



Clarity
Medical Group
清晰醫療集團

2025

ANNUAL REPORT

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

Contents

2	Corporate Information
4	Financial Highlight
5	CEO's Statement
6	Management Discussion and Analysis
22	Profile of Directors, Senior Management and Company Secretary
29	Directors' Report
45	Corporate Governance Report
65	Environmental, Social and Governance Report
88	Independent Auditor's Report
94	Consolidated Statement of Profit or Loss and Other Comprehensive Income
95	Consolidated Statement of Financial Position
97	Consolidated Statement of Changes in Equity
99	Consolidated Statement of Cash Flows
101	Notes to the Consolidated Financial Statements
156	Financial Information Summary

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Jiang Bo (*Chief Executive Officer*) *
(Appointed on 9 September 2024)
Mr. Hui Yung Chris (*Co-Chief Executive Officer*) *
(Retired as an executive Director on 6 January 2026 and
resigned as a co-chief executive officer on 30 April 2026)
Dr. Tse Wai Ip (*Vacated on 1 August 2025*)
Mr. Lo Tsz Hong (*Resigned with effect from
1 September 2025*)

Non-Executive Directors

Mr. Chen Jiarong (*Appointed on 1 September 2025*)
Prof. Wang Qinmei (*Appointed on 11 November 2025*)
Mr. Sun Peng (*Appointed on 22 January 2026*)
Mr. Wu Ting Yuk Anthony (*Chairman of the Board*)
(Retired on 6 January 2026)
Ms. Zhao Wei (*Resigned on 11 June 2025*)
Mr. Ng Roy (*Resigned on 9 September 2024*)

Independent Non-Executive Directors

Mr. Wang Can (*Appointed on 9 September 2024*)
Ms. Ci Ying (*Appointed on 25 June 2025*)
Dr. Chen Poujian (*Appointed on 11 November 2025*)
Mr. Xu Anliang (*Appointed on 22 January 2026*)
Ms. Cheng Jessica (*Appointed on 29 May 2024 and
retired on 6 January 2026*)
Mr. Ma Wai Hung Vincent (*Resigned on 9 September 2024*)
Mr. Li Michael Hankin (*Resigned on 25 November 2024*)

AUDIT COMMITTEE

Mr. Wang Can (*Chairman*) (*Appointed on 9 September
2024 and re-designated as chairman on 25 March 2025*)
Dr. Chen Poujian (*Appointed on 11 November 2025*)
Mr. Xu Anliang (*Appointed on 22 January 2026*)
Ms. Ci Ying (*Appointed as member on 13 January 2026*)
Mr. Li Michael Hankin (*Chairman*)
(*Resigned on 25 November 2024*)
Ms. Cheng Jessica (*Appointed on 29 May 2024 and
retired on 6 January 2026*)
Mr. Ma Wai Hung Vincent (*Resigned on 9 September 2024*)

REMUNERATION COMMITTEE

Mr. Wang Can (*Chairman*)
(*Appointed on 9 September 2024*)
Ms. Ci Ying (*Appointed as member on 1 September 2025*)
Mr. Chen Jiarong (*Appointed on 1 September 2025*)
Mr. Ma Wai Hung Vincent (*Chairman*)
(*Resigned on 9 September 2024*)
Mr. Jiang Bo (*Appointed on 9 September 2024 and
resigned as member on 1 September 2025*)
Mr. Ng Roy (*Resigned on 9 September 2024*)
Mr. Li Michael Hankin (*Resigned on 25 November 2024*)

NOMINATION COMMITTEE

Ms. Ci Ying (*Chairperson*) (*Appointed on 25 June 2025 and
re-designated as chairperson on 13 January 2026*)
Mr. Wang Can (*Appointed on 9 September 2024*)
Mr. Chen Jiarong (*Appointed on 13 January 2026*)
Mr. Wu Ting Yuk Anthony (*Chairman*)
(*retired on 6 January 2026*)
Mr. Ma Wai Hung Vincent (*Resigned on 9 September 2024*)
Mr. Li Michael Hankin (*Resigned on 25 November 2024*)

AUTHORISED REPRESENTATIVES

Mr. Jiang Bo (*Appointed on 11 November 2025*)
Ms. Yeung Pui Yee Holly (*Appointed on 1 September 2025*)
Mr. Hui Yung Chris (*Resigned on 11 November 2025*)
Ms. Wong Wing Yee (*Appointed on 18 February 2025 and
resigned on 29 August 2025*)
Ms. Chan Po Yu (*Resigned on 18 February 2025*)

COMPANY SECRETARY

Ms. Yeung Pui Yee Holly (*Appointed on 1 September 2025*)
Ms. Wong Wing Yee (*Appointed on 18 February 2025 and
Resigned on 29 August 2025*)
Ms. Chan Po Yu (*Resigned on 18 February 2025*)

AUDITOR

Crowe (HK) CPA Limited[#]
Certified Public Accountants
Registered Public Interest Entity Auditor
9/F, Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

Notes * Mr. Jiang Bo has been appointed as an executive Director and Chief Executive Officer (the “CEO”) with effect from 9 September 2024. Following the appointment of Mr. Jiang Bo as a CEO, Mr. Hui Yung Chris has been re-designated as a Co-Chief Executive Officer on the same day.

[#] Ernst & Young (“EY”) resigned as auditor with effect from 31 March 2026. On 24 April 2026, Crowe (HK) CPA Limited (“Crowe”) was appointed as the new auditor to fill the casual vacancy arising from EY’s resignation. Accordingly, the consolidated financial statements in this annual report have been audited by Crowe.

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
Bank of China (Hong Kong) Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

20/F, Ginza Plaza
2A Sai Yeung Choi Street South
Mongkok, Kowloon, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

CORPORATE WEBSITE

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INVESTOR RELATIONS CONTACT

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STOCK CODE

1406

Financial Highlight

The board (the “**Board**”) of directors (the “**Directors**”) of Clarity Medical Group Holding Limited (the “**Company**”) is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024.

COMPARISON OF KEY FINANCIAL INFORMATION AND FINANCIAL RATIOS

	For the year ended 31 March		Change
	2025 HK\$'000	2024 HK\$'000	
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 other 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.

