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Gaush Meditech Ltd

高视医疗科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2407)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

ANNUAL RESULTS HIGHLIGHTS

Revenue of the Group was RMB1,428.4 million for the year ended December 31, 2024, representing an increase of 1.6% as compared to the revenue of RMB1,406.2 million for the year ended December 31, 2023.

Net profit of the Group was RMB88.5 million for the year ended December 31, 2024, representing a decrease of 48.8% as compared to the net profit of RMB172.9 million recorded in 2023.

The Group's basic earnings per Share was RMB0.63 for the year ended December 31, 2024, as compared to the basic earnings per Share of RMB1.17 for the year ended December 31, 2023.

The Board recommended the payment of a final dividend of HK\$0.3 per Share for the year ended December 31, 2024 (2023: HK\$1.1 per Share). The final dividend is subject to the approval of the Shareholders at the forthcoming AGM to be held on Thursday, May 29, 2025 and is expected to be paid on Friday, July 25, 2025 to the Shareholders whose names appear on the register of members of the Company as of Friday, June 27, 2025.

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the year ended December 31,	
	2024	2023
	(RMB'000)	(RMB'000)
REVENUE	1,428,397	1,406,238
Cost of sales	(765,008)	(714,638)
Gross profit	663,389	691,600
Other income and gains	26,417	45,037
Selling and distribution expenses	(232,894)	(248,829)
Administrative expenses	(145,466)	(129,383)
Finance costs	(36,709)	(50,606)
Research and development expenses	(78,418)	(52,883)
Other expenses	(41,032)	(7,201)
PROFIT BEFORE TAX	155,287	247,735
Income tax expenses	(66,764)	(74,821)
PROFIT FOR THE YEAR	88,523	172,914

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the R&D, production and distribution of a broad spectrum of ophthalmic medical equipment and consumables, and the provision of ancillary technical services to end customers. As of December 31, 2024, the Group has a “Global 4+2” R&D layout, with several R&D and production platforms in four cities in the PRC, namely Shenzhen, Suzhou, Wuxi and Wenzhou, and two R&D and production platforms overseas in the Netherlands and Germany. At the same time, the Group has a sales network covering over 50 countries and regions around the world, and has 133 engineers in Greater China which makes the Group capable of providing 7*24 hours technical support services for its equipment.

As of December 31, 2024, the Group (i) had a product portfolio of 170 products in total, including 69 Proprietary Products, further enriching the portfolio of the Proprietary Products; (ii) co-operated with 18 overseas brand partners, of which 16 had entered into exclusive distribution arrangements with the Group in respect of their products, including Heidelberg, Schwind and Optos, among which Sometech Inc., a Korean company, was added as the exclusive partner during the Reporting Period; (iii) had its products sold to over 50 countries and regions worldwide, and had served over 5,000 end customers in Greater China during the Reporting Period; (iv) continued to invest in R&D and achieved a number of significant progress. For instance, the Company has obtained a product registration certificate for each of the three domestic monofocal intraocular lens developed in-house; the Company has also successfully obtained the medical device registration certificates for two diagnostic devices for dry eyes, namely Gaush iDea FOS, a dry eye detector, and Gaush iDea Topo, a detector for dry eye and corneal topography, both developed in-house; furthermore, the corneal confocal microscopy independently developed by the Company has entered the registration process for innovative products; and (v) generated revenue from sales of ophthalmic medical consumables of RMB530.3 million and generated revenue from technical services of RMB226.5 million during the Reporting Period, both reaching a record-high level.

For the year ended December 31, 2024, the revenue of the Group was RMB1,428.4 million, representing an increase of 1.6% as compared with the previous year. For the year ended December 31, 2024, the gross profit of the Group was RMB663.4 million, representing a decrease of 4.1% as compared with the previous year.

The following table sets forth the breakdown of the Group’s revenue by product and service types for the years indicated:

	For the year ended December 31,	
	2024	2023
	(RMB’000)	(RMB’000)
Sales of ophthalmic medical equipment	664,878	680,271
Sales of ophthalmic medical consumables	530,257	510,496
Technical services	226,458	209,234
Others	6,804	6,237
Total	<u>1,428,397</u>	<u>1,406,238</u>

Products of the Group

As of December 31, 2024, the Group had a product portfolio of 170 products in total, which included the Proprietary Products, being products developed and manufactured by the Group, and the Distribution Products, being the products of the Group’s brand partners, and consisted of diagnostic equipment, treatment and surgical instrument, high-value consumables and general consumables. The Group’s product portfolio covers seven major ophthalmology sub-specialties where ophthalmic medical devices are utilized for their diagnosis, treatment or surgery, being the vitreoretinal diseases, cataracts, refractive surgery, glaucoma, ocular surface diseases, optometry and pediatric ophthalmology, which enables the Group to provide the customers with integrated product and service offering.

Proprietary Products

As a result of its “Global 4+2” R&D layout and continuous investment in R&D, the Group’s portfolio of Proprietary Products continued to expand, mainly including intraocular lens, ophthalmic scalpel products and ophthalmic examination equipment. For the year ended December 31, 2024, the revenue contribution of the Group’s Proprietary Products amounted to RMB375.8 million, representing a decrease of 1.6% as compared with the revenue contribution of the Proprietary Products of RMB381.9 million in 2023. For the year ended December 31, 2024, the revenue contribution of the Group’s intraocular lens under the Proprietary Products amounted to RMB316.9 million, representing a year-on-year increase of 1.3%.

Distribution Products

As of December 31, 2024, the Group had co-operated with 18 overseas brand partners, 16 of which had entered into exclusive distribution arrangements with the Group, including Heidelberg, Schwind and Optos, among which Sometech Inc., a Korean company, was added as the exclusive partner during the Reporting Period. As of December 31, 2024, the revenue contribution of the Group's Distribution Products amounted to RMB819.3 million, representing an increase of 1.3% as compared with the revenue from the Distribution Products of RMB808.9 million in 2023.

Technical Services Business

Ophthalmic medical devices are highly complex, demanding extensive technical support and after-sale maintenance. The Group believes that provision of high-quality professional technical services capability enhances the derivative value of the Company's product portfolio and has huge potential for growth. As such, the Group also differentiates itself from its competitors through strong technical service capability. In Greater China, the Group provides its end customers with technical services, which primarily include installment services for the ophthalmic medical equipment it sold, as well as the after-sale warranty and maintenance services of such products.

As of December 31, 2024, the Group has a technical service team comprising 133 technicians in Greater China. The Group sets up 13 technical service centers in Greater China, including one in Hong Kong, and has a technical service network covering all provincial administrative regions in China to provide 7*24 hours technical services, ensuring that the Group quickly provides services to the customers in a timely manner. During the Reporting Period, the Group's technical service team in Greater China had a total number of over 26,000 service visits. The technical service presents a great opportunity for the Group to interact with its customers, build brand loyalty and gain first-hand insights into market demand and unmet market needs. For the year ended December 31, 2024, the revenue contribution of the Group's technical services amounted to RMB226.5 million, representing a year-on-year increase of 8.3%.

The Group's R&D Line-up

As of December 31, 2024, the Group had a “Global 4+2” R&D layout and a total of 265 R&D and production personnel, accounting for approximately 30.0% of the total headcount, with an average industry experience of more than 10 years. The Group's manufacturing facilities have a total gross floor area of over 10,000 square meters. The Group has made significant investments in the R&D of intraocular lens and OK-Lens, rigid gas permeable corneal contact lenses (“RGP”), ophthalmic surgical consumables, ophthalmic electrophysiological equipment and ancillary consumables, ophthalmic scalpels, optometry equipment, and diagnostic devices for dry eyes. The Group's domestic R&D and production bases are located in four cities, namely Shenzhen, Suzhou, Wuxi and Wenzhou, and its overseas R&D and production bases are located in the Netherlands and Germany. During the Reporting Period, the Group's research and development expenses amounted to RMB78.4 million, accounting for 20.9% of the revenue from the Proprietary Products, which was mainly due to the continuous increasing investment of the Group in R&D projects to strengthen its independent innovation capabilities to ensure the competitiveness of mid-to-long-term development in close alignment with the national strategic deployment.

Shenzhen Base: It mainly focuses on the layout of products such as domestic intraocular lens, myopic intraocular lens, ophthalmic electrophysiological equipment and systematic and intraoperative consumables for vitrectomy. In particular, the Company has obtained a product registration certificate for each of the three domestic monofocal intraocular lens developed in-house and a medical device registration certificate for an intraocular lens implant system during the Reporting Period. The Company will continue to promote the R&D and registration for domestic high-end intraocular lens. In addition, the Company conducted a process validation of myopic intraocular lens, with favorable results, and advanced the product registration of its ophthalmic electrophysiological equipment.

Suzhou Base: It consists of two R&D and production platforms, mainly focusing on the layout of products such as OK-Lens, defocusing lens, RGP and ophthalmic scalpels. Among them, the defocusing lenses independently developed and produced by the Group have been launched for sale, synchronized with the real-world research. The follow-up of OK-Lens has completed. It is expected to receive the product registration certificate of the OK-Lens by the end of 2025 or early 2026. At the same time, the Company initiates the product registration of the OK-Lens for the overseas markets.

