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## C-MER Medical Holdings Limited

### 希瑪醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3309)

## ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	For the year ended		Change (%)
		2025 HK\$'000	2024 HK\$'000	
Revenue		<b>1,946,712</b>	1,913,162	1.8%
Gross profit		<b>603,670</b>	527,619	14.4%
Profit/(loss) for the year		<b>111,174</b>	(108,314)	N/A
Profit/(loss) for the year attributable to equity holders of the Company		<b>100,366</b>	(135,163)	N/A
<b>Non-HKFRS Measures:</b>				
Adjusted gross profit for the year	1	<b>616,644</b>	596,901	3.3%
Adjusted profit for the year	2	<b>152,242</b>	107,869	41.1%
Adjusted profit for the year attributable to equity holders of the Company	3	<b>137,858</b>	75,964	81.5%
<i>Note:</i>				
1	We define “adjusted gross profit for the year” as gross profit for the year adjusted by (1) the impairment loss on non-current assets and (2) gross loss from the Mainland China other business segment.			
2	We define “adjusted profit for the year” as profit for the year adjusted by (1) the impairment loss on non-current assets and (2) loss from the Mainland China other business segment.			
3	We define “adjusted profit for the year attributable to equity holders of the Company” as profit for the year attributable to equity holders of the Company adjusted by (1) the impairment loss on non-current assets attributable to equity holders of the Company; and (2) the loss attributable to equity holders of the Company from the Mainland China other business segment.			

The board (the “**Board**”) of directors (the “**Directors**”) of C-MER Medical Holdings Limited (the “**Company**”) announces the annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2025 HK\$'000	2024 HK\$'000
Revenue	3	1,946,712	1,913,162
Cost of revenue			
– Cost of revenue before impairment loss on non-current assets	6	(1,343,042)	(1,316,261)
– Impairment loss on non-current assets	6	–	(69,282)
Gross profit		603,670	527,619
Other income	4	10,357	8,866
Selling expenses	6	(140,989)	(133,390)
Administrative expenses	6	(330,393)	(342,585)
Impairment loss on non-current assets	6	(647)	(128,442)
Other gains, net	5	25,473	1,771
<b>Operating profit/(loss)</b>		<b>167,471</b>	<b>(66,161)</b>
Finance income		12,974	14,574
Finance costs		(24,344)	(23,659)
Finance costs, net	7	(11,370)	(9,085)
Share of losses of associates and joint venture		(581)	(975)
<b>Profit/(loss) before income tax</b>		<b>155,520</b>	<b>(76,221)</b>
Income tax expense	8	(44,346)	(32,093)
<b>Profit/(loss) for the year</b>		<b>111,174</b>	<b>(108,314)</b>
<b>Profit/(loss) for the year attributable to:</b>			
– Equity holders of the Company		100,366	(135,163)
– Non-controlling interests		10,808	26,849
		<b>111,174</b>	<b>(108,314)</b>

		<b>Year ended 31 December</b>	
	<i>Note</i>	<b>2025</b>	2024
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Other comprehensive income/(loss)</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Change in fair value of financial assets at fair value through other comprehensive income		<b>(49,181)</b>	135,386
Currency translation differences		<b>4,029</b>	(6,975)
<i>Item that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		<b>47,737</b>	(33,507)
<b>Other comprehensive income for the year</b>		<b>2,585</b>	94,904
<b>Total comprehensive income/(loss) for the year</b>		<b>113,759</b>	(13,410)
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
– Equity holders of the Company		<b>99,252</b>	(33,284)
– Non-controlling interests		<b>14,507</b>	19,874
		<b>113,759</b>	(13,410)
<b>Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company during the year (expressed in HK cents per share)</b>			
–Basic	9	<b>8.33</b>	(10.96)
–Diluted	9	<b>8.33</b>	(10.96)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	<b>As at 31 December</b>	
		<b>2025</b>	2024
		<i>HK\$'000</i>	<i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		428,903	381,615
Investment properties		127,811	109,177
Right-of-use assets		565,918	567,582
Intangible assets		760,852	699,904
Interests in associates		5,855	14,152
Interest in a joint venture		–	49,428
Financial assets at fair value through other comprehensive income		134,857	183,708
Deferred income tax assets		2,867	4,714
Deposits, prepayments and other receivables		34,173	69,397
		2,061,236	2,079,677
		2,061,236	2,079,677
<b>Current assets</b>			
Inventories		51,074	47,245
Trade receivables	11	65,688	57,763
Deposits, prepayments and other receivables		86,499	60,763
Amounts due from associates		1,248	5,221
Amounts due from non-controlling interests		400	–
Financial asset at fair value through profit or loss		11,000	15,192
Current income tax assets		517	2,232
Short-term bank deposits		107,093	28,976
Cash and cash equivalents		347,871	423,083
		671,390	640,475
		671,390	640,475
<b>Total assets</b>		<b>2,732,626</b>	<b>2,720,152</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		123,234	125,556
Reserves		1,651,716	1,627,121
		1,774,950	1,752,677
Non-controlling interests		161,669	137,234
		1,936,619	1,889,911
		1,936,619	1,889,911

		<b>As at 31 December</b>	
	<i>Note</i>	<b>2025</b>	2024
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other payables		5,278	57,376
Loans from non-controlling interests		–	12,424
Lease liabilities		255,550	286,266
Deferred income tax liabilities		66,785	64,153
		<u>327,613</u>	<u>420,219</u>
<b>Current liabilities</b>			
Trade payables	12	50,359	55,810
Accruals and other payables		151,098	138,920
Contract liabilities		64,062	57,537
Borrowings		44,354	29,162
Amounts due to non-controlling interests		9,365	4,440
Amount due to an associate		77	–
Amount due to a related party		926	7,701
Loans from non-controlling interests		7,437	7,498
Current income tax liabilities		21,277	6,513
Lease liabilities		119,439	102,441
		<u>468,394</u>	<u>410,022</u>
<b>Total liabilities</b>		<u><b>796,007</b></u>	<u><b>830,241</b></u>
<b>Total equity and liabilities</b>		<u><b>2,732,626</b></u>	<u><b>2,720,152</b></u>

## NOTES

### 1 GENERAL INFORMATION

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

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

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

### 2 BASIS OF PREPARATION

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

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

#### (a) Amended standards adopted by the Group

The Group has applied the following amended standards for the first time for its annual reporting period commencing 1 January 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The amended standards listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

The following new and amended standards and interpretation have been issued but are not effective for the financial year beginning on 1 January 2025 and have not been early adopted:

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

The directors have performed assessment on the new standards, and amendments, and has concluded on a preliminary basis that these new standards and amendments would not have a significant impact on the Group's consolidated financial statements when they become effective, except for HKFRS 18 which will impact the presentation of profit and loss.

