the market changes and adjust its investment portfolio as and when necessary. The Group intends to hold these investments as needed aiming to generating a stable income.

Save as disclosed above, there were no other significant investments nor material acquisitions or disposals of subsidiaries and affiliated companies by the Group for the Reporting Period.

Future Plans for Material Investments and Capital Assets

As of the date of this announcement, we did not have any existing plan for material investments or acquisition of capital assets.

Capital Expenditures

Our capital expenditures primarily consist of investments in joint ventures and purchases of items of property, plant and equipment and other intangible assets. For the year ended December 31, 2024, our capital expenditure was RMB70.5 million (2023: RMB192.2 million).

Capital Commitment

As of December 31, 2024, we recorded capital commitment of RMB276.9 million for the purchase of other financial assets and capital contributions (December 31, 2023: RMB49.2 million).

Foreign Exchange Exposure

Our financial statements are expressed in RMB, but certain of its cash and cash equivalents are denominated in foreign currencies, and are exposed to foreign currency risk. We have established a foreign exchange exposure monitoring policy and will consider hedging against significant foreign exchange exposure of the Group should the need arise.

Employee and Remuneration Policies

As of December 31, 2024, the Group had 248 full-time employees (2023: 339).

The number of employees employed by the Group varies from time to time depending on need. The remuneration package of our employees includes salary and bonus, which are generally determined by their qualifications, industry experience, position and performance. The Company makes contributions to social insurance and housing provident funds as required by the PRC laws and regulations.

The Remuneration and Appraisal Committee of the Company was set up for reviewing the Company's emolument policy and structure for all remuneration of the Directors, Supervisors and senior management of the Company, having regard to the Company's operating results, individual performance of the Directors, Supervisors and senior management and comparable market practices.

The total remuneration cost incurred by the Group for the year ended December 31, 2024 was RMB209.7 million (2023: RMB214.1 million). The remuneration package of our employees includes salary, bonus and equity incentives, which are generally determined by their qualifications, industry experience, position and performance. We make contributions to social insurance and housing provident funds as required by the PRC laws and regulations.

For the year ended December 31, 2024, the Group did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations, or any difficulty in recruiting employees.

Contingent Liabilities

As of December 31, 2024, we did not have any contingent liabilities.

Charge on Assets

As of December 31, 2024, we did not have any charge on assets.

Use of Net Proceeds from Global Offering

The Company's H Shares were listed on the Stock Exchange on November 5, 2021. After finalization and the settlement of the listing expenses, including the relevant expenses incurred by work done by professional parties, the finalized net proceeds from the Global Offering amounted to HK$1,550.7 million (the "**Net Proceeds**").

Reference is made to the announcement and the circular of the Company dated August 28, 2024 and September 27, 2024, respectively, in relation to the change in use of the unutilized Net Proceeds. On August 28, 2024, after careful consideration and detailed evaluation of the Group's R&D progress, operation level and business strategies, the Board has resolved to change the intended use of the unutilized Net Proceeds, which was subsequently approved by the Shareholders at the extraordinary general meeting of the Company held on October 18, 2024 (the "**UOP Change Date**").

As of December 31, 2024, approximately HK$457.9 million of the Net Proceeds had been utilized in accordance with the uses before and after the change in uses of the Net Proceeds as set out in the Company's circular dated September 27, 2024.

The utilization of the Net Proceeds during the period from the date of listing to the UOP Change Date is as follows:

Original use of Net Proceeds	**Original allocation of net proceeds** *(HK$ million)*	**Original percentage of total net proceeds** *(%)*	**Actual usage during January 1, 2024 to the UOP Change Date** *(HK$ million)*	**Actual usage up to the UOP Change Date** *(HK$ million)*	**Unutilized net proceeds as of the UOP Change Date** *(HK$ million)*
Optimization, development and commercialization of our Core Product	775.4	50	128.2	381.8	393.6
Research and development and manufacturing of our hardware devices	294.6	19	38.2	181.5	113.1
Ongoing and future research and development of our health risk assessment solutions	155.1	10	44.6	91.7	63.4
Development of our portfolio to diversify our AI-empowered retina-based early detection, diagnosis and health risk assessment solutions	93.0	6	4.4	30.4	62.6
Collaborations with academic and research institutions on joint research projects	77.5	5	1.5	17.7	59.8
Working capital and other general corporate purposes	155.1	10	33.6	124.0	31.1
Total	**1,550.7**	**100**	**250.5**	**827.1**	**723.6**