Wenzhou Base: It has product registration certificates for the self-developed fundus photographic imaging machines, digital slit lamp microscopes, contrast sensitivity detectors, retinal vision testers and corneal topography. In particular, the Company continued to promote the product registration of optical biometer during the Reporting Period and is expected to obtain the product registration certificate in 2025; meanwhile, it initiated the in-house research and development of slit lamp products with dry eye diagnostic modules.

Wuxi Base: Efforts were mainly focused on its own branded diagnostic devices, as well as the domestication of surgical devices and consumables. During the Reporting Period, the Company has successfully obtained the medical device registration certificates for two diagnostic devices, namely Gaush iDea FOS, a dry eye detector, and Gaush iDea Topo, a detector for dry eye and corneal topography, both developed in-house, and has officially launched the products for sale. Furthermore, the corneal confocal microscopy independently developed by the Company has entered the registration process for innovative products. Registration of fundus cameras and other products will be pursued in the future.

Expansion of the Group's Distribution Products

Leveraging the Group's nationwide multi-channel sales network and a well-established ophthalmology KOL network, as well as the professional sales team, the Group helps the customers evaluate their clinical needs, application environment and technical capabilities, thereby offering products that best suit their needs and circumstances and creating value for the customers. During the Reporting Period, the Group co-operated with 18 overseas brand partners, of which 16 had entered into exclusive distribution arrangements with the Group to distribute their products, including Heidelberg, Schwind and Optos, among which Somotech Inc., a Korean company, was added as the exclusive partner. The Group was authorized in March 2024 to be the exclusive partner of Somotech Inc. in Mainland China in respect of the distribution of 3D 4K digital surgical microscope for ophthalmology, with product models including but not limited to the VOMS-400 series. In addition, the existing upstream partners have also been continuously advancing their R&D or iterative computing upgrades, and gradually launching new products to further enrich the Group's Distribution Product portfolio.

In March 2025, Femtosecond Laser (scope of application: creation of corneal flap in femtosecond laser-assisted in situ keratomileusis (Femto-LASIK)) and its supporting Patient Interface for SCHWIND ATOS launched by SCHWIND eye-tech-solutions GmbH, an important upstream partner represented by the Company, obtained the medical device registration certificate approved by the NMPA. In the same month, ANTERION (three-in-one anterior segment multimodal imaging diagnostic platform) launched by Heidelberg Engineering GmbH ("**Heidelberg**"), an important upstream partner represented by the Company, obtained the medical device registration certificate approved by the NMPA.

Overseas Business Expansion

During the Reporting Period, the Company actively hosted an extensive array of on-site exhibitions and summits around the world. Distributors from different countries and regions and over 100 KOLs attended these summits. Furthermore, the Company also participated in several large on-site exhibitions with over 5,000 participants. In terms of R&D and production, the R&D of a new series of overseas intraocular lenses is currently progressing smoothly. In the meantime, the Company actively and vigorously promotes the registration of products in new countries and regions to expand a wider market presence. Further, in March 2025, Teleon Surgical B.V., a wholly-owned subsidiary of the Company, has reached an important milestone in the transition from Medical Device Directive (“**MDD**”) to Medical Device Regulation (“**MDR**”) and received the MDR CE certificate for the self-developed hydrophilic acrylic intraocular lens (IOL) portfolio by the notified body. This approval is an important step towards full MDR CE certification of the entire portfolio based on the hydrophilic materials self-developed by the Company, which is conducive to further cost reductions and long-term supply security of raw material, and is a testament to the relentless dedication, expertise, and perseverance of the entire team of the Company.

The Group has sold products of Teleon to 52 countries and regions and sold products of Roland to 33 countries and regions.

Marketing

During the Reporting Period, the Group organized to hold various offline marketing activities, covering sub-specialty application areas such as fundus and anterior segment examination and diagnosis, dry eye examination and therapy, fundus laser therapy, excimer laser surgery for glaucoma and refractive issues, cataract surgical treatment and optometry. The products involved included the Group’s own brands, such as Teleon’s intraocular lenses, Roland’s electrophysiological equipment, and Gaush’s precision ophthalmic surgical instruments, and Distribution Products, including Optos’ s ultra-widfield fundus camera, Heidelberg’s optical coherence tomography/optical coherence tomography angiography and angiography integrated machine, Quantel’s ultrasound, Quantel’s laser, Geuder’s ultrasonic phacoemulsification and vitrectomy system, SBM’s ocular surface interferometer, Amaris’ s excimer laser and others.

Highlights of these offline activities including: (i) Gaush Ophthalmology Era Symposium (高視眼暢會) brand conferences were continuously hosted, and the Group's overall presence in the ophthalmic medical field was enhanced at influential academic platforms including Academic Conference on Cataract and Refractive Surgery, China Retina Forum and Congress of Chinese Ophthalmological Society; (ii) Geuder Family seminars were designed to engage leading ophthalmic institutions, regional benchmark hospitals and global conferences through a multi-layered strategy and collaborate with renowned KOLs to delve into core areas such as ultrasonic phacoemulsification and vitrectomy technologies; (iii) capitalizing on the technological edge of its flagship product, "EasyRet", the Company partnered with several public hospitals and corporate clients to launch "Subliminal by Fiber Laser Demonstration Centers"; (iv) Gaush Teleon Refractive Cataract Roadshow Seminars were hosted across multiple regions to strengthen the regional competitiveness of Gaush Teleon's proprietary brand; (v) more than 20 Gaush iDea Roundtable Meetings were hosted across various provinces to boost the brand's regional influence and foster stronger customer loyalty; and (vi) the 7th Gaush Optos Ultra-widefield Fundus Imaging Competition, bringing together an elite panel of judges, showcasing diverse submissions and covering a variety of pathologies, boosted the brand reputation of Optos, deepened the recognition of experts of super authority for its ultra-widefield imaging capabilities and filled experts with confidence and expectations for its future.

The Group also provided educational training services on ophthalmology-related knowledge to a wide range of ophthalmology professionals through Gaush online platform. As the first professional online ophthalmology education platform in China, Gaush online currently has over 60,000 registered users and has recorded more than 1,000,000 accumulated views of its online training courses. Ophthalmology, as a highly specialized field, demands a high level of professional knowledge and skills from doctors, nurses and other practitioners. Gaush online was created to meet this need and offers a wealth of ophthalmological knowledge and online training courses, providing a platform for ophthalmology practitioners to learn and improve. Moreover, Gaush online enables the wider and faster dissemination of ophthalmological knowledge through online education. Traditional ophthalmology training methods are often limited by time and space, but Gaush online breaks these barriers and allows more people to easily access ophthalmological knowledge and skills, improving the service level of the entire industry. Furthermore, Gaush online also promotes exchange and cooperation within the ophthalmology industry. Through online education, different ophthalmology institutions and experts can communicate and collaborate conveniently and jointly explore the latest developments and technologies in the field of ophthalmology to drive the development and innovation of the ophthalmology industry.

Long-term Strategies and Outlook

Adhering to the mission of “Technology Creates Bright Vision”, the Group is committed to becoming a leader of the global ophthalmic medical device industry. Based on this goal, the Group will:

- I. maintain the two-pronged approach of “Proprietary Products + high end imports”, continuously increase investment in R&D, enhance the cooperation with upstream business partners, efficiently promote the domestic layout and thereby increase the proportion of revenue contribution from the Proprietary Products;
- II. maintain the leading position in diagnostic inspection products so as to prioritize and increase investment in surgical treatment products, especially focusing on the development of surgical device-related consumables and independent implant consumables;
- III. continue to consolidate the platform advantages of the product portfolio fully covering the major sub-specialties of ophthalmology, and continuously diversify and improve its product lines through a combination of internal R&D and mergers and acquisitions;
- IV. continue to strengthen the construction of the dual-core markets in Asia and Europe, and promote international coverage in an orderly manner. Through organic growth and strategic cooperation, consolidate the Group’s market position in China and further expand its global footprint to achieve a balanced development between domestic and overseas business; and
- V. continue to enhance management capabilities and improve its operational efficiency, strengthen the Company’s brand building and talent building, and practice the Group’s core values.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group mainly generated its revenue from (i) sales of products, including ophthalmic medical equipment and ophthalmic medical consumables; and (ii) provision of technical services.

The Group's revenue increased by 1.6% from RMB1,406.2 million for the year ended December 31, 2023 to RMB1,428.4 million for the year ended December 31, 2024. Despite the challenging global economic climate, the Group's revenue was able to maintain a certain growth mainly due to the coordinated development of the international and domestic markets. During the Reporting Period, by leveraging its well-established sales channel, better pre-sales support and after-sales services, excellent market promotion and product portfolio strategy, the Group positively expanded its sales territory, and the revenue achieved a notable increase in the second half of 2024 as compared to the first half of 2024, leading to revenue remaining stable for the year ended December 31, 2024 as compared to the previous year.