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the consolidated financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
  - o Foreign exchange differences currently aggregated in the line item 'Other gains, net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

- The line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the consolidated statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the consolidated statement of financial position.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - o management-defined performance measures;
  - o a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated statement of comprehensive income – this break-down is only required for certain nature expenses; and
  - o for the first annual period of application of HKFRS 18, a reconciliation for each line item in the consolidated statement of comprehensive income between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

### 3 REVENUE AND SEGMENT INFORMATION

#### (a) Revenue

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Provision of ophthalmic services	1,245,189	1,211,349
Provision of dental services	506,614	507,292
Provision of other medical services	48,342	38,124
Sales of vision aid products	146,567	156,397
	1,946,712	1,913,162
	1,946,712	1,913,162

**(b) Liabilities related to contract with customers**

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

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Contract liabilities – advanced payments received from clients	64,062	57,537

Revenue recognised during the year ended 31 December 2025 that was included in the contract liabilities balance at the beginning of the year amounted to approximately HK\$57,537,000 (2024: HK\$54,189,000).

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

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue recognised at a point in time	1,527,439	1,550,826
Revenue recognised over time	419,273	362,336
	<b>1,946,712</b>	<b>1,913,162</b>

**(b) Segment information**

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

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

The chief operating decision-maker assesses the performance of the Group by reviewing the results of four reportable segments, namely HK medical business, Mainland China ophthalmic business, Mainland China dental business and Mainland China other business as follows:

- (i) HK medical business – provision of ophthalmic, dental, oncology, medical aesthetics and other services and sales of vision aid products in Hong Kong
- (ii) Mainland China ophthalmic business – provision of ophthalmic services and sales of vision aid products in our ophthalmic hospitals and ophthalmic clinics in Mainland China
- (iii) Mainland China dental business – provision of dental services in our dental hospital and dental clinics in Mainland China
- (iv) Mainland China other business – provision of medical research and other medical services in Mainland China including our C+ Health (Shenzhen) Hospital in Luohu, Shenzhen

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

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

The segment results for the year ended 31 December 2025 are as follows:

	Year ended 31 December 2025				Total HK\$'000
	HK medical business HK\$'000	Mainland China ophthalmic business HK\$'000	Mainland China dental business HK\$'000	Mainland China other business HK\$'000	
Segment revenue	948,730	520,327	459,829	17,826	1,946,712
Gross profit/(loss)	270,683	200,315	145,646	(12,974)	603,670
Selling expenses	(33,125)	(70,106)	(34,417)	(3,341)	(140,989)
Administrative expenses	(135,153)	(131,381)	(43,696)	(20,163)	(330,393)
Impairment loss on non-current assets	(647)	-	-	-	(647)
Share of losses of associates and joint venture	(581)	-	-	-	(581)
Segment results	101,177	(1,172)	67,533	(36,478)	131,060
Other income					10,357
Other gains, net					25,473
Finance income					12,974
Finance costs					(24,344)
Profit before income tax					155,520
Income tax expense					(44,346)
Profit for the year					<u>111,174</u>
<b>Other segment information</b>					
Impairment loss on goodwill	(647)	-	-	-	(647)
Additions to non-current assets	63,010	36,611	116,081	58,284	273,986
Depreciation and amortisation	(65,811)	(58,577)	(52,637)	(21,738)	(198,763)
Gains on early termination of lease	278	14,423	1	-	14,702
Gains on disposal of property, plant and equipment, net	39	2,338	-	-	2,377

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

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

As at 31 December 2025, the total non-financial non-current assets including property, plant and equipment, investment properties, right-of-use assets and intangible assets located in Hong Kong and Mainland China are approximately HK\$256,705,000 and HK\$1,626,779,000 respectively (2024: HK\$269,470,000 and HK\$1,488,808,000).

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

There was no single external client which contributed more than 10% to the Group's revenue for the year ended 31 December 2025 (2024: same).

#### 4 OTHER INCOME

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Management fee income	961	581
Rental income	3,313	781
Government grants ( <i>Note (i)</i> )	2,745	2,807
Insurance income	–	780
Others	3,338	3,917
	<u>10,357</u>	<u>8,866</u>

*Note:*

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

#### 5 OTHER GAINS, NET

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Gains on fair value change of contingent consideration, net	1,191	226
Gains/(losses) on disposal of property, plant and equipment, net	2,377	(1,459)
Gain on disposal of intangible asset	–	30
Gain on disposal of joint venture	7,552	–
Gains on early termination of leases	14,702	2,360
Gains on fair value change of financial asset at FVPL	3,449	3,444
Gain on disposal of financial asset at FVPL	653	–
Losses on write-off of property, plant and equipment	(1,801)	(2,259)
Losses on write-off of intangible asset	(717)	–
Losses on write-off of trade receivables	(663)	(118)
Exchange losses, net	(1,892)	(453)
Others	622	–
	<u>25,473</u>	<u>1,771</u>

## 6 EXPENSES BY NATURE

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Amortisation of intangible assets	1,142	1,438
Auditor's remuneration		
– Audit services	2,100	2,000
– Non-audit services	126	157
Depreciation of property, plant and equipment	60,046	71,285
Depreciation of investment properties	2,726	843
Depreciation of right-of-use assets	134,849	140,057
Doctors' consultation fees	426,434	405,834
Cost of inventories and consumables sold	338,412	344,204
Employee benefit expenses	572,535	570,917
Short-term lease expenses	3,726	10,430
Legal and professional fees	13,527	5,239
Share-based payment expenses to doctors and consultants	1,235	286
Promotion expenses	138,377	131,022
Bank service charges	15,112	15,279
Repair and maintenance fees	13,906	12,907
Office supplies	3,261	3,649
Rates and management fees	19,706	19,232
Impairment loss on other intangible assets	–	1,931
Impairment loss on goodwill	647	77,940
Impairment loss on property, plant and equipment	–	60,288
Impairment loss on right-of-use assets	–	57,565
Others	67,204	57,457
	<u>1,815,071</u>	<u>1,989,960</u>
Total cost of revenue, selling expenses, administrative expenses and impairment loss on non-current assets		

## 7 FINANCE COSTS, NET

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
<b>Finance income</b>		
Bank interest income	12,974	13,866
Interest income on loan to a non-controlling interest	–	708
	<u>12,974</u>	<u>14,574</u>
<b>Finance costs</b>		
Interest expense on lease liabilities	(17,184)	(19,524)
Interest expense on loan from non-controlling interests	(58)	(262)
Interest expense on bank borrowings	(2,840)	(814)
Interest expense on consideration payable for investment in a joint venture	(1,042)	(981)
Imputed interest expense on consideration payable for investment in a joint venture	(2,207)	(2,078)
Imputed interest expense on loans from non-controlling interests	(1,013)	–
	<u>(24,344)</u>	<u>(23,659)</u>
<b>Finance costs, net</b>	<u>(11,370)</u>	<u>(9,085)</u>

## 8 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year ended 31 December 2025.

The applicable tax rate for the subsidiaries in Mainland China of the Group was 25% (2024: 25%) for the year ended 31 December 2025.

