

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



C-MER Medical Holdings Limited

希瑪醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3309)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

		For the year ended		
		2024	2023	Change
	Note	HK\$'000	HK\$'000	
Revenue		1,913,162	1,923,964	(0.6%)
– Core medical service revenue		1,913,162	1,904,531	0.5%
– Sale of COVID-19 related medical consumables revenue		–	19,433	(100.0%)
Gross profit		527,619	618,962	(14.8%)
(Loss)/profit for the year		(108,314)	86,335	(225.5%)
(Loss)/profit for the year attributable to equity holders of the Company		(135,163)	61,998	(318.0%)
Non-HKFRS Measures:				
Adjusted gross profit	1	596,901	610,833	(2.3%)
Adjusted profit for the year	2	89,410	79,916	11.9%
Adjusted profit for the year attributable to equity holders of the Company	3	58,723	55,579	5.7%
EBITDA	4	146,487	343,491	(57.4%)
Adjusted EBITDA	5	344,211	335,794	2.5%
Gross profit margin (%)		27.6%	32.2%	(4.6 pp)
Net profit margin (%)		N/A	4.5%	N/A

Note:

- 1 With significant non-cash impairments recognised in 2024, we define “adjusted gross profit” as gross profit adjusted by (1) the impairments on property, plant and equipment, right-of-use assets and other intangible assets and (2) the gross profit of the sales of medical consumables segment in which we ceased the business in the second half of 2023 due to relaxation of requirements for COVID-19 testing in Hong Kong.
- 2 We define “adjusted profit for the year” as (loss)/profit for the year adjusted by (1) the impairments on goodwill, property, plant and equipment, right-of-use assets and other intangible assets and (2) the profit after tax of the sales of medical consumables segment.
- 3 We define “adjusted profit for the year attributable to equity holders of the Company” as (loss)/profit for the year attributable to equity holders of the Company adjusted by (1) the impairments on goodwill, property, plant and equipment, right-of-use assets and other intangible assets attributable to equity holders of the Company and (2) the profit after tax attributable to equity holders of the Company of the sales of medical consumables segment.
- 4 We define “EBITDA” as earnings before interest, taxes, depreciation and amortisation. The impairments on goodwill, property, plant and equipment, right-of-use assets and other intangible assets are included in the EBITDA.
- 5 We define “adjusted EBITDA” as EBITDA adjusted by (1) the impairments on goodwill, property, plant and equipment, right-of-use assets and other intangible assets and (2) the profit before tax of the sales of medical consumables segment.

The board (the “**Board**”) of directors (the “**Directors**”) of C-MER Medical Holdings Limited (the “**Company**”) announces the annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
	Note	2024	2023
		HK\$'000	HK\$'000
Revenue	3	1,913,162	1,923,964
Cost of revenue			
– Cost of revenue before impairment loss on non-current assets	6	(1,316,261)	(1,305,002)
– Impairment loss on non-current assets	6	(69,282)	–
Gross profit		527,619	618,962
Other income	4	8,866	8,413
Selling expenses	6	(133,390)	(147,802)
Administrative expenses	6	(342,585)	(354,928)
Impairment loss on non-current assets	6	(128,442)	–
Other gains/(losses), net	5	1,771	(5,308)
Operating (loss)/profit		(66,161)	119,337
Finance income		14,574	19,890
Finance costs		(23,659)	(18,122)
Finance (costs)/income, net	7	(9,085)	1,768
Share of (losses)/profits of associates and joint venture		(975)	3,164
(Loss)/profit before income tax		(76,221)	124,269
Income tax expense	8	(32,093)	(37,934)
(Loss)/profit for the year		(108,314)	86,335
(Loss)/profit for the year attributable to:			
– Equity holders of the Company		(135,163)	61,998
– Non-controlling interests		26,849	24,337
		(108,314)	86,335

		Year ended 31 December	
	Note	2024	2023
		HK\$'000	HK\$'000
Other comprehensive income/(loss)			
<i>Item that will not be reclassified to profit or loss</i>			
Change in fair value of financial assets at fair value through other comprehensive income		135,386	44
Currency translation difference		(6,975)	(4,643)
<i>Item that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		(33,507)	(24,268)
Other comprehensive income/(loss) for the year		94,904	(28,867)
Total comprehensive (loss)/income for the year		(13,410)	57,468
Total comprehensive (loss)/income for the year attributable to:			
– Equity holders of the Company		(33,284)	37,774
– Non-controlling interests		19,874	19,694
		(13,410)	57,468
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company during the year (expressed in HK cents per share)			
– Basic	9	(10.96)	4.94
– Diluted	9	(10.96)	4.94

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Note	2024	2023
		HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		381,615	401,515
Investment properties		109,177	12,346
Right-of-use assets		567,582	591,301
Intangible assets		699,904	802,184
Interests in associates		14,152	44,814
Interest in a joint venture		49,428	47,848
Financial assets at fair value through other comprehensive income		183,708	83,665
Deferred income tax assets		4,714	6,821
Deposits, prepayments and other receivables		69,397	38,006
		<u>2,079,677</u>	<u>2,028,500</u>
Current assets			
Inventories		47,245	38,849
Trade receivables	11	57,763	53,371
Deposits, prepayments and other receivables		60,763	65,420
Amounts due from associates		5,221	5,077
Financial assets at fair value through profit or loss		15,192	11,748
Current income tax assets		2,232	–
Short-term bank deposits		28,976	32,908
Cash and cash equivalents		423,083	512,762
		<u>640,475</u>	<u>720,135</u>
Total assets		<u>2,720,152</u>	<u>2,748,635</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		125,556	125,556
Reserves		1,627,121	1,720,258
		<u>1,752,677</u>	<u>1,845,814</u>
Non-controlling interests		137,234	147,472
Total equity		<u>1,889,911</u>	<u>1,993,286</u>

		As at 31 December	
	Note	2024	2023
		HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Other payables		57,376	53,343
Loans from non-controlling interests		12,424	13,800
Lease liabilities		286,266	232,657
Deferred income tax liabilities		64,153	66,224
		420,219	366,024
Current liabilities			
Trade payables	12	55,810	54,916
Accruals and other payables		138,920	136,386
Contract liabilities		57,537	54,189
Borrowings		29,162	1,725
Amounts due to non-controlling interests		4,440	3,331
Amount due to a related party		7,701	–
Loan from a non-controlling interest		7,498	7,612
Current income tax liabilities		6,513	23,970
Lease liabilities		102,441	107,196
		410,022	389,325
Total liabilities		830,241	755,349
Total equity and liabilities		2,720,152	2,748,635

NOTES

1 GENERAL INFORMATION

C-MER Medical Holdings Limited (formerly known as C-MER Eye Care Holdings Limited) (the “**Company**”) was incorporated in the Cayman Islands on 1 February 2016 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (the “**Group**”) are principally engaged in the provision of ophthalmic services, provision of dental and other medical services, sales of vision aid products and sales of medical consumables in Hong Kong (“**HK**”) and Mainland China. The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 15 January 2018.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to nearest thousand (HK\$’000) except when otherwise indicated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) as issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(a) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for the first time for its annual reporting period commencing 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The new and amended standards listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards and interpretation not yet adopted

The following new and amended standards and interpretation have been issued but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted:

		Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management is in the process of assessing potential impact of the above new standards and amendments to standards that are relevant to the Group upon initial application. It is not yet in a position to state whether these new standards and amendments to standards will have a significant impact on the Group's financial position.

3 REVENUE AND SEGMENT INFORMATION

(a) Revenue

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Provision of ophthalmic services	1,211,349	1,266,248
Provision of dental services	507,292	428,098
Provision of other medical services	38,124	47,580
Sales of vision aid products	156,397	162,605
Sales of medical consumables	–	19,433
	<u>1,913,162</u>	<u>1,923,964</u>

The timing of revenue recognition of the Group's revenue is as follows:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Revenue at a point in time	1,550,826	1,613,196
Revenue over time	362,336	310,768
	<u>1,913,162</u>	<u>1,923,964</u>

(b) Liabilities related to contract with customers

The Group has recognised the following liabilities related to contracts with customers:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Contract liabilities – advanced payments received from clients	<u>57,537</u>	<u>54,189</u>

Revenue recognised during the year ended 31 December 2024 that was included in the contract liabilities balance at the beginning of the year amounted to approximately HK\$54,189,000 (2023: HK\$39,490,000).

(c) Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to making strategic decisions. The chief operating decision-maker is identified as the executive directors of the Company. The executive directors consider the business from a client perspective and assess the performance of the operating segments based on segment revenue and segment results for the purposes of allocating resources and assessing performance. These reports are prepared on the same basis as the consolidated financial statements.

