CLARITY MEDICAL GROUP HOLDING LIMITED
清晰醫療集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1406)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHT

	For the year ended 31 March		
	2025	2024	
	HK$'000	*HK$'000*	**Change**
			%
Revenue	**180,592**	190,933	**(5.4%)**
Loss for the year	**(34,289)**	(75,793)	**54.8%**
Adjusted EBITDA[1&2]	**(6,149)**	(36,333)	**83.1%**

Notes:

(1) Adjusted EBITDA is derived from EBITDA (Earnings before interest, taxes and depreciation of plant and equipment) by excluding one-off impairment losses on plant and equipment and right-of-use assets, other income and losses, net, as well as non-recurring expenditures, mainly consisting of non-recurring professional fees, including legal and advisory fees related to the allegations and issues disclosed in the announcements of the Company dated 30 May 2025 and 30 June 2025.

(2) This non-GAAP financial data is a supplemental financial measure that is not required by, or presented in accordance with, HKFRSs and is therefore referred to as a "non-GAAP" financial measure.

The board (the "**Board**") of directors (the "**Directors**") of Clarity Medical Group Holding Limited (the "**Company**") announces the annual consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2025 ("**FY2025**"), together with the comparative figures for the year ended 31 March 2024 ("**FY2024**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

		Year ended 31 March	
		2025	2024
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**180,592**	190,933
Other income and losses, net	*4*	**2,280**	6,407
Inventories used		**(37,996)**	(37,326)
Consultancy fee		**(64,343)**	(75,821)
Employee benefit expenses		**(50,213)**	(61,059)
Depreciation of plant and equipment		**(10,636)**	(15,891)
Depreciation of right-of-use assets		**(12,394)**	(21,492)
Impairment loss on plant and equipment		**(4,388)**	(18,334)
Impairment loss on right-of-use assets		**–**	(11,715)
Impairment loss on other receivables		**(1,838)**	–
Other expenses	*5*	**(36,938)**	(35,574)
Operating loss		**(35,874)**	(79,872)
Finance costs	*6*	**(1,038)**	(2,024)
Loss before income tax		**(36,912)**	(81,896)
Income tax	*7*	**2,623**	6,103
Loss for the year		**(34,289)**	(75,793)
Other comprehensive (expense) income			
Other comprehensive (expense) income that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(116)**	1
Total comprehensive expense for the year attributable to owners of the Company		**(34,405)**	**(75,792)**
Loss per share attributable to owners of the Company (expressed in HK cents per share)			
– Basic and diluted	*8*	**(6.5)**	(14.4)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		As at 31 March	
		2025	2024
	Notes	***HK$'000***	*HK$'000*
Non-current assets			
Plant and equipment		**30,707**	39,281
Right-of-use assets		**8,682**	13,348
Deposits	*11*	**3,300**	7,892
Financial assets at fair value through profit or loss		**4,375**	–
Deferred tax assets		**9,057**	6,434
Total non-current assets		**56,121**	66,955
Current assets			
Inventories		**2,517**	3,576
Trade receivables	*10*	**4,787**	2,647
Deposits, prepayments and other receivables	*11*	**3,706**	20,149
Tax recoverable		**–**	1,405
Cash and cash equivalents		**132,573**	141,431
Total current assets		**143,583**	169,208
Current liabilities			
Trade payables	*12*	**5,627**	4,767
Accruals and other payables		**15,948**	12,089
Provisions		**5,734**	2,300
Lease liabilities		**7,688**	19,177
Total current liabilities		**34,997**	38,333
Net current assets		**108,586**	130,875
Total assets less current liabilities		**164,707**	197,830
Non-current liabilities			
Provisions		**1,193**	2,075
Lease liabilities		**2,220**	6,233
Total non-current liabilities		**3,413**	8,308
Net assets		**161,294**	189,522

	As at 31 March	
	2025	2024
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**5,289**	5,281
Share premium	**306,415**	306,388
Shares held under the Share Award Plan	**–**	(3,468)
Reserves	**(150,410)**	(118,679)
Total equity	**161,294**	189,522

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2025

1 GENERAL INFORMATION

Clarity Medical Group Holding Limited (the "**Company**") was incorporated in the Cayman Islands on 19 February 2019 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the provision of ophthalmic services in Hong Kong. The principal place of business of the Group is 20/F, Ginza Plaza, 2A Sai Yeung Choi Street South, Mongkok, Kowloon, Hong Kong.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for financial assets at fair value through profit or loss, which have been measured at fair value. The consolidated financial information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 Changes in accounting policies and disclosures

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

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and related amendments to Hong Kong interpretation 5 (2020)*
Amendments to HKAS 1	*Non-current Liabilities with Covenants*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The above amendments to HKFRS Accounting Standards did not have any material impact on the consolidated financial statements.

3 REVENUE AND SEGMENT INFORMATION

Revenue recognised during the years ended 31 March 2025 and 2024 is analysed by the chief operating decision-maker. For the purposes of resource allocation and performance assessment, the executive directors review the overall results and financial position of the Group as a whole prepared based on the same set of material accounting policies. Accordingly, the Group has only one single operating segment and no discrete operating segment financial information is available.

All of the Group's activities (excluding investment in financial assets at fair value through profit or loss) are carried out in Hong Kong and nearly all of the Group's assets and liabilities are mainly located in Hong Kong.

No information about major customers is presented as there is no single customer which individually contributed 10% or more of the total revenue for each of the years ended 31 March 2025 and 2024.

The Group derived revenue from the transfer of goods and services at a point in time in the ordinary course of business. Revenue is recognised in the following major revenue streams:

	Year ended 31 March	
	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Ophthalmic service income	**171,044**	179,070
Sales of prescriptions	**7,021**	7,694
Sales of vision products	**2,527**	4,169
Total	**180,592**	190,933

4 OTHER INCOME AND LOSSES, NET

	Year ended 31 March	
	2025	2024
	HK$'000	*HK$'000*
Other income		
Government subsidies *(Note a)*	**–**	93
Interest income	**4,468**	6,224
Miscellaneous income	**10**	90
Total other income	**4,478**	6,407
Other losses, net		
Gain on disposal of items of plant and equipment, net	**257**	–
Write-off of items of plant and equipment	**(844)**	–
Loss on reinstatement costs	**(1,617)**	–
Foreign exchange gain, net	**6**	–
Total other losses, net	**(2,198)**	–
Total other income and losses, net	**2,280**	6,407

Notes:

a) Note: Government subsidies represent the reimbursement of Maternity Leave Pay Scheme and SME Export Marketing Fund. There were no unfulfilled conditions related to these subsidies.