Under the Corporate Income Tax Law, withholding income tax of 5% (2024: 5%) shall be levied on the dividends remitted by the companies established in the Mainland China to their foreign investors incorporated in Hong Kong. All dividends coming from the profits generated by the Mainland China companies shall be subject to this withholding income tax.

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

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	19,788	14,153
– China enterprise income tax	19,500	16,145
Under/(over)-provision in prior years	3,457	(458)
Deferred income tax	1,601	2,253
	<u>44,346</u>	<u>32,093</u>
Income tax expense	<u>44,346</u>	<u>32,093</u>

## 9 EARNINGS/(LOSS) PER SHARE

### (a) Basic

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

	Year ended 31 December	
	2025	2024
Profit/(loss) attributable to equity holders of the Company during the year (HK\$'000)	<u>100,366</u>	<u>(135,163)</u>
Weighted average number of ordinary shares in issue	<u>1,205,528,530</u>	<u>1,233,342,961</u>
Basic earnings/(loss) per share (HK cents)	<u>8.33</u>	<u>(10.96)</u>

### (b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2025, 133,334 post-IPO share options (2024: 200,000 post-IPO share options) outstanding are not included in the calculation of diluted earnings/(loss) per share because they are antidilutive for the year ended 31 December 2025 (2024: same).

## 10 DIVIDENDS

On 21 March 2025, the directors recommended the payment of a final dividend in respect of the year ended 31 December 2024 of HK2.0 cents per ordinary share. On 19 May 2025, the final dividend was declared and approved at the annual general meeting. Such dividend totalling HK\$24,069,198 was paid subsequently on 15 July 2025.

The Directors of the Company recommended the payment of a final dividend of HK2.0 cents per ordinary share for the year ended 31 December 2025 (2024: HK2.0 cents) and a special dividend of HK1.0 cent (2024; nil) per ordinary share. The proposed final dividend and special dividend are subject to the approval of the Company's shareholders at the annual general meeting to be held on 20 May 2026.

## 11 TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Trade receivables	<b>65,688</b>	57,763

The carrying amounts of trade receivables approximate their fair values.

The trade receivables are due when services are rendered and goods are sold. As at 31 December 2025 and 2024, the ageing analysis of the trade receivables based on invoice date was as follows:

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
0 – 90 days	<b>42,810</b>	38,132
91 – 180 days	<b>8,039</b>	4,882
Over 180 days	<b>14,839</b>	14,749
	<b>65,688</b>	57,763

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

As at 31 December 2025, all the trade receivables balances were not impaired (2024: same). These relate to a number of independent clients, commercial companies and local government to which no credit terms were granted.

## 12 TRADE PAYABLES

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

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
0 – 30 days	<b>31,911</b>	33,350
31 – 60 days	<b>11,665</b>	11,338
61 – 90 days	<b>4,296</b>	6,952
Over 90 days	<b>2,487</b>	4,170
	<b>50,359</b>	55,810

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Overview

As a result of the slight increase of revenue and the effectiveness of our strategies to optimise our service network and enhance operating efficiency, which included the closure of non-performing operations and adoption of cost-saving measures, the Group's profitability improved for the year ended 31 December 2025 as compared with the year ended 31 December 2024. Excluding (i) the loss from the Mainland China other business segment (primarily comprising our C+ Health (Shenzhen) Hospital (深圳希華愛康健醫院) which is providing dental, ophthalmic, medical imaging and other medical services and is still at its initial operating stage) and (ii) the non-cash impairment charges made in respect of the goodwill, property, plant and equipment, right-of-use assets and other intangible assets of HK\$197.7 million in 2024 and HK\$0.6 million in 2025, the profit for the year attributable to equity holders of the Company of the remaining three segments (the **“adjusted profit for the year attributable to equity holders of the Company”**) increased by 81.5% to HK\$137.9 million in 2025 as compared to HK\$76.0 million in 2024. Profit for the year attributable to equity holders of the Company increased to HK\$100.4 million in 2025 as compared to loss of HK\$135.2 million in 2024. In addition, our segment result in Mainland China ophthalmic business improved in 2025, which the segment loss decreased to HK\$1.2 million in 2025 as compared to HK\$229.8 million in 2024.

Our cash flows from operations were healthy in 2025 with the net cash generated from operating activities amounted to HK\$283.3 million (2024: HK\$283.1 million).

In order to share the results with shareholders and appreciate the support from the shareholders, the Board has resolved to recommend a final dividend of HK2.0 cents per share for 2025 (2024: HK2.0 cents) and a special dividend of HK1.0 cent per share. The proposed final dividend and special dividend are subject to the approval of the Company's shareholders at the annual general meeting to be held on Wednesday, 20 May 2026.

To expand our medical service in Hong Kong, we entered into an agreement to acquire an endoscopy centre located in Hong Kong in August 2025. This move enables us to leverage our existing patient base to create synergy with our business in Hong Kong and our cross-border business in Shenzhen.

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

## Our operations in Hong Kong

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

Since 2021, we started our dental, oncology and other medical services business in Hong Kong, which included six dental clinics, an endoscopy centre, a general practice clinic and an oncology centre as at 31 December 2025. Further, we started our clinical research business in July 2022, which may bring us opportunities for collaboration with different biotech companies for, among other things, research and clinical work. In August 2025, we entered into an agreement to acquire an endoscopy centre located in Hong Kong to provide for gastroscopy, colonoscopy and cystoscopy specialised medical services, and this acquisition was completed on 30 September 2025.

## Our operations in Mainland China

In Mainland China, during the year ended 31 December 2025, our ophthalmic service network included nine eye hospitals in Shenzhen (Futian and Baoan), Beijing, Shanghai, Guangzhou, Zhuhai, Kunming, Huizhou and Jieyang mainly under the brand of “C-MER Dennis Lam (希瑪林順潮)”. In the meantime, we continued to optimize our organizational structure and refined our management in operations. During the year ended 31 December 2025, our segment result in Mainland China ophthalmic business improved in 2025, with only a small segment loss of HK\$1.2 million in 2025 as compared to a much larger segment loss of HK\$229.8 million in 2024.

In February 2022, we completed our investment of 61.5% equity interest of Shenzhen C-MER Aikangjian Dental Group Co., Ltd. (previously known as Shenzhen Aikangjian Group Co., Ltd.) (深圳希瑪愛康健口腔集團有限公司, previously known as 深圳市愛康健齒科集團股份有限公司) (“**Shenzhen CKJ**”), which became a non-wholly owned subsidiary of the Company. Shenzhen CKJ has a dental hospital and 15 dental clinics in Shenzhen as at 31 December 2025. Due to the keen competition in the dental service industry in Shenzhen, the revenue of Shenzhen CKJ decreased by 1.0% in 2025 to HK\$459.8 million from HK\$464.6 million in 2024. The appreciation of Renminbi (“**RMB**”) has affected our revenue change when reporting in Hong Kong dollar terms. In RMB terms, our revenue of Shenzhen CKJ decreased by 1.3% in 2025 as compared with 2024.