Details of the utilization of the Net Proceeds of approximately HKD265.7 million from the UOP Change Date to December 31, 2024 and the expected timeline for utilization are as follows:

Use of Net Proceeds after UOP Change Date	**Revised allocation of unutilized net proceeds** *(HK$ million)*	**Revised percentage of unutilized net proceeds**	**Actual usage during the period from the UOP Change Date to December 31, 2024** *(HK$ million)*	**Actual usage up to December 31, 2024** *(HK$ million)*	**Unutilized net proceeds as of December 31, 2024** *(HK$ million)*	**Expected time of full utilization of remaining balance**
Optimization, development and commercialization of our Core Product	233.6	32.28%	26.9	408.7	206.7	2026
Research and development and manufacturing of our hardware devices, including our fundus cameras, myopia prevention and control hardware devices and visual training hardware devices	93.1	12.86%	48.1	229.6	45.0	2026
Ongoing and future research and development of our health risk assessment solutions and expansion of our AI-based products and services	252.1	34.85%	160.9	252.6	91.2	2026
Development of our portfolio to diversify our AI-empowered retina-based early detection, diagnosis, health risk assessment and treatment solutions	32.6	4.50%	6.6	37.0	26.0	2026
Collaborations with academic and research institutions on joint research projects	39.8	5.50%	1.5	19.2	38.3	2026
Working capital and other general corporate purposes	72.4	10.00%	21.7	145.7	50.7	2026
Total	**723.6**	**100.00%**	**265.7**	**1,092.8**	**457.9**	

Events after the Reporting Period

Save as disclosed herein, there are no important events affecting the Group occurred after the Reporting Period and up to the date of this announcement.

Dividends

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2024 (2023: nil).

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

During the Reporting Period, the Company repurchased a total of 204,000 H Shares of the Company for an aggregate consideration of HK$2,468,232 on the Stock Exchange before expenses. The Company held such 204,000 H Shares as treasury Shares as of December 2024. The repurchase was effected by the Board for the enhancement of shareholder value in the long term. Details of the H Shares repurchased are as follows:

Month of purchase in 2024	**No. of H Shares purchased**	**Highest price paid** *(HKD)*	**Lowest price paid** *(HKD)*	**Aggregate Consideration paid** *(HKD)*
December 2024	204,000(L)	12.16	11.88	2,468,232
Total	**204,000(L)**	**12.16**	**11.88**	**2,468,232**

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares) during the Reporting Period.

Annual General Meeting and Closure of the Register of Members

The date of the annual general meeting of the Company and the closure of the register of members of the Company will be announced in due course.

Review of Financial Statements

The Audit Committee comprises three independent non-executive Directors, namely Mr. NG Ho Yin Owen, Dr. HUANG Yanlin and Dr. WU Yangfeng. Mr. NG Ho Yin Owen, being the chairman of the committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Company and overseeing the audit process. The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2024 and has recommended for the Board's approval thereof. The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Company and the consolidated financial statements for the year ended December 31, 2024. The Audit Committee reviewed and considered that the annual results 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 financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. 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 the preliminary announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024
(Expressed in RMB)

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
REVENUE	*4*	**156,367**	203,964
Cost of sales		**(69,691)**	(78,831)
Gross profit		**86,676**	125,133
Other income and gains	*4*	**32,174**	58,104
Selling and distribution expenses		**(75,212)**	(100,649)
Administrative expenses		**(111,597)**	(98,981)
Impairment losses on financial assets	*5*	**(40,012)**	(7,663)
Research and development expenses		**(101,693)**	(111,642)
Other losses	*4*	**(9,499)**	(9,616)
Other expenses		**(49,009)**	—
Finance costs	*6*	**(229)**	(545)
Share of losses of joint ventures		**(300)**	—
LOSS BEFORE TAX	*5*	**(268,701)**	(145,859)
Income tax credit	*7*	**3,628**	205
LOSS FOR THE YEAR		**(265,073)**	(145,654)
Attributable to:			
Owners of the parent		**(255,458)**	(132,533)
Non-controlling interests		**(9,615)**	(13,121)
		(265,073)	(145,654)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted *(expressed in RMB)*		**(2.50)**	(1.28)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024
(Expressed in RMB)