The table below sets forth the breakdown of sales revenue from the products of the Group by Distribution Products and Proprietary Products for the years indicated:

	For the year ended December 31,	
	2024	2023
	(RMB'000)	(RMB'000)
Distribution Products	819,321	808,910
Proprietary Products	375,814	381,857
Total	<u>1,195,135</u>	<u>1,190,767</u>

Cost of Sales

During the Reporting Period, the Group's cost of sales mainly consisted of costs of goods sold and costs related to technical services. The Group's cost of sales increased by 7.1% from RMB714.6 million for the year ended December 31, 2023 to RMB765.0 million for the year ended December 31, 2024. During the Reporting Period, the increase in the cost of sales of the Group slightly outpaced the increase in revenue, primarily due to the increase in the cost of raw materials of the Proprietary Products, the rising purchase price of the imported Distribution Products and the changes in the portfolio of Distribution Products.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by 4.1% from RMB691.6 million for the year ended December 31, 2023 to RMB663.4 million for the year ended December 31, 2024. The Group's gross profit margin decreased from 49.2% for the year ended December 31, 2023 to 46.4% for the year ended December 31, 2024. Such decrease was mainly due to (i) the impact of exchange rate fluctuations, which resulted in higher purchase cost for importing Distribution Products; and (ii) the significant decrease in unit selling prices of the Group's Proprietary Products, intraocular lens, which started to implement the national procurement prices in 2024.

Other Income and Gains

During the Reporting Period, the Group's other income and gains primarily consisted of (i) bank interest income; (ii) government grants; and (iii) investment income and gains from financial products at fair value through profit or loss.

The Group's other income and gains decreased by 41.3% from RMB45.0 million for the year ended December 31, 2023 to RMB26.4 million for the year ended December 31, 2024. This was mainly due to the impact of exchange rate fluctuations. During the Reporting Period, Euro remained at a high level, while the US dollars strengthened. The changes in the exchange rate of RMB against foreign currencies resulted in a foreign exchange loss of RMB5.7 million for the year ended December 31, 2024, as compared to the foreign exchange gains of RMB15.6 million of previous year.

Selling and Distribution Expenses

During the Reporting Period, the Group's selling and distribution expenses primarily consisted of (i) salaries and remuneration of the Group's sales and marketing personnel; (ii) marketing expenses for organizing marketing events and promotion of the Group's products; and (iii) transportation and travel expenses incurred in the course of the Group's marketing activities.

The Group's selling and distribution expenses decreased by 6.4% from RMB248.8 million for the year ended December 31, 2023 to RMB232.9 million for the year ended December 31, 2024, which was primarily attributable to the proactive optimisation of promotional strategies and the expansion of direct sales channels by the overseas subsidiaries of the Group, resulting in a decrease in marketing and promotion expenses.

As a percentage of revenue, the selling and distribution expenses decreased from 17.7% for the year ended December 31, 2023 to 16.3% for the year ended December 31, 2024.

Administrative Expenses

During the Reporting Period, the Group's administrative expenses primarily consisted of (i) salaries and remuneration of administrative staff; (ii) consulting services fees, which include IT service fees and audit fees incurred with respect to engaging external auditors and other service expenses procured to support corporate operations; (iii) transportation and travel expenses incurred in the course of administration; and (iv) depreciation and amortization of non-current assets.

The Group's administrative expenses increased by 12.4% from RMB129.4 million for the year ended December 31, 2023 to RMB145.5 million for the year ended December 31, 2024. This was mainly due to the Group's introduction of a professional management team during the Reporting Period to coordinate relevant R&D projects, with the aim of further strengthening R&D synergies between its domestic and overseas business segments, enhancing overall innovation capabilities, and improving market competitiveness, which resulted in an increase in personnel costs and travel expenses.

Finance Costs

During the Reporting Period, the Group's finance costs primarily consisted of interest expenses on bank and other borrowings and lease liabilities. The Group's finance costs decreased by 27.5% from RMB50.6 million for the year ended December 31, 2023 to RMB36.7 million for the year ended December 31, 2024. This was mainly due to the fact that the Group repaid an amount of EUR12.125 million of the Vendor Loan and an amount of EUR1.05 million of China Minsheng Bank loan respectively during the Reporting Period, as well as a lower consolidated lending rate through loan replacement executed in February 2024, resulting in a decrease in interest expenses.

Research and Development Expenses

The Group closely followed the national strategic deployment, continuously increased investment in R&D projects, and strengthened independent innovation capabilities to ensure mid-to-long-term competitiveness. During the Reporting Period, the Group's research and development expenses increased by 48.2% from RMB52.9 million for the year ended December 31, 2023 to RMB78.4 million for the year ended December 31, 2024. This was mainly due to the continuous expansion of the Group's R&D team and the increased investment in the domestic R&D of relevant products. During the Reporting Period, Gaush Neotech completed the domestic R&D of relevant dry eye treatment devices and successfully obtained the relevant medical device registration certificates. Gaush Teleon continued to conduct its domestic R&D and production for intraocular lens, while Gaush Tech started the domestic R&D projects of Geuder consumables and ophthalmic electrophysiological consumables. Gaush Clear increased its investment in the R&D of consumer optometry products. The increase in research and development expenses reflected

the Group's commitment as to R&D of the Proprietary Products, currently including optometric products (namely optometry units, optical biometers and automatic ocular fundus cameras), OK-Lens, intraocular lens and related products and technology (namely quantum crystal, hydrophilic and hydrophobic materials, and molding technology), as well as consumables of ultrasonic emulsification and equipments of electrophysiology and dry eye diagnosis.

Other Expenses

During the Reporting Period, the Group's other expenses primarily consisted of asset impairment losses and foreign exchange losses.

The Group's other expenses increased significantly from RMB7.2 million for the year ended December 31, 2023 to RMB41.0 million for the year ended December 31, 2024. This was mainly due to (i) the provision for impairment of goodwill arising from subsidiaries acquired previously (please refer to the goodwill-related disclosures in the financial statements for details), and (ii) the increase in exchange losses relating to payables denominated in foreign currencies due to the fluctuation in foreign exchange rates.

Income Tax Expenses

The Group's income tax expenses decreased from RMB74.8 million for the year ended December 31, 2023 to RMB66.8 million for the year ended December 31, 2024, which was mainly due to a decrease in pre-tax profit during the Reporting Period.

Profit for the Year

For the foregoing reasons, the Group recorded a net profit of RMB88.5 million for the year ended December 31, 2024, as compared to a net profit of RMB172.9 million recorded for the year ended December 31, 2023.

Financial Position

Financial Assets at Fair Value Through Profit or Loss

The Group's financial assets at fair value through profit or loss represented funds purchased from certain financial institutions to improve cash utilization efficiency. The Group's financial assets at fair value through profit or loss decreased from RMB175.6 million as of December 31, 2023 to RMB97.7 million as of December 31, 2024. The relevant redemption plan was driven by the Group's ongoing efforts to improve capital management efficiency, actively seek high-return investment opportunities, and ensure the stable working capital for the Company's daily operations.

As of December 31, 2024, the Group's financial assets at fair value through profit or loss mainly include a private fund with a fair value of RMB97.6 million. The expected rate of return of such funds ranging from 2.5% to 4.5% per annum.

Inventories

The Group's inventories consisted of finished goods, goods in transit, raw materials and work-in-progress. Under the inventory control policy, the Group regularly monitors and analyzes the Group's historical procurement, production and sales statistics and adjusts its inventories to meet the demand of customers in a timely manner without causing inventory accumulation. The balance of inventories of the Group remained relatively stable as of December 31, 2023 and December 31, 2024, amounting to RMB328.5 million and RMB334.4 million, respectively.

The Group's inventory turnover days remained relatively stable at 159 days and 163 days in 2023 and 2024, respectively, which indicated that the Group's inventories were generally utilized or sold within six months.

Trade Receivables

The Group's trade receivables represented outstanding amounts due from its customers. The Group's trade receivables increased by 12.7% from RMB151.7 million as of December 31, 2023 to RMB170.9 million as of December 31, 2024. This was mainly due to the increase in the balance of trade receivables as a result of the change in the customer structure, which led to an increase in the orders sold directly to end hospitals in 2024, whose settlement is usually on a payment after delivery basis.

The Group's trade receivable turnover days remained relatively stable at 42 days and 41 days in 2023 and 2024, respectively. The Group's trade receivable turnover days were generally in line with the Group's credit term policies between 30 to 90 days.

Trade Payables

The Group's trade payables primarily represented payments due to suppliers for importing the Distribution Products. The original value of the Group's trade payables decreased by 22.4% from RMB90.6 million as of December 31, 2023 to RMB70.3 million as of December 31, 2024. The fluctuation was primarily as a result of the Group's payments made in accordance with procurement plans and payment schedules stipulated by suppliers.

The Group's trade payable turnover days in 2023 and 2024 were 41 days and 38 days, respectively, generally in line with the credit term policies of the Group's suppliers between 30 days to 90 days.