Shenzhen CKJ continues to expand at Luohu, Futian and Liantang ports in Shenzhen, including the expansion of the existing dental hospital in Luohu and the opening of one more dental clinic at Futian Port, which is only 200 meters away from the border crossing and has started operations in the third quarter of 2025. In addition, Shenzhen CKJ acquired a dental clinic chain at Liantang Port in January 2025, extending our service network to another key passenger port. The acquired dental clinic chain further expanded its service capacity with a new clinic in Liantang port and commenced operations in the third quarter of 2025.

During the year ended 31 December 2025, our segment profit in our Mainland China dental business decreased to HK\$67.5 million from HK\$96.1 million in 2024. In addition, there were pre-operating expenses of HK\$3.0 million recorded in 2025 for the new dental clinic at Futian Port.

Our C+ Health (Shenzhen) Hospital (深圳希華愛康健醫院) in Shenzhen, which is within a five-minute walk from the Luohu border land crossing, adopted Hong Kong-style medical services, bringing Hong Kong's healthcare management systems, medical technologies and healthcare services serving residents of both Shenzhen and Hong Kong. The hospital has departments including dentistry, ophthalmology, medical imaging, health check-ups, gynecology, traditional Chinese medicine, internal medicine, surgery and urology and the Group intends to introduce more departments in subsequent phases. The hospital operated within a seven-storey building, having a gross floor area of over 10,000 sq. m. and has been in full operations in the first half of 2025. As the hospital is still at the initial operating stage, the hospital incurred a loss of HK\$26.3 million in 2025.

### Revenue Overview

The total revenue in 2025 amounted to HK\$1,946.7 million (2024: HK\$1,913.2 million), representing a slight increase of 1.8% from 2024, due to the combined effect of (i) increase in the revenue from HK medical business by 5.2% to HK\$948.7 million in 2025 from HK\$901.6 million for 2024, which is partially offset by (ii) decrease in the revenue from Mainland China ophthalmic business by 4.9% to HK\$520.3 million in 2025 from HK\$547.0 million in 2024, and (iii) decrease in the revenue in Mainland China dental business segment in 2025 by 1.0% to HK\$459.8 million from HK\$464.6 million in 2024.

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

	Year ended 31 December					
	2025		2024		Change	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
HK medical business	<b>948,730</b>	<b>48.8</b>	901,589	47.1	47,141	5.2
Mainland China ophthalmic business	<b>520,327</b>	<b>26.7</b>	546,993	28.6	(26,666)	(4.9)
Mainland China dental business	<b>459,829</b>	<b>23.6</b>	464,580	24.3	(4,751)	(1.0)
Mainland China other business	<b>17,826</b>	<b>0.9</b>	–	–	17,826	N/A
Total	<b><u>1,946,712</u></b>	<b><u>100.0</u></b>	<b><u>1,913,162</u></b>	<b><u>100.0</u></b>	<b><u>33,550</u></b>	<b>1.8</b>

In Hong Kong, our operations consist of the provision of medical services (comprising provision of ophthalmic services, provision of dental and other medical services) and the related businesses (including the sales of vision aid products). With the increased demand of ophthalmic medical services in Hong Kong, our revenue from medical services and related businesses derived from our operation in Hong Kong increased by 5.2% to HK\$948.7 million (2024: HK\$901.6 million), which mainly included revenue growth from our ophthalmic business in Hong Kong (including ophthalmic services and sales of vision aid products in Hong Kong), which increased by 5.4% to HK\$864.9 million in 2025 (2024: HK\$820.8 million).

Our revenue in the Mainland China was mainly derived from our provision of ophthalmic services and dental services, and we recorded a decrease of 1.3% in 2025 to HK\$998.0 million from HK\$1,011.6 million in 2024. In RMB terms, the revenue decreased by 1.6%.

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

Location (Date of commencement of operations)	Year ended 31 December			
	2025	2024	Change (%)	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>in HK\$ terms</i>	<i>in RMB terms</i>
Shenzhen (March 2013)	<b>205,744</b>	239,717	(14.2)	(14.4)
Beijing (January 2018)	<b>92,463</b>	97,386	(5.1)	(5.3)
Kunming (June 2019)	<b>58,837</b>	67,555	(12.9)	(13.1)
Shanghai (November 2019)	<b>50,197</b>	44,541	12.7	12.4
Zhuhai (December 2020)	<b>51,188</b>	45,895	11.5	11.2
Guangzhou (April 2022)	<b>36,857</b>	26,921	36.9	36.6
Huizhou (March 2021)	<b>11,270</b>	12,337	(8.6)	(8.9)
Jieyang (August 2022)	<b>13,771</b>	9,428	46.1	45.7
Foshan (August 2023)	<b>–</b>	3,213	(100.0)	(100.0)
Total	<b><u>520,327</u></b>	<b><u>546,993</u></b>	(4.9)	(5.1)

In Mainland China, local consumer spending remained subdued, which mainly impacted our revenue from the refractive surgeries. The revenue from our ophthalmic services in Mainland China decreased by 4.9% in 2025 to HK\$520.3 million from HK\$547.0 million in 2024. In RMB terms, the revenue decreased by 5.1%.

For the year ended 31 December 2025, we provided our dental services in Mainland China in the dental hospital and clinics in Shenzhen mainly under Shenzhen CKJ. Due to keen competition for the provision of the dental services in Shenzhen, the revenue of Shenzhen CKJ decreased by 1.0% to HK\$459.8 million in 2025 from HK\$464.6 million in 2024.

## FINANCIAL REVIEW

### Revenue

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

	Year ended 31 December					
	2025		2024		Change	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Provision of ophthalmic services	<b>1,245,189</b>	<b>64.0</b>	1,211,349	63.3	33,840	2.8
Provision of dental services	<b>506,614</b>	<b>26.0</b>	507,292	26.5	(678)	(0.1)
Provision of other medical services	<b>48,342</b>	<b>2.5</b>	38,124	2.0	10,218	26.8
Sales of vision aid products	<b>146,567</b>	<b>7.5</b>	156,397	8.2	(9,830)	(6.3)
Total	<b><u>1,946,712</u></b>	<b><u>100.0</u></b>	<u>1,913,162</u>	<u>100.0</u>	<u>33,550</u>	1.8

Our total revenue in 2025 recorded a slight increase of 1.8% as compared with our total revenue in 2024. The increase was primarily driven by (i) the increase in the revenue generated from the provision of ophthalmic services to HK\$1,245.2 million in 2025 from HK\$1,211.3 million in 2024, representing an increase of 2.8%, which was primarily attributable to the increase in the ophthalmic consultation and other medical services in Hong Kong, but is partially offset by (ii) the decrease in the revenue generated from the sales of vision aid products to HK\$146.6 million in 2025 from HK\$156.4 million in 2024, representing a decrease of 6.3% due to decrease in sales in Mainland China.