The reportable segment of the Group is a component that is engaged either in providing a particular type of service or goods, or in providing services or goods within a particular geographical region.

Since 1 January 2024, in view of more diversified businesses operated by the Group, the chief operating decision-maker assesses the performance of the Group by reviewing the results of five reportable segments, namely HK medical business, sales of medical consumables, Mainland China ophthalmic business, Mainland China dental business and Mainland China other business as follows:

- (i) HK medical business – provision of ophthalmic, dental and other medical services and sales of vision aid products in Hong Kong
- (ii) Sales of medical consumables – sales of medical consumables in Hong Kong
- (iii) Mainland China ophthalmic business – provision of ophthalmic services and sales of vision aid products in Mainland China

- (iv) Mainland China dental business – provision of dental services in Mainland China
- (v) Mainland China other business – provision of medical research and other medical services in Mainland China

Such a change is to align with the updated internal management and reporting structure. The segment information of the comparative period has been restated to conform to the current year categorisation and presentation.

Capital expenditure comprises additions to property, plant and equipment, investment property, right-of-use assets and intangible assets.

Other income, other gains/(losses), net, finance (costs)/income, net and income tax expense are not included in segment results.

The segment results for the year ended 31 December 2024 are as follows:

	Year ended 31 December 2024				
	HK medical business HK\$'000	Mainland China ophthalmic business HK\$'000	Mainland China dental business HK\$'000	Mainland China other business HK\$'000	Total HK\$'000
Segment revenue	901,589	546,993	464,580	–	1,913,162
Gross profit	243,265	114,531	169,823	–	527,619
Selling expenses	(26,037)	(79,219)	(28,106)	(28)	(133,390)
Administrative expenses	(126,758)	(150,796)	(45,651)	(19,380)	(342,585)
Impairment loss on non-current assets	(14,163)	(114,279)	–	–	(128,442)
Share of losses of associates and joint venture	(975)	–	–	–	(975)
Segment results	75,332	(229,763)	96,066	(19,408)	(77,773)
Other income					8,866
Other gains, net					1,771
Finance income					14,574
Finance costs					(23,659)
Loss before income tax					(76,221)
Income tax expense					(32,093)
Loss for the year					<u>(108,314)</u>
Other segment information					
Impairment loss on property, plant and equipment	–	(60,288)	–	–	(60,288)
Impairment loss on right-of-use assets	(865)	(56,700)	–	–	(57,565)
Impairment loss on goodwill	(14,163)	(63,777)	–	–	(77,940)
Impairment loss on other intangible assets	–	(1,931)	–	–	(1,931)
Additions to non-current assets	67,046	41,957	197,181	138,543	444,727
Depreciation and amortisation	(73,714)	(93,280)	(32,964)	(13,665)	(213,623)
Gains on early termination of lease	12	920	1,428	–	2,360
Losses on disposal of property, plant and equipment, net	(702)	(511)	(246)	–	(1,459)

The segment results for the year ended 31 December 2023 are as follows:

	Year ended 31 December 2023 (Restated)					Total HK\$'000
	HK medical business HK\$'000	Sales of medical consumables HK\$'000	Mainland China ophthalmic business HK\$'000	Mainland China dental business HK\$'000	Mainland China other business HK\$'000	
Segment revenue	932,087	19,433	587,710	384,734	–	1,923,964
Gross profit	251,248	8,129	207,510	152,075	–	618,962
Selling expenses	(18,137)	–	(108,634)	(21,031)	–	(147,802)
Administrative expenses	(123,885)	(432)	(174,624)	(47,654)	(8,333)	(354,928)
Share of profit of associates and joint venture	3,164	–	–	–	–	3,164
Segment results	112,390	7,697	(75,748)	83,390	(8,333)	119,396
Other income						8,413
Other losses, net						(5,308)
Finance income						19,890
Finance costs						(18,122)
Profit before income tax						124,269
Income tax expense						(37,934)
Profit for the year						<u>86,335</u>
Other segment information						
Additions to non-current assets	80,543	–	55,094	27,698	60,856	224,191
Depreciation and amortisation	(76,979)	(428)	(108,339)	(28,202)	(7,042)	(220,990)
(Losses)/gains on early termination of lease	(1,620)	–	247	–	–	(1,373)
Losses on disposal of property, plant and equipment, net	(18)	–	(91)	(12)	–	(121)

As at 31 December 2024, the total non-financial non-current assets including property, plant and equipment, investment properties, right-of-use assets and intangible assets located in Hong Kong and Mainland China are approximately HK\$269,470,000 and HK\$1,488,808,000 respectively (2023: HK\$273,663,000 and HK\$1,533,683,000).

No analysis of segment assets and liabilities is presented as they are not regularly provided to the executive directors.

There was no single external client which contributed more than 10% to the Group's revenue for the year ended 31 December 2024 (2023: same).

4 OTHER INCOME

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Management fee income	581	3,233
Rental income	781	770
Government grants (<i>Note</i>)	2,807	3,391
Insurance income	780	–
Others	3,917	1,019
	<u>8,866</u>	<u>8,413</u>

Note: There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance.

5 OTHER GAINS/(LOSSES), NET

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Gains on fair value change of contingent consideration, net	226	12,610
Losses on disposal of property, plant and equipment, net	(1,459)	(121)
Gain on disposal of intangible assets	30	–
Gains/(losses) on early termination of lease	2,360	(1,373)
Gains/(losses) on financial asset at fair value through profit or loss	3,444	(10,736)
Losses on write-off of non-current assets	(2,259)	(2,504)
Losses on write-off of trade receivables	(118)	(137)
Exchange losses, net	(453)	(3,047)
	<u>1,771</u>	<u>(5,308)</u>

6 EXPENSES BY NATURE

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Amortisation of intangible assets	1,438	1,537
Auditor's remuneration		
– Audit services	2,000	2,330
– Non-audit services	157	158
Depreciation of property, plant and equipment	71,285	77,637
Depreciation of investment properties	843	335
Depreciation of right-of-use assets	140,057	141,481
Doctors' consultation fees	405,834	400,902
Cost of inventories and consumables sold	344,204	395,133
Employee benefit expenses	570,917	526,996
Short-term lease expenses	10,430	4,563
Legal and professional fees	5,239	5,075
Share-based payment expenses to doctors and consultants	286	114
Promotion expenses	131,022	145,610
Bank service charges	15,279	13,497
Repair and maintenance fees	12,907	13,693
Impairment loss on other intangible assets	1,931	–
Impairment loss on goodwill	77,940	–
Impairment loss on property, plant and equipment	60,288	–
Impairment loss on right-of-use assets	57,565	–
Others	80,338	78,671
	<u>1,989,960</u>	<u>1,807,732</u>
Total cost of revenue, selling expenses, administrative expenses and impairment loss on non-current assets	<u>1,989,960</u>	<u>1,807,732</u>

7 FINANCE (COSTS)/INCOME, NET

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Finance income		
Bank interest income	13,866	19,890
Interest income on loan to a non-controlling interest	708	–
	<u>14,574</u>	<u>19,890</u>
Finance costs		
Interest expense on leases	(19,524)	(16,712)
Interest expense on loan from non-controlling interests	(262)	(396)
Interest expense on bank borrowings	(814)	(303)
Interest expense on consideration payable for investment in a joint venture	(981)	(210)
Imputed interest expense on consideration payable for investment in a joint venture	(2,078)	(501)
	<u>(23,659)</u>	<u>(18,122)</u>
Finance (costs)/income, net	<u>(9,085)</u>	<u>1,768</u>

8 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year ended 31 December 2024.

The applicable tax rate for the subsidiaries in Mainland China of the Group was 25% (2023: 25%) for the year ended 31 December 2024.

Under the Corporate Income Tax Law, withholding income tax of 5% (2023: 5%) shall be levied on the dividends remitted by the companies established in the Mainland China to their foreign investors incorporated in Hong Kong. All dividends coming from the profits generated by the Mainland China companies shall be subject to this withholding income tax.

The amount of taxation charged to the consolidated statement of comprehensive income represents:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	14,153	23,180
– China enterprise income tax	16,145	16,979
Over-provision in prior years	(458)	(2,328)
Deferred income tax	2,253	103
	<hr/>	<hr/>
Income tax expense	32,093	37,934
	<hr/>	<hr/>

9 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue.

	Year ended 31 December	
	2024	2023
(Loss)/profit attributable to equity holders of the Company during the year (HK\$'000)	(135,163)	61,998
	<hr/>	<hr/>
Weighted average number of ordinary shares in issue	1,233,342,961	1,255,517,328
	<hr/>	<hr/>
Basic (loss)/earnings per share (HK cents)	(10.96)	4.94
	<hr/>	<hr/>

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2024, 200,000 post-IPO share options (2023: 200,000 post-IPO share options) outstanding are not included in the calculation of diluted (loss)/earnings per share because they are antidilutive for the year ended 31 December 2024 (2023: same).