	2024	2023
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(265,073)**	(145,654)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the financial statements of a subsidiary	**36**	104
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(400)**	(1,274)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(364)**	(1,170)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(265,437)**	(146,824)
Attributable to:		
Owners of the parent	**(255,830)**	(133,749)
Non-controlling interests	**(9,607)**	(13,075)
	(265,437)	(146,824)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in RMB)

	Notes	**31 December 2024** ***RMB'000***	31 December 2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**16,504**	17,994
Right-of-use assets		**2,356**	10,451
Goodwill	*10*	**83,967**	127,213
Other intangible assets		**84,736**	93,934
Other financial assets	*12*	**249,447**	148,413
Other non-current assets		**12,075**	4,980
Investments in joint ventures		**68,159**	—
Total non-current assets		**517,244**	402,985
CURRENT ASSETS			
Inventories		**31,224**	40,134
Trade and notes receivables	*11*	**46,478**	79,640
Prepayments, other receivables and other assets		**41,692**	17,439
Other financial assets	*12*	**91,592**	163,837
Cash in transit for investment		**—**	49,579
Time deposits over three months	*13*	**—**	37,519
Restricted bank deposits	*13*	**7**	2,289
Cash and cash equivalents	*13*	**683,229**	891,490
Total current assets		**894,222**	1,281,927
CURRENT LIABILITIES			
Trade payables	*14*	**14,004**	17,529
Other payables and accruals		**64,963**	60,016
Contract liabilities		**11,920**	23,726
Lease liabilities		**1,505**	8,622
Tax payable		**—**	344
Interest-bearing bank borrowings		**29,999**	—
Total current liabilities		**122,391**	110,237
NET CURRENT ASSETS		**771,831**	1,171,690
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,289,075**	1,574,675

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(Expressed in RMB)

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**9,486**	11,939
Lease liabilities	**378**	752
Deferred income	**2,609**	4,200
Total non-current liabilities	**12,473**	16,891
Net assets	**1,276,602**	1,557,784
EQUITY		
Equity attributable to owners of the parent		
Share capital	**103,568**	103,568
Treasury shares	**(21,661)**	(10,442)
Reserves	**1,186,901**	1,447,257
	1,268,808	1,540,383
Non-controlling interests	**7,794**	17,401
Total equity	**1,276,602**	1,557,784

1. CORPORATE AND GROUP INFORMATION

Beijing Airdoc Technology Co., Ltd. (the "Company") was established as a limited liability company in the People's Republic of China (the "PRC") on 9 September 2015. The Company was converted from a limited liability company into a joint stock limited liability company on 28 December 2020. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 5 November 2021.

The Company and its subsidiaries (together, the "Group") are primarily focusing on providing AI-empowered retina-based early detection, diagnosis and health risk assessment solutions, and comprehensive AI-enabled therapy solutions.

2.1 ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as 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 equity investments and certain financial assets which have been measured at fair value. These financial statements are presented in 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 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.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

The nature and the impact of the revised IFRS Accounting Standards 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

Since the Group's revenue and operating losses were mainly from the activities related to the development, production, marketing, and sale of integrated solutions of AI-based software and hardware in Mainland China, and most of the Group's identifiable operating assets and liabilities are in Mainland China, the Group only has one reportable operating segment.

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**146,794**	194,728
Other countries/regions	**9,573**	9,236
Total revenue	**156,367**	203,964

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**267,797**	254,572
Total non-current assets	**267,797**	254,572

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

(a) Disaggregated revenue information

Revenue from each of the major customers (aggregated if under common control) which accounted for 10% or more of the Group's revenue during the year is set out below:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**31,799**	30,702
Customer B	**18,482**	*
	50,281	30,702

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue for the year ended 31 December 2023.