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

	Year ended 31 December					
	2025		2024		Change	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Hong Kong	<b>948,730</b>	<b>48.8</b>	901,589	47.1	47,141	5.2
Mainland China	<b>997,982</b>	<b>51.2</b>	1,011,573	52.9	(13,591)	(1.3)
Total	<b><u>1,946,712</u></b>	<b><u>100.0</u></b>	<b><u>1,913,162</u></b>	<b><u>100.0</u></b>	<b><u>33,550</u></b>	<b><u>1.8</u></b>

The revenue generated by our business operations in Hong Kong accounted for 48.8% of our total revenue. As a percentage of our total revenue, revenue from Hong Kong increased from 47.1% in 2024 to 48.8% in 2025 with revenue growth from ophthalmic services in Hong Kong.

As a percentage of our total revenue, revenue from Mainland China decreased to 51.2% in 2025 from 52.9% in 2024, mainly due to the decrease of revenue from our ophthalmic services and dental services in Mainland China.

### Provision of ophthalmic services

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

	Year ended 31 December					
	2025		2024		Change	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Consultation and other medical services						
– Hong Kong	<b>341,269</b>	<b>27.4</b>	294,726	24.3	46,543	15.8
– Mainland China	<b>167,367</b>	<b>13.4</b>	157,139	13.0	10,228	6.5
	<b><u>508,636</u></b>	<b><u>40.8</u></b>	<b><u>451,865</u></b>	<b><u>37.3</u></b>	<b><u>56,771</u></b>	<b><u>12.6</u></b>
Surgery fees						
– Hong Kong	<b>481,531</b>	<b>38.7</b>	487,458	40.2	(5,927)	(1.2)
– Mainland China	<b>255,022</b>	<b>20.5</b>	272,026	22.5	(17,004)	(6.3)
	<b><u>736,553</u></b>	<b><u>59.2</u></b>	<b><u>759,484</u></b>	<b><u>62.7</u></b>	<b><u>(22,931)</u></b>	<b><u>(3.0)</u></b>
Total	<b><u>1,245,189</u></b>	<b><u>100.0</u></b>	<b><u>1,211,349</u></b>	<b><u>100.0</u></b>	<b><u>33,840</u></b>	<b><u>2.8</u></b>

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

Our revenue generated from our eye hospitals, eye centres, eye clinics and optometry centres can be broadly divided into different categories, namely (1) consultation, examination, laser procedures and other procedures, (2) refractive surgeries, (3) cataract surgeries, (4) other surgeries and (5) sales of vision aid products which included our optometry services, which accounted for 36.5%, 15.1%, 23.4%, 14.5% and 10.5% (2024: 33.0%, 20.5%, 20.9%, 14.2% and 11.4%), respectively, as a percentage of the total revenue for the Group derived from our ophthalmic business during the year ended 31 December 2025.

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

	Year ended 31 December		Change %
	2025	2024	
<b>For Hong Kong</b>			
Total surgery fee ( <i>in HK\$'000</i> )	<b>481,531</b>	487,458	(1.2)
Number of surgeries performed by us	<b>14,589</b>	15,883	(8.1)
Average surgery fee ( <i>HK\$</i> )	<b>33,006</b>	30,691	7.5
<b>For Mainland China</b>			
Total surgery fee ( <i>in HK\$'000</i> )	<b>255,022</b>	272,026	(6.3)
Number of surgeries performed by us	<b>28,381</b>	26,565	6.8
Average surgery fee ( <i>HK\$</i> )	<b>8,986</b>	10,240	(12.2)
Average surgery fee ( <i>RMB</i> )	<b>8,302</b>	9,486	(12.5)

In Hong Kong, the average surgery fee increased by 7.5% due to change of surgery mix. The surgery volume decreased by 8.1% to 14,589 in 2025 which was mainly attributable to the decrease in number of refractive surgeries performed, while the number of surgeries performed for eye diseases remained stable.

In Mainland China, the average surgery fee in Hong Kong dollar terms decreased by 12.2% due to the downward price adjustment in response to the market conditions. In RMB terms, the average surgery fee decreased by 12.5%. The number of surgeries increased by 6.8% to 28,381 in 2025, which was mainly attributable to the increase in the number of surgeries performed in the eye hospitals in Guangzhou and Zhuhai.

## Provision of dental services

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

	Year ended 31 December		Change %
	2025	2024	
Total revenue in (HK\$'000)	<b>506,614</b>	507,292	(0.1)
Total patient visits	<b>383,884</b>	336,894	13.9
Total number of dental chairs	<b>324</b>	259	25.1
Visits per dental chair	<b>1,185</b>	1,301	(8.9)
Revenue per dental chair (in HK\$'000)	<b>1,564</b>	1,959	(20.2)

Our revenue generated from dental services recorded a slight decrease of 0.1% in 2025, which amounted to HK\$506.6 million (2024: HK\$507.3 million), representing 26.0% (2024: 26.5%) of our total revenue.

The number of patient visits for dental services increased by 13.9% from 336,894 to 383,884 in 2025. Visits per dental chair decreased by 8.9% from 1,301 to 1,185, while revenue per dental chair recorded a decrease of 20.2% to HK\$1,564,000 (2024: HK\$1,959,000), which the decrease was mainly attributable to the opening of new clinics in Futian and Liantang ports, which are at their initial operating stage and were building momentum.

## Provision of other medical services

Our revenue generated from oncology, medical aesthetics, endoscopy, general practice and other services during 2025 amounted to approximately HK\$48.3 million (2024: HK\$38.1 million), representing approximately 2.5% (2024: 2.0%) of our total revenue. The increase was mainly contributed by our clinical research business and the endoscopy centre acquired during the year.

## Sales of vision aid products

We also generated revenue from the sales of vision aid products including glasses and lens. The sales were conducted by us through the assessment of the optometrists employed by us in Hong Kong and Mainland China. During 2025, our revenue generated from the sales of vision aid products amounted to HK\$146.6 million, representing a decrease of 6.3% as compared to 2024 mainly due to the decrease in demand of vision aid products in Mainland China.