5 EXPENSES BY NATURE

Included in "other expenses" are the expenses related to:

	Year ended 31 March	
	2025	2024
	HK$'000	*HK$'000*
Auditor's remuneration		
– Audit services	**2,800**	950
– Non-audit services	**300**	350
Bank charges	**4,018**	4,280
Business development	**7,081**	12,900
Repair and maintenance	**2,600**	2,911
Professional fees	**11,078**	2,965
Expenses in relation to short-term leases	**439**	392

6 FINANCE COSTS

	Year ended 31 March	
	2025	2024
	HK$'000	*HK$'000*
Interest expenses on lease liabilities	**1,038**	2,024

7 INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong and Mainland China during the reporting years ended 31 March 2025 and 2024.

	Year ended 31 March	
	2025	2024
	HK$'000	*HK$'000*
Deferred tax credit	**2,623**	6,103

8 BASIC AND DILUTED LOSS PER SHARE

Basic

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of HK$34,405,000 (2024: HK$75,792,000) and the weighted average number of ordinary shares of 528,917,125 (2024: 528,125,000) in issue less the weighted average number of shares held under the Share Award Plan of Nil (2024: 3,100,000) during the year ended 31 March 2025.

Diluted

No adjustment has been made to the basic loss per share amount presented for the years ended 31 March 2025 and 2024 as the Group had no potentially dilutive ordinary shares in issue.

9 DIVIDENDS

The board of directors of the Company does not recommend the payment of any dividend in respect of the year ended 31 March 2025 (2024: Nil).

10 TRADE RECEIVABLES

The Group seeks to maintain strict control over its outstanding trade receivable balances. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

As at 31 March 2025 and 2024, the carrying amount of trade receivables approximated its fair values and is denominated in HK$.

The 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:

	As at 31 March	
	2025	2024
	HK$'000	*HK$'000*
0-30 days	**2,926**	1,504
31-60 days	**1,115**	560
61-90 days	**707**	217
Over 90 days	**39**	366
Total	**4,787**	2,647

The Group applies the simplified approach permitted by HKFRS 9 to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. As at 31 March 2025 and 2024, the Group has assessed that the expected loss allowance for trade receivables was immaterial. Thus no loss allowance provision for trade receivables was recognised during the years ended 31 March 2025 and 2024.

The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The Group does not hold any collateral as security.

11 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 March	
	2025	2024
	HK$'000	*HK$'000*
Rental and other deposits	**5,756**	7,041
Deposits paid for purchases of plant and equipment	**–**	3,316
Prepayments	**691**	1,473
Other receivables *(Notes a & b)*	**2,397**	16,211
	8,844	28,041
Less: Portion classified as non-current assets	**(3,300)**	(7,892)
Portion classified as current assets, gross	**5,544**	20,149
Less: impairment loss on other receivables *(Note c)*	**(1,838)**	–
Portion classified as current assets	**3,706**	20,149

Notes: Included in "Other receivables" are balances related to:

a) A loan of HK$14,449,000 was advanced to a medical practitioner. The loan was unsecured, bore interest at 3% per annum, and was originally repayable within 12 months. During the year ended 31 March 2025, the medical practitioner made repayments totalling HK$13,027,000, of which HK$329,000 represented accumulated accrued interests, leaving an outstanding balance of HK$1,750,000 as at 14 January 2025. On the same date, the Group and the medical practitioner executed a deed of assignment under which the medical practitioner assigned to the Group her right to receive an outstanding amount of HK$1,750,000 from Dr. Tse under a guarantee and indemnity agreement entered into between them on 31 August 2022, in full settlement of the remaining loan balance.

b) An amount of HK$900,000 was due from a medical practitioner. The balance was unsecured, interest-free, and repayable by monthly instalments of HK$100,000. The amount was fully settled during the year ended 31 March 2025.

c) On 3 November 2025, Dr. Tse was declared bankrupt by the High Court of Hong Kong. Management considers the outstanding receivable assigned to the Group under the deed of assignment to be doubtful and credit-impaired. A full impairment loss of HK$1,750,000 has therefore been recognised in profit or loss. The remaining balance of HK$88,000 represented an advance to Dr. Tse in prior years. A full impairment loss of HK$88,000 has also been recognised in profit or loss.

12 TRADE PAYABLES

The ageing analysis of the trade payables to third parties as at the end of the reporting period based on the invoice date is as follows:

	As at 31 March	
	2025	2024
	HK$'000	*HK$'000*
0-30 days	**2,967**	3,983
31-60 days	**2,038**	735
61-90 days	**70**	48
Over 90 days	**552**	1
Total	**5,627**	4,767

As at 31 March 2025 and 2024, all trade payables of the Group were denominated in HK$, and their fair value approximated to their carrying amounts.

13. POST BALANCE SHEET EVENT

On 30 May 2025 and 30 June 2025, the Company announced the continued suspension of trading in its shares and the resumption guidance imposed by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Trading in the Company's shares has been suspended since 15 April 2025.

The announcements also disclosed a series of allegations involving certain Directors and senior management, including alleged (i) misstatements in the Company's IPO prospectus, (ii) undisclosed loan and remuneration arrangements, and (iii) instances of alleged corporate misconduct and governance irregularities.

The Stock Exchange has required the Company to undertake, among other actions, independent forensic investigations, an independent internal control review, and to re-comply with various corporate governance requirements under the Listing Rules. A 18-month remedial period ending on 14 October 2026 has been imposed, during which the Company must satisfy all resumption conditions to avoid potential delisting.

The Directors of the Company are actively working towards fulfilling the resumption guidance with a view to resuming trading in the Company's shares as soon as practicable.

Readers are advised to refer to the Company's announcements dated 30 May 2025 and 30 June 2025 for full details of the allegations, resumption guidance and continuing suspension arrangements.

MANAGEMENT DISCUSSION AND ANALYSIS

The operating environment in FY2025 remained challenging with continued economic headwinds. However, we made notable progress through strategic initiatives across key business areas, reinforcing our market position while maintaining financial discipline.

BUSINESS REVIEW

Key Business Updates in FY2025

1. **Achieved a Near-Balanced Cash Flow Through Prudent Cost Control and Active Liquidity Management**

   In the two financial years immediately preceding FY2025, the Group's cash reserve decreased by HK$33.8 million and HK$66.1 million, respectively. In FY2025, the net cash outflow narrowed significantly to HK$8.8 million – comprising a HK$19.0 million outflow in the first half, followed by a HK$10.2 million inflow in the second half. As at 31 March 2025, the Group maintained a cash position of HK$132.6 million, with no interest-bearing debt.

   Notably:

   (i) Excluding one-off items and capital expenditures, the Group's core operations began generating positive cash flow in the second half of FY2025, reflecting a renewed focus on operational discipline and execution;

   (ii) In December 2024, management reached a settlement with Dr. Lau Tze Yan ("**Dr. Lau**") and recovered HK$12.7 million in cash from the outstanding loan previously extended to her;

   (iii) Following a strategic review and evaluation of reactivation options with external partners, management decided to permanently close the medical centre in Tsim Sha Tsui. The project had incurred over HK$50 million in cumulative investment and had been suspended due to underperformance. The lease is scheduled to terminate by end-June 2025, which will further reduce the Group's annual cash outflows by over HK$7 million in rental payments.