CEO's Statement

Dear Shareholders,

On behalf of the Board, I present the annual report of the Group for the year ended 31 March 2025 ("**FY2025**"). It is my first statement to you, as I became Chief Executive Officer in September 2024, and it reaches you much later than it should. Trading in the Company's shares has been suspended since 15 April 2025, and this report is published together with the one for the year that followed.

FY2025 itself was a year of stabilising the business. The operating environment stayed difficult and revenue fell slightly. We stopped doing things that lost money, starting with the closure in April 2024 of the medical centre in Tsim Sha Tsui, a venture set up after our listing that had since been incurring loss. We managed cash carefully, and by the second half of FY2025, revenue had returned to growth and our core operations were generating cash again. The loss for the year was less than half that of the year before. The figures are in the Management Discussion and Analysis that follows.

The year is remembered for something else. From October 2024, allegations were made against the Company, its Directors and its management, and in December 2024 the Board established a Special Committee to investigate them. What began in FY2025 shaped everything that came after: the suspension, two independent investigations, an internal control review, litigation, and a long delay in reporting to you. The findings, and the views of the Board and the relevant committees on them, are in our announcements of 7 April, 11 September and 13 September 2026.

I do want to say why I think it happened, because that matters more than any single finding. Our shareholding and our Board reflect the Company's history: a practice founded by doctors that later brought in outside investors. That structure carried a weakness which stayed hidden while everyone's interests ran together. When those interests diverged, so did the Board. A divided Board not only failed to protect the interests of shareholders as a whole; the division itself became the biggest source of harm to those interests over these two years. I was a member of the Board for part of that period.

For a company of our size, a board and a shareholder base that can act together are worth more than any strategy, because they are the condition for carrying one out. The Board has since been reconstituted and its policies and controls rebuilt; the FY2026 report describes this. What matters now is that the Board and the Company's governance do their job: protecting and creating value for all shareholders.

ACKNOWLEDGEMENT

I thank our doctors and every colleague who kept the clinics running through all this. I thank our Shareholders for their patience.

Jiang Bo

Executive Director and Chief Executive Officer

Hong Kong, 15 September 2026

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.

Management Discussion and Analysis

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 months 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	% of	2024	% of	Change
	HK\$'000	revenue	HK\$'000	revenue	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)

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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. For details on confirmations, please refer to the section headed “MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS” in the Corporate Governance Report in this report.

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 report.

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 report.
- (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.

Management Discussion and Analysis

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

During the year ended 31 March 2025, the Company failed to comply with certain Listing Rules and relevant remedial steps were taken. Please refer to the disclosures under the section headed “Non-compliance with the Listing Rules” in the Corporate Governance Report of this report for details.

Profile of Directors, Senior Management and Company Secretary

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Jiang Bo (蔣波), aged 45, was appointed as executive Director and Chief Executive Officer and a member of Remuneration Committee on 9 September 2024 and was resigned as a member of Remuneration Committee on 1 September 2025. Mr. Jiang is responsible for the general management and business strategy formulation of the Group. He brings nearly twenty years of experiences in senior investment and operating positions at several renowned institutions. From October 2021 to June 2023, he was a partner at Index Capital, a leading fully integrated investment bank in China. Prior to that, Mr. Jiang was appointed as a non-executive director of Cosmo Lady (China) Holdings Company Limited (都市麗人(中國)控股有限公司), a company whose shares are listed on the Stock Exchange (stock code: 2298), between May 2020 and February 2022. From May 2018 to September 2021, Mr. Jiang led Fosun Private Equity (復星美元產業基金) as President, overseeing its investment and management activities. He was also appointed as a director of Beijing Airdoc Technology Co., Ltd (北京鷹瞳科技發展股份有限公司), a company whose shares are listed on the Stock Exchange (stock code: 2251), in December 2019, then was re-designated as non-executive director from April 2021 to May 2022. Earlier, he was a partner at Long Hill Capital from January 2017 to April 2018, where he specialized in healthcare and consumer services investments. His experience also includes a tenure as an executive director at New Enterprise Associates (NEA) from March 2012 to January 2017. Before that, Mr. Jiang served as a product director of the mobile business department of Alipay.com Co., Ltd (支付寶(中國)網絡技術有限公司), which was an indirectly wholly-owned subsidiary of Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), a company whose shares are listed on the New York Stock Exchange (ticker symbol: BABA) and the Stock Exchange (stock code: 9988), where he founded the mobile payment team and led the development and launch of the first mobile payment product in China, between December 2006 and July 2010.

Mr. Jiang earned his Master of Business Administration from The Wharton School at the University of Pennsylvania in the United States in May 2012. Prior to this, he completed a Master of Philosophy in Industrial Engineering and Engineering Management at the Hong Kong University of Science and Technology in November 2005. He received his Bachelor's degree in Computer Science and Technology from Tsinghua University in the People's Republic of China, in July 2002.

Non-Executive Directors

Mr. Chen Jiarong (陳家榮), aged 37, was appointed as a non-executive Director, and a member of Remuneration Committee on 1 September 2025 and was appointed as a member of the Nomination Committee on 13 January 2026. He is the Chairman of Shenzhen Kingkey Smart Agriculture Times Co., Ltd. (Shenzhen Stock Exchange Stock Code: 48). He possesses over ten years of experience in corporate management and investment, with a diverse background in capital markets and strategic planning.

Mr. Chen graduated from the University of British Columbia with a Bachelor of Arts degree in Economics in 2012. After graduation, he joined as a business manager at the Shenzhen Branch of Ping An Securities Limited where he provided financial advisory and strategic support to corporate clients, accumulating solid expertise in finance and market insights.