## Cost of revenue

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

	Year ended 31 December				Change	
	2025		2024			
	<i>HK\$'000</i>	<i>% to revenue</i>	<i>HK\$'000</i>	<i>% to revenue</i>	<i>HK\$'000</i>	<i>%</i>
Doctors' consultation fees	<b>426,434</b>	<b>21.9</b>	405,834	21.2	20,600	5.1
Cost of inventories and consumables	<b>338,412</b>	<b>17.4</b>	344,204	18.0	(5,792)	(1.7)
Staff salaries and allowance	<b>381,320</b>	<b>19.6</b>	370,363	19.4	10,957	3.0
Depreciation of right-of-use assets	<b>98,204</b>	<b>5.0</b>	85,810	4.5	12,394	14.4
Depreciation of property, plant and equipment	<b>42,828</b>	<b>2.2</b>	49,871	2.6	(7,043)	(14.1)
Impairment of non-current assets	–	–	69,282	3.6	(69,282)	(100.0)
Others	<b>55,844</b>	<b>2.9</b>	60,179	3.1	(4,335)	(7.2)
Total	<b><u>1,343,042</u></b>	<b><u>69.0</u></b>	<b><u>1,385,543</u></b>	<b><u>72.4</u></b>	<b><u>(42,501)</u></b>	<b><u>(3.1)</u></b>

Our cost of revenue decreased by 3.1% from HK\$1,385.5 million in 2024 to HK\$1,343.0 million in 2025, primarily as a result of (i) no impairment loss in 2025, compared to an impairment loss of non-current assets, including the property, plant and equipment, right-of-use assets and other intangible assets, under the cost of revenue of HK\$69.3 million recorded in 2024, (ii) a decrease in cost of inventories and medical consumables of HK\$5.8 million mainly due to the change in revenue mix, but was partially offset by (iii) an increase in doctors' consultation fees of HK\$20.6 million, and (iv) an increase in depreciation of right-of-use assets of HK\$12.4 million.

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

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

	Year ended 31 December					
	2025		2024		Change	
	Gross profit/(loss) HK\$'000	GP %	Gross profit HK\$'000	GP %	Gross profit HK\$'000	%
HK medical business	270,683	28.5	243,265	27.0	27,418	11.3
Mainland China ophthalmic business	200,315	38.5	114,531	20.9	85,784	74.9
Mainland China dental business	145,646	31.7	169,823	36.6	(24,177)	(14.2)
Mainland China other business	(12,974)	N/A	–	–	(12,974)	N/A
	<b>603,670</b>	<b>31.0</b>	<b>527,619</b>	<b>27.6</b>	<b>76,051</b>	<b>14.4</b>

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

	Year ended 31 December					
	2025		2024		Change	
	Adjusted gross profit HK\$'000 (Unaudited)	GP %	Adjusted gross profit HK\$'000 (Unaudited)	GP %	Adjusted gross profit HK\$'000	%
HK medical business	270,683	28.5	244,130	27.1	26,553	10.9
Mainland China ophthalmic business	200,315	38.5	182,948	33.4	17,367	9.5
Mainland China dental business	145,646	31.7	169,823	36.6	(24,177)	(14.2)
	<b>616,644</b>	<b>32.0</b>	<b>596,901</b>	<b>31.2</b>	<b>19,743</b>	<b>3.3</b>

Our gross profit in 2025 amounted to HK\$603.7 million, representing an increase of 14.4% from HK\$527.6 million in 2024. Excluding the effect of impairments on non-current assets and the result of the Mainland China other business segment, our adjusted gross profit in 2025 amounted to HK\$616.6 million, representing an increase of 3.3% from HK\$596.9 million in 2024.

Our gross profit margin and adjusted gross profit margin were 31.0% and 32.0% respectively in 2025, as compared with 27.6% and 31.2%, respectively in 2024.

The gross profit margin and adjusted gross profit margin for our HK medical business segment increased slightly to 28.5% and 28.5%, respectively in 2025 from 27.0% and 27.1%, respectively in 2024, due to economies of scale from increased revenue.

The gross profit margin and adjusted gross profit margin for our Mainland China ophthalmic business segment increased to 38.5% and 38.5%, respectively in 2025 from 20.9% and 33.4%, respectively in 2024, primarily due to the impairment of non-current assets charged in 2024 (insofar as gross profit margin is concerned) and the effect of cost savings.

The gross profit margin and adjusted gross profit margin for our Mainland China dental business segment decreased to 31.7% and 31.7%, respectively in 2025 from 36.6% and 36.6%, respectively, in 2024. This decrease was mainly attributable to decrease in revenue per dental chair in Shenzhen CKJ.

### **Selling expenses**

Our selling expenses had an increase of 5.7% and amounted to HK\$141.0 million in 2025 (2024: HK\$133.4 million). The amount of selling expenses, as a percentage of our total revenue, increased from 7.0% in 2024 to 7.2% in 2025. The fees paid to online platforms represented the major component of our selling expenses.

### **Administrative expenses**

Our total administrative expenses in 2025 amounted to HK\$330.4 million and decreased by 3.6% as compared with HK\$342.6 million in 2024. The decrease in our administrative expenses in 2025 was primarily driven by the decrease in our staff salaries and allowances as a result of better human resources management and decrease in depreciation expenses following the impairment losses on non-current assets recognized in 2024.

### **Other income**

Our other income in 2025 primarily consisted of rental income and government grants and it increased to HK\$10.4 million from HK\$8.9 million in 2024. The increase was mainly due to the increase in rental income.

### **Other gains, net**

Our other gains, net in 2025 amounted to HK\$25.5 million (2024: HK\$1.8 million) and mainly consisted of gains on early termination of lease contracts and a gain on the disposal of the joint venture.

### **Impairment losses on non-current assets**

Our impairment losses on non-current assets in 2025 amounted to HK\$0.6 million (2024: HK\$197.7 million) and represented impairment of goodwill of a general practice clinic closed during the year.

In 2024, non-cash accounting impairments on goodwill, property, plant and equipment, right-of-use assets and other intangible assets of HK\$182.7 million and HK\$15.0 million were recorded for our segments of Mainland China ophthalmic business and HK medical business, respectively.

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

In 2024, the impairment of HK medical business consisted of impairments of goodwill and right-of-use assets of the oncology centre in Hong Kong amounted to HK\$14.1 million and HK\$0.9 million respectively, the business of which was underperforming in 2024 with a downward trend in terms of revenue and continued depressed performance. The oncology centre recorded a loss in 2024.

#### **Finance costs, net**

Our finance costs, net in 2025 amounted to HK\$11.4 million (2024: HK\$9.1 million) and mainly consisted of interest expenses on leases netted off by bank interest income.

#### **Income tax expense**

Our income tax expense in 2025 amounted to HK\$44.3 million, representing an increase of 38.0% from HK\$32.1 million in 2024. The increase was primarily due to increases in the taxable profits in Hong Kong and Mainland China.

#### **Profit for the year and adjusted profit for the year (non-HKFRS measure)**

As a result of the foregoing, our profit in 2025 amounted to HK\$111.2 million (2024: loss of HK\$108.3 million).

Excluding (i) the aforementioned impairment losses and (ii) the loss of the Mainland China other business segment, our adjusted profit in 2025 amount to HK\$152.2 million, representing an increase of 41.1% from HK\$107.9 million in 2024, the increase was primarily due to the increase in profits derived from the HK medical business segment and decrease in losses of Mainland China ophthalmic business segment, which was partially offset by decrease in profits derived from the Mainland China dental business segment.

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

Our fair value loss in other comprehensive income on financial assets at FVOCI in 2025 amounted to HK\$48.9 million (2024: gain of HK\$135.4 million). The amount represented the fair value loss on our equity investment in Avalon Global Holdings Limited.