4. REVENUE, OTHER INCOME AND GAINS/(LOSSES)

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**156,367**	203,964

(a) Disaggregated revenue information

The management of the Company presented revenue by product type for the year and revised the comparative amounts accordingly:

	2024	2023
	RMB'000	*RMB'000*
Types of products		
Retinal detection AI	**112,703**	160,465
Myopia prevention and control AI	**28,200**	31,588
Vision training AI	**15,464**	11,911
Total	**156,367**	203,964
Geographical markets		
Mainland China	**146,794**	194,728
Other countries/regions	**9,573**	9,236
Total	**156,367**	203,964
Timing of revenue recognition		
Goods or services transferred at a point in time	**152,655**	180,941
Services transferred over time	**3,712**	23,023
Total	**156,367**	203,964

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Revenue from contracts with customers	**18,942**	14,005

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year or less, the Group need not to disclose the information about its remaining performance obligations.

	2024	2023
	RMB'000	*RMB'000*
Other income		
Interest income from bank deposits	**9,433**	13,024
Interest income from financial assets measured at amortised cost	**5,802**	291
Investment income from financial assets measured at fair value	**11,795**	32,927
Total other income	**27,030**	46,242
Gains		
Fair value gains on financial assets at fair value through profit or loss	**—**	6,691
Foreign exchange gains, net	**1,774**	3,437
Government grants	**3,143**	1,734
Gains on termination of the leases contracts	**139**	—
Others	**88**	—
Total gains	**5,144**	11,862
Total other income and gains	**32,174**	58,104
Other losses		
Loss on disposal of items of property, plant and equipment	**(228)**	(4,372)
Losses on termination of the leases contracts	**—**	(116)
Donation expenses	**(1,677)**	(2,568)
Fair value losses on financial assets at fair value through profit or loss	**(6,961)**	—
Others	**(633)**	(2,560)
Total other losses	**(9,499)**	(9,616)

5. LOSS BEFORE TAX

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

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold	**43,183**	46,278
Cost of AI-based software solutions provided	**26,508**	32,553
Total	**69,691**	78,831
Depreciation of property, plant and equipment	**10,208**	17,140
Depreciation of right-of-use assets	**6,472**	8,388
Amortisation of other intangible assets	**10,118**	6,424
Lease payments not included in the measurement of lease liabilities	**1,640**	1,638
Auditor's remuneration	**3,380**	2,880
Employee benefit expense (including Directors', supervisors' and chief executive's remuneration):		
Salaries, wages and other benefits	**159,559**	182,454
Share-based payments	**40,706**	18,449
Pension scheme contributions*	**9,482**	13,184
Total	**209,747**	214,087
Impairment of financial assets, net:		
Impairment of trade receivables, net	**39,202**	9,682
Impairment of other receivables, net	**810**	971
Reversal of impairment of guarantee contract	**—**	(2,990)
Total	**40,012**	7,663
Write-down of inventories to net realisable value**	**5,763**	—
Impairment of goodwill**	**43,246**	—
Foreign exchange gains, net	**(1,774)**	(3,437)
Fair value losses/(gains) on financial assets at fair value through profit or loss	**6,961**	(6,691)
Interest income	**(9,433)**	(13,024)
Loss on disposal of items of property, plant and equipment	**228**	4,372
Government grants	**(3,143)**	(1,734)

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

** The write-down of inventories to net realisable value and impairment of goodwill are included in "Other expenses".

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities	**220**	545
Interest on bank loans	**9**	—
Total	**229**	545

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the relevant rules and regulations of the Cayman Islands, a subsidiary of the Group incorporated therein are not subject to any income tax in the Cayman Islands.

Hong Kong profits tax has been provided at the two-tiered profits tax rates on the estimated assessable profits arising in Hong Kong. The first HKD2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the relevant PRC income tax law, entities qualified as high-technology enterprises are entitled to a preferential income tax rate of 15%. The Company, Shanghai Airdoc Medical Technology Co., Ltd., Changsha Shiqi Technology Development Co., Ltd. and Beijing Mingren Shikang Technology Co., Ltd. were recognised as high-technology enterprises and were entitled to a preferential tax rate of 15% both in 2024 and 2023.