   Management believes that the carefully preserved cash reserves, increasingly healthy operating cash flow, and resilient balance sheet have laid a solid foundation for the Company's next stage of strategic development and growth.

2. **Pioneering Advanced Medical Technologies to Reinforce Market Leadership**

The Group is dedicated to implementing and enhancing a proactive strategy to introduce advanced medical technologies, aiming to strengthen and expand its leading position in Hong Kong's ophthalmology market – particularly in the refractive segment. The Group takes pride in its technological leadership. It was among the first institutions in Hong Kong to introduce ICL and remains the only officially certified ICL Premium Centre. Leveraging this advantage, the Group earned patients' trust and treated approximately 1,000 eyes in FY2025 – maintaining its position as the highest-volume ICL surgical provider in Hong Kong and reinforcing its market dominance. Revenue from ICL procedures rose to 17.4% in FY2025, from 11.4% in FY2024.

Management continues to evaluate and introduce cutting-edge medical devices and products from around the world – including Mainland China – for myopia control, dry-eye treatment, refractive correction and other ophthalmic applications. At the same time, the Group is actively partnering with world-leading AI healthcare teams, aiming to achieve breakthroughs in AI-driven healthcare and become the first in Hong Kong to deploy these technologies in real-world clinical settings.

3. **Further Enhancing Patient Acquisition Capabilities and Broadening the Patient Base**

With industry-leading brand building expertise, the Group continues to attract patients who actively seek out its services. In FY2025, management further expanded the Group's patient reach by strengthening partnerships with insurance providers and their distribution networks. Collaboration with Medicare Group and other insurers drove a sharp increase in insurance-paid revenue, rising to 6.3% of total revenue, from just 0.7% in FY2024.

Enhanced platform-based acquisition capabilities have also led to a more balanced revenue distribution among doctors. For the year ended 31 March 2021, the top-performing doctor alone contributed 34.8% of total revenue, as disclosed in IPO prospectus; by FY2025, this figure had declined to 20.1%. The significant reduction in revenue concentration marks steady progress toward a more sustainable business model.

To drive future growth, management is evaluating strategies to expand customer base beyond its historical focus on local residents to include new Hong Kong immigrants and the Greater Bay Area (GBA) residents, riding the strong tailwind of Hong Kong's newcomer boom and GBA integration.

Management remains committed to building integrated platform capabilities, including but not limited to patient acquisition and advanced technological competencies, and fostering collaborative, mutually beneficial relationships with doctors to support long-term growth.

4. Forging Strategic Alliances to Accelerate Expansion Beyond Hong Kong

In May 2024, the Group partnered with Shenzhen New Frontier United Family Hospital to establish a premium ophthalmology centre at the hospital. The centre applies the Group's Hong Kong clinical and operating model in the Greater Bay Area.

In November 2024, the Group also entered a strategic partnership with the Eye Hospital of Wenzhou Medical University and its innovation hub, China Eye Valley. The Eye Hospital is one of the top-ranked ophthalmology institutions in China. The partnership supports clinical and academic exchange between the two parties.

Management recognizes that as a small-cap company with annual revenue under HK$200 million, the Group faces intense competition from larger players with greater scale and resources. These structural disadvantages currently constrain the Company's ability to build sustainable competitive advantages. To address this, management is committed to expanding both geographic coverage and business scale through multiple strategic pathways, as a critical levers for strengthening strategic competitiveness, achieving scalable profitability, and ultimately creating long-term shareholder value.

Outlook

Despite macroeconomic headwinds, the Group's strategic initiatives have reinforced its competitive positioning and strengthened its ability to capture growth opportunities and deliver sustainable value.

FY2025 demonstrated management's determination and ability to balance growth initiatives with disciplined financial management. By leveraging ICL leadership, deepening insurance channel integration and expanding mainland partnerships, the Group has taken meaningful steps to diversify its revenue streams. Looking ahead, management will continue to prioritize clinical excellence, technological leadership, strategic collaborations, and operational efficiency as key drivers of long-term value creation.

Since October 2024, the Company has received ongoing allegations concerning its management, directors and the Company itself. In response, the Board established a special committee to oversee an independent investigation.

Legal and advisory fees related to these matters have been substantial and are expected to continue into the next financial year, placing further pressure on the Group's cash position.

Furthermore, the current circumstances have materially disrupted business operations. Management anticipates that these challenges may significantly hinder the execution of key strategic initiatives, potentially affecting the Group's ability to create value and deliver shareholder returns.

The Board remains committed to concluding the investigation efficiently and stabilizing operations, enabling management to refocus on advancing the Group's long-term strategic priorities.

REVENUE OVERVIEW

We mainly generate revenue from the provision of private ophthalmic services in Hong Kong, including (i) refractive treatments; (ii) treatments for other eye problems; (iii) consultation and examination services; (iv) sales of prescriptions and others; and (v) children myopia prevention and control. For FY2025, our revenue amounted to approximately HK$180.6 million, representing a decrease of approximately HK$10.3 million or 5.4% from approximately HK$190.9 million for FY2024. With efforts of the management team, we see a performance rebound in the second half of FY2025, with an increase of HK$4.1 million or 4.6% during the six month ended 31 March 2025 from HK$89.3 million for the six month ended 31 March 2024.

The table below sets out the breakdown of revenue by the types of treatments and services and their respective percentage of revenue.

	For the year ended 31 March				
	2025		2024		
	HK$'000	***% of revenue***	*HK$'000*	*% of revenue*	*Change HK$'000*
Refractive Treatments	**103,628**	**57.4%**	108,344	56.7%	(4,716)
SMILE surgeries	**47,521**	**26.3%**	56,536	29.6%	(9,015)
LASIK surgeries	**758**	**0.4%**	1,932	1.0%	(1,174)
Multifocal IOL replacements	**23,987**	**13.3%**	28,117	14.7%	(4,130)
ICL implantations	**31,362**	**17.4%**	21,759	11.4%	9,603
Treatments for other eye problems	**52,715**	**29.2%**	55,736	29.2%	(3,021)
Standard cataract surgeries	**23,577**	**13.1%**	27,773	14.5%	(4,196)
Laser procedures	**10,665**	**5.9%**	10,606	5.6%	59
PPV surgeries	**9,583**	**5.3%**	10,077	5.3%	(494)
Other treatments/surgeries	**8,890**	**4.9%**	7,280	3.8%	1,610
Consultation and examination services	**14,701**	**8.1%**	11,743	6.2%	2,958
Sales of prescriptions and others	**7,021**	**3.9%**	7,694	4.0%	(673)
Children myopia prevention and control	**2,527**	**1.4%**	7,416	3.9%	(4,889)
Revenue	**180,592**	**100.0%**	190,933	100.0%	(10,341)