In 2014, Mr. Chen founded Kingkey Enterprise Holdings Limited and served as its chief executive officer from 2014 to 2019. He was responsible for managing and overseeing a direct investment portfolio exceeding HK\$2 billion, and led the company's investment decisions, organizational operations, and long-term strategic planning, successfully driving sustained growth in business scale and investment returns. In terms of public company governance, Mr. Chen served as chairman and non-executive director of Kingkey Intelligence Culture Holdings Limited (Stock Exchange Stock Code: 550) from 2017 to 2018. Since 2020, he has been a non-executive director of Meitu Inc. (Stock Exchange Stock Code: 1357). Mr. Chen has been a director of Shenzhen Kingkey Smart Agriculture Times Co., Ltd. (Shenzhen Stock Exchange Stock Code: 48) since 2022 and assumed the role of chairman in June 2024.

Professor Wang Qinmei (王勤美), aged 71, was appointed as a non-executive Director on 11 November 2025. He is currently the professor of ophthalmology and optometry, chief physician, doctoral supervisor at Wenzhou Medical University. He is currently the deputy president and chief medical officer of Wenzhou Medical University Eye and Vision Hospital Group (溫州醫科大學眼視光醫院集團). He possesses over 40 years of experience in ophthalmology.

After graduation, Prof. Wang joined Wenzhou Medical University Affiliated Eye and Vision Hospital (溫州醫學院附屬眼視光醫院), where he served as the executive president. He was also an expert member, member of the Corneal Disease Group and former deputy leader of Corneal Disease Group of the ophthalmology branch of the Chinese Medical Association (中華醫學會眼科學分會).

He served as the chief editor of multiple textbooks including Refractive Surgery for the Ministry of Education's 10th, 12th, and 13th Five-Year Plans and as lead translator and contributing translator for several monographs in refractive surgery.

Mr. Sun Peng (孫鵬), aged 48, was appointed as a non-executive Director on 22 January 2026. He has over 20 years of experience in software engineering. He obtained a bachelor's degree in Engineering in Computer Science and a master's degree in Computer Science from the University of Science and Technology of China in 2002 and 2005 respectively.

From July 2005 to May 2010, he worked as a software engineer at the Microsoft Advanced Technology Centre in Beijing. From May 2010 to January 2022, he worked at Xiaomi Corporation as a software engineer. Since February 2022, he has been a software engineer at Hefei Whale Microelectronics Co., Ltd., a wholly-owned subsidiary of Jiangsu Yitong High-tech Co., Ltd. ("Yitong"), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300211). He is also the general manager and director of Yitong, since February 2022 and April 2023 respectively.

Profile of Directors, Senior Management and Company Secretary

Independent Non-Executive Directors

Mr. Wang Can (王燦), aged 47, was appointed as an independent non-executive Director and the chairman of Remuneration Committee and a member of each of the Audit Committee and Nomination Committee on 9 September 2024 and was re-designated from member to chairman of the Audit Committee on 25 March 2025. With effect from November 2022, Mr. Wang has been appointed as independent non-executive Directors of Atour Lifestyle Holdings Ltd. (listed on NASDAQ with stock code ATAT). Mr. Wang served as the Chief Financial Officer of New Hope Group Co. Ltd and the Chairman of New Hope Finance Co. Ltd from September 2022 to January 2024. He was also an independent non-executive Director of Health and Happiness (H&H) International Holdings Limited (listed on the Stock Exchange with stock code 1112) from March 2020 to December 2022. Mr. Wang worked in the group of companies comprising Fosun International Limited (listed on the Stock Exchange with stock code 0656) ("**Fosun International**") and its subsidiaries from time to time (the "**Fosun Group**") from November 2012 to January 2020. Mr. Wang once worked as the Chief Growth Officer (CGO), the Chief Financial Officer (CFO) of the Fosun Group. He was an executive director and senior vice president of Fosun International from March 2017 to January 2020, a non-executive director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (listed on the Stock Exchange with stock code 02196 and the Shanghai Stock Exchange with stock code 600196) from June 2016 to January 2020, a non-executive director of Fosun Tourism Group (listed on the Stock Exchange with stock exchange 01992) from November 2018 to January 2020, and a director of Shanghai Ganglian E-commerce Holdings Co., Ltd. (listed on the Shenzhen Stock Exchange with stock code 300226) from May 2017 to 3 October 2019. Prior to joining the Fosun Group, Mr. Wang worked in Kingdee Software (China) Co., Ltd., PricewaterhouseCoopers Zhong Tian LLP, Standard Chartered Bank (China) Limited and Huazhu Group Limited (listed on NASDAQ with stock code HTHT and the Stock Exchange with stock code 01179). Mr. Wang is a non-practicing member of the Chinese Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants, and has been appointed as Deputy President of China Association of Chief Financial Officers since April 2021. Mr. Wang graduated from Anhui University in 1997 and received an EMBA degree from China Europe International Business School in 2014.

Ms. Ci Ying (慈瑩), aged 59, was appointed as an independent non-executive Director and a member of Nomination Committee on 25 June 2025, was appointed as a member of Remuneration Committee on 1 September 2025 and was appointed as the chairperson of the Nomination Committee and a member of the Audit Committee on 13 January 2026. She has over 20 years of experience in business development and client relationships. She worked at JPMorgan Chase Bank, N.A., where her last position was executive director of corporate & investment bank, from February 2003 to April 2008. Ms. Ci served Computershare Hong Kong Investor Services Limited with her last position as managing director in corporate proxy solicitation from May 2008 to October 2020. She was also the president of Shenzhen Mingda Asset Management Co., Ltd. (深圳市明達資產管理有限公司), a company that primarily engages in asset management, from November 2020 to November 2022. She has been the senior adviser of Morrow Sodali Limited, a company that primarily engages in corporate governance advisory services and business consultancy, since March 2023.

Ms. Ci also served as an independent non-executive director of GL-Carlink Technology Holding Limited (廣聯科技控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2531) since June 2024.

Ms. Ci also served as a supervisor of the following companies (the "**Deregistered Companies**"), which were established in the People's Republic of China, at the time or within 12 months from the time of their deregistration. The relevant details are as follows:

Company name	Ms. Ci's position	Ms. Ci's position	Status	Date of deregistration
Shenzhen City Jukuixin Advertising Co., Ltd. (深圳市聚奎鑫廣告有限公司)	Supervisor	Advertising	Deregistered	28 June 2012
Shenzhen Jukuixin Investment Consulting Co., Ltd. (深圳市聚奎鑫投資諮詢有限公司)	Supervisor	Investment consulting	Deregistered	28 June 2012

Ms. Ci confirmed that each of the Deregistered Companies were deregistered due to cessation of business operations and were deregistered on a voluntary basis, and were solvent at the time of deregistration, and that such deregistration was not caused by any fraudulence or misconduct on her part. Ms. Ci was not aware of any actual or potential liability or obligation imposed on or that will be made against her.