Prepayments, Other Receivables and Other Assets

The Group's prepayments, other receivables and other assets primarily consisted of (i) prepayment to suppliers; (ii) deposits that the Group paid to its customers as product quality assurance deposits; (iii) deposits for participating in public tenders; (iv) advance payment of income tax; and (v) value-added tax recoverable. The Group's prepayments, other receivables and other assets increased by 47.4% from RMB110.8 million as of December 31, 2023 to RMB163.3 million as of December 31, 2024, primarily due to (i) the Group's subsidiaries in Hong Kong and the Netherlands being required to pay advance payment of income tax according to the requirements of the local tax bureau, resulting in an increase in advance payment of income tax during the Reporting Period based on tax payment notices; and (ii) the increase in deductible import value-added tax as the Group increased the stock of imported proprietary intraocular lens which have been included in national procurement, in preparation for the market demand arising from the sales of the next year.

Goodwill

Goodwill arose from acquisitions of the Group's subsidiaries including, among others, Teleon and Roland, of which, the carrying amounts of Roland and Teleon asset group were denominated in Euro. The Group's goodwill decreased by 5.3% from RMB961.4 million as of December 31, 2023 to RMB910.5 million as of December 31, 2024. This was mainly attributable to (i) the effect of fluctuation of exchange rate between RMB and Euro; and (ii) the Group plans to adjust its strategic direction for electrophysiological products and optometric products as a result of changes in market demand and competitive pressures. As part of this adjustment and following prudent consideration of the recent operational performance of the Company's subsidiaries, such as Roland and Gaush Medica Ltd.* (寧波高斯醫療科技有限公司), as well as management's expectations for the future market, the Group provided an impairment provision for goodwill recorded in the relevant cash-generating units during the Reporting Period, which amounted to approximately RMB23.3 million. The aforesaid short-term impact of impairment provision for goodwill on the Group's performance will not have any material adverse impact on the Group's future operation and cash flow.

Intangible Assets

The Group's intangible assets (other than goodwill) mainly represented the software the Group purchased and used in the ordinary course of business, the patents and trademarks identified as a result of business combinations, the development expenditures from capitalization of research and development expenses, and non-patented technology purchased and used for R&D project collaborations. The Group's intangible assets increased by 9.1% from RMB269.8 million as of December 31, 2023 to RMB294.4 million as of December 31, 2024. During the Reporting Period, the original value of intangible assets increased by RMB74.6 million, primarily due to Gaush Tech, a wholly-owned subsidiary of the Company, entered into a technology cooperation agreement with Geuder, an important upstream partner of the Group, during the Reporting Period on the solution for phacoemulsification and vitrectomy surgery, pursuant to which non-patented technology was developed through technology transfer. The cooperation agreement aims to introduce the world's leading technologies related to the phacoemulsification and vitrectomy surgery system (including equipment and supporting consumables), carry out technology implementation, redevelopment and manufacturing in the Shenzhen base of the Group, and commercialize it to specific markets around the world. This further enriches the Group's ophthalmic surgical product portfolio and better provides product solutions to customers. Furthermore, the Group will further strengthen its R&D and production capabilities and the diversified foundation of its own products through technology introduction and redevelopment.

Capital Structure, Liquidity and Financial Resources

The Shares were successfully listed on the Main Board of the Stock Exchange on December 12, 2022, and the share capital structure of the Company remain unchanged during the Reporting Period. As of December 31, 2024, the issued share capital of the Company was USD14,789, and the number of issued Shares of USD0.0001 each was 147,887,869.

In 2024, the Group used internal resources to fund its liquidity. As the Group's business can generate stable cash inflow, together with abundant cash and bank balances, the Group has sufficient liquidity and financial resources to satisfy its daily operation and working capital needs, as well as to support its expansion plan. The Group regards monetary fund management as an essential part in financial management and incorporates it to the key items of financial inspection and internal audit, and has formulated corresponding internal control management systems, including the "Currency Fund Management System", to strengthen its monetary fund management, ensure the security of its monetary fund, and reduce the utilization costs and financial risks of its monetary fund. As of December 31, 2024, the Group continued to maintain a solid financial position, with cash and cash equivalents balance amounting to RMB421.4 million, representing a decrease of 31.9% from RMB618.7 million as of December 31, 2023, primarily due to the payment of final dividends for 2023 during the Reporting Period in the amount of RMB148.5 million and

the repayment of domestic and overseas loans amounting to approximately RMB109.7 million. The Group's cash is mainly in the form of bank deposit balances and deposited with reputable financial institutions and mature within one year. As of December 31, 2024, all cash and cash equivalents and term deposits of the Group were denominated in RMB, HKD, Euro and US dollars.

The Group's anticipated cash needs primarily include costs associated with the R&D of its products and business operations. The Group expects to fund its future working capital and other cash requirements with cash generated from its operations and, when necessary, bank and other borrowings.

The Group's interest-bearing bank and other borrowings represented current and non-current secured bank loans and secured China Minsheng Bank loan and Vendor Loan. As of December 31, 2024, the Group's interest-bearing bank and other borrowings amounted to RMB507.7 million, including short-term borrowings of RMB170.6 million and long-term borrowings of RMB337.1 million, all of which bore fixed interest rates, except for China Minsheng Bank loan. The Company's main borrowings included the replacement loans granted by China Minsheng Bank to repay the Senior Facility Loan and the Vendor Loan borrowed when it acquired Teleon. The Group repaid an amount of EUR12.125 million of Vendor Loan and an amount of EUR1.05 million of Replacement Loans respectively during the Reporting Period. As of December 31, 2024, all of the Group's bank and other borrowings were denominated in Euro and RMB.

As of December 31, 2024, the effective annual interest rates of the Group's bank and other borrowings ranged from 3.90% to 7.00% (as of December 31, 2023: 5.10% to 7.12%), and the term of the outstanding loans ranged from within one year to three years. The Group will repay the above borrowings in due course on maturity.

Capital Expenditure

The Group's capital expenditure for the year ended December 31, 2024 amounted to RMB81.2 million, representing an increase of 78.1% as compared to that of RMB45.6 million for the year ended December 31, 2023, primarily because the Group reached the technological cooperation agreement with Geuder during the Reporting Period and paid the related technological transfer fee in this regard.

Gearing Ratio

Gearing ratio represented total interest-bearing borrowings divided by net assets or liabilities as of the end of the period and multiplied by 100%. Interest-bearing borrowings included interest-bearing bank borrowings and other borrowings, lease liabilities, and loans at fair value through profit and loss. As of December 31, 2024, the Group's gearing ratio was 34.8%. As of December 31, 2023, the Group's gearing ratio was 39.1%.

Pledge of Assets

As of December 31, 2024, except for the relevant pledged assets mentioned in Note 14 to the financial statements in this announcement, the Group did not have any other pledged assets.

Contingent Liabilities

As of December 31, 2024, the Group did not have any outstanding debt securities, mortgages, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, liabilities under acceptance or acceptance credits or other similar indebtedness, lease and finance lease commitments, hire purchase commitments, guarantees or other material contingent liabilities.

FINANCIAL RISKS

Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the financial condition and results of operations of the Group. The Group purchases products from brand partners in many countries around the world. Therefore, the Group exposes to foreign currency risk when it enters into transactions denominated in multiple currencies. For example, changes in currency exchange rates may affect the Group's costs of goods sold and competitiveness against its domestic competitors or competitors who are multinational companies whose international operations provide a natural hedge to currency fluctuation risk. The Group predominantly purchases its products in US dollars and Euro. The Group sells the goods to distributors and hospitals and clinics in China in RMB. Given the Group's substantial receivables and payables denominated in US dollars or EUR, subject to the settlement cycle, fluctuations in foreign exchange rates during the cycle may lead to foreign exchange losses or gains. The Group's management will continue to pay attention to the Group's foreign exchange exposure and seeks to limit its exposure to foreign currency risk by minimizing its net foreign currency position. Exchange differences on translation of foreign operations represents the difference arising from the translation of the financial statements of companies within the Group that have a functional currency of Euro, which is different from the functional currency of RMB for the financial statements of the Company. For the year ended December 31, 2023, the exchange differences on translation of foreign operations amounted to a gain of RMB35.8 million. For the year ended December 31, 2024, the exchange differences on translation of foreign operations amounted to a loss of RMB36.6 million, primarily due to the fluctuation of exchange rate of Euro during the Reporting Period.

Credit Risk

The Group trades on credit terms only with recognized and creditworthy third parties. It is the Group's policy that all traders who wish to trade on credit terms are subject to credit verification procedures. In addition, the Group monitors the receivable balances on an ongoing basis.

Significant Investment Held

As of December 31, 2024, the Group did not have any significant investment.

Material Acquisition and Disposal

The Group had no material acquisition or disposal of subsidiaries, associates and joint ventures for the year ended December 31, 2024.

Future Plans for Significant Investment and Capital Assets

The Group did not have any other future plans for significant investment and capital assets as of the date of this announcement.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

As of the date of this announcement, there was no subsequent event after the Reporting Period which has a material impact on the Group.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on December 12, 2022. On January 9, 2023, an additional of 35,500 Shares were issued by the Company at the price of HK\$51.40 each pursuant to the partial exercise of the over-allotment option, which resulted in additional net proceeds of approximately HK\$1.77 million. The net proceeds raised from the Global Offering and the partial exercise of the over-allotment option, after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering and the partial exercise of the over-allotment option, amounted to approximately HK\$286.48 million (the “**Net Proceeds**”).