REFRACTIVE TREATMENTS

Refractive treatments were our largest source of revenue during the year, representing approximately 57.4% of our revenue during FY2025. Refractive treatments include SMILE surgeries, LASIK surgeries, multifocal IOL replacements and ICL implantations. SMILE is a refractive surgery that uses femtosecond laser to carve a refractive lenticule within the cornea and remove it through a small incision. LASIK is a surgery that uses surgical blade and excimer laser to correct myopia, hyperopia and/or astigmatism by modifying the curvature of cornea. Multifocal IOL replacement is a procedure that corrects cataract and/or other refractive errors by extracting lens from the eye, followed by the replacement of multifocal IOL. ICL implantation is a surgery which places intraocular contact lens in front of the natural lens to correct myopia, hyperopia and astigmatism.

Our revenue generated from refractive treatments decreased by approximately HK$4.7 million, or 4.4%, from approximately HK$108.3 million in FY2024 to approximately HK$103.6 million in FY2025. The decrease in revenue from refractive treatments was mainly due to a decline in revenue generated from SMILE surgeries, which decreased from approximately HK$56.5 million in FY2024 to approximately HK$47.5 million in FY2025. This decline in revenue was a result of conducting fewer SMILE surgeries during the year due to weaker market demand. The decrease was partly offset by an increase in revenue from ICL implantations, which rose from approximately HK$21.8 million in FY2024 to approximately HK$31.4 million in FY2025.

TREATMENTS FOR OTHER EYE PROBLEMS

Treatments for other eye problems include standard cataract surgeries, laser procedures, PPV surgeries, and other treatments and surgeries. Revenue generated from these treatments decreased by approximately HK$3.0 million or 5.4% from approximately HK$55.7 million in FY2024, to approximately HK$52.7 million in FY2025. This represented approximately 29.2% of our total revenue for both FY2024 and FY2025. The decrease was primarily due to the lower revenue recorded for standard cataract surgeries, which decreased by approximately HK$4.2 million. This decrease was partly offset by an increase in revenue generated by other treatment and surgeries which increased by approximately HK$1.6 million, compared to FY2024, while revenue generated by laser procedures and PPV surgeries were relatively stable in the respective years.

CONSULTATION AND EXAMINATION SERVICES

Consultation and examination services mainly include assessments of eye conditions, such as visual acuity, refraction, anterior segment examination, fundal examination and intraocular pressure measurement. Our revenue generated from consultation and examination services increased by approximately HK$3.0 million or 25.2% from approximately HK$11.7 million in FY2024 to approximately HK$14.7 million in FY2025.

SALES OF PRESCRIPTIONS AND OTHERS

Sales of prescriptions and others are mainly sales of medication prescribed by our medical practitioners to our patients following diagnosis after consultation and examination or treatment services. For FY2024 and FY2025, our revenue generated from sales of prescriptions and others was approximately HK$7.7 million and HK$7.0 million, representing approximately 4.0% and 3.9% of our revenue, respectively.

CHILDREN MYOPIA PREVENTION AND CONTROL

Children myopia prevention and control aims to manage and slow down myopia progression in children. The services provided include comprehensive eye examinations to assess visual acuity, refractive error, and overall eye health. Based on the examination results, personalised consultations are offered to parents and children, including suggestions for managing myopia. Revenue generated from children myopia prevention and control decreased by approximately HK$4.9 million, or 65.9%, from approximately HK$7.4 million for FY2024 to approximately HK$2.5 million for FY2025, which was primarily due to the closure of medical centre in Tsim Sha Tsui.

OTHER INCOME AND OTHER LOSSES, NET

For FY2025, other income and other losses, net, mainly consisted of (i) interest income from bank deposits; (ii) disposal gains and write-off of plant and equipment; and (iii) loss on reinstatement costs. Our other income and other losses for FY2025 decreased by approximately HK$4.1 million, or 64.4%, compared to FY2024. The decrease was primarily driven by a downward trend in interest rate of bank deposits as well as the one-off expenditure in disposal and write-off of plant and equipment and reinstatement costs incurred for closure of medical centre in Tsim Sha Tsui during FY2025.

INVENTORIES USED

Inventories used mainly comprised the costs of medical device licences, ICLs, IOLs, drugs and dispensary supplies. Our medical device licences are procedure packs, which comprised of medical consumables required for the operation of our medical devices. The procedure packs enable our medical practitioners to perform treatments and surgeries using the respective medical devices. IOLs primarily consist of intraocular lens used in treatments and surgeries. Our drugs and dispensary supplies are drugs prescribed by our medical practitioners to our patients following diagnosis after consultation and supplies are materials used during surgeries. For FY2024 and FY2025, inventories used amounted to approximately HK$37.3 million and HK$38.0 million, respectively, representing approximately 19.5% and 21.0% of our revenue for the corresponding years. The increase in inventories used as a percentage of revenue was mainly attributable to a change in business mix, with a higher revenue contribution from ICL surgeries, which generally have a higher inventory cost-to-revenue ratio than other treatment categories.

CONSULTANCY FEES

Consultancy fees represent professional fees paid to our medical practitioners, and consist of fixed fees and/or variable fees being calculated based on the revenue generated by the respective medical practitioners, net of relevant center costs. For FY2024 and FY2025, consultancy fees amounted to approximately HK$75.8 million and HK$64.3 million, representing approximately 39.7% and 35.6% of our total revenue, respectively. The decrease was mainly attributable to a lower level of fixed and minimum guaranteed consultancy fees incurred during the year, as well as a more streamlined medical practitioner mix, resulting in a closer alignment between consultancy fees and the revenue contribution of our medical practitioner. The Company adopted a share award plan (the "**Share Award Plan**") on 23 November 2022. On 4 July 2023, the Board resolved to grant 26,088,750 awarded shares to five medical practitioners under the Share Award Plan. Consequently, share-based payments of approximately HK$3.0 million and HK$3.5 million, related to the service providers, were recorded as consultancy fees and recognised in the consolidated statement of profit or loss and other comprehensive income for FY2024 and FY2025, respectively.

EMPLOYEE BENEFIT EXPENSES

Our employee benefit expenses include wages, salaries, pension scheme contributions and other related expenses for our staff. For FY2024 and FY2025, our employee benefit expenses amounted to approximately HK$61.1 million and HK$50.2 million, representing approximately 32.0% and 27.8% of our revenue, respectively. The decrease in employee benefit expenses during the year was mainly due to (i) the decrease in the average number of employees from 122 for FY2024 to 103 for FY2025 resulting from discontinuing operation of the medical centre in Tsim Sha Tsui since April 2024, and (ii) on 4 July 2023, the Board resolved to grant 9,367,500 awarded shares to 36 individuals (including two Directors) under the Share Award Plan. As a result, share-based payments of approximately HK$3.0 million and HK$2.7 million, related to the employees and Directors, were recorded as employee benefit expenses and recognised in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 Mar 2024 and 2025, respectively.