10 DIVIDENDS

The Directors of the Company recommended the payment of a final dividend of HK2.0 cents per share for the year ended 31 December 2024 (2023: nil). The proposed final dividend is subject to the approval of the Company's shareholders at the annual general meeting to be held on 19 May 2025.

11 TRADE RECEIVABLES

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Trade receivables	57,763	53,371

The carrying amounts of trade receivables approximate their fair values.

The trade receivables are due when services are rendered and goods are sold. As at 31 December 2024 and 2023, the ageing analysis of the trade receivables based on invoice date was as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
0 – 90 days	38,132	31,947
91 – 180 days	4,882	9,376
Over 180 days	14,749	12,048
	57,763	53,371

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

As at 31 December 2024, all the trade receivables balances were not impaired (2023: same). These relate to a number of independent clients, commercial companies and local government to which no credit terms were granted.

12 TRADE PAYABLES

Trade payables, based on invoice date, were aged as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
0 – 30 days	33,350	32,841
31 – 60 days	11,338	11,211
61 – 90 days	6,952	4,318
Over 90 days	4,170	6,546
	55,810	54,916

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

As a result of the improvement of the quality of the overall business operations and better cost control, excluding the effect of the impairment losses and the profit from the sales of medical consumables segment of which we ceased the business in the second half of 2023 due to relaxation of requirements for COVID-19 testing in Hong Kong, the profit attributable to the equity holders of the Company (the “**adjusted profit for the year attributable to equity holders of the Company**”) amounted to HK\$58.7 million (2023: HK\$55.6 million). Our core medical service revenue increased by 0.5% to HK\$1,913.2 million from HK\$1,904.5 million in 2023. The total revenue of the Group amounted to HK\$1,913.2 million in 2024, as compared to the revenue of HK\$1,924.0 million in 2023 including the sales of medical consumables segment.

In 2024, non-cash impairment charges were made in respect of the goodwill, property, plant and equipment, right-of-use assets and other intangible assets of HK\$182.7 million and HK\$15.0 million for certain hospitals and clinics in our Mainland China ophthalmic business segment, and the oncology centre in our HK medical business segment, respectively. Due to the aforementioned impairments, the Group recorded a loss for the year ended 31 December 2024 of HK\$108.3 million (2023: profit of HK\$86.3 million).

Our cash flows from operations were healthy in 2024 with the net cash generated from operating activities amounted to HK\$283.1 million (2023: HK\$361.2 million).

In order to share the results with shareholders, the Board has resolved to recommend a final dividend of HK2.0 cents per share for 2024 (2023: nil). The proposed final dividend is subject to the approval of the Company’s shareholders at the annual general meeting to be held on Monday, 19 May 2025.

We prioritized our core segments and strengthened our operations at locations close to the borders between Hong Kong and Shenzhen to capture the trend of cross-border spending by Hong Kong citizens. In Shenzhen, our Luohu hospital with dental and multi-specialty medical services, named C+ Health (Shenzhen) Hospital (深圳希華愛康健醫院), had its soft opening on 15 January 2025. We acquired a dental clinic chain in Liantang port (蓮塘口岸) in January 2025 and planned to open a new dental clinic at Futian port.

In addition, the Group has been closely monitoring the market condition and adjusting its business strategies and operations to focus our priorities on our core business segments. In addition, the Group also prudently manages its working capital to ensure a healthy balance sheet.

Our operations in Hong Kong

Under the brand of “C-MER Dennis Lam (希瑪林順潮)”, we offer ophthalmic services of international calibre in treating a wide range of common to rare and complex eye problems. In addition, the Group operated (i) Champion Eye Centre Limited (“**Champion Eye**”) (嘉賓眼科中心有限公司), which has over 20 years of history for offering ophthalmic services in Hong Kong; and (ii) The Optometry (OPT) Centre Limited (“**OPT**”), an optometry group that offers services in Hong Kong in the areas of myopia control, optometry assessments and spectacles and contact lens prescriptions in Hong Kong. In total, the ophthalmic and related services network mainly included our five day surgery centres, eight satellite clinics and eight optometry centres.

Since 2021, we started our dental, oncology and other medical services business in Hong Kong which included six dental clinics, two general practice clinics and an oncology centre as at 31 December 2024. Further, we started our clinical research business in July 2022, which may bring us opportunities for collaboration with different biotech companies for, among other things, research and clinical work.

In addition, the Group was a distributor of COVID-19 related medical consumables in Hong Kong in prior years. The revenue from the sales of COVID-19 related medical consumables decreased to zero in 2024 from HK\$19.4 million in 2023 due to the relaxation of requirements for COVID-19 testing in Hong Kong and the Group ceased to distribute the relevant products in the second half of 2023.

Our operations in Mainland China

In Mainland China, during the year ended 31 December 2024, our ophthalmic service network included ten eye hospitals in Shenzhen (Futian and Baoan), Beijing, Shanghai, Guangzhou, Zhuhai, Kunming, Huizhou, Jieyang, Foshan, an eye clinic in Shenzhen (Nanshan) and two satellite eye clinics in Shanghai mainly under the brand of “C-MER Dennis Lam (希瑪林順潮)”. To improve the overall profitability and operational efficiency of our Mainland China ophthalmic business, we ceased the operation of the eye clinic in Shenzhen (Nanshan) in December 2024 and the eye hospital in Foshan in November 2024 mainly because the investment stage was longer than expected with the weaker than expected market sentiment. In the meantime, we continued to optimize our organizational structure and refined our management in operations. During the year ended 31 December 2024, excluding the effect of impairment losses, our segment loss in our Mainland China ophthalmic business decreased to HK\$47.1 million from the loss of HK\$75.7 million in 2023.

In February 2022, we completed our investment of 61.5% equity interest of Shenzhen C-MER Aikangjian Dental Group Co., Ltd. (previously known as Shenzhen Aikangjian Group Co., Ltd.) (深圳希瑪愛康健口腔集團有限公司, previously known as 深圳市愛康健齒科集團股份有限公司) (“**Shenzhen CKJ**”), which became a non-wholly owned subsidiary of the Company. Shenzhen CKJ has a dental hospital and 11 dental clinics in Shenzhen as at 31 December 2024. Benefitting from the robust demand for quality dental services and the trend of cross-border consumption by Hong Kong citizens in Shenzhen, the revenue of Shenzhen CKJ experienced significant growth by 20.8% in 2024 to HK\$464.6 million from HK\$384.7 million in 2023. The depreciation of Renminbi (“**RMB**”) has affected our revenue growth when reporting in Hong Kong dollar terms. In RMB terms, our revenue of Shenzhen CKJ increased by 23.2% in 2024 as compared with 2023.

Shenzhen CKJ continues to expand at Luohu, Futian and Liantang ports in Shenzhen, including the expansion of the existing dental hospital in Luohu and the planned opening of one more dental clinic at Futian Port, which will be only 200 meters away from the border crossing. In addition, Shenzhen CKJ acquired a dental clinic chain at Liantang Port in January 2025, extending our service network to another key passenger port. This will provide a strong momentum for the future development of Shenzhen CKJ.

During the year ended 31 December 2024, our segment profit in our Mainland China dental business increased to HK\$96.1 million from HK\$83.4 million in 2023. In addition, there were pre-operating expenses of HK\$1.0 million in 2024 for the new dental clinic at Futian Port, and 2 clinics with losses of HK\$4.1 million in 2024 were closed to enhance the overall profitability.

As part of Cross-boundary Medical Collaboration under 2023 Policy Address of the Hong Kong Special Administrative Region Government (the “**HK Government**”), and as announced by the HK Government on 19 February 2024, our Shenzhen C.K.J Stomatological Hospital (深圳愛康健口腔醫院) (the “**Shenzhen CKJ Hospital**”) has been selected under the “Elderly Health Care Voucher Greater Bay Area Pilot Scheme” (the “**Pilot Scheme**”) as one of the seven medical institutions and the only dental hospital in the Pilot Scheme in the Guangdong-Hong Kong-Macau Greater Bay Area as trial service points where the elderly health care vouchers can be used to cover the dental services provided, and the allowed usage of elderly health care vouchers for the Pilot Scheme commenced from 14 August 2024. From 14 August 2024 to 31 December 2024, the revenue from the use of Elderly Health Care Vouchers was HK\$15.1 million and the additional spending from patients using Elderly Health Care Vouchers was HK\$18.3 million.