## **Capital expenditure and commitments**

During 2025, the Group incurred capital expenditures of HK\$355.8 million, primarily due to addition of right-of-use assets, addition of investment properties and purchase of equipment and leasehold improvements for our hospitals, centres and clinics.

As at 31 December 2025, the Group had a total capital commitment of approximately HK\$18.5 million (2024: HK\$31.9 million), mainly comprising the related contracts of capital expenditure for construction of our property in Pingshan, Shenzhen and leasehold improvements for our hospitals.

## **Gearing ratio**

As at 31 December 2025, the gearing ratio, which is calculated as net debt divided by total capital, is not applicable due to net cash position (2024: same).

## **Contingent liabilities**

The Group had no material contingent liability as at 31 December 2025.

## **Pledge of assets**

The Group had buildings of HK\$16.0 million in Mainland China which were pledged as security for bank borrowings as at 31 December 2025 (2024: HK\$61.0 million).

Save for the above, the Group had no pledge of assets as at 31 December 2025.

## **Financial instruments**

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

## **Foreign exchange risk**

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

As at 31 December 2025, the financial assets and liabilities of our subsidiaries in Hong Kong and Mainland China were primarily denominated in HK\$ and RMB, respectively. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's foreign exchange rate risks. Any material fluctuation in the exchange rates of HK\$ or RMB may have an impact on the operating results of the Group. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

## **Cash flow and fair value interest rate risk**

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

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

## **Credit risk**

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

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

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

## **Employees and remuneration policies**

As at 31 December 2025, the Group employed a total of 2,200 employees (2024: 2,041). The increase in the number of employees was mainly due to the increase in the scale of the Group's business.

The Group ensures that its remuneration packages are comprehensive and competitive from time to time. When determining the emolument payable to the Directors (including the executive Directors), we take into account the experience of the Directors, their level of responsibility and general market conditions. Any discretionary bonus and other merit payments of the Directors are linked to the profitability of the Group and the individual performance of the Directors. Employees are remunerated with a fixed monthly income plus annual performance related bonus. Share options and/or awards are granted to selected employees to reward their contributions under the share option scheme and the share award scheme of the Company, details of which will be set forth in the Company's 2025 annual report. The Group also sponsors selected employees to attend external training courses that suit the needs of the Group's business.

### **Events after the date of statement of financial position**

There were no significant events affecting the Group which have occurred after 31 December 2025 and up to date of this announcement.

### **OUTLOOK AND STRATEGIES**

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

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

- focusing on our ophthalmic services in Hong Kong and the cities where our hospitals are located in Mainland China, while performing strategic review on performances on our operations and seeking opportunities to grow by recruitment of new doctors and setting up new establishments;
- further developing our cross-border medical business in Shenzhen under Shenzhen CKJ for dental business, and developing our hospital in Luohu with departments including dentistry, ophthalmology, medical imaging, health check-ups, gynecology, traditional Chinese medicine, internal medicine, surgery and urology;
- continuing to improve our operational efficiency and service capability. For our ophthalmic business in Mainland China, we will continue to adopt stringent cost control policy to streamline and improve its overall performance and profitability; and

- investing in innovation. Following our success in the investment in Belkin Vision Ltd, we will continue to invest in businesses where we can contribute expertise and can add value to the target businesses.

## **CORPORATE GOVERNANCE**

The Board is committed to maintaining high corporate governance standards.

During the year ended 31 December 2025, the Company has applied the principles as set forth in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) which are applicable to the Company.

In the opinion of the Board, during the year ended 31 December 2025, the Company has complied with all applicable code provisions as set forth in the CG Code, save and except for a deviation from the code provision C.2.1, which states that the roles of chairman (the “**Chairman**”) and chief executive should be separate and should not be performed by the same individual. Dr. LAM Shun Chiu Dennis had been both our Chairman and chief executive officer (“**CEO**”) and had been responsible for the overall management of our Group and directing the strategic development and business plans of our Group before his resignation with effect from 1 June 2025. The Board believes that the previous arrangement in relation to vesting the roles of the Chairman and CEO in Dr. Dennis LAM enabled the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. However, with the appointment of Dr. Rex AU YEUNG Pak-kuen as the Chairman and the appointment of Ms. LI Xiaoting as the CEO with effect from 1 June 2025, the Company has re-complied with code provision C.2.1 of the Listing Rules. The Board will continue to review the structure and composition of the Board from time to time in light of prevailing circumstances, in order to maintain a high standard of corporate governance practices of the Company.

Further information on the corporate governance practices of the Company will be set forth in the corporate governance report in the annual report of the Company for the year ended 31 December 2025.

## **LIQUIDITY AND CAPITAL RESOURCES**

Our liquidity requirements are primarily used to satisfy the working capital needs for our business operations. Our principal sources of liquidity are cash generated from our business operations, our cash and cash equivalents and our bank borrowings. The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest bearing borrowings that would enable the Group to implement its business strategies while maintaining its continued provision of medical services to our customer base. As at 31 December 2025, we had cash and cash equivalents of HK\$347.9 million, short-term bank deposits of HK\$107.1 million and bank borrowings of HK\$44.4 million, most of which were denominated in either US dollars, Renminbi or Hong Kong dollars.

As at 31 December 2025, all of the Group's borrowings of HK\$44.4 million (2024: HK\$29.2 million) were either repayable on demand or repayable within one year, and the effective interest rate of borrowings was 2.57% per annum (2024: 3.24%). All of these borrowings were denominated in either Renminbi or Hong Kong dollars, and were subject to either fixed interest rates or floating interest rates. During the year ended 31 December 2025, the Group did not use any financial instruments, currency borrowings or other hedging instruments for hedging purposes.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. As at 31 December 2025, the gearing ratio is not applicable due to net cash position (2024: same).

The current ratio (calculated as current assets over current liabilities) was 1.43 times as at 31 December 2025 compared with 1.56 times as at 31 December 2024.

As at 31 December 2025, the Group reported net current assets of HK\$203.0 million, as compared with HK\$230.5 million as at 31 December 2024.

Net cash generated from operating activities was HK\$283.3 million during the year ended 31 December 2025 (2024: HK\$283.1 million). The Group's net operating cash inflow remained stable in both years.

Net cash used in investing activities amounted to HK\$142.6 million during the year ended 31 December 2025 as compared to HK\$174.7 million during the year ended 31 December 2024. The net cash used in investing activities mainly included HK\$77.5 million paid on acquisition of property, plant and equipment, and net placement of bank deposits with original maturity over three months of HK\$76.8 million during the year ended 31 December 2025.