Ms. Ci obtained her bachelor's degree in pharmaceutical science from Shenyang Pharmaceutical College (瀋陽藥學院) (currently known as Shenyang Pharmaceutical University (瀋陽藥科大學)) in July 1990 and her degree of master of business administration from Fordham University in May 1999. She was admitted as a fellow of the Hong Kong Chartered Governance Institute in March 2022.

Dr. Chen Poujian (陳剖建), aged 61, was appointed as an independent non-executive Director and a member of the Audit Committee on 11 November 2025. He possesses over 35 years of experience in insurance and investment and has been serving as the chairman and executive director of Ruihua Health Assurance Corporation (瑞華健康保險股份有限公司) since July 2018.

Dr. Chen is a senior economist with a PhD degree in Economics from Zhongnan University of Economics and Law. He obtained a bachelor's degree from Central University of Finance and Economics in 1986 and a master's degree from Zhongnan University of Economics and Law in 1992.

1988, Dr. Chen joined Ping An Insurance (Group) Company of China, Ltd. as a founding team member, serving as general manager of reinsurance division in the Jiangsu branch. He founded Tianan Insurance Co., Ltd (天安保險股份有限公司) in 1994 and John Hancock Tianan Life Insurance Company in 2001. From October 1994 to March 2010, he served as CEO and chairman of Tianan Insurance Co., Ltd. In 2012, Dr. Chen founded China Horae Capital Management (中國紅瑞資本管理集團有限公司), where he served as CEO. In 2016, Dr. Chen spearheaded the establishment of Ruihua Health Assurance Corporation and, upon its official approval to commence business by the regulator in 2018, was appointed chairman.

Profile of Directors, Senior Management and Company Secretary

Mr. Xu Anliang (徐安良), aged 63, was appointed as an independent non-executive Director and a member of the Audit Committee on 22 January 2026. He holds a master's degree and obtained a doctor's degree in economics from Nankai University in 2006. Mr. Xu is also a non-practicing member of the Chinese Institute of Certified Public Accountants.

Mr. Xu has been working for government institutions and corporations for many years. From 2019 to 2024, Mr. Xu served as a senior executive vice president of Wanxiang Group Corporation ("**Wanxiang Group**"), the chairman of Wanxiang Venture Capital Co., Ltd, and held various positions in the subsidiaries of Wanxiang Group. Mr. Xu served as an executive director of Puxing Energy Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0090), from April 2021 to March 2024.

Save as disclosed above and in this annual report, (i) our Directors and senior management are independent from, and are not related to, any Directors, senior management or substantial or controlling shareholders of our Company; (ii) none of our Directors and senior management is and has been a director of any other listed companies in Hong Kong or overseas in the past three years (iii) our Directors and their respective close associates are not interested in any business apart from our Company's business, which competes or is likely to compete, either directly or indirectly with our Company's business.

Company Secretary

Ms. Yeung Pui Yee Holly ("Ms. Yeung"), was appointed as the external company secretary of the Company in September 2025. She is an Assistant Manager of the corporate secretarial services in APEC CORPORATE SERVICES LIMITED, the external service provider. She is an associate member of The Hong Kong Chartered Governance Institute since September 2024. She has over 9 years of experience in corporate finance, corporate governance and company secretarial matters. She serves as the company secretary of several companies listed on the Stock Exchange. Ms. Yeung obtained a degree of Bachelor of Business Administration in Accounting in 2010 and a master degree of Science in Professional Accounting and Corporate Governance in 2024 from the City University of Hong Kong, respectively. The primary contact person with the external company secretary is Ms. Zhou Jiayun, the Corporate Development and Strategy Director of the Group. Before Ms. Yeung was appointed as the company secretary of the Company, Ms. Wong Wing Yee served as the company secretary of the Company from 1 April 2025 to 29 August 2025.

Change in composition of the Board, the Board committees and senior management

Pursuant to Rule 13.51B(1) of the Listing Rules, the change the composition of the Board, the Board committees and senior management the Company since the date of the Company's Interim Report 2024 are set out below:

Name	Details of Changes
Executive Directors	
Hui Yung Chris	Redesignated as a Co-Chief Executive Officer on 9 September 2024, retired as an executive Director on 6 January 2026 and resigned as a co-chief executive officer on
Jiang Bo	Appointed as an executive Director, Chief Executive Officer and a member of the Remuneration Committee on 9 September
Lo Tsz Hong	Resigned as an executive Director with effect from 1 September 2025
Tse Wai Ip	Vacated as an executive Director on 1 August 2025

Name	Details of Changes
Non-Executive Directors	
Chen Jiarong	Appointed as a non-executive Director, and a member of the Remuneration Committee on 1 September 2025 and appointed as a member of the Nomination Committee on 13 January 2026
Wang Qinmei	Appointed as a non-executive Director on 11 November 2025
Sun Peng	Appointed as a non-executive Director on 22 January 2026
Wu Ting Yuk Anthony	Retired as non-executive Director on 6 January 2026 and ceased to act as the chairman of the Board and chairman of the Nomination Committee
Zhao Wei	Resigned as a non-executive Director on 11 June 2025
Roy Ng	Resigned as a non-executive Director and ceased to act as member of Remuneration Committee on 9 September 2024
Independent Non-executive Directors	
Wang Can	Appointed as independent non-executive Director, chairman of Remuneration Committee, and member of each of Nomination Committee and Audit Committee on 9 September 2024, re-designated from member to chairman of the Audit Committee on 25 March 2025
Ci Ying	Appointed as an independent non-executive Director, and a member of the Nomination Committee on 25 June 2025, appointed as a member of the Remuneration Committee on 1 September 2025 and appointed as the chairperson of the Nomination Committee and a member of the Audit Committee on 13 January 2026
Chen Poujian	Appointed as an independent non-executive Director and a member of the Audit Committee on 11 November 2025
Xu Anliang	Appointed as an independent non-executive Director and a member of the Audit Committee on 22 January 2026
Cheng Jessica	Appointed as independent non-executive Directors and member of the Audit Committee on 29 May 2024 and retired as an independent non-executive Directors on 6 January 2026 and ceased to act as member of the Audit Committee