Under the relevant PRC income tax law, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% on their respective taxable income except for the Company and the three subsidiaries.

An analysis of the provision for tax in the financial statements is as follows:

	2024	2023
	RMB'000	*RMB'000*
Current-Hong Kong	**—**	49
Current-Mainland China	**(1,175)**	—
Deferred	**(2,453)**	(254)
Total tax credit for the year	**(3,628)**	(205)

A reconciliation of the tax credit applicable to loss before tax at the statutory tax rate for Mainland China to the tax credit at the effective tax rates is as follows:

	2024	2023
	RMB'000	*RMB'000*
Loss before tax	**(268,701)**	(145,859)
Tax at the statutory tax rate of 25%	**(67,175)**	(36,465)
Preferential tax rates applicable to certain subsidiaries	**13,068**	6,857
Additional deductible allowance for qualified research and development expenses	**(17,551)**	(15,264)
Expenses not deductible for tax	**6,562**	5,317
Tax losses not recognised	**59,063**	35,296
Temporary differences not recognised	**4,039**	4,214
Others	**(1,634)**	(160)
Tax credit at the Group's effective rate	**(3,628)**	(205)

8. DIVIDENDS

No dividends have been declared and paid by the Company for the year ended 31 December 2024 (2023: Nil)

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 102,195,371 (2023: 103,504,772) outstanding during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 and 2023.

The calculations of basic and diluted loss per share are based on:

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculations	**255,458**	132,533
	Number of shares	
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted loss per share calculations	**102,195,371**	103,504,772

10. GOODWILL

	RMB'000
At 1 January 2023:	
Cost	970
Accumulated impairment	—
Net carrying amount	970
Cost at 1 January 2023, net of accumulated impairment	970
Acquisition of subsidiaries	126,243
At 31 December 2023	127,213
At 31 December 2023	
Cost	127,213
Accumulated impairment	—
Net carrying amount	127,213
Cost at 1 January 2024, net of accumulated impairment	127,213
Impairment during the year *(note 5)*	(43,246)
At 31 December 2024	83,967
At 31 December 2024:	
Cost	127,213
Accumulated impairment	(43,246)
Net carrying amount	83,967

The carrying amount of goodwill allocated to each of the CGUs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Myopia treatment products CGU	**82,997**	126,243
Other CGUs	**970**	970
Total	**83,967**	127,213

11. TRADE AND NOTES RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Notes receivables	**150**	—
Trade receivables	**69,077**	95,852
Impairment	**(22,749)**	(16,212)
Net carrying amount	**46,478**	79,640

The Group's trading terms with its customers are mainly on credit, except for overseas customers, where payment in advance is normally required. Each customer has a maximum credit limit. 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. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from fellow subsidiaries of a minority shareholder of RMB1,020,000 (2023: RMB2,624,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**31,338**	48,019
6 to 12 months	**11,321**	21,340
Over 12 months	**3,669**	10,281
Total	**46,328**	79,640

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

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**16,212**	6,530
Impairment losses *(note 5)*	**39,202**	9,682
Amount written off as uncollectible	**(32,665)**	—
At end of year	**22,749**	16,212

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

		Past due			
	Current (not past due)	**1–180 days**	**181–360 days**	**Above 360 days**	**Total**
Expected credit loss rate	**5.19%**	**34.60%**	**59.17%**	**100.00%**	
Gross carrying amount *(RMB'000)*	**27,439**	**26,366**	**7,520**	**7,535**	**68,860**
Expected credit losses *(RMB'000)*	**1,424**	**9,123**	**4,450**	**7,535**	**22,532**

As at 31 December 2023

		Past due			
	Current (not past due)	1–180 days	181–360 days	Above 360 days	Total
Expected credit loss rate	1.57%	29.74%	58.54%	100.00%	
Gross carrying amount *(RMB'000)*	70,251	12,293	3,989	4,724	91,257
Expected credit losses *(RMB'000)*	1,102	3,656	2,335	4,724	11,817

In addition to the above provision matrix, for certain customers whose credit risk increased significantly, the Group has made an individual loss allowance. As at 31 December 2024, the accumulated individual loss allowance was RMB217,000 (2023: RMB4,395,000) with a carrying amount before loss allowance of RMB217,000 (2023: RMB4,595,000).