As of the date of this announcement, there was no change in the intended use of the Net Proceeds and the expected timeline as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The following table sets forth a summary of the utilization of the Net Proceeds as of December 31, 2024:

Purposes	% of the Net Proceeds	Amount available for utilization	Net Proceeds (HK\$ in million)		Unutilized amount as of December 31, 2024	Expected timeline for full utilization of the remaining Net Proceeds
			Utilized amount up to December 31, 2023	Actual amount of Net Proceeds utilized during the Reporting Period		
Improve the R&D capability of the Group and accelerate the commercialization of the Group’s patents	38.2%	109.43	18.47	90.96	—	Not applicable
Improve the production capacity and strengthen the manufacturing capabilities of the Group	29.0%	83.08	21.39	61.69	—	Not applicable
Expand the Group’s sales and marketing	9.5%	27.22	5.97	21.25	—	Not applicable
For working capital and general corporate purposes	10.6%	30.37	30.37	—	—	Not applicable
Repay the interest-bearing borrowings of the Group	12.7%	36.38	36.38	—	—	Not applicable
Total	100.0%	286.48	112.58	173.90	—	

As of December 31, 2024, the remaining Net Proceeds have been fully utilized by the Group in accordance with the intended use set out in the Prospectus.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK\$0.3 per Share for the year ended December 31, 2024 (2023: HK\$1.1 per Share). The final dividend is subject to the approval of the Shareholders at the forthcoming AGM to be held on Thursday, May 29, 2025 and is expected to be paid on Friday, July 25, 2025 to the Shareholders whose names appear on the register of members of the Company as of Friday, June 27, 2025.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, May 26, 2025 to Thursday, May 29, 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the forthcoming AGM to be held on Thursday, May 29, 2025, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, the Shareholders must deliver all properly completed transfer forms accompanied by the relevant share certificates to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration of relevant transfers no later than 4:30 p.m. on Friday, May 23, 2025.

The register of members of the Company will also be closed from Wednesday, June 25, 2025 to Friday, June 27, 2025, both days inclusive, in order to determine the entitlement of the Shareholders to receive the final dividend, during which period no share transfers will be registered. To qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, June 24, 2025.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2024, the Group had a total of 884 employees (December 31, 2023: 869). For the year ended December 31, 2024, the total costs for the Group's employees amounted to RMB375.2 million (for the year ended December 31, 2023: RMB352.5 million). "Diligence and Capability" is the core value of the Group. The Group attaches great importance to employee competency development, and continuously establishes a comprehensive training management system according to the Company's development needs. Through launching new employee induction training, general skills training for all positions, business training and external learning, the Group continuously deepens employees with professional and management knowledge and skills required for different fields, levels and positions, with an aim to help the employees achieve their career plan and development direction, effectively implement the overall strategic planning of human resources, and build sufficient talent reserves for the Group to achieve long-term high-quality development.

The Group adheres to the principles of fairness, justice and reasonable remuneration and provides its employees with competitive remuneration and benefits. The remuneration package of employees mainly includes basic salary and performance-based bonus. The performance targets of employees are primarily determined according to their positions and departments, and regular performance review will be conducted, and salaries, bonus and promotion appraisals will be determined based on appraisal results.

On August 28, 2024, the Company adopted a share award scheme (the "**Share Award Scheme**") to recognize and reward eligible participants for their contribution to the Group, to attract best available personnel to provide service to the Group, and to provide additional incentives to them to remain with and further promote the success of the Group's business. The Share Award Scheme is funded solely by existing Shares to be purchased by the trustee on the market. The Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules. From the adoption date of the Share Award Scheme to the date of this announcement, no awards have been granted, vested, cancelled or lapsed pursuant to the Share Award Scheme. For details, please refer to the announcement of the Company dated August 28, 2024.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. Save as disclosed in this announcement, the Company has, to the best knowledge of the Board, complied with all applicable code provisions of the CG Code during the Reporting Period.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the period from January 1, 2024 to March 24, 2024, Mr. Gao Tieta (“**Mr. Gao**”) was the Chairman and the Chief Executive Officer. While this constitutes a deviation from code provision C.2.1 of the CG Code, the Board believes that, in view of Mr. Gao’s experience, personal profile and his roles in the Company, Mr. Gao has extensive understanding of the Group’s business as the Chief Executive Officer and is therefore the best suited Director to identify strategic opportunities and the focus of the Board. The combined role of the Chairman and the Chief Executive Officer by the same individual can promote the effective execution of strategic initiatives and facilitate the flow of information between the management of the Company and the Board, which would be beneficial to the business prospect and operational efficiency of the Group. The Board believes that this arrangement will not impact on the balance of power and authorizations between the Board and the senior management of the Company, given that: (i) Mr. Gao and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that each of them acts for the benefit and in the best interests of the Company; (ii) there is sufficient check and balance in the Board, which comprises experienced and high caliber individuals, and decision to be made by the Board requires approval by at least a majority of the Directors; and (iii) the overall strategy and other key business, financial and operational policies of the Group are and will be made collectively after thorough discussion at both the Board and senior management levels.

On March 25, 2024, Mr. Liu Xinwei was appointed as the new Chief Executive Officer, and Mr. Gao ceased to act as the Chief Executive Officer but continued to act as the Chairman, therefore, the role of the Chairman and the Chief Executive Officer has been separated and not performed by the same individual.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. The Company has made specific enquiries of all the Directors and each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

During the Reporting Period, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

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

At the annual general meeting convened by the Company on May 30, 2024 (the "2023 AGM"), Directors were granted a general mandate by the Shareholders to repurchase Shares up to 14,797,036 Shares from the Stock Exchange (the "Repurchase Mandate"), representing 10% of the total number of issued Shares as at the date of the 2023 AGM. During the Reporting Period, the total number of Shares repurchased by the Company on the Stock Exchange pursuant to the Repurchase Mandate were 82,500 Shares, at a total consideration (before deduction of expenses) of HK\$976,492. All repurchased Shares have been cancelled on November 18, 2024. During the Reporting Period, the Company's monthly breakdown of Shares repurchased is set out as below:

Month of repurchase	Number of Shares repurchased	Highest price paid per Share HK\$	Lowest price paid per Share HK\$	Aggregate consideration paid (before deduction of expenses) HK\$
July 2024	82,500	12.94	11.28	976,492
Total	82,500			976,492

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)) during the Reporting Period. The Company did not hold any treasury shares (as defined in the Listing Rules) as of December 31, 2024.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. As of the date of this announcement, the Audit Committee comprises two independent non-executive Directors, namely, Mr. Chan Fan Shing and Mr. Feng Xin, and a non-executive Director, Dr. David Guowei Wang. The chairman of the Audit Committee is Mr. Chan Fan Shing. The primary functions of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group, oversee the audit process, provide advice and comments to the Board, perform other duties and responsibilities as may be assigned by the Board, and review and oversee the risk management of the Company.

The Audit Committee had, together with the management and external auditor of the Company, reviewed the accounting standards and practices adopted by the Group and the annual results of the Group for the year ended December 31, 2024. The Audit Committee considered that the annual results of the Group for the year ended December 31, 2024 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

Scope of Work of the Company's Auditor

The figures in respect of the Group's consolidated statement of profit or loss and consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended December 31, 2024 as set out in this preliminary results announcement have been agreed by the Company's external 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 this preliminary results announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gaush.com), and the annual report of the Company for the year ended December 31, 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2024

		2024	2023
	Notes	RMB'000	RMB'000
REVENUE	4	1,428,397	1,406,238
Cost of sales		<u>(765,008)</u>	<u>(714,638)</u>
Gross profit		663,389	691,600
Other income and gains	4	26,417	45,037
Selling and distribution expenses		(232,894)	(248,829)
Administrative expenses		(145,466)	(129,383)
Research and development expenses		(78,418)	(52,883)
Other expenses		(41,032)	(7,201)
Finance costs		<u>(36,709)</u>	<u>(50,606)</u>
PROFIT BEFORE TAX	5	155,287	247,735
Income tax expense	6	<u>(66,764)</u>	<u>(74,821)</u>
PROFIT FOR THE YEAR		<u>88,523</u>	<u>172,914</u>
Attributable to:			
Owners of the parent		92,394	173,523
Non-controlling interests		<u>(3,871)</u>	<u>(609)</u>
		<u>88,523</u>	<u>172,914</u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE PARENT			
Basic			
For profit for the year (<i>in RMB</i>)	8	<u>0.63</u>	<u>1.17</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>88,523</u>	<u>172,914</u>
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>(36,590)</u>	<u>35,839</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>51,933</u>	<u>208,753</u>
Attributable to:		
Owners of the parent	<u>55,804</u>	<u>209,362</u>
Non-controlling interests	<u>(3,871)</u>	<u>(609)</u>
	<u>51,933</u>	<u>208,753</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2024