Profile of Directors, Senior Management and Company Secretary

Name	Details of Changes
Ma Wai Hung Vincent	Resigned on 9 September 2024 as independent non-executive Directors, and ceased to act as the chairman of Remuneration Committee and member of each of Audit Committee and Nomination Committee
Li Michael Hankin	Resigned on 25 November 2024 as independent non-executive Directors, and ceased to act as the chairman of Audit Committee and member of each of Remuneration Committee and Nomination Committee

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The updated biographical details of the Directors and the chief executives of the Company are set out in the section headed “Directors and Senior Management”.

Reasons for resignation/retirement/removal of former Directors

- Mr. Roy Ng resigned as a non-executive Director, and Mr. Ma Wai Hung Vincent (“**Mr. Ma**”) resigned as an independent non-executive Director, both with effect from 9 September 2024. The reasons of Mr. Roy Ng’s and Mr. Ma’s resignations were to devote more time on their other personal and business endeavours, respectively. Further details are set out in the announcement of the Company dated 9 September 2024.
- Mr. Li Michael Hankin resigned as an independent non-executive Director with effect from 25 November 2024 in order to devote more time on his personal and business endeavours. Further details are set out in the announcement of the Company dated 25 November 2024.
- Ms. Zhao Wei resigned as a non-executive Director with effect from 11 June 2025, in order to devote more time on her personal commitments. Relevant details are set out in the announcement of the Company dated 25 June 2025.
- Dr. Tse Wai Ip was disqualified and removed as an executive Director and his office as a Director was vacated on 1 August 2025, due to the various reasons and further details of which were set out in the Company’s announcements dated 1 August 2025 and 16 September 2025, and the Company’s circular dated 2 September 2025.
- Mr. Lo Tsz Hong resigned as an executive Director with effect from 1 September 2025 due to his intention to devote more time on his other personal and business endeavours. Relevant details are set out in the announcement of the Company dated 26 August 2025.
- Mr. Wu Ting Yuk as a non-executive Director on 5 January 2026, and Mr. Chris Hui Yung as an executive Director on 6 January 2026, have both respectively decided not to offer themselves for re-election at the annual general meeting (“**AGM**”) held on 6 January 2026. Relevant details are set out in the announcement of the Company dated 6 January 2026.
- Ms. Jessica Cheng retired as an independent non-executive Director because the proposed resolution for her re-election as an independent non-executive Director was not passed at the AGM held on 6 January 2026. Relevant details are set out in the announcement of the Company dated 6 January 2026.

Directors' Report

Our Board is pleased to present their report together with the audited consolidated financial statements of the Group (the “**Consolidated Financial Statements**”) for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of our Company is investment holding and its subsidiaries are principally engaged in the provision of private ophthalmic healthcare services in Hong Kong.

RESULTS AND APPROPRIATIONS

The results of our Group for the year ended 31 March 2025 are set out in the Consolidated Financial Statements on pages 94 to 100 of this report. Our Board does not recommend the payment of a final dividend for the year ended 31 March 2025.

BUSINESS REVIEW

A review of the business of our Group during the year and a discussion on our Group's future business development are set out in the CEO's Statement as well as the Management Discussion and Analysis on page 5 and pages 6 to 8 of this report respectively. An analysis of our Group's performance during the year using financial key performance indicators is set out in our Group's Financial Information Summary on page 156 of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations that have a significant impact on the Group during the year ended 31 March 2025.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of our Group for the past five years ended 31 March 2025 are set on page 156 of this report. This summary published does not form part of the audited Consolidated Financial Statements.

SHARE CAPITAL

Details of the movements in the share capital of our Company are set out in note 23 to the Consolidated Financial Statements.

Directors' Report

RESERVES

Details of the movements in the reserves of our Group and our Company during the year are set out in the consolidated statement of changes in equity, and note 32 to the Consolidated Financial Statements.

DISTRIBUTABLE RESERVES

As of 31 March 2025, none of the reserves of our Company is available for distribution to the shareholders of our Company (2024: Nil).

DIVIDEND

The Board does not recommend payment of a final dividend for the year ended 31 March 2025 (2024: Nil). No dividend was paid or declared by the Company or other members of the Group during the year ended 31 March 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	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 report, there are no other changes to the plan for utilising the proceeds from the IPO as at the date of this report.

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.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige our Company to offer new Shares on a pro rata basis to existing Shareholders.

Directors' Report

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

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 the year ended 31 March 2025 and up to the date of this report.

PRE-IPO SHARE OPTION SCHEME AND SHARE OPTION SCHEME

Pre-IPO Share Option Scheme

Saintford Limited, ("**Saintford**"), is an indirect wholly-owned subsidiary of the Company. Saintford had previously adopted a share option scheme (the "**Saintford Share Option Scheme**") on 1 April 2018 and granted options to various grantees for subscribing certain shares of Saintford. As a result of the reorganisation and for the purpose of Listing, the Company adopted the Pre-IPO Share Option Scheme on 29 March 2019 on the same terms and conditions in replacement of the Saintford Share Option Scheme pursuant to the resolutions of the shareholders passed on 29 March 2019. Subsequently, the Company also adopted the amended Pre-IPO Share Option Scheme on 2 March 2020 pursuant to the resolutions of the shareholders passed on 2 March 2020.

The purpose of the Pre-IPO Share Option Scheme is to enable our Company to grant options to eligible participants including any director, employee and consultant of our Company or any of its subsidiaries as incentives or rewards for their contribution or potential contribution to our Group. All the Pre-IPO Share Options were granted on or before the Listing Date and no further options will be granted under the Pre-IPO Share Option Scheme after the Listing Date.