On 5 February 2024, the Group entered into a strategic agreement with Shenzhen Luohu District Government (深圳羅湖區政府) in relation to the construction of a “Hong Kong-style” private hospital near Shenzhen’s Luohu port (羅湖口岸港式口岸醫院). It is expected that this hospital, which is within a five-minute walk from the Luohu border land crossing, shall become the first port hospital adopting Hong Kong-style medical services, bringing Hong Kong’s healthcare management systems, medical technologies and healthcare services serving residents of both Shenzhen and Hong Kong. The hospital shall have departments including dentistry, ophthalmology, medical imaging, health check-ups, gynecology, traditional Chinese medicine, internal medicine, surgery and urology and the Group intends to introduce more departments in subsequent phases. The hospital operates within a seven-storey building, having a gross floor area of over 10,000 sq. m. and had its soft opening on 15 January 2025.

Revenue Overview

The total revenue in 2024 amounted to HK\$1,913.2 million (2023: HK\$1,924.0 million), representing a mild decrease of 0.6% from 2023, due to the combined effect of (i) increase in the core medical service revenue (comprising of provision of ophthalmic services, provision of dental and other medical services and sales of vision aid products) by 0.5% from HK\$1,904.5 million in 2023, reaching a record high of HK\$1,913.2 million in 2024, but is partially offset by the (ii) reduction in revenue generated from sale of COVID-19 related medical consumables to zero in 2024 from HK\$19.4 million in 2023.

The following table sets forth a breakdown of our revenue by segment for the years indicated as a percentage of total revenue:

	Year ended 31 December					
	2024		2023		Change	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
HK medical business	901,589	47.1	932,087	48.5	(30,498)	(3.3)
Mainland China ophthalmic business	546,993	28.6	587,710	30.5	(40,717)	(6.9)
Mainland China dental business	464,580	24.3	384,734	20.0	79,846	20.8
Sales of medical consumables	—	—	19,433	1.0	(19,433)	(100.0)
	<u>1,913,162</u>	<u>100.0</u>	<u>1,923,964</u>	<u>100.0</u>	<u>(10,802)</u>	<u>(0.6)</u>

In Hong Kong, our operations consisted of the provision of medical services (comprising of provision of ophthalmic services, provision of dental and other medical services) and the related businesses (including the sales of vision aid products), and the distribution of COVID-19 related medical consumables. With a more cautious spending trend in Hong Kong, our revenue from medical services and related businesses derived from our operation in Hong Kong decreased by 3.3% to HK\$901.6 million (2023: HK\$932.1 million), which mainly included revenue from our ophthalmic business in Hong Kong (including ophthalmic services and sales of vision aid products in Hong Kong), which decreased by 2.4% to HK\$820.8 million in 2024 (2023: HK\$841.1 million). The revenue from the sales of COVID-19 related medical consumables decreased to zero from HK\$19.4 million in 2023 due to relaxation of requirements for COVID-19 testing in Hong Kong.

Our revenue in the Mainland China was mainly derived from our provision of ophthalmic services and dental services, and we recorded an increase of 4.0% in 2024 to HK\$1,011.6 million from HK\$972.4 million in 2023. In RMB terms, the revenue increased by 6.1%.

We provided our ophthalmic services in Mainland China in our eye hospitals, eye centres and clinics. The following table sets forth a breakdown of our revenue of ophthalmic services by location for the years indicated with changes in HK\$ and RMB terms.

Location (Date of commencement of operations)	Year ended 31 December			
	2024	2023	Change (%)	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>in HK\$ terms</i>	<i>in RMB terms</i>
Shenzhen (March 2013)	239,717	276,631	(13.3)	(11.6)
Beijing (January 2018)	97,386	100,166	(2.8)	(0.8)
Kunming (June 2019)	67,555	67,614	(0.1)	1.9
Shanghai (November 2019)	44,541	53,107	(16.1)	(14.5)
Zhuhai (December 2020)	45,895	42,751	7.4	9.5
Guangzhou (April 2022)	26,921	22,697	18.6	21.0
Huizhou (March 2021)	12,337	12,017	2.7	4.7
Jieyang (August 2022)	9,428	7,672	22.9	25.3
Foshan (August 2023)	3,213	917	250.4	257.4
Fuzhou (March 2022)	—	4,138	N/A	N/A
	<u>546,993</u>	<u>587,710</u>	(6.9)	(5.1)

In Mainland China, local consumer spending remained subdued, which mainly impacted our revenue from the refractive surgeries. The revenue from our ophthalmic services in Mainland China decreased by 6.9% in 2024 to HK\$547.0 million from HK\$587.7 million in 2023. In RMB terms, the revenue decreased by 5.1%.

For the year ended 31 December 2024, we provided our dental services in Mainland China in the dental hospital and clinics in Shenzhen under Shenzhen CKJ. Following the trend of cross-border consumption by Hong Kong citizens in Shenzhen, the growth was very strong and the revenue of Shenzhen CKJ soared by 20.8% to HK\$464.6 million in 2024 from HK\$384.7 million in 2023.

FINANCIAL REVIEW

Revenue

We are an ophthalmic, dental and other medical service provider in Hong Kong and Mainland China. Our ophthalmologists/physicians are specialised in the fields of cataract, glaucoma, strabismus and refractive surgeries and external eye diseases. Our dentists have expertise and qualifications across a wide range of specialty areas, covering general dentistry, orthodontics and implantology. Our revenue is derived from our fees charged to our clients on consultation, procedures, surgeries, and other medical services, as well as the sales of vision aid products, including glasses and lens, and medical consumables. The following table sets forth our revenue by nature for the years indicated as a percentage of total revenue:

	Year ended 31 December					
	2024		2023		Change	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Provision of ophthalmic services	1,211,349	63.3	1,266,248	65.7	(54,899)	(4.3)
Provision of dental services	507,292	26.5	428,098	22.3	79,194	18.5
Provision of other medical services	38,124	2.0	47,580	2.5	(9,456)	(19.9)
Sales of vision aid products	156,397	8.2	162,605	8.5	(6,208)	(3.8)
Sales of medical consumables	—	—	19,433	1.0	(19,433)	(100.0)
	<u>1,913,162</u>	<u>100.0</u>	<u>1,923,964</u>	<u>100.0</u>	<u>(10,802)</u>	<u>(0.6)</u>

Our total revenue in 2024 recorded a slight decrease of 0.6% as compared with our total revenue in 2023. The decrease was primarily driven by (i) the decrease in the revenue generated from the provision of ophthalmic services to HK\$1,211.3 million in 2024 from HK\$1,266.2 million in 2023, representing a decrease of 4.3%, which was primarily attributable to the decrease in the number of surgeries performed by us in Hong Kong and decrease in the average surgery fee in Mainland China, (ii) the absence of revenue generated from the sales of medical consumables in 2024 compared to HK\$19.4 million in 2023, but is partially offset by (iii) the increase in the revenue generated from the provision of dental services to HK\$507.3 million in 2024 from HK\$428.1 million in 2023, representing an increase of 18.5%, which was primarily attributable to the trend of cross-border consumption by Hong Kong citizens in Shenzhen for dental services leading to the significant growth in business volume for Shenzhen CKJ.

The following table sets forth our revenue according to geographical markets as a percentage of total revenue:

	Year ended 31 December					
	2024		2023		Change	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Hong Kong	901,589	47.1	951,520	49.5	(49,931)	(5.2)
Mainland China	1,011,573	52.9	972,444	50.5	39,129	4.0
	<u>1,913,162</u>	<u>100.0</u>	<u>1,923,964</u>	<u>100.0</u>	<u>(10,802)</u>	<u>(0.6)</u>

The revenue generated by our business operations in Hong Kong accounted for 47.1% of our total revenue. As a percentage of our total revenue, revenue from Hong Kong decreased from 49.5% in 2023 to 47.1% in 2024 due to the decrease in revenue in Hong Kong and the faster growth in revenue from our dental services in Mainland China.

As a percentage of our total revenue, revenue from Mainland China increased to 52.9% in 2024 from 50.5% for 2023, due to the growth of revenue from our dental services in Mainland China by 20.8%.