DEPRECIATION OF PLANT AND EQUIPMENT

Depreciation expenses for plant and equipment mainly comprise depreciation expenses on leasehold improvements and medical and office equipment for our medical centres. For FY2024 and FY2025, our depreciation expenses for plant and equipment amounted to approximately HK$15.9 million and HK$10.6 million, representing approximately 8.3% and 5.9% of our revenue, respectively. The decrease in depreciation of plant and equipment is mainly due to the closure of the medical centre in Tsim Sha Tsui, which led to the impairment and cease depreciation of plant and equipment in April 2024.

DEPRECIATION OF RIGHT-OF-USE ASSETS

Depreciation expenses for right-of-use assets mainly comprise depreciation expenses for leased equipment and properties. For FY2024 and FY2025, our depreciation expenses for right-of-use assets amounted to approximately HK$21.5 million and HK$12.4 million, representing approximately 11.3% and 6.9% of our revenue, respectively. The decrease in depreciation of right-of-use assets during the year was primarily caused by the termination of lease contract of the medical centre in Tsim Sha Tsui and Central in March 2024.

IMPAIRMENT LOSSES ON PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Company identified two underperforming medical centres as at 31 March 2024. One of these is the medical centre in Tsim Sha Tsui, which has been operating at a loss since its establishment, it was shut down and the lease agreement was terminated early during FY2025. The other centre is nearing the end of its lease term, and the Company has no intention of renewing it with the business decision of relocating during FY2024. The Company conducted a discounted cash flow projection to estimate the recoverable amounts of non-financial assets associated with these two medical centres. Based on this discounted cash flow projection, an impairment loss of approximately HK$4.4 million for plant, and equipment, were recognised in the consolidated statement of comprehensive income for FY2025 (FY2024: HK$18.3 million of impairment loss on plant and equipment and HK$11.7 million of impairment loss on right-of-use assets).

IMPAIRMENT LOSSES ON OTHER RECEIVABLES

A loan of approximately HK$14.4 million was advanced to a medical practitioner. The loan was unsecured, bore interest at 3% per annum, and was originally repayable within 12 months. During the year ended 31 March 2025, the medical practitioner made repayments totalling approximately HK$13.0 million, of which HK$329,000 represented accumulated accrued interests, leaving an outstanding balance of HK$1,750,000 as at 14 January 2025. On the same date, the Group and the medical practitioner executed a deed of assignment under which the medical practitioner assigned to the Group her right to receive an outstanding amount of approximately HK$1.8 million from Dr. Tse under a guarantee and indemnity agreement entered into between them on 31 August 2022, in full settlement of the remaining loan balance. On 3 November 2025, Dr. Tse was declared bankrupt by the High Court of Hong Kong. Management considers the outstanding receivable assigned to the Group under the deed of assignment to be doubtful and credit-impaired. A full impairment loss of approximately HK$1.8 million has therefore been recognised in profit or loss during FY2025. The remaining balance of HK$88,000 represented an advance to Dr. Tse in prior years. A full impairment loss of HK$88,000 has also been recognised in profit or loss during FY2025.

OTHER EXPENSES

Other expenses mainly comprise other general and administration expenses, management fees, business development expenses and bank charges. For FY2024 and FY2025, other expenses were approximately HK$35.6 million and HK$36.9 million, representing approximately 18.6% and 20.5% of our revenue, respectively. The table below sets forth the breakdown of other expenses for FY2024 and FY2025 respectively:

	As at 31 March	
	2025	2024
	HK$'000	*HK$'000*
Auditor's remuneration		
– Audit services	2,800	950
– Non-audit services	300	350
Bank charges	4,018	4,280
Business development	7,081	12,900
Repair and maintenance	2,600	2,911
Professional fees	11,078	2,965
Expenses in relation to short-term leases	439	392
Other general and administrative expenses	8,622	10,826

For FY2024 and FY2025, our business development expenses amounted to approximately HK$12.9 million and HK$7.1 million, respectively. The significant business development expenses for FY2024 was primarily resulting from our strategic promotion efforts focusing on children myopia control following the opening of the medical centre in Tsim Sha Tsui, which was closed in April 2024.

Bank charges are expenses related to credit card transfers and instalment. For FY2024 and FY2025, our bank charges amounted to approximately HK$4.3 million and HK$4.0 million, respectively.

Professional fees mainly comprise payments to various service providers, including legal counsel, consultancy and advisory services, share registry and investor relations services. These fees increased by approximately HK$8.1 million, or 273.6%, from approximately HK$3.0 million for FY2024 to approximately HK$11.1 million for FY2025.

Other general and administrative expenses mainly includes, but not limited to, utilities charges, insurance payments, other telecommunication charges, travelling expenses and entertainment expenses. For FY2024 and FY2025, our other general and administrative expenses amounted to approximately HK$10.8 million and HK$8.6 million, respectively. The decrease in other general and administrative expenses during the year was primarily attributable to the Group's strengthened cost management and tighter control over operating expenditures during FY2025. Such measures resulted in notable reductions specifically in entertainment expenses, insurance expenses and travelling expenses.

FINANCE COSTS

Finance costs mainly comprise interest expenses on lease liabilities. These costs decreased by approximately HK$1.0 million, or 48.7%, from approximately HK$2.0 million for FY2024, to approximately HK$1.0 million for FY2025. The decrease in finance costs was primarily connected with the decrease in leasing liabilities for fewer leased properties which is primarily caused by the closure of the medical centre in Tsim Sha Tsui.

INCOME TAX

The Group recognised taxation for profit at the rate of 16.5% in Hong Kong with reference to the estimated assessable profits during the period.

For FY2024, the Group reported a tax credit of around HK$6.1 million. The tax credit was calculated at a rate of 16.5% based on a loss before income tax of approximately HK$81.9 million recognised during FY2024, after excluding non-deductible items acknowledged by the Group. The non-deductible expenses mainly represented an impairment loss on plant and equipment, as well as an impairment loss on right-of-use assets, totaling approximately HK$30.0 million.

On the other hand, the Group reported a tax credit of around HK$2.6 million for FY2025. The tax credit was calculated at a rate of 16.5% based on a loss before income tax of approximately HK$36.9 million recognised during FY2025, after excluding non-deductible items acknowledged by the Group. The non-deductible expenses mainly represented an impairment loss on plant and equipment, as well as an impairment loss on other receivables, totaling approximately HK$6.2 million.