In accordance with the Pre-IPO Share Options Scheme, eight eligible participants have been granted Pre-IPO Share Options to subscribe for an aggregate of 28,125,000 Shares, representing approximately 5.21% of the issued share capital of our Company as of the date of this report. The grantees comprise two Directors, an associated company of a Director, one senior management member, and four employees. The exercise price for each of the Pre-IPO Share Options is HK\$0.57 per Share. All the Pre-IPO Share Options have been fully vested on or before 31 March 2020.

As of the date of this report, all the Pre-IPO Share Options have been exercised, and none of them remain outstanding.

Share Option Scheme

The Company adopted the share option scheme pursuant to the written resolutions of our Shareholders passed on 26 January 2022 and adopted by the resolutions of the Board meeting passed on 26 January 2022 ("**Share Option Scheme**").

The Board has resolved on 27 June 2023 to terminate the Share Option Scheme with immediate effect for better allocation of the Company's resources in view of the followings: (i) the Company has adopted a new share scheme (i.e. the Share Award Plan) effective from 23 November 2022, which can recognize and reward the contributions of eligible participants and provide enough incentives for their long-term commitment thereby fostering the sustainable development of the Company; and (ii) no share options have been granted and further unexercised under the Share Option Scheme.

Therefore no options remained outstanding and no further options may be granted under the Share Option Scheme.

THE SHARE AWARD PLAN

On 23 November 2022 (the “**Adoption Date**”), the Company adopted a Share Award Plan (the “**Share Award Plan**” or the “**Plan**”). The Share Award Plan shall be subject to the administration of the Board and the trustee in accordance with the terms of the Share Award Plan and the trust deed.

The purposes of the Plan are to recognise and reward the contribution of certain eligible participants to the growth and development of the Group, to provide incentives thereto in order to retain them for the continued operation and development of the Group, and to attract suitable personnel for further development of the Group.

For more information, please refer to the circular of the Company dated 7 November 2022. The eligible participants (the “**Eligible Participants**”) of the Plan include (i) any employee (whether full-time or part-time, including any director) of the Group (an “**Employee**”), and (ii) any service provider (the “**Service Provider**”). The Service Provider is defined as any medical practitioner or specialist in ophthalmology who works for the Group as an independent contractor, adviser, or consultant (whether directly engaged by the Group or through their service company) on a continuing or recurring basis in his/her ordinary and usual course of business which are material to the long-term growth of the Group where the frequency of his/her service is akin to those of employees.

Subject to the provisions of the Listing Rules and applicable law and other regulations from time to time in force, the Board’s powers include, inter alia, the authority, in its discretion, (i) to select Eligible Participants to whom awards may be granted under the Share Award Plan on the basis of the Board’s opinion as to his contribution and/or future contribution to the development and growth of the Group; (ii) to determine, subject to the requirements of the Listing Rules, when awarded Shares may be granted; (iii) to determine the number of awarded Shares to be provisionally awarded to any Selected Participant pursuant to any award; and (iv) to determine, subject to the terms of the Share Award Plan and the requirements of the Listing Rules, the terms and conditions of any award based in each case on such factors as the Board may determine.

In assessing the eligibility of any Service Provider and whether such Service Provider provides services on a continuing or recurring basis in the Group’s ordinary and usual course of business, the Board will consider all relevant factors as appropriate, including, among others:

- (i) the types of surgeries and treatments the Eligible Participant had performed for the patients of the Group in the past 12 months;
- (ii) the industry experience of the Eligible Participant;
- (iii) the period of engagement of the Eligible Participant, including whether the Eligible Participant had entered into a consultancy agreement with the Group in the past 12 months with a term of no less than 2 years; and
- (iv) the Eligible Participant’s contribution and/or future contribution to the development and growth of the Group.

Directors' Report

The total number of Shares that (i) may be subscribed for and/or purchased by the trustee in respect of all Awards to be granted under the Share Award Plan, and (ii) may be issued under any other share schemes of the Company, must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date of the Share Award Plan. Based on the total number of issued Shares as of the Adoption Date being 521,775,000 Shares, the 10% limit represents a total of 52,177,500 Shares. The total number of Shares that may be subscribed for and/or purchased by the trustee in respect of all Awards to be granted to all Service Providers under the Share Award Plan must not in aggregate exceed 5% of the Shares as at the Adoption Date. Based on 521,775,000 Shares in issue as at the Adoption Date, the 5% sub-limit represents a total of 26,088,750 Shares.

The total number of Shares that may be subject to an award or awards to a Selected Participant, together with any Shares to be issued under any options granted to such Selected Participant under any share schemes of the Company, in a 12-month period up to and including the date of the award, shall not (i) in aggregate exceed 1% of the total number of issued Shares as at the date of the extraordinary general meeting held on 23 November 2022, being 521,775,000 Shares; and (ii) exceed any limits applicable to such Selected Participant under the Listing Rules. No amount is required to be payable by the Selected Participant on acceptance of an award.

The Board may, at its discretion, determine the earliest vesting date (which shall be a date not less than 12 months from the date of acceptance of the award by the relevant Selected Participant unless otherwise permitted under the Listing Rules) and other subsequent date(s), if any, that must be attained by the relevant Selected Participant before any of the awarded Shares may be transferred to and vested in such Selected Participant under such award.

The Share Award Plan shall be valid and effective for a period of 10 years commencing from the Adoption Date of the Share Award Plan but may be terminated earlier as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant. As at the date of this report, the remaining life of the Share Award Plan is approximately 6 years.