		31 December 2024	31 December 2023
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		79,428	80,865
Right-of-use assets		44,584	45,210
Goodwill	9	910,506	961,389
Intangible assets		294,423	269,827
Long-term prepayments and other receivables		38,828	38,581
Deferred tax assets		47,765	57,009
Total non-current assets		1,415,534	1,452,881
CURRENT ASSETS			
Financial assets at fair value through profit or loss	10	97,676	175,602
Inventories		334,419	328,527
Trade receivables	11	166,441	146,543
Contract assets		1,263	2,548
Prepayments, other receivables and other assets		124,498	72,186
Term deposits		—	38,741
Pledged deposits		5,042	7,994
Cash and cash equivalents	12	421,438	618,695
Total current assets		1,150,777	1,390,836
CURRENT LIABILITIES			
Trade payables	13	70,344	90,564
Derivative financial instruments		538	9
Other payables and accruals		128,617	132,847
Tax payable		17,660	5,204
Interest-bearing bank and other borrowings	14	170,633	523,269
Contract liabilities		103,864	125,458
Lease liabilities		20,158	14,316
Total current liabilities		511,814	891,667
NET CURRENT ASSETS		638,963	499,169

		31 December 2024	31 December 2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,054,497	1,952,050
NON-CURRENT LIABILITIES			
Government grant		1,801	—
Interest-bearing bank and other borrowings	14	337,095	95,293
Contract liabilities		29,856	29,974
Deferred tax liabilities		57,149	66,553
Other payables and accruals		16,059	31,764
Lease liabilities		24,350	31,480
Total non-current liabilities		466,310	255,064
Net assets		1,588,187	1,696,986
EQUITY			
Equity attributable to owners of the parent			
Share capital		102	102
Treasury shares		(11,688)	—
Reserves		1,586,725	1,680,365
		1,575,139	1,680,467
Non-controlling interests		13,048	16,519
Total equity		1,588,187	1,696,986

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

1. CORPORATE AND GROUP INFORMATION

The Company is a limited company incorporated in the Cayman Islands on 1 November 2017. The registered office address of the Company is 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 December 2022.

The Company is an investment holding company. During the year, the Group is primarily engaged in the research and development, manufacture and sale of ophthalmic medical devices and consumables, and sale of technical services in the People's Republic of China (the "**PRC**") and other countries or regions.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all IFRS Accounting 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 financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

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

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

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

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

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

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

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.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to IAS 21	<i>Lack of Exchangeability</i> ¹
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards — Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *IFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IAS 7 Statement of Cash Flows*: The amendments replace the term “cost method” with “at cost” in paragraph 37 of IAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) the proprietary products segment develops and produces surgical equipment and related supporting software, intra optical lens, ophthalmic disease diagnosis and treatment equipment and related supporting consumables independently;
- (b) the distribution products segment sells multi-function diagnostic equipment, ocular fundus diagnosis, surgical and treatment equipment and related supporting consumables produced by Heidelberg, Schwind, Geuder, Optos, Quantal, HAAG-SREIT and other world-famous ophthalmic medical equipment manufacturers;
- (c) the technical services segment provides warranty services, maintenance services and consumables used in after-sales services; and
- (d) the “others” segment comprises, principally, the licensing out of certain of intellectual properties, as well as providing services related to CRO.

Year ended 31 December 2024

	Proprietary products <i>RMB'000</i>	Distribution products <i>RMB'000</i>	Technical services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
External sales	375,814	819,321	226,458	6,804	1,428,397
Intersegment sales	149,339	—	—	—	149,339
Total segment revenue	<u>525,153</u>	<u>819,321</u>	<u>226,458</u>	<u>6,804</u>	<u>1,577,736</u>
Elimination of intersegment sales					(149,339)
Segment revenue	375,814	819,321	226,458	6,804	1,428,397
Segment cost	151,697	485,982	125,427	1,902	765,008
Segment gross profit	224,117	333,339	101,031	4,902	663,389

Year ended 31 December 2023

	Proprietary products <i>RMB'000</i>	Distribution products <i>RMB'000</i>	Technical services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
External sales	381,857	808,910	209,234	6,237	1,406,238
Intersegment sales	<u>150,348</u>	<u>—</u>	<u>—</u>	<u>4,191</u>	<u>154,539</u>
Total segment revenue	<u><u>532,205</u></u>	<u><u>808,910</u></u>	<u><u>209,234</u></u>	<u><u>10,428</u></u>	<u><u>1,560,777</u></u>
Elimination of intersegment sales					(154,539)
Segment revenue	381,857	808,910	209,234	6,237	1,406,238
Segment cost	157,281	440,144	115,592	1,621	714,638
Segment gross profit	224,576	368,766	93,642	4,616	691,600

Geographical information

(a) Revenue from external customers

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Greater China	1,115,037	1,122,722
Asia Pacific (excluding Greater China)	62,106	67,599
Germany	173,013	137,800
Europe (excluding Germany)	41,596	41,343
Americas (including Canada)	15,173	11,574
Oceania	16,953	17,636
Others	<u>4,519</u>	<u>7,564</u>
Total revenue	<u><u>1,428,397</u></u>	<u><u>1,406,238</u></u>

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

(b) Non-current assets

	2024 RMB'000	2023 <i>RMB'000</i>
Greater China	178,699	119,572
Germany	12,694	22,882
Netherlands	1,174,591	1,243,404
	<hr/>	<hr/>
Total non-current assets	<u>1,365,984</u>	<u>1,385,858</u>

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

Information about major customers

None of the Group's sales to a single customer amounted to 10.00% or more of the Group's revenue during the year (2023: Nil).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

Segments

	2024 RMB'000	2023 RMB'000
Types of goods or services		
Sale of ophthalmic medical devices	664,878	680,271
Sale of ophthalmic medical consumables	530,257	510,496
Technical services*	226,458	209,234
Others	6,804	6,237
Total	<u>1,428,397</u>	<u>1,406,238</u>
Geographical markets**		
Greater China	1,115,693	1,119,684
Germany	168,206	126,700
Netherlands	144,415	159,854
Others	83	—
Total	<u>1,428,397</u>	<u>1,406,238</u>
Timing of revenue recognition		
Goods transferred at a point in time	1,199,720	1,195,358
Services transferred over time	228,677	210,880
Total	<u>1,428,397</u>	<u>1,406,238</u>

* Technical services include repair and maintenance services, which are either sold separately or bundled together with the sales of ophthalmic medical devices to customers.

** Allocated by the geographical location of entities generating revenue.

The following table shows the amount of revenue recognised in the current reporting year that was included in the contract liabilities at the beginning of the reporting year:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting year	<u>123,724</u>	<u>131,044</u>

(b) Performance obligations

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

Sale of ophthalmic medical devices

The performance obligation is satisfied after the inspection of medical devices installation by customers.

For public hospitals and certain customers with long relationship, the payment is generally due within 90 days after the inspection. For other clients, the payment in advance is normally required.

Sale of ophthalmic medical consumables

The performance obligation is satisfied after the delivery and acceptance of the medical consumables by customers. For public hospitals and certain customers with long relationship with the Group, the payment is generally due within 30 days after the acceptance. For other clients, payment in advance is normally required. For the consignment of medical consumables, the performance obligation is satisfied only when the consignees sell the medical consumables to the end customers and signed settlement statement is received. The payment is generally due within 30 to 60 days after the invoice date.

Technical services

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at year end do not include variable consideration which is constrained and are expected to be recognised as revenue within one year, or if the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has a right to invoice.

Other income and gains

	2024 RMB'000	2023 RMB'000
Other income		
Bank interest income	3,175	6,579
Government grants	19,404	18,650
Others	114	82
	<hr/>	<hr/>
Total other income	22,693	25,311
	<hr/>	<hr/>
Gains		
Foreign exchange gains	—	15,561
Fair value gains on financial assets at fair value through profit or loss	701	3,444
Fair value gains on derivative financial instruments	—	63
Gain on disposal of property, plant and equipment	—	146
Gain on disposal of financial assets at fair value through profit or loss	3,023	512
	<hr/>	<hr/>
Total gains	3,724	19,726
	<hr/>	<hr/>
Total other income and gains	26,417	45,037
	<hr/>	<hr/>

5. PROFIT BEFORE TAX

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

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
Cost of inventories sold		637,679	597,425
Cost of services provided		127,329	117,213
Cost of sales		765,008	714,638
Depreciation of property, plant and equipment*		18,673	16,667
Depreciation of right-of-use assets*		23,503	21,932
Amortisation of intangible assets*		39,767	37,368
Lease payments not included in the measurement of lease liabilities		967	902
Auditor's remuneration		6,730	7,111
Employee benefit expense (including directors' and chief executive's remuneration)**:			
Wages and salaries and pension scheme contributions		375,213	352,491
Impairment of goodwill		23,257	—
Foreign exchange losses/(gains), net		5,713	(15,561)
Impairment reversal recognised on trade receivables, net	11	(550)	(1,233)
Impairment reversal recognised on contract assets, net		(13)	(7)
Impairment loss/(reversal) recognised on other receivables, net		339	(212)
Write-down of inventories to net realisable value		9,425	6,999
Fair value losses/(gains), net:			
Derivative financial instruments		479	(63)
Financial assets at fair value through profit or loss	4	(701)	(3,444)
Bank interest income	4	(3,175)	(6,579)
Investment income from financial assets at fair value through profit or loss	4	(3,023)	(512)

* Depreciation and amortisation are included in “Cost of sales”, “Selling and distribution expenses”, “Research and development expenses” and “Administrative expenses” in the consolidated statement of profit or loss.