LOSS FOR THE YEAR

As a result of the foregoing, the Group recorded a loss of approximately HK$34.3 million for FY2025, compared to a loss of approximately HK$75.8 million for FY2024.

CAPITAL EXPENDITURE AND COMMITMENTS

For FY2024 and FY2025, the Group incurred capital expenditures of approximately HK$39.7 million and HK$8.4 million, respectively, primarily due to the purchase of equipment and leasehold improvements for our medical centres and the expansion of our medical centres network.

As at 31 March 2025, the Group does not have capital expenditure contracted for but not yet recognised (2024: HK$0.3 million).

GEARING RATIO

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

CONTINGENT LIABILITIES

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

PLEDGE OF ASSETS

The Group had not pledged any assets as at 31 March 2025.

FINANCIAL INSTRUMENTS

Our major financial instruments include financial assets at fair value through profit or loss, trade receivables, financial assets included in deposits, prepayments and other receivables, cash and cash equivalents, lease liabilities, trade payables, financial liabilities included in accruals and other payables. Our management manages such exposure to ensure appropriate measures are implemented on a timely and effective manner.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISKS

Exposure to Fluctuation in Exchange Rates

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not our functional currency. We mainly operate in Hong Kong with the majority of the transactions settled in HK$. We closely monitor and manage foreign exchange risk exposures to ensure the exposures do not have significant impact on the operation of the Group. As the Group does not have any significant transactions, assets or liabilities which are settled in currencies other than HK$ during FY2024 and FY2025, our income and operating cash flows are substantially independent of changes in market foreign exchange rate. We have not used any derivative financial instrument to hedge against our exposure to foreign exchange risk but will closely monitor such risk on an ongoing basis.

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, financial assets included in deposits, prepayments and other receivables, and cash and cash equivalents. Our maximum exposure to credit risk is the carrying amounts of these financial assets.

The credit risk of cash and bank balances are limited because they are deposited in medium or large listed banks. We do not expect that there will be any significant losses from non-performance of these counterparties.

We have assessed that the expected loss rate for trade receivables was immaterial during FY2025. We have a highly diversified source of patients, without any single patient contributing to revenue in a material way. We also have procedures in place to ensure that follow-up action is taken to recover overdue debts. Our management determines the expected credit losses on trade receivables based on Group's historical observed default rates, existing market conditions as well as forward-looking estimates at the end of the reporting period. Our management reviews patients' billing and payment status at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amount. In addition, we have appropriate measures in place to ensure credit sales made to customers with an appropriate credit history. During FY2025, we had not identified specific concentrations of credit risk related to trade receivables, as the amounts recognised mainly represent receivables from credit card companies due to a large number of customers who choose to pay by credit card.

LIQUIDITY RISK

We adopt prudent liquidity risk management by maintaining sufficient cash balances to meet our financial commitments when they become due. Accordingly, we believe that we do not have significant liquidity risk.

CAPITAL RISK MANAGEMENT

Our capital structure consists of shareholders' equity. In order to maintain or adjust our capital structure, we may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets. We monitor capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total equity. The net debt includes the total borrowings including lease liabilities less cash and cash equivalents. As at 31 March 2024 and 2025, we maintained a net cash position.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed a total of 102 employees (2024: 110). The Group ensures that its remuneration packages are comprehensive and competitive from time to time. When determining the emolument payable to the Directors (including the executive Directors), we take into account the experience of the Directors, their level of responsibility and general market conditions. Any discretionary bonus and other merit payments of the Directors are linked to the profit performance of the Group and the individual performance of the Directors. Employees are remunerated with a fixed monthly income plus annual discretionary performance-related bonus.

The Group adopted a share option scheme (the "**Share Option Scheme**") on 26 January 2022 and the Share Award Plan on 23 November 2022. These schemes were established to provide incentives and rewards to eligible participants, including selected employees, for their contributions to the Group and to align the corporate objectives and interests between the Group and its key talents. On 27 June 2023, the Board has resolved to terminate the Share Option Scheme with immediate effect. Details of the Share Award Plan is set out in the Company's circular dated 7 November 2022. The Group also sponsors selected employees to attend external training courses that suit the needs of the Group's business. We believe that investing in our employees' development and skills not only benefits them personally but also enhances the Group's overall capabilities and competitiveness.

OUTLOOK AND STRATEGIES

Our principal business objective is to achieve sustainable growth, further strengthen our position in the ophthalmic services market and create long-term value for our shareholders by executing the following strategies:

- We will continue to strengthen our market position in Hong Kong by maintaining our market-leading position in SMILE surgery and promoting ICL implantation; while exploring new opportunities for growth and expansion, like exploring tapping into children myopia prevention and control business.

- We plan to acquire equity interests in eye-related clinics, outpatient department or hospitals in the People's Republic of China ("**PRC**") to expand our presence into the PRC under our brand of "Clarity".

- We plan to identify suitable collaboration partners for collaboration and expansion.

- We plan to acquire interests in ophthalmic-related businesses.

LIQUIDITY AND CAPITAL STRUCTURE

During FY2025 our operations were generally financed from internally generated cash flows. The Directors believe that in the long term, our operations will be funded by internally generated cash flows and, if necessary, additional equity financing and bank borrowings. As at 31 March 2025, we had cash and cash equivalents of HK$132.6 million (2024: HK$141.4 million), all of which were denominated in Hong Kong dollars.

During FY2024 and FY2025, the Group did not use any financial instruments, currency borrowings or other hedging instruments for hedging purposes. The Group has no outstanding bank loans, overdrafts or other borrowings at 31 March 2025.

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

The current ratio (calculated as current assets over current liabilities) was 4.1 times as at 31 March 2025 compared with 4.4 times as at 31 March 2024.

As at 31 March 2025, the Group reported net current assets of HK$108.6 million, as compared with HK$130.9 million as at 31 March 2024.

Net cash generated from operating activities was HK$17.9 million during FY2025 as compared to net cash used in operating activities of HK$15.6 million during FY2024. For FY2025, the net cash generated from operating activities mainly attributed from loss before income tax of approximately HK$36.9 million, excluding non-cash items of (i) shares-based payments of approximately HK$6.2 million; (ii) depreciation of plant and equipment of approximately HK$10.6 million; (iii) depreciation of right-of-use assets of approximately HK$12.4 million; (iv) impairment loss on plant and equipment of approximately HK$4.4 million; (v) impairment loss on other receivables of approximately HK$1.8 million; and (vi) loss on reinstatement costs of approximately HK$1.6 million.

Net cash from investing activities amounted to HK$44.4 million during FY2025 as compared to net cash from investing activities of approximately HK$26.6 million during FY2024.

The net cash from investing activities during FY2025 was mainly from (i) interest received of approximately HK$4.1 million; and (ii) decrease in time deposits with maturity of more than three months of approximately HK$50.0 million; which are offset by purchases of plant and equipment and financial assets of approximately HK$11.9 million.