Provision of ophthalmic services

Our revenue generated from the provision of ophthalmic services may be broadly divided into two categories, namely (1) consultation and other medical service fees and (2) surgery fees. The following table sets forth our revenue by category for the years indicated as a percentage of total revenue generated from the provision of ophthalmic services:

	Year ended 31 December					
	2024		2023		Change	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Consultation and other medical service fees						
– Hong Kong	294,726	24.3	321,524	25.4	(26,798)	(8.3)
– Mainland China	157,139	13.0	146,064	11.5	11,075	7.6
	<u>451,865</u>	<u>37.3</u>	<u>467,588</u>	<u>36.9</u>	<u>(15,723)</u>	<u>(3.4)</u>
Surgery fees						
– Hong Kong	487,458	40.2	483,838	38.2	3,620	0.7
– Mainland China	272,026	22.5	314,822	24.9	(42,796)	(13.6)
	<u>759,484</u>	<u>62.7</u>	<u>798,660</u>	<u>63.1</u>	<u>(39,176)</u>	<u>(4.9)</u>
Total	<u><u>1,211,349</u></u>	<u><u>100.0</u></u>	<u><u>1,266,248</u></u>	<u><u>100.0</u></u>	<u><u>(54,899)</u></u>	<u><u>(4.3)</u></u>

The ophthalmic services provided by us focused on surgeries for the treatment of not only cataract, glaucoma and strabismus, but also eye diseases including corneal and vitreoretinal diseases. Generally speaking, ophthalmic services provided by us are outpatient or day care procedures, performed under local anaesthesia. Hence, unlike other hospitals, clinics or nursing homes, we are not constrained by bed capacity and do not focus on providing large inpatient facilities at our eye centres, hospitals or clinics.

Our revenue generated from our eye hospitals, eye centres, eye clinics and optometry centres can be broadly divided into different categories, namely (1) consultation, examination, laser procedures and other procedures, (2) refractive surgeries, (3) cataract surgeries, (4) other surgeries and (5) sales of vision aid products which included our optometry services, which accounted for 33.0%, 20.5%, 20.9%, 14.2% and 11.4% (2023: 32.7%, 24.6%, 20.1%, 11.2% and 11.4%), respectively, as a percentage of the total revenue for the Group derived from our ophthalmic business during the year ended 31 December 2024.

The following table sets forth the total surgery fees, the total number of surgeries performed by us and the average fee per surgery:

	Year ended 31 December		Change
	2024	2023	%
For Hong Kong			
Total surgery fee (<i>in HK\$'000</i>)	487,458	483,838	0.7
Number of surgeries performed by us	15,883	17,358	(8.5)
Average surgery fee (<i>HK\$</i>)	30,691	27,874	10.1
For Mainland China			
Total surgery fee (<i>in HK\$'000</i>)	272,026	314,822	(13.6)
Number of surgeries performed by us	26,565	25,528	4.1
Average surgery fee (<i>HK\$</i>)	10,240	12,332	(17.0)

In Hong Kong, the average surgery fee increased by 10.1% due to change of surgery mix. The surgery volume decreased by 8.5% to 15,883 in 2024 which was mainly attributable to the decrease in number of refractive surgeries performed, while the number of surgeries performed for eye diseases remained stable.

In Mainland China, the average surgery fee in Hong Kong dollar terms decreased by 17.0% due to the downward price adjustment in response to the market conditions and the depreciation of RMB against Hong Kong dollar in 2024. In RMB terms, the average surgery fee decreased by 15.3%. The number of surgeries increased by 4.1% to 26,565 in 2024, which was mainly attributable to the increase in the number of surgeries performed in the eye hospitals in Guangzhou and Zhuhai.

Provision of dental services

The following table sets forth the total revenue from dental services, the total number of patient visits, total number of dental chairs, visits per dental chair and revenue per dental chair:

	Year ended 31 December		Change
	2024	2023	%
Total revenue (<i>in HK\$'000</i>)	507,292	428,098	18.5
Total patient visits	336,894	257,387	30.9
Total number of dental chairs	259	235	10.2
Visits per dental chair	1,301	1,095	18.8
Revenue per dental chair (<i>in HK\$'000</i>)	1,959	1,822	7.5

Our revenue generated from dental services recorded a significant increase of 18.5% in 2024, which amounted to HK\$507.3 million (2023: HK\$428.1 million), representing 26.5% (2023: 22.3%) of our total revenue.

The number of patient visits for dental services increased by 30.9% from 257,387 to 336,894 in 2024. Visits per dental chair increased by 18.8% from 1,095 to 1,301, while revenue per dental chair recorded an increase of 7.5% to HK\$1,959,000 in 2024 (2023: HK\$1,822,000). The increase was primarily attributable to the increase in demand for dental services of Shenzhen CKJ.

Provision of other medical services

Our revenue generated from oncology, medical aesthetics, general practice and other services during 2024 amounted to approximately HK\$38.1 million (2023: HK\$47.6 million), representing approximately 2.0% (2023: 2.5%) of our total revenue. The decrease was mainly due to the decrease in revenue from the oncology services.

Sales of vision aid products

We also generated revenue from the sales of vision aid products including glasses and lens. The sales were conducted by us through the assessment of the optometrists employed by us in Hong Kong and Mainland China. During 2024, our revenue generated from the sales of vision aid products amounted to HK\$156.4 million, representing a decrease of 3.8% as compared to 2023 mainly due to the decrease in demand of vision aid products in Mainland China.

Sales of medical consumables

The Group had been a distributor of COVID-19 related medical consumables in Hong Kong since February 2022, and no revenue was recorded from this segment in 2024 (2023: HK\$19.4 million). The decrease in revenue from this segment was mainly attributable to relaxation of requirements for COVID-19 testing in Hong Kong and the Group ceased to distribute the relevant products in the second half of 2023.

Cost of revenue

The following table sets forth an analysis of our cost of revenue for the years indicated, both in terms of Hong Kong dollars and as a percentage of total revenue:

	Year ended 31 December					
	2024		2023		Change	
	<i>HK\$'000</i>	<i>% to revenue</i>	<i>HK\$'000</i>	<i>% to revenue</i>	<i>HK\$'000</i>	<i>%</i>
Doctors' consultation fees	405,834	21.2	400,902	20.8	4,932	1.2
Cost of inventories and consumables	344,204	18.0	395,133	20.5	(50,929)	(12.9)
Staff salaries and allowance	370,363	19.4	312,116	16.2	58,247	18.7
Depreciation of right-of-use assets	85,810	4.5	87,722	4.6	(1,912)	(2.2)
Depreciation of property, plant and equipment	49,871	2.6	55,201	2.9	(5,330)	(9.7)
Impairment of non-current assets	69,282	3.6	–	–	69,282	N/A
Others	60,179	3.1	53,928	2.8	6,251	11.6
Total	<u>1,385,543</u>	<u>72.4</u>	<u>1,305,002</u>	<u>67.8</u>	<u>80,541</u>	<u>6.2</u>

Our cost of revenue increased by 6.2% from HK\$1,305.0 million in 2023 to HK\$1,385.5 million in 2024, primarily as a result of (i) the impairment of non-current assets, including the property, plant and equipment, right-of-use assets and other intangible assets, under the cost of revenue of HK\$69.3 million in 2024, (ii) an increase in doctors' consultation fees of HK\$4.9 million in Hong Kong, and (iii) an increase in staff salaries and allowance of HK\$58.2 million mainly attributable to Shenzhen CKJ, but was partially offset by (iv) a decrease in cost of inventories and medical consumables sold of HK\$50.9 million mainly due to the change in revenue mix.

Gross profit and gross profit margin and adjusted gross profit and adjusted gross profit margin (non-HKFRS measure)

The following table sets forth our gross profit and gross profit margin according to our business segments for the years indicated:

	Year ended 31 December				Change	
	2024		2023			
	Gross profit		Gross profit			
	HK\$'000	GP %	HK\$'000	GP %	HK\$'000	%
HK medical business	243,265	27.0	251,248	27.0	(7,983)	(3.2)
Mainland China ophthalmic business	114,531	20.9	207,510	35.3	(92,979)	(44.8)
Mainland China dental business	169,823	36.6	152,075	39.5	17,748	11.7
Sales of medical consumables	<u>–</u>	N/A	<u>8,129</u>	41.8	<u>(8,129)</u>	(100.0)
	<u>527,619</u>	27.6	<u>618,962</u>	32.2	<u>(91,343)</u>	(14.8)

The following table sets forth our adjusted gross profit and adjusted gross profit margin according to our business segments for the years indicated:

	Year ended 31 December				Change	
	2024		2023			
	Adjusted	Adjusted	Adjusted	Adjusted	HK\$'000	%
	gross		gross			
profit	GP %	profit	GP %			
HK\$'000	GP %	HK\$'000	GP %	HK\$'000	%	
HK medical business	244,130	27.1	251,248	27.0	(7,118)	(2.8)
Mainland China ophthalmic business	182,948	33.4	207,510	35.3	(24,562)	(11.8)
Mainland China dental business	169,823	36.6	152,075	39.5	17,748	11.7
	596,901	31.2	610,833	32.1	(13,932)	(2.3)

Our gross profit in 2024 amounted to HK\$527.6 million, representing a decrease of 14.8% from HK\$619.0 million in 2023. Excluding the effect of impairments on non-current assets and sales of medical consumables segment, our adjusted gross profit in 2024 amounted to HK\$596.9 million, representing a decrease of 2.3% from HK\$610.8 million in 2023.