** Employee benefit expense is included in “Cost of sales”, “Selling and distribution expenses”, “Research and development expenses” and “Administrative expenses” in the consolidated statement of profit or loss.

6. INCOME TAX

Income tax for the Cayman Islands and the British Virgin Islands

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands. In addition, upon payments of dividends by the Company and the subsidiaries incorporated in the British Virgin Islands to their shareholders, no withholding tax is imposed.

Hong Kong profits tax

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%.

Corporate income tax for Mainland China

Under the Law of the PRC on Corporate Income Tax (the “**CIT Law**”) and the Implementation Regulation of the CIT Law, the CIT rate for PRC subsidiaries is 25% except for those subsidiaries are subject to tax exemption as set out below.

The Group’s subsidiary, Wenzhou Gaush Raymond Photoelectric Technology Co., Ltd., was accredited as a “High and New Technology Enterprise” in 2020 for a term of three years, and the certificate has been reissued in December 2023 for a term of three years, therefore the subsidiary was entitled to a preferential CIT rate of 15% for the years ended 31 December 2023 and 2024.

For certain small low-profit PRC subsidiaries of the Group, the portion of the annual taxable income not exceeding RMB3,000,000 shall be computed at a reduced rate of 25% as the taxable income amount, and be subject to CIT rate at 20%, which results in an effective tax burden of 5%.

Income tax for other jurisdictions

The Group's tax provision in respect of other jurisdictions has been calculated at the applicable tax rates in accordance with the prevailing practices of the jurisdictions in which the Group operates.

Subsidiaries established in Germany were subject to corporate income tax at the rate of 15.825%. Furthermore, subsidiaries established in Germany were also subject to trade tax at trade tax rates of 14.35% and 15.75%, depending on the location of the respective subsidiaries.

Subsidiaries established in the Netherlands were subject to corporate income tax at the rate of 19% for taxable income of EUR200,000 or less and at the rate of 25.8% for the portion exceeding EUR200,000. The management of the Group expects that Teleon Holding B.V., a subsidiary of the Company, together with its Dutch subsidiaries should qualify for the innovation box. A reduced rate of 9% applies to activities covered by the innovation box. The innovation box provides tax relief to encourage innovative research. Qualifying profits earned from qualifying innovative activities are taxed at this special rate.

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current — Hong Kong	6,343	17,845
Current — Mainland China	40,062	46,379
Current — other jurisdictions	20,425	19,032
Deferred	(66)	(8,435)
	<hr/>	<hr/>
Total tax charge for the year	<u>66,764</u>	<u>74,821</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, are as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Profit before tax	<u>155,287</u>	<u>247,735</u>
Tax at the statutory tax rate	35,630	57,341
Lower tax rates for specific jurisdictions or enacted by local authority	(3,426)	(7,694)
Tax losses utilised from previous periods	(1,190)	(2,732)
Expenses not deductible for tax	11,276	7,847
Super deduction for research and development expenses	(11,096)	(4,930)
Unrecognised temporary differences and tax losses	47,749	23,439
Income not subject to tax	(1,660)	(1,331)
Adjustments in respect of current tax of previous period	(5,777)	947
Other items	<u>(4,742)</u>	<u>1,934</u>
Tax charge at the Group's effective rate	<u>66,764</u>	<u>74,821</u>

7. DIVIDENDS

	2024 HKD'000	2023 <i>HKD'000</i>
Proposed final dividend of HKD0.30 (2023: HKD1.10) per ordinary share	<u>44,366</u>	<u>162,767</u>

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

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 147,818,994 (2023: 147,969,591) outstanding during the year, as adjusted to reflect the rights issue during the year.

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

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2024.

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

	2024 RMB'000	2023 <i>RMB'000</i>
Earnings:		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u>92,394</u>	<u>173,523</u>
	Number of shares	
	2024	2023
Shares:		
Weighted average number of ordinary shares outstanding during the year, used in the basic earnings per share calculation*	147,818,994	147,969,591
Effect of dilution — weighted average number of ordinary shares: Over-allotment option*	<u>—</u>	<u>59,075</u>
Total	<u>147,818,994</u>	<u>148,028,666</u>

- * The Company grants the over-allotment option to the international underwriters, exercisable by the overall coordinators and the joint global coordinators at any time up to 30 days after the last date for the lodging of applications under the Hong Kong public offering, pursuant to which the Company may be required to allot and issue up to an aggregate of 1,960,200 additional shares representing no more than 15.0% of the initial offer shares, at the same price per offer share under the international offering. On 9 January 2023, the Company issued 35,500 ordinary shares of HKD51.40 per share due to the exercise of the over-allotment option. The Company was listed on the Main Board of the Stock Exchange on 12 December 2022, and the over-allotment option expired on 11 January 2023. The over-allotment option had dilution effect.

9. GOODWILL

	<i>RMB'000</i>
At 1 January 2023:	
Cost	906,869
Accumulated impairment	—
	<hr/>
Net carrying amount	<u>906,869</u>
Cost at 1 January 2023, net of accumulated impairment	906,869
Acquisition of a subsidiary	2,530
Exchange realignment	51,990
	<hr/>
Cost and net carrying amount at 31 December 2023	<u>961,389</u>
At 1 January 2024 and 31 December 2023:	
Cost	961,389
Accumulated impairment	—
	<hr/>
Net carrying amount	<u>961,389</u>
Cost at 1 January 2024, net of accumulated impairment	961,389
Acquisition of a subsidiary*	12,471
Impairment during the year (<i>note 5</i>)	(23,257)
Exchange realignment	(40,097)
	<hr/>
Cost and net carrying amount at 31 December 2024	<u>910,506</u>
At 31 December 2024:	
Cost	933,763
Accumulated impairment	(23,257)
	<hr/>
Net carrying amount	<u>910,506</u>

* On 1 October 2024, the Group acquired a 100% equity interest in Rigeo B.V..

The carrying amounts of goodwill allocated to each of the cash-generating units are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Gaush Medica Ltd.	—	16,190
Gaush Consumables Ltd.	5,320	5,320
Gaush Precision Ltd.	2,361	2,361
Roland Consult Stasche & Finger GmbH and Gaush Europe GmbH	—	7,206
Teleon Holding B.V.	890,834	930,312
Rigeo B.V.	11,991	—
	<hr/>	<hr/>
Total	<u>910,506</u>	<u>961,389</u>

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Subscription for investment in private funds*	97,554	175,530
Foreign exchange forward transaction	122	72
	<hr/>	<hr/>
Total	<u>97,676</u>	<u>175,602</u>

- * The Group subscribed for relevant participating shares attributable to segregated portfolios. The subscribed private funds totalled RMB97,554,000, equivalent to approximately USD13,000,000 (2023: RMB175,530,000, equivalent to approximately USD24,300,000) with expected rate of return ranging from 2.5% to 4.5% per annum. The segregated portfolios seek to achieve the investment objective by investing in cash or cash equivalents, U.S. national debt and other money market instruments. The subscriptions of the above funds were approved by the board of directors 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.

11. TRADE RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	170,857	151,725
Impairment	(4,416)	(5,182)
Net carrying amount	<u>166,441</u>	<u>146,543</u>

The Group's trading terms with its customers are mainly on payment in advance, except for some transactions which are traded on credit. The credit period is generally one or three months. 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.

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 RMB'000	2023 RMB'000
Within 1 year	146,814	122,437
1 to 2 years	16,747	19,332
2 to 3 years	2,250	3,916
3 to 4 years	581	726
4 to 5 years	49	132
Over 5 years	—	—
Total	<u>166,441</u>	<u>146,543</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
At beginning of year	5,182	5,299
Impairment reversal, net	(550)	(1,233)
Exchange realignment	(72)	97
Amount written off as uncollectible	(144)	(994)
Recovery of bad debts previously written off	—	2,013
	<hr/>	<hr/>
At end of year	<u>4,416</u>	<u>5,182</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables.

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 by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available as at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

	Gross carrying amount <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>
Individual evaluation of expected losses	1,535	539
Assessment of expected credit losses by credit risk portfolio	169,322	3,877
	<hr/>	<hr/>
At end of year	<u>170,857</u>	<u>4,416</u>

	Expected credit loss rate	Gross carrying amount <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>
Within 1 year	1.26%	147,680	1,860
1 to 2 years	5.60%	17,738	993
2 to 3 years	11.03%	2,529	279
3 to 4 years	37.19%	925	344
4 to 5 years	67.76%	152	103
Over 5 years	100.00%	298	298
Total	2.29%	<u>169,322</u>	<u>3,877</u>

As at 31 December 2023

	Gross carrying amount <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>
Individual evaluation of expected losses	3,350	1,432
Assessment of expected credit losses by credit risk portfolio	<u>148,375</u>	<u>3,750</u>
At end of year	<u>151,725</u>	<u>5,182</u>

	Expected credit loss rate	Gross carrying amount <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>
Within 1 year	1.09%	122,173	1,336
1 to 2 years	3.44%	19,691	677
2 to 3 years	13.29%	4,516	600
3 to 4 years	32.72%	1,079	353
4 to 5 years	53.85%	286	154
Over 5 years	100.00%	630	630
Total	2.53%	<u>148,375</u>	<u>3,750</u>

12. CASH AND CASH EQUIVALENTS

	2024 RMB'000	2023 <i>RMB'000</i>
Cash and bank balances	<u>421,438</u>	<u>618,695</u>

The Group's cash and cash equivalents were denominated in the following currencies:

	2024 '000	2023 <i>'000</i>
RMB	241,333	383,465
USD	8,270	2,093
EUR	15,981	27,865
HKD	<u>4,997</u>	<u>1,562</u>

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 and cash equivalents earn interest at floating rates based on daily bank deposit rates or the specific rates in the agreement deposit contracts with bank. The bank balances are deposited with creditworthy banks with no recent history of default.