12. OTHER FINANCIAL ASSETS

	2024	2023
	RMB'000	*RMB'000*
Financial assets measured at amortised cost	**118,706**	43,355
Financial assets at fair value through profit or loss (i)	**220,733**	266,895
Equity investments designated at fair value through other comprehensive income (ii)	**1,600**	2,000
Total	**341,039**	312,250
Classified as:		
Current assets	**91,592**	163,837
Non-current assets	**249,447**	148,413

(i) Financial assets contain equity investments and fund investments. These equity investments in the British Virgin Islands and Mainland China were unlisted and classified as financial assets at fair value through profit or loss as they were held for trading. The fund investments issued by financial institutions in the Cayman Islands and other regions, and were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(ii) These equity investments were unlisted and irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

13. CASH AND CASH EQUIVALENTS

	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances	**683,236**	931,298
Less:		
Time deposits over three months	**—**	37,519
Restricted bank deposits *(note 1)*	**7**	2,289
Cash and cash equivalents	**683,229**	891,490

Note 1 Restricted bank deposits of RMB2,289,000 as at 31 December 2023 were pledged, which have been released in 2024. Restricted bank deposits of RMB7,000 as at 31 December 2024 were frozen due to quality guarantee.

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to RMB456,645,000 (2023: RMB721,089,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

14. 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
	RMB'000	*RMB'000*
Within 6 months	**4,848**	11,443
6 months to 1 year	**488**	4,483
Over 1 year	**8,668**	1,603
Total	**14,004**	17,529

The trade payables are non-interest-bearing and are normally settled within one year.

PUBLICATION OF THE 2024 CONSOLIDATED ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (**www.hkexnews.hk**) and the Company's website (**www.airdoc.com**). This announcement for the year ended December 31, 2024 containing all the information in accordance with the requirements under the Listing Rules, will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"active service site(s)"	service site(s) that consistently uses the Company's products on a monthly basis
"AGI"	artificial general intelligence
"AI"	artificial intelligence
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of our Company
"China" or the "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Class III medical device"	medical devices with relatively high risks, which shall be strictly controlled and administered through special measures to ensure their safety and effectiveness under the Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》)
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

"Company"	Beijing Airdoc Technology Co., Ltd. (北京鷹瞳科技發展股份有限公司), a joint stock company incorporated in the PRC with limited liability on September 9, 2015
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this announcement, our Core Product refers to our Airdoc-AIFUNDUS
"Director(s)"	the director(s) of our Company
"Global Offering"	initial public offering and listing of H Shares of the Company on the Stock Exchange, details of which are set out in the prospectus of the Company dated October 26, 2021
"Group"	our Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
"ICL"	implantable collamer lens, a type of implantable lens used for vision correction
"ICVD"	ischemic cardiovascular disease, including myocardial infarction and cerebral infarction
"IFRS Accounting Standards"	IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) as issued by the International Accounting Standards Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"MOA"	mechanism of action
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA

"Retinal AI"	the application of AI technologies in the field of retinal imaging and analysis. It involves using AI algorithms and machine learning models to analyze retinal images and detect various abnormalities, lesions, or diseases affecting the retina
"R&D"	Research and Development
"RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the year ended December 31, 2024
"SaMD(s)"	Software as a Medical Device, a class of medical software designed to carry out one or more medical functions without the need for actual hardware
"Share(s)"	shares in the share capital of our Company, with a nominal value of RMB1.00 each, comprising unlisted shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Supervisor(s)"	supervisor(s) of our Company
"US$"	United States dollars, the lawful currency of the United States

By order of the Board
Beijing Airdoc Technology Co., Ltd.
Mr. ZHANG Dalei
Chairman of the Board

Hong Kong, March 27, 2025

As of the date of this announcement, the Board comprises Mr. ZHANG Dalei, Ms. WANG Lin, Dr. HE Chao and Mr. QIN Yong as executive Directors; and Dr. WU Yangfeng, Dr. HUANG Yanlin and Mr. NG Ho Yin Owen as independent non-executive Directors.