During FY2025, net cash used in financing activities amounted to HK$21.0 million, compared to net cash used in financing activities of HK$24.1 million during FY2024. The net cash used in financing activities for FY2025 was mainly from lease payments of approximately HK$21.0 million.

SIGNIFICANT INVESTMENTS, ACQUISITION AND DISPOSALS

Except for investments in subsidiaries, there were no significant investments held by the Group as at 31 March 2025.

The Group had no other material acquisitions or disposal of subsidiaries, associates and joint ventures during the reporting period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as its code of conduct in respect of the securities dealing by the Directors. All current Directors confirmed that they have complied with the Model Code throughout FY2025 and up to the date of this announcement.

DIVIDEND

The Board does not recommend payment of a final dividend for FY2025 (FY2024: Nil). No dividend was paid or declared by the Company or other members of the Group during FY2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for FY2025 and up to date of this announcement.

MAJOR EVENTS AFTER THE REPORTING PERIOD AND/OR THOSE NOT YET REPORTED IN THE PUBLISHED ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024 OR THE PUBLISHED INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Suspension of trading in the shares of the Company and Resumption Guidance

(a) Trading in the shares of the Company on the Stock Exchange has been suspended since 15 April 2025 and remains suspended as at the date of this announcement.

(b) The Company received two sets of resumption guidance from the Stock Exchange on 20 May 2025 and 26 June 2025 respectively ("**Resumption Guidance**") for resumption of trading in the shares of the Company on the Stock Exchange. For details of the Resumption Guidance, please refer to the announcements of the Company dated 30 May 2025 and 30 June 2025.

(c) The Special Committee was established on 30 December 2024 to investigate the purported allegations involving certain corporate governance issues. Subsequently, additional allegations were made in respect of other corporate governance issues (collectively, the "**Corporate Governance Allegations**"). The Resumption Guidance stipulates that the completion of an independent forensic investigation into the Corporate Governance Allegations is one of the conditions for the resumption of trading. The Special Committee was reconstituted on 11 November 2025. As disclosed in the Company's announcement of 14 January 2026, FTI Consulting (Hong Kong) was engaged as the independent forensic accountant to the Special Committee to conduct investigation on the Corporate Governance Allegations ("**FTI Investigation**"). For further details, please refer to the announcements of the Company dated 17 January 2025, 20 January 2025, 12 February 2025, 13 May 2025, 14 July 2025, 14 October 2025, 12 November 2025 and 14 January 2026.

(d) Allegations were made against the Company that it made material misstatements in its IPO prospectus and failed to disclose in such prospectus certain re-routing of paid dividends to certain past medical practitioners of the Group for remuneration purposes ("**IPO Allegations**"), as disclosed by the Company on 13 May 2025. The Separate Special Committee was established in May 2025 to investigate the IPO Allegations with an additional member being appointed in June 2025. The Resumption Guidance requires, as a condition for the resumption of trading, an independent forensic investigation into the IPO Allegations. The Separate Special Committee was reconstituted on 11 November 2025, and the additional member appointed in June 2025 resigned with effect from 13 April 2026. As disclosed in the Company's announcement of 5 March 2026, Grant Thornton Advisory Services Limited was appointed as the forensic advisor to the Separate Special Committee to conduct investigation on the IPO Allegations ("**GT Investigation**"). For further details, please refer to the announcements of the Company dated 13 May 2025, 3 July 2025, 14 July 2025, 14 October 2025, 12 November 2025, 14 January 2026, 5 March 2026 and 14 April 2026.

(e) As one of the conditions for the resumption of trading under the Resumption Guidance, an independent internal control review ("**IC Review**") is to be conducted to demonstrate that the Company has in place adequate internal control and procedures to comply with the Listing Rules. For such purpose, the Company appointed one of the Big Four advisory firms ("**IC Adviser**") to conduct IC Review, as disclosed by the Company on 7 April 2026.

Status of FTI Investigation, the GT Investigation and the IC Review

(a) The FTI Investigation was disclosed in the announcements of the Company dated 7 April 2026 and 11 September 2026 respectively, which include, among other things, the background, scope, procedures, key findings and limitations of the FTI Investigation, as well as the opinions of the Special Committee and of the Board on the FTI Investigation.

(b) The GT Investigation was disclosed in the announcement of the Company dated 11 September 2026, which includes, among other things, the background, procedures, limitations and key findings of the GT Investigation, as well as the views of the Separate Special Committee and of the Board on the GT Investigation.

(c) The IC Review was disclosed in the announcement of the Company dated 13 September 2026 which includes, among other things, (a) the background, scope and methodology, limitations, observations and recommendations of the IC Review, (b) the remedial measures taken by the Company, (c) follow-up review conducted by the IC Adviser, including the review on the Company's enhancement measures to address the internal control matters revealed in the FTI Investigation and the GT Investigation, and (d) the views of the Board and the Audit Committee on the IC Review.

Litigations

On 5 February 2025, the Company's indirect wholly-owned subsidiary, Saintford Limited (尚方有限公司), as plaintiff, issued (i) a writ of summons under action number HCA 0198/2025 against WIT Limited, an entity being controlled by Dr. Tse, and (ii) a writ of summons under action number DCCJ 0676/2025 against Dr. Tse. For details of these two legal actions, please refer to the announcement of the Company dated 12 February 2025. Both actions are still active.

A bankruptcy order was made against Dr. Tse by the High Court of Hong Kong under action number HCB 5599/2025 on 3 November 2025, as disclosed in the Company's announcement of 7 November 2025. Following such bankruptcy order, any further proceedings in the DCCJ 0676/2025 action brought by the Company (as creditor) against Dr. Tse (the bankrupt) require leave of the court pursuant to section 12(1) of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong). Further announcement(s) will be made by the Company as and when appropriate to keep its shareholders and potential investors informed of any material developments concerning the legal actions.

On 22 September 2025, the Company received an originating summons dated 19 September 2025 (the "**OS**") issued at the High Court of Hong Kong by Dr. Tse, as the plaintiff. The OS was issued against the Company under the action number HCMP 1627/2025. A hearing was held on 2 April 2026 and the High Court of Hong Kong pronounced judgment to dismiss the OS including all the reliefs sought by Dr. Tse therein. For further details on the HCMP 1627/2025 action, please refer to the announcements dated 23 September 2025, 27 February 2026 and 2 April 2026, and the circular of the Company dated 5 February 2026.

Change of auditor

Ernst & Young has resigned as the auditor of the Company with effect from 31 March 2026. Crowe was appointed as the new auditor of the Company to fill the casual vacancy and shall hold office until the conclusion of the next annual general meeting of the Company. For further details to the change of auditor, please refer to the announcements of the Company dated 2 April 2026, 14 April 2026 and 11 May 2026.