Our gross profit margin and adjusted gross profit margin were 27.6% and 31.2% respectively in 2024, as compared with 32.2% and 32.1% in 2023. The gross profit margin and adjusted gross profit margin for our HK medical business segment are stable at around 27% for both 2024 and 2023. The gross profit margin and adjusted gross profit margin for our Mainland China ophthalmic business segment decreased to 20.9% and 33.4% respectively in 2024 from 35.3% and 35.3% in 2023, primarily due to the impairment of non-current assets charged in 2024 (insofar as gross profit margin is concerned) and the downward price adjustment. The gross profit margin and adjusted gross profit margin for our Mainland China dental business segment decreased to 36.6% and 36.6% from 39.5% and 39.5% respectively in 2023, which was mainly attributable to the increase in staff salaries and allowance in Shenzhen CKJ. The gross profit margin for our sales of medical consumables segment was nil in 2024 as we ceased the business in the second half of 2023.

Selling expenses

Our selling expenses had a decrease of 9.8% and amounted to HK\$133.4 million during 2024 (2023: HK\$147.8 million). The amount of selling expenses, as a percentage of our total revenue, decreased from 7.7% in 2023 to 7.0% in 2024. The fees paid to online platforms represented the major component of our selling expenses.

Administrative expenses

Our total administrative expenses in 2024 amounted to HK\$342.6 million and had a decrease of 3.5% as compared with HK\$354.9 million in 2023. The decrease in our administrative expenses in 2024 was primarily driven by the decrease in our staff salaries and allowances as a result of better human resources management.

Other income

Our other income in 2024 consisted primarily of the management fee income and government grants, and increased to HK\$8.9 million from HK\$8.4 million in 2023. The increase was mainly contributed by the increase in miscellaneous income.

Other gains/(losses), net

Our other gains/(losses), net in 2024 amounted to HK\$1.8 million and mainly consisted of gain on financial assets at fair value through profit or loss and gain on early termination of lease contracts, but partially offset by loss on write-off of non-current assets and loss on disposal of property, plant and equipment.

Impairment losses on non-current assets

Non-cash accounting impairments on goodwill, property, plant and equipment, right-of-use assets and other intangible assets of HK\$182.7 million and HK\$15.0 million were recorded for our segments of Mainland China ophthalmic business and HK medical business, respectively.

The impairments of Mainland China ophthalmic business consisted of impairments of (i) goodwill amounted to HK\$63.8 million, (ii) property, plant and equipment amounted to HK\$60.3 million, (iii) other intangible assets amounted to HK\$1.9 million, and (iv) right-of-use assets of HK\$56.7 million, mainly from our eye hospitals and clinics in Shanghai, Guangzhou, Huizhou, Jieyang, Foshan and an eye clinic in Shenzhen as the performances were not as good as expected due to the fierce competition and overall weakening of consumer sentiment in 2024. The aforementioned eye hospitals and clinics were operating at a loss in 2024.

The impairment of HK medical business consisted of impairments of goodwill and right-of-use assets of the oncology centre in Hong Kong amounted to HK\$14.1 million and HK\$0.9 million respectively, the business of which was underperforming in 2024 with a downward trend in terms of revenue and no sign of timely improvement. The oncology centre recorded a loss in 2024.

Finance (costs)/income, net

Our finance (costs)/income, net in 2024 amounted to HK\$9.1 million in finance costs, net and mainly consisted of interest expenses on leases netted off by bank interest income (2023: finance income, net of HK\$1.8 million).

Income tax expense

Our income tax expense in 2024 amounted to HK\$32.1 million, representing a decrease of 15.4% from HK\$37.9 million in 2023. The decrease was primarily due to the decrease in the taxable profits in Hong Kong and Mainland China.

(Loss)/profit for the year and adjusted profit (non-HKFRS measure)

As a result of the foregoing, our loss in 2024 amounted to HK\$108.3 million (2023: profit of HK\$86.3 million). Excluding (i) the aforementioned impairment losses and (ii) the profit after tax of the sales of medical consumables segment, our adjusted profit in 2024 would be amounted to HK\$89.4 million, representing an increase of 11.9% from HK\$79.9 million in 2023, the increase was primarily due to the increase in profits derived from the Mainland China dental business segment and savings in operating expenses from cost control measures that have been implemented, which was partially offset by decrease in profits derived from the HK medical business segment and sales of medical consumables segment.

Change in fair value of financial assets at fair value through other comprehensive income (“FVOCI”)

Our fair value gain in other comprehensive income on financial assets at FVOCI in 2024 amounted to HK\$135.4 million (2023: HK\$0.04 million). The amount mainly represented (i) fair value gain on our equity investment in Health Hope Pharma Limited amounting to HK\$111.1 million with reference to the share price of the Series A round of investment of Health Hope Pharma Limited. According to Health Hope Pharma Limited, approximately US\$18.6 million has been raised through the Series A round of investment up to the date of this announcement. For more details, please refer to the Company’s announcement dated 31 December 2024; and (ii) fair value gain on our equity investment in BELKIN Vision Ltd. amounting to HK\$26.0 million based on the consideration of disposal of the investment during the year ended 31 December 2024.

Capital expenditure and commitments

During 2024, the Group incurred capital expenditures of HK\$444.7 million, primarily due to addition of right-of-use assets, addition of investment properties and purchase of equipment and leasehold improvements for our hospitals, centres and clinics.

As at 31 December 2024, the Group had a total capital commitment of approximately HK\$31.9 million (2023: HK\$107.2 million), mainly comprising the related contracts of capital expenditure for construction of our property in Pingshan, Shenzhen and leasehold improvements for our hospitals.

Gearing ratio

As at 31 December 2024, the gearing ratio, which is calculated as net debt divided by total capital, is not applicable due to net cash position (2023: same).

Contingent liabilities

The Group had no material contingent liability as at 31 December 2024.

Pledge of assets

The Group had buildings of HK\$61.0 million in Mainland China which were pledged as security for bank borrowings as at 31 December 2024.

Save for the above, the Group had no pledge of assets as at 31 December 2024.

Financial instruments

Our major financial instruments include trade receivables, other receivables excluding prepayments, cash and cash equivalents, bank deposits, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, trade payables, other payables excluding non-financial liabilities, amount due to non-controlling interests and a related party, bank borrowings and lease liabilities. Our management manages such exposure to ensure appropriate measures are implemented on a timely and effective manner.

Foreign exchange risk

Our subsidiaries mainly operate in Hong Kong and Mainland China with most of the transactions settled in HK\$ and RMB, respectively. Foreign exchange rate risk arises when recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency.

As at 31 December 2024, the financial assets and liabilities of our subsidiaries in Hong Kong and Mainland China were primarily denominated in HK\$ and RMB, respectively. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's foreign exchange rate risks. Any material fluctuation in the exchange rates of HK\$ or RMB may have an impact on the operating results of the Group. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. We do not anticipate significant impact resulted from the reasonable possible change in interest rates.

The Group's fair value interest rate risk mainly arises from lease liabilities at fixed interest rates.

Credit risk

Our credit risk mainly arises from trade receivables, deposits and other receivables and cash and cash equivalents. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

The credit risk of cash and cash equivalents are limited because the counterparties are state-owned or reputable commercial banks which are high-credit-quality financial institutions located in Hong Kong or Mainland China.

We have a highly diversified source of patients, without any single patient contributing material revenue. Moreover, some of our revenue is settled by reputable commercial companies and local government on behalf of patients. We have controls to closely monitor the patients' billing and payment status by communication with commercial companies and local government to minimise the credit risk.

Employees and remuneration policies

As at 31 December 2024, the Group employed a total of 2,041 employees (2023: 1,979 (restated)). The increase in the number of employees was mainly due to the increase in the scale of the Group's business.

The Group ensures that its remuneration packages are comprehensive and competitive from time to time. When determining the emolument payable to the Directors (including the executive Directors), we take into account the experience of the Directors, their level of responsibility and general market conditions. Any discretionary bonus and other merit payments of the Directors are linked to the profit performance of the Group and the individual performance of the Directors. Employees are remunerated with a fixed monthly income plus annual performance related bonus. Share options and/or awards are granted to selected employees to reward their contributions under the share option scheme and the share award scheme of the Company, details of which will be set forth in the Company's 2024 annual report. The Group also sponsors selected employees to attend external training courses that suit the needs of the Group's business.

Events after the date of statement of financial position

There were no significant events affecting the Group which have occurred after 31 December 2024 and up to date of this announcement.