The Board resolved on 4 July 2023 to grant a total of 35,456,240 awarded Shares to certain eligible participants under the Share Award Plan. Details of the grant are set out below:

Date of grant:	4 July 2023
Purchase price of awards granted and arrangement to facilitate the purchase of awarded Shares:	Nil
Closing price of the shares immediately before the date of grant:	HK\$0.90

Details of the movement of the awarded shares granted and outstanding under the Share Award Plan are set out below:

Grantees	Number of the awarded Shares					Vesting period	Performance target
	Unvested	Granted	Vested	Cancelled/	As at		
	as at 1 April 2024	during the year	during the year (Note 5)	Lapsed during the year	31 March 2025		
Directors							
Mr. HUI Yung Chris <i>(executive Director)</i> (Note 1)	5,000,000	–	–	–	5,000,000	100% of the awarded shares will vest on the second anniversary of 4 July 2023	Not applicable
Mr. Lo Tsz Hong <i>(executive Director)</i> (Note 2)	141,250	–	(35,313)	(105,937)	–	25% of the awarded shares will vest on each of the first and second anniversary of 4 July 2023, remaining 50% will vest on the third anniversary	Not applicable
Service Providers							
Dr. Wong Kin Keung	3,913,311	–	(1,304,437)	(1,304,437)	1,304,437	Note 3	Note 4
Dr. Kwok Pui Wai	3,913,311	–	(434,812)	(1,304,437)	2,174,062	Note 3	Note 4
Dr. Lai Hiu Ping	3,913,311	–	(434,812)	–	3,478,499	Note 3	Note 4
Dr. Tang Kai Tat	3,913,311	–	(434,812)	(1,304,437)	2,174,062	Note 3	Note 4
Dr. Ho Chun Ho	3,913,311	–	(434,812)	–	3,478,499	Note 3	Note 4
Other Employee Participants							
Employees	3,765,000	–	(813,127)	(512,500)	2,439,373	25% of the awarded shares will vest on each of the first and second anniversary of 4 July 2023, remaining 50% will vest on the third anniversary	Not applicable
Total	28,472,805	–	(3,892,125)	(4,531,748)	20,048,932		

Notes:

(1) Retired on 6 January 2026

(2) Resigned with effect from 1 September 2025

Directors' Report

(3) Vesting period for Service Providers

- (a) 25% of the awarded Shares will either vest on the first anniversary of 4 July 2023 or vest in three equal instalments on an annual basis commencing on the first anniversary of 4 July 2023;
 - (b) 25% of the awarded Shares will vest in three equal instalments on an annual basis commencing on the second anniversary of 4 July 2023;
 - (c) 25% of the awarded Shares will vest in three equal instalments on an annual basis commencing on the third anniversary of 4 July 2023; and
 - (d) the remaining 25% of the awarded Shares will vest in three equal instalments on an annual basis commencing on the fourth anniversary of 4 July 2023.
- (4) Save for the part of the awards granted to the Service Providers which impose performance targets associated with the aggregate amount of revenue generated by such Service Providers for each financial year, there are no performance targets attached to the awards granted to other grantees (including Directors).
- (5) The awarded Shares were vested on 4 July 2024. The weighted average closing price of the Shares immediately before the date on which the awarded Shares were vested was HK\$0.48.
- (6) The five highest paid employees during the year ended 31 March 2025 included one Director, whose interest in the awarded Shares is disclosed under the "Directors" section of the above table. Included in the grant of awarded shares to employees, a total of 925,000 awarded shares were granted to three non-Director, highest-paid employees as part of their compensation for services to the Group, none of the awarded Shares granted to these three non-Director, highest-paid employees were lapsed during the reporting year, and a total of 694,000 of awarded Shares were unvested as at 31 March 2025. The remaining one highest paid employee is not granted any awarded Shares under the Share Award Plan. As a result, share-based payments of approximately HK\$624,000 in relation to the awarded Shares granted to these two individuals were recognised as employee benefit expense in the consolidated statement of comprehensive income for the year ended 31 March 2025 (2024: HK\$833,000). Further details regarding the awarded Shares are set out in note 8 and 24 to the consolidated financial statements.
- (7) Please refer to notes 2.4 and 24 to the Consolidated Financial Information for the accounting standard and policy adopted; and the fair value of awarded Shares at the date of grant, respectively.

The number of awarded shares available for grant under the scheme mandate of the Share Award Plan at the beginning and the end of the year ended 31 March 2025 was 23,704,695 and 28,236,443, respectively.

The number of awarded shares available for grant under the service provider sublimit of the Share Award Plan at the beginning and the end of the year ended 31 March 2025 was 6,522,195 and 10,435,506, respectively.

The total number of awarded shares available for issue under the Share Award Plan amounted to 48,285,375 Shares, representing 8.95% of the total issued share capital of the Company as at the date of this report.

The number of shares that may be issued in respect of awarded Shares granted under the Share Award Plan during the year ended 31 March 2025 divided by the weighted average number of Shares in issue for the period is nil.

Save as disclosed above, the Company had not issued for cash any equity securities (including securities convertible into equity securities) for the year ended 31 March 2025 and no other proceeds have been brought forward from any issue of securities for cash as at 31 March 2025.

As of 31 March 2025 and up to the date of this report, the trustee, Tricor Trust (Hong Kong) Limited, did not hold any Shares under the Share Award Plan.

RETIREMENT BENEFIT SCHEMES

Our Group participated in retirement benefit scheme in accordance with the relevant rules and regulations in Hong Kong.

The Mandatory Provident Fund Scheme (the “**MPF Scheme**”) of the Group in Hong Kong is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the relevant rules and regulations. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. There is no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) used by the employer to reduce the existing level of contributions.

Directors' Report

SUBSIDIARIES

Details of the Company's subsidiaries as of 31 March 2025 are set out in note 1 to the Consolidated Financial Statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2025, our five largest customers accounted for less than 1% of our total revenue, there is no single customer which individually contributed more than 0.2% of the total revenue for the year ended 31 March 2025.

During the year ended 31 March 2025, our five largest suppliers accounted for approximately 78.8% of our total purchases. These five largest suppliers include suppliers of pharmaceuticals, medical consumables and intraocular lenses. For the same period, our largest supplier accounted for approximately 27.3% of our total purchases.

To the best knowledge of our current Directors, none of our current Directors or any of their respective close associates or any shareholder which to the best knowledge of our Directors, who own more than 5% of the Company's issued share capital, had any interest in any of our Group's five largest customers or suppliers during the year ended 31 March 2025.