Non-compliance of Listing Rules

The Company failed to comply with Rules 3.10(1), 3.10A, 3.11 and 3.21 of the Listing Rules, due to insufficient number of independent non-executive Directors and the Company's failure to appoint a replacement within the required period, since the pass away of an independent non-executive Director in February 2024. The Company sought from the Stock Exchange an extension of time to appoint a suitable independent non-executive Director to fill such vacancy. The Company then re-complied with these Rules in May 2024 when it appointed a new independent non-executive Director, as disclosed in the announcements of the Company dated 14 May 2024 and 29 May 2024.

The Company also failed to comply with Rules 3.10, 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules, due to insufficient number of independent non-executive Directors, and its failures to comply with the composition and minimum membership requirements of the audit committee, the remuneration committee and the nomination committee, following the resignation of an independent non-executive Director in November 2024. The Company then re-complied with (i) Rules 3.10, 3.10A, 3.21 partially and 3.27A in June 2025 and (ii) with Rules 3.25 and 3.27A in September 2025, and (iii) fully complied with Rule 3.21 in November 2025, respectively, when it appointed sufficient number of non-executive Directors and independent non-executive Directors to fill the vacancies, as respectively disclosed in the announcements of the Company dated 25 June 2025, 1 September 2025 and 11 November 2025.

USE OF PROCEEDS FROM THE LISTING

The Shares of HK$0.01 each of the Company were listed on the Stock Exchange on 18 February 2022 with 125,000,000 new shares issued at an issue price of HK$1.6 per share. The net proceeds from the initial public offering (the "**IPO**") amounted to approximately HK$181.9 million, after deduction of the underwriting commission and other expenses. The Company applied the proceeds from the Listing in accordance with the proposed applications as set out in the section headed "Future Plans and Use of Proceeds – Use of Proceeds" in the prospectus dated 31 January 2022 (the "**Prospectus**") which is also set out below.

The remaining unutilised net proceeds as at 31 March 2025 were held in bank and it is intended that they will be applied in the manner consistent with the proposed allocations as set out in the Prospectus.

As at 31 March 2025, the Company utilised proceeds from the IPO of approximately HK$87.6 million. The following table sets out the breakdown of the use of proceeds from the IPO:

	Percentage of net proceeds	Estimated net proceeds allocated as disclosed in the Prospectus *(HK$ million)*	Allocated net proceeds from IPO *(HK$ million)*	Net proceeds utilised in FY2023 *(HK$ million)*	Net proceeds utilised in FY2024 *(HK$ million)*	Net proceeds utilised in FY2025 *(HK$ million)*	Estimated time for utilising the allocated net proceeds *(HK$ million)*	Remaining amount *(HK$ million)*
Establishing two new medical centres in Hong Kong for the provision of ophthalmic services	44.8%	110.0	81.5	8.9	43.1	13.0	By 31 March 2027	16.5
Acquiring majority and/or minority equity interests in one to two eye-related clinics, outpatient department or hospitals in selected cities in the Greater Bay Area	30.5%	75.0	55.5	–	–	–	By 31 March 2027	55.5
Setting up an eye-related clinic for the provision of ophthalmic medical services in the PRC with suitable collaboration partners	14.7%	36.0	26.7	–	–	4.4	By 31 March 2028	22.3
Working capital	10.00%	24.6	18.2	–	18.2	–	N/A	–
TOTAL		**245.6**	**181.9**	**8.9**	**61.3**	**17.4**		**94.3**

Notes:

(1) The net proceeds from IPO, after deducting the underwriting commission and other expenses of approximately HK$18.1 million, amounted to approximately HK$181.9 million, which is lower than the estimated net proceeds of approximately HK$245.6 million as disclosed in the Prospectus. The difference of approximately HK$63.7 million has been adjusted in the same manner and in the same proportion to the use of proceeds as disclosed in the section headed "Future Plans And Use Of Proceeds" in the Prospectus.

(2) In view of the challenges faced by the Group in its business operations and the uncertainty surrounding the availability of suitable acquisition opportunities in the Greater Bay Area, as well as potential collaboration partners in the PRC, the Board has extended the estimated timeline for utilising the allocated but unutilised net proceeds as at 31 March 2025. As a result, there has been a delay in the estimated timeline for utilising the allocated net proceeds compared to the timeline previously disclosed in the Prospectus.

The Board considers that the extension of the expected timeline for using the unutilised net proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole. Save as disclosed in this announcement, there are no other changes to the plan for utilising the proceeds from the IPO as at the date of this announcement.

The expected time for utilising the remaining net proceeds is based on the best estimation of the present and future business market situations made by the Group. It may be subject to further change based on the future development of the market conditions.

CORPORATE GOVERNANCE

The corporate governance principles of the Company emphasise an effective Board, sound internal control, appropriate independence policy, transparency and accountability so as to safeguard the interests of our shareholders. The Board is committed to maintaining high corporate governance standards.

During FY2025 and up to the date of this announcement, 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 on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") which are applicable to the Company.

The Company considers that sufficient measures have been taken to ensure the Company has complied with corporate governance practices as stipulated in the CG Code. The Board will continue to monitor and review the Company's corporate governance practices in order to ensure that such practices meet the general rules and standards as required under the Listing Rules. The Board believes that sound and reasonable corporate governance practices are essential for sustainable growth of the Group and for benefit of the Group and the shareholders as a whole.

In the opinion of the Board, save as disclosed in this announcement, during FY2025 and up to the date of this announcement, the Company has complied with all applicable code provisions as set forth in the CG Code.

Details of the corporate governance practices of the Company will be set out in the Corporate Governance Report contained in the 2025 annual report of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company comprises four independent non-executive Directors, namely, Mr. Wang Can (Chairman of the Audit Committee), Ms. Ci Ying, Dr. Chen Poujian and Mr. Xu Anliang. The Audit Committee has reviewed the accounting principles and practices adopted by the Group, and has also reviewed auditing, internal control and financial reporting matters, including the review of the annual results of the Company for FY2025.

SCOPE OF WORK OF CROWE

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for FY2025 as set out in this announcement have been agreed by the Group's auditor, Crowe, Certified Public Accountants of Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for FY2025. The work performed by Crowe in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standard 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 Crowe on the preliminary announcement.

By order of the Board
CLARITY MEDICAL GROUP HOLDING LIMITED
JIANG Bo
Executive Director and Chief Executive Officer

Hong Kong, 15 September 2026

As at the date of this announcement, the Board comprises Mr. JIANG Bo as executive Director, Mr. CHEN Jiarong, Professor WANG Qinmei and Mr. SUN Peng as non-executive Directors, Mr. WANG Can, Ms. CI Ying, Dr. CHEN Poujian and Mr. XU Anliang as independent non-executive Directors.