OUTLOOK AND STRATEGIES

The outlook for our various businesses is varied. The demand for ophthalmic services in relation to eye diseases in Hong Kong remains solid with the aging population while the ophthalmic business in Mainland China faces challenges due to changes in consumer consumption patterns. In addition, the trend of cross-border consumption by Hong Kong citizens will continue and this may bring us opportunities, especially in our dental business in Shenzhen under Shenzhen CKJ and our medical business in Luohu, Shenzhen.

The Group is prepared to exploit the business opportunities by implementing the following strategies:

- focusing on our ophthalmic services in Hong Kong and the cities where our hospitals are located in Mainland China, while performing strategic review on performances on our operations and seeking opportunities to grow by recruitment of new doctors and setting up new establishments;
- further developing our cross-border medical business in Shenzhen under Shenzhen CKJ for dental business, and developing our hospital in Luohu with departments including dentistry, ophthalmology, medical imaging, health check-ups, gynecology, traditional Chinese medicine, internal medicine, surgery and urology;

- continuing to improve our operational efficiency and service capability. For our ophthalmic business in Mainland China, we will continue to adopt stringent cost control policy to streamline and improve its overall performance and profitability; and
- investing in innovation. Following our success in the investment in Belkin Vision Ltd, we will continue to invest in businesses where we can contribute expertise and can add value to the target businesses.

CORPORATE GOVERNANCE

The Board is committed to maintaining high corporate governance standards.

During the year ended 31 December 2024, the Company has applied the principles as set forth in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) which are applicable to the Company.

In the opinion of the Board, during the year ended 31 December 2024, the Company has complied with all applicable code provisions as set forth in the CG Code, save and except for a deviation from the code provision C.2.1, which states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. LAM Shun Chiu Dennis is both our Chairman and Chief Executive Officer and is responsible for the overall management of the Group and directing the strategic development and business plans of the Group.

The Board believes that vesting the roles of the Chairman and Chief Executive Officer in the same individual would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. The Board believes that the balance of power and authority is sufficiently maintained by the operation of the senior management and the Board, which comprise experienced and high-calibre individuals. The Board currently comprises three executive Directors (including Dr. LAM Shun Chiu Dennis) and four independent non-executive Directors and therefore has a fairly strong independence element in its composition. The Board will nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of the Company.

Further information on the corporate governance practices of the Company will be set forth in the corporate governance report in the annual report of the Company for the year ended 31 December 2024.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity requirements are primarily used to satisfy the working capital needs for our business operations. Our principal sources of liquidity are cash generated from our business operations, our bank deposits and our bank borrowings. The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest bearing borrowings that would enable the Group to implement its business strategies while maintaining its continued provision of medical services to our customer base. As at 31 December 2024, we had cash and cash equivalents of HK\$423.1 million, short-term bank deposits of HK\$29.0 million and bank borrowings of HK\$29.2 million, most of which were denominated in either US dollars, Renminbi or Hong Kong dollars.

As at 31 December 2024, all of the Group's borrowings of HK\$29.2 million (2023: HK\$1.7 million) are either repayable on demand or repayable within one year and the effective interest rate of borrowings was 3.24% per annum (2023: 2.75%). All of these borrowings were denominated in either Renminbi or Hong Kong dollars, and were subject to either fixed interest rates or floating interest rates. During the year ended 31 December 2024, the Group did not use any financial instruments, currency borrowings or other hedging instruments for hedging purposes.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. As at 31 December 2024, the gearing ratio is not applicable due to net cash position (2023: same).

The current ratio (calculated as current assets over current liabilities) was 1.56 times as at 31 December 2024 compared with 1.85 times as at 31 December 2023.

As at 31 December 2024, the Group reported net current assets of HK\$230.5 million, as compared with HK\$330.8 million as at 31 December 2023.

Net cash generated from operating activities was HK\$283.1 million during the year ended 31 December 2024 (2023: HK\$361.2 million). The decrease was mainly attributed to the increase in income tax paid and increase in working capital during the year ended 31 December 2024.

Net cash used in investing activities amounted to HK\$174.7 million during the year ended 31 December 2024 as compared to HK\$245.4 million during the year ended 31 December 2023. The net cash used in investing activities mainly included HK\$258.6 million paid on acquisition of investment property and property, plant and equipment, and partially offset by HK\$42.5 million received from the disposal of an financial assets at FVOCI and HK\$28.1 million dividend received from an associate during the year ended 31 December 2024.

During the year ended 31 December 2024, net cash used in financing activities amounted to HK\$194.6 million, as compared to net cash used in financing activities of HK\$242.9 million during the year ended 31 December 2023. The cash used in financing activities for the year ended 31 December 2024 was mainly for the lease payments of HK\$136.2 million and on-market repurchases of the Company's shares of HK\$59.1 million for cancellation and purchase of shares for future grants under share award scheme by the scheme trustee.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

The Group did not have any other significant investments, acquisitions or disposals for the year ended 31 December 2024.

UPDATES ON THE RESULTS OF REVENUE GUARANTEES AFTER ACQUISITIONS

Reference is made to the Company's announcement on 28 August 2020 in relation to acquisition of a satellite clinic (the "**Acquired Practice**") in Central from an ophthalmologist. The Company prepared the management accounts of the Acquired Practice for the fourth twelve months after the closing of the acquisition (i.e. from September 2023 to August 2024) and the revenue guarantee of not less than HK\$12.0 million for the said period had been met.

Reference is made to the Company's announcement on 10 February 2021 in relation to acquisition of 60% of the equity interests in CAD/CAM Restorative Dental Centre Limited. The Company prepared the management accounts of the CAD/CAM Restorative Dental Centre Limited for the third twelve months after the closing of the acquisition (i.e. from April 2023 to March 2024) and the revenue guarantee of not less than HK\$7.2 million for the same period had been met.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company were listed (the "**Listing**") on the Stock Exchange since 15 January 2018 (the "**Listing Date**"), and the net proceeds from the global offering (the "**Global Offering**") amounted to HK\$609.8 million.

To maximise the flexibility of the Group in capturing potential acquisition opportunities as and when such opportunities arise, the Board has resolved and announced on 29 March 2022 to expand the use of the unutilised net proceeds from the Global Offering towards possible acquisition(s), and/or establishment of eye clinic(s), eye centre(s) and eye hospital(s) in Hong Kong and Mainland China.

During the year ended 31 December 2024, net proceeds in the amount of approximately HK\$30.3 million were used for establishing our new hospital with ophthalmic, dental, medical imaging and other medical services in Luohu Port area, Shenzhen. The net proceeds from Global Offering have been fully utilised as of 31 December 2024.

The table below sets out the actual use of unutilised net proceeds from the Global Offering during the year ended 31 December 2024:

	Planned application of net proceeds <i>HK\$'000</i>	Net proceeds brought forward as at 1 January 2024 <i>HK\$'000</i>	Actual usage up to 31 December 2024 <i>HK\$'000</i>	Unutilised net proceeds as at 31 December 2024 <i>HK\$'000</i>
Use of net proceeds from the Global Offering				
Possible acquisition(s), and/or establishment of eye clinic(s), eye centre(s) and eye hospital(s) in Hong Kong and Mainland China	151,121	30,284	151,121	–

USE OF PROCEEDS FROM THE 2022 FIRST SUBSCRIPTION

On 13 January 2022, the Company entered into a placing and subscription agreement with C-MER Group Limited (the “**Seller**”), Dr. Lam and UBS AG Hong Kong Branch, as the placing agent, in respect of the placing of an aggregate amount of 90,000,000 existing ordinary shares of the Company (the “**Placing Shares**”) at the price of HK\$6.48 per Placing Share to not less than six independent professional, institutional and/or individual investors (the “**2022 Placing**”). The aggregate nominal or par value of the Placing Shares is HK\$9,000,000, and the closing price of the Company as stated in the daily quotation sheet issued by the Stock Exchange on 12 January 2022, being the last full trading date prior to the date of the placing and subscription agreement, was HK\$7.18 per Placing Share. The Seller then subscribed (the “**2022 First Subscription**”) for 76,500,000 ordinary class of Shares (the “**Subscription Shares**”) that were subsequently issued by the Company at the subscription price of HK\$6.48 per Subscription Share (collectively, “**the 2022 Placing and the 2022 First Subscription**”). The Directors considered that the 2022 Placing and the 2022 First Subscription represented an opportunity to strengthen the financial position of the Group and raise capital to provide working capital for the Group, on, among others, merger and acquisition and/or expansion of our hospital and service network while broadening its shareholder and capital base. The 2022 Placing and the 2022 First Subscription were completed on 17 January 2022 and 20 January 2022, respectively. The aggregate nominal or par value of the Subscription Shares is HK\$7,650,000. The net subscription price (after deduction of the expenses incurred by the Seller in relation to the 2022 Placing and the 2022 First Subscription) of each Subscription Share was approximately HK\$6.41. The net proceeds from the 2022 First Subscription (after deducting relevant fees and expenses borne or incurred by the Company) were approximately HK\$490.6 million. The table below sets out the planned applications of the net proceeds and their actual usage up to 31 December 2024:

	Planned applications of net proceeds <i>HK\$'000</i>	Percentage of total net proceeds	Net proceeds brought forward as at 1 January 2024 <i>HK\$'000</i>	Actual usage up to 31 December 2024 <i>HK\$'000</i>	Unutilised net proceeds as at 31 December 2024 <i>HK\$'000</i>
Use of net proceeds from the 2022 First Subscription					
For funding merger and acquisition; expansion of our hospital and service network; and as general working capital for the Group	490,600	100%	45,927	490,600	–

During the year ended 31 December 2024, net proceeds from the 2022 First Subscription in the amount of approximately HK\$45.9 million were used, consisting of (1) HK\$44.0 million for construction of our property in Pingshan, Shenzhen; and (2) HK\$1.9 million for the working capital on our hospitals at investment stage in Mainland China and some of the clinics in Hong Kong.