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the reporting period, based on the invoice date, is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Within 1 year	68,219	84,359
Over 1 year	<u>2,125</u>	<u>6,205</u>
Total	<u>70,344</u>	<u>90,564</u>

Trade payables are non-interest-bearing and are normally settled on 3-month terms.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2024		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans — secured*	3.90–5.16 Euribor+1	2025	79,384
Vendor loan — secured**	7.00	2025	91,249
Total-current			<u>170,633</u>
Non-current			
Bank loans — secured*	2025: Euribor+1 2026–2027: Euribor+0.7	2027	337,095
Total — non-current			<u>337,095</u>
Total			<u>507,728</u>

	31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans — secured	5.10–5.32	2024	8,461
Vendor loan — secured**	7.00	2024	95,293
Senior facility loan — secured	5.44–7.12	2024	419,515
Total-current			<u>523,269</u>
Non-current			
Vendor loan — secured**	7.00	2025	95,293
Total-non-current			<u>95,293</u>
Total			<u>618,562</u>

- * In anticipation of the due date of the outstanding senior facility loan, Gaush Coöperatief U.A., the Group's subsidiary, as the borrower, entered into a facility agreement with China Minsheng Banking Corp. Ltd Shanghai Pilot Free Trade Zone Branch (中國民生銀行股份有限公司上海自貿試驗區分行) ("**Minsheng Bank**"), as the lender, pursuant to which Gaush Coöperatief U.A. was granted by the lender a facility of EUR52.5 million to repay the senior facility loan on 2 February 2024. The replacement loan amounting to RMB389,649,000 (equivalent to EUR51,450,000) as at 31 December 2024 was guaranteed by Gaush Meditech Ltd and pledged by 100% of shares of Gaush Coöperatief U.A., 100% of shares of Teleon Holding B.V., and the Company's debt service reserve account ("**DSRA**") balance in Minsheng Bank amounting to RMB5,042,000 (equivalent to EUR670,015). The maturity date of the replacement facility loan is 22 December 2027.
- ** For the purpose of the acquisition of Teleon Holding B.V. and its subsidiaries, the original shareholder of Teleon Holding B.V. granted to a subsidiary of the Company, Gaush Coöperatief U.A., a five-year vendor loan amounting to EUR24,250,000 with an annual interest rate of 7% (the "**Vendor Loan**") on 23 December 2020. The amount of RMB91,249,000 (equivalent to EUR12,125,000) will be paid within next year and classified as current portion of other borrowings. The Vendor Loan was guaranteed by Gaush Meditech Ltd, and pledged by 100% shares of Gaush Medical Limited and 100% shares of GMC Medstar Limited, although it was agreed that such pledges shall be subordinated to the security granted in favour of the mezzanine facility loan which has been repaid.

DEFINITIONS AND GLOSSARIES

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“AGM”	the annual general meeting of the Company
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“cataract”	a dense, cloudy area that forms in the lens of the eye which begins when proteins in the eye form clumps that prevent the lens from sending clear images to the retina
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board
“Chief Executive Officer”	the chief executive officer of the Company
“China”, “PRC” or “Mainland China”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires otherwise, references herein to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan
“Company”	Gaush Meditech Ltd 高视医疗科技有限公司, an exempted company incorporated under the laws of the Cayman Islands with limited liability on November 1, 2017, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Distribution Products”	products of the brand partners which the Group distributes
“EUR” or “Euro”	the lawful currency of the European Union
“electrophysiological equipment”	electrophysiological equipment uses an objective and non-invasive diagnostic technique, which can evaluate visual disorder by measuring electrical signals produced by the visual system

“Gaush Clear”	Gaush Clear Ltd* (蘇州高視高清醫療技術有限公司), a company with limited liability incorporated under the laws of the PRC on February 24, 2021 and an indirect subsidiary of the Company which holds 80.00% equity interest
“Gaush Neotech”	Gaush Neotech Ltd* (高視創新科技有限公司), a company with limited liability incorporated under the laws of the PRC on February 15, 2023 and an indirect wholly-owned subsidiary of the Company
“Gaush Netherlands”	Gaush Coöperatief U.A., a cooperative (coöperatie) company duly incorporated under the laws of the Netherlands on October 29, 2020 and an indirect wholly-owned subsidiary of the Company
“Gaush Tech”	Gaush Tech Ltd* (深圳高視科技有限公司), a company with limited liability incorporated under the laws of the PRC on January 6, 2022 and an indirect wholly-owned subsidiary of the Company
“Gaush Teleon”	Gaush Teleon Ltd* (高視泰靚醫療科技有限公司), a company with limited liability incorporated under the laws of the PRC on June 22, 2021 and an indirect wholly-owned subsidiary of the Company
“Geuder”	Geuder AG, a company established in Germany
“glaucoma”	a group of eye diseases that are usually characterized by progressive structural and functional changes of the optic nerve, which is caused by fluid building up in the front part of the eye
“Global Offering”	the Hong Kong Public Offering and the International Offering (both as defined in the Prospectus)
“Greater China”	for the purposes of this announcement and for geographical reference only, the Chinese Mainland, Hong Kong, Macau and Taiwan

“Group”	the Company and all of its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“intraocular lens”	an artificial replacement for the lens of human eye removed during cataract surgery
“KOL”	key opinion leaders, being physicians with influence on their peers’ medical practice for the purpose of this announcement
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on December 12, 2022
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NMPA”	the National Medical Products Administration of the People’s Republic of China
“OK-Lens”	orthokeratology lenses, also known as orthokeratology, is a non-surgical method to eliminate the refractive error of the eye and improve the naked vision by changing the geometry of the cornea within the pressure of the eyelids during sleep which is placed on the upper surface of the cornea when wearing
“Proprietary Products”	products that the Group develops and manufactures

“Prospectus”	the prospectus of the Company dated November 30, 2022
“refractive error”	eye disorder caused by irregularity in the shape of the eye, which makes it difficult for the eyes to focus images clearly
“R&D”	research and development
“Reporting Period”	the period from January 1, 2024 to December 31, 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Roland”	Roland Consult Stasche & Finger GmbH, a company with limited liability (Gesellschaft mit beschränkter Haftung) duly incorporated under the laws of Germany and founded on November 29, 1995 and an indirect subsidiary of the Company which holds 80.00% equity interest
“SBM”	SBM Sistemi S.r.l., a company established in Italy
“Senior Facility Loan”	the secured loan granted by Credit Suisse and other lenders to Gaush Netherlands pursuant to a senior facility agreement of EUR75 million dated December 30, 2020, which was subsequently refinanced by the facility granted by the lender to Gaush Netherlands under the facility agreement in February 2024
“Share(s)”	ordinary shares in the share capital of the Company with a par value of US\$0.0001 each
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under section 15 of the Companies Ordinance of Hong Kong
“Teleon”	collectively, Teleon Holding B.V., Teleon Surgical B.V., Teleon IP B.V., Teleon Surgical Vertriebs GmbH and Teleon Surgical GmbH
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

“US dollars”, “USD” or “US\$”	United States dollars, the lawful currency of the United States
“Vendor Loan”	the secured loan granted by Stichting Administratiekantoor OPM to Gaush Netherlands pursuant to a facility agreement of EUR24.25 million dated December 23, 2020 to partially finance the acquisition of Teleon and which shall mature in 2025
“vitreoretinal diseases”	diseases that develop from the back surface of the eye and the vitreous fluid around it, with the most representative vitreoretinal diseases being wet age-related macular degeneration (wAMD), diabetic macular edema (DME), retinal vein occlusion (RVO) and myopic choroidal neovascularization (mCNV)
“%”	per cent

By order of the Board
Gaush Meditech Ltd
Mr. Gao Tieta
Chairman and Executive Director

Hong Kong, March 26, 2025

As of the date of this announcement, the Board comprises Mr. Gao Tieta as Chairman and executive Director, Mr. Liu Xinwei, Mr. Zhao Xinli, Mr. Zhang Jianjun and Ms. Li Wenqi as executive Directors, Dr. David Guowei Wang as non-executive Director, and Mr. Feng Xin, Mr. Wang Li-Shin and Mr. Chan Fan Shing as independent non-executive Directors.

* *For identification purposes only*