During the year ended 31 December 2025, net cash used in financing activities amounted to HK\$221.3 million, as compared to net cash used in financing activities of HK\$194.9 million during the year ended 31 December 2024. The cash used in financing activities for the year ended 31 December 2025 was mainly for the lease payments of HK\$142.9 million and on-market repurchases of the Company's shares of HK\$54.2 million for cancellation and/or holding as treasury shares for resale depending on the market conditions.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS**

On 17 December 2025, the Company and Hong Kong Optical Lens Company Limited (明達眼鏡鏡片有限公司) (“**HK Optical**”) entered into a deed on share sale and repurchase (the “**Deed**”), pursuant to which (i) the Company has agreed to transfer back to HK Optical the 5,500 shares in Apollo Lens Company Limited (“**Apollo**”), representing 55% of its entire issued share capital (the “**Disposal**”), (ii) in consideration of the Disposal, HK Optical has agreed that the 2% RMB denominated HKD settled unsecured bond in the principal sum of RMB50.49 million (subject to the adjustments) (the “**Bond**”) shall be cancelled (the “**Cancellation**”) and surrendered to the Company and destroyed. The carrying

amount of the Bond was RMB51,126,000 (equivalent to approximately HK\$56,596,000) at the date of Disposal and the carrying amount of the investment at the date of Disposal was HK\$49,044,000, resulting in a gain on disposal of HK\$7,552,000. The Disposal and Cancellation was completed on 31 December 2025.

Upon the completion, Apollo shall cease to be a non-wholly owned subsidiary of the Company as defined under the Listing Rules and that the Company will cease to hold any equity interests in Apollo.

For further details, please refer to the Company's announcement dated 17 December 2025.

Save as disclosed above, the Group did not have any other significant investments, acquisitions or disposals for the year ended 31 December 2025.

## **UPDATES ON THE RESULTS OF REVENUE GUARANTEES AFTER ACQUISITIONS**

Reference is made to the Company's announcement on 10 February 2021 in relation to acquisition of 60% of the equity interests in CAD/CAM Restorative Dental Centre Limited. The Company prepared the management accounts of the CAD/CAM Restorative Dental Centre Limited for the fourth twelve months after the closing of the acquisition (i.e. from April 2024 to March 2025) and the revenue guarantee of not less than HK\$7.2 million for the same period had been met.

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS**

The audit committee of the Board comprises three independent non-executive Directors, namely, Mr. MA Andrew Chiu Cheung (Chairman of the audit committee), Mr. IP Shu Kwan Stephen and Mr. LI Ling Cheung Raymond. The audit committee of the Board has reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting matters with management including a review of the consolidated financial statements and annual results for the year ended 31 December 2025.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this preliminary annual results announcement.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions as set forth in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding securities transactions of the Directors. Employees of the Group (the “**Relevant Employees**”) who, because of their office or employment, are likely to possess inside information in relation to the Company or its securities are also subject to compliance with the Model Code. Having made specific enquiry of all directors, each of the Directors has confirmed compliance with the Model Code throughout the year ended 31 December 2025. No incident of non-compliance of the Model Code by the Relevant Employees was noted by the Company during the year ended 31 December 2025.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, the Company repurchased an aggregate of 30,992,000 ordinary shares at an aggregate consideration of HK\$54,142,686 on the Stock Exchange as follows:

Month of repurchase	No. of shares repurchased	Consideration per share		Total Consideration paid (inclusive of charges and levies)
		Highest HK\$	Lowest HK\$	HK\$
January 2025	2,020,000	1.97	1.84	3,869,755
February 2025	688,000	2.07	1.96	1,393,873
March 2025	2,496,000	1.61	1.54	3,921,813
April 2025	4,124,000	1.68	1.34	6,006,651
May 2025	3,462,000	1.77	1.68	5,951,348
June 2025	4,580,000	1.82	1.66	7,965,318
July 2025	2,790,000	1.85	1.76	5,035,079
September 2025	1,838,000	1.98	1.87	3,582,523
October 2025	3,476,000	2.03	1.85	6,732,959
November 2025	3,744,000	1.85	1.70	6,688,552
December 2025	1,774,000	1.76	1.58	2,994,815
Total	<u>30,992,000</u>			<u>54,142,686</u>

The Board considers that the share repurchases were in the best interests of the Company and the shareholders of the Company (the “**Shareholders**”) and would lead to an enhancement of the net assets value per share and/or earnings per share of the Company. During the year ended 31 December 2025, 23,218,000 repurchased shares were cancelled and the issued share capital of the Company was reduced by the nominal value of these shares accordingly and the balance of consideration was charged against the share premium account. No repurchased shares were cancelled subsequently. As at 31 December 2025, an aggregate of 19,562,000 repurchased share were held by the Company as treasury shares as defined under the Listing Rules and was intended for resale depending on the market conditions.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2025.

### **FINAL DIVIDEND AND SPECIAL DIVIDEND**

The Board has resolved to propose a final dividend of HK2.0 cents per share for the year ended 31 December 2025 and a special dividend of HK1.0 cent per share, representing a distribution of approximately 36.2% of the Group’s profit attributable to equity holders of the Company for the year ended 31 December 2025.

The proposed final dividend and special dividend payments are subject to approval by the shareholders of the Company at the annual general meeting (“**AGM**”) to be held on Wednesday, 20 May 2026. If approved by shareholders, the proposed final dividend and special dividend are expected to be paid on or about 15 July 2026 to shareholders whose names appear on the register of members of the Company on 6 July 2026.

### **CLOSURE OF REGISTER OF MEMBERS**

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

- (a) Shareholders whose names appear on the register of members of our Company on 20 May 2026 are entitled to attend and vote at the AGM. The register of members of our Company will be closed from Friday, 15 May 2026 to Wednesday, 20 May 2026, both days inclusive. In order to qualify for attending and voting at the AGM, Shareholders should ensure that all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 14 May 2026.

- (b) The final dividend and special dividend will be payable on or about Wednesday, 15 July 2026 to the shareholders whose names appear on the register of members of the Company on Monday, 6 July 2026. For the purpose of ascertaining shareholders' entitlement for the final dividend and special dividend, the register of members of the Company will be closed from Thursday, 2 July 2026 to Monday, 6 July 2026, both days inclusive. To qualify for the final dividend and special dividend, Shareholders should ensure that all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Tuesday, 30 June 2026.

## **ANNUAL GENERAL MEETING**

The AGM will be held on Wednesday, 20 May 2026. Notice of the AGM will be sent to the Shareholders in due course.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.cmermedical.com](http://www.cmermedical.com). The 2025 annual report and the notice of the AGM will be dispatched to the shareholders of the Company and made available on the websites of the Stock Exchange and the Company in due course.

By order of the Board

**C-MER Medical Holdings Limited**

**Ms. LI Xiaoting**

*Vice Chairman, Executive Director and Chief Executive Officer*

Hong Kong, 27 March 2026

*As at the date of this announcement, the Board comprises its chairman and independent non-executive Director, Dr. Rex AU YEUNG Pak-kuen; two executive Directors, namely Ms. LI Xiaoting (Vice Chairman and Chief Executive Officer) and Dr. LEE Yau Wing Vincent; and five other independent non-executive Directors, namely Dr. KO Wing Man (Vice Chairman), Mr. MA Andrew Chiu Cheung, Mr. IP Shu Kwan Stephen, Mr. YIN Ke and Mr. LI Ling Cheung Raymond.*