The net proceeds from the 2022 First Subscription have been utilised in accordance with the planned applications as announced in the announcements of the Company dated 13 January 2022 and 20 January 2022 respectively and have been fully utilised as of 31 December 2024.

USE OF PROCEEDS FROM DECEMBER 2022 SUBSCRIPTION

On 2 December 2022, the Company entered into a subscription agreement with a strategic investor in respect of the subscription of an aggregate amount of 30,056,000 new ordinary shares of the Company at the price of HK\$3.87 per share to the strategic investor (the “**December 2022 Subscription**”). The aggregate nominal or par value of the shares was HK\$3,056,000, and the closing price of the Company as stated in the daily quotation sheet issued by the Stock Exchange on 2 December 2022, being the last full trading date prior to the date of the subscription agreement, was HK\$4.07 per share. The strategic investor is Ginkgo Capital Global Fund SPC – Ginkgo Capital Global Fund I SP, a segregated portfolio of Ginkgo Capital Global Fund SPC, and as at the date of the subscription, all the participating, redeemable, non-voting shares in Ginkgo Capital Global Fund SPC attributable to Ginkgo Capital Global Fund I SP were issued to Wealth Strategy Holding Limited, which was in turn wholly owned by Mr. Kung Hung Ka (龔虹嘉先生). The Directors considered that the subscription represents an opportunity to introduce a long-term and highly respected strategic shareholder with strong background in healthcare industry in Mainland China, and will help accelerate our network expansion in the Greater Bay Area and our research and development in relevant medical devices and therapeutics. The Group may also enter into business cooperation with the strategic investor when suitable opportunities arise. The December 2022 Subscription was completed on 8 December 2022. The net subscription price (after deduction of the expenses incurred by the Company in relation to the subscription) of each share was approximately HK\$3.86. The net proceeds from the December 2022 Subscription (after deducting relevant fees and expenses borne or incurred by the Company) were approximately HK\$116.2 million. The table below sets out the planned applications of the net proceeds and their actual usage up to 31 December 2024:

Use of net proceeds from the December 2022 Subscription	Planned applications of net proceeds HK\$'000	Percentage of total net proceeds	Net proceeds		Unutilised net proceeds as at 31 December 2024 HK\$'000
			brought forward as at 1 January 2024 HK\$'000	Actual usage up to 31 December 2024 HK\$'000	
For the expansion of our ophthalmic service network in the Greater Bay Area; the funding of merger and acquisition; and as general working capital for the Group	116,161	100%	116,161	116,161	–

During the year ended 31 December 2024, net proceeds from the December 2022 Subscription in the amount of approximately HK\$116.2 million were used, consisting of (1) HK\$26.4 million for establishing a hospital with ophthalmic, dental, medical imaging and other medical services in Luohu Port area, Shenzhen; (2) HK\$5.7 million for establishing a refractive eye centre in Mongkok, Hong Kong; (3) HK\$16.1 million for construction of our property in Pingshan, Shenzhen; (4) HK\$51.0 million for the working capital of our hospitals in Mainland China and some of the clinics in Hong Kong, and (5) HK\$17.0 million for enhancing the facilities of our medical centres and clinics in Hong Kong. The net proceeds from the December 2022 Subscription have been used in accordance with the planned applications as disclosed in the announcement dated 2 December 2022 and have been fully utilised as of 31 December 2024.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Board comprises three independent non-executive Directors, namely, Mr. MA Andrew Chiu Cheung (Chairman of the audit committee), Mr. IP Shu Kwan Stephen and Mr. YIN Ke. The audit committee of the Board has reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting matters with management including a review of the consolidated financial statements and annual results for the year ended 31 December 2024.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions as set forth in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct regarding securities transactions of the Directors. Employees of the Group (the "**Relevant Employees**") who, because of their office or employment, are likely to possess inside information in relation to the Company or its securities are also subject to compliance with the Model Code. Having made specific enquiry of all directors, each of the Directors has confirmed compliance with the Model Code throughout the year ended 31 December 2024. No incident of non-compliance of the Model Code by the Relevant Employees was noted by the Company during the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, the Company repurchased an aggregate of 11,788,000 ordinary shares at an aggregate consideration of HK\$25,127,839 on the Stock Exchange as follows:

Month of repurchase	No. of shares repurchased	Consideration per share		Total Consideration paid (inclusive of charges and levies)
		Highest	Lowest	
		HK\$	HK\$	HK\$
July 2024	186,000	2.64	2.64	492,151
August 2024	820,000	2.35	2.22	1,891,068
September 2024	2,806,000	2.19	1.85	5,660,314
October 2024	1,418,000	2.42	2.23	3,301,519
November 2024	3,678,000	2.36	2.00	7,961,359
December 2024	2,880,000	2.07	1.97	5,821,427
Total	<u>11,788,000</u>			<u>25,127,839</u>

The Board considers that the share repurchases were in the best interests of the Company and the shareholders of the Company (the “**Shareholders**”) and would lead to an enhancement of the net assets value per share and/or earnings per share of the Company. As at the date of this announcement, all of the above repurchased shares were designated for cancellation but pending cancellation.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2024.

NAME CHANGE

On 28 May 2024, the Company completed its name change to C-MER Medical Holdings Limited, and the dual foreign name in Chinese of the Company has been changed to 希瑪醫療控股有限公司. The Board considers that the new English and Chinese names of the Company will be able to promote the Group’s corporate image and better reflect the Group’s positioning in providing comprehensive medical services.

FINAL DIVIDEND

The Board has resolved to propose a final dividend of HK2.0 cents per share for the year ended 31 December 2024, representing a distribution of approximately 42.4% of the Group's adjusted profit attributable to equity holders of the Company for the year ended 31 December 2024.

The proposed final dividend payment is subject to approval by the shareholders of the Company at the annual general meeting ("AGM") to be held on Monday, 19 May 2025. If approved by shareholders, the proposed final dividend is expected to be paid on or about 15 July 2025 to shareholders whose names appear on the register of members of the Company on 4 July 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed as follows:

- (a) Shareholders whose names appear on the register of members of our Company on 19 May 2025 are entitled to attend and vote at the AGM. The register of members of our Company will be closed from Wednesday, 14 May 2025 to Monday, 19 May 2025, both days inclusive. In order to qualify for attending and voting at the AGM, Shareholders should ensure that all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 13 May 2025.
- (b) The final dividend will be payable on or about Tuesday, 15 July 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 4 July 2025. For the purpose of ascertaining shareholders' entitlement for the final dividend, the register of members of the Company will be closed from Wednesday, 2 July 2025 to Friday, 4 July 2025, both days inclusive. To qualify for the final dividend, Shareholders should ensure that all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Monday, 30 June 2025.

ANNUAL GENERAL MEETING

The AGM will be held on Monday, 19 May 2025. Notice of the AGM will be sent to the Shareholders in due course.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company's website at www.cmermedical.com. The 2024 annual report and the notice of the AGM will be dispatched to the shareholders of the Company and made available on the websites of the Stock Exchange and the Company in due course.

By order of the Board

C-MER Medical Holdings Limited

Dr. LAM Shun Chiu Dennis

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 21 March 2025

As at the date of this announcement, the Board comprises three executive Directors, namely, Dr. LAM Shun Chiu Dennis, Ms. LI Xiaoting and Dr. LEE Yau Wing Vincent; and four independent non-executive Directors, namely, Dr. Rex AUYEUNG Pak-kuen, Mr. MA Andrew Chiu Cheung, Mr. IP Shu Kwan Stephen and Mr. YIN Ke.