DIRECTORS

Our Directors during the year ended 31 March 2025 and up to the date of this report are:

Executive Directors

Mr. Jiang Bo (*Chief Executive Officer*) (*Appointed on 9 September 2024*)

Mr. Hui Yung Chris (*Chief Executive Officer*) (*Re-designated as a Co-CEO on 9 September 2024 and retired on 6 January 2026*)

Mr. Lo Tsz Hong (*Resigned with effect from 1 September 2025*)

Dr. Tse Wai Ip (*Vacated on 1 August 2025*)

Non-Executive Directors

Mr. Chen Jiarong (*Appointed on 1 September 2025*)

Professor Wang Qinmei (*Appointed on 11 November 2025*)

Mr. Sun Peng (*Appointed on 22 January 2026*)

Mr. Wu Ting Yuk Anthony (*Chairman of the Board*) (*Retired on 6 January 2026*)

Mr. Ng Roy (*Resigned on 9 September 2024*)

Ms. Zhao Wei (*Resigned on 11 June 2025*)

Independent Non-Executive Directors

Mr. Wang Can (*Appointed on 9 September 2024*)

Ms. Ci Ying (*Appointed on 25 June 2025*)

Dr. Chen Poujian (*Appointed on 11 November 2025*)

Mr. Xu Anliang (*Appointed on 22 January 2026*)

Mr. Li Michael Hankin (*Resigned on 25 November 2024*)

Mr. Ma Wai Hung Vincent (*Resigned on 9 September 2024*)

Ms. Cheng Jessica (*Appointed on 29 May 2024 and retired on 6 January 2026*)

DIRECTORS', SENIOR MANAGEMENT'S AND COMPANY SECRETARY'S PROFILE

Profile details of our Directors, the senior management and the company secretary of our Group are set out on pages 22 to 26 of this report.

DIRECTORS' SERVICE CONTRACTS

The executive Director has entered into a service contract with our Company and our Company has issued letters of appointment to each of the non-executive Directors and the independent non-executive Directors which set out the key terms and conditions of their appointments. Subject to the termination terms contained therein, the principal particulars of these service contracts and letters of appointment are (a) for a term of 3 years and (b) are subject to termination in accordance with their respective terms. The term of the service contracts and the letters of appointment may be renewed in accordance with the Articles of Association and the Listing Rules.

None of our Directors proposed for re-election at the annual general meeting has an unexpired service contract which is not determinable by our Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

MANAGEMENT CONTRACTS

No management contracts concerning the whole or any substantial part of the business of the Company were entered into or existed during the reporting period.

EQUITY-LINKED AGREEMENTS

Save as the Share Option Scheme and Share Award Plan disclosed above, during the year ended 31 March 2025, the Company has not entered into any equity-linked agreement (as defined in section 6 of the Companies (Directors' Report) Regulation (Chapter 622D of the Laws of Hong Kong)).

Directors' Report

EMOLUMENT POLICY

Our Group remunerates its employees, including our Directors, on the basis of their merit, qualifications and competence. Our employees are subject to regular job performance reviews which determine their promotion prospects and compensation. Subject to our Group's profitability, our Group may also provide discretionary bonuses to its employees as an incentive for their contribution to our Group. Our Company has adopted Share Award Plan as an incentive to our Directors and eligible employees. One of the Company's current non-executive Directors, Mr. Sun Peng, has waived his emoluments (including future emoluments) since his appointment on 22 January 2026.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director, Secretary and officer shall be entitled to be indemnified out of assets of our Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

The Company has taken out and maintained directors' liability insurance throughout the financial year ended 31 March 2025 and up to the date of this annual report which provides appropriate cover for the directors of the Group.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed under related party transactions in note 28 to the Consolidated Financial Statements, no Director and/or any of his/her connected entity or any controlling shareholders had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of our Group to which our Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisted at the end of the year or at any time during the year.

RELATED PARTY TRANSACTIONS

Details of related party transactions in the normal course of business are set out in note 28 to the Consolidated Financial Statements. Save as disclosed, none of these related party transactions constitutes connected transactions or continuing connected transactions as defined under the Listing Rules, and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules and disclosed the transactions in this annual report.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 March 2025, there were no connected transactions and no continuing connected transactions for the Company to be disclosed under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2025, none of our Directors is interested in any business, apart from our Group's businesses, which competes or is likely to compete, either directly or indirectly, with the businesses of our Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2025, the interests and short positions of our Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

(A) Long position in Shares and awarded Shares of our Company

Name of Directors	Capacity/Nature of Interest	Number of Shares	Number of awarded shares granted (Note 1)	Approximately percentage of shareholding in our Company (%) (Note 2)
Directors				
Dr. Tse Wai Ip (Note 3)	Founder of a discretionary trust who can influence how the trustee exercises his discretion	77,784,630	–	14.71%
	Beneficial owner	478,750	–	0.09%
Wu Ting Yuk Anthony	Beneficial owner	3,749,812	–	0.71%
Hui Yung Chris	Beneficial owner	–	5,000,000	0.95%
Lo Tsz Hong	Beneficial owner	1,885,313	–	0.36%

Notes:

- The awarded shares were granted pursuant to the Share Award Plan, details of which are set out in the paragraphs headed “The Share Award Plan” of the “Directors’ Report” section contained in this report.
- As at 31 March 2025, the number of issued ordinary shares of the Company (the “**Shares**”) was 528,917,125, which has been used for the calculation of the approximately percentage of shareholding in our Company.
- 77,784,630 Shares are beneficially owned by Ultimate Bliss Limited (“**Ultimate Bliss**”). Ultimate Bliss is wholly owned by Prime Sage International Limited which is in turn wholly owned by TMF (Cayman) Ltd. under the Awareness Trust. The Awareness Trust is a discretionary trust established by Dr. Tse Wai Ip (as the settlor and protector), the discretionary beneficiaries of which include Dr. Tse Wai Ip and his family members.

Save as disclosed above, as of 31 March 2025, none of the Directors nor the chief executive of the Company had any interests or short position in any Shares and underlying Shares or debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, otherwise notified to the Company and Stock Exchange pursuant to the Model Code. Nor any of the Directors and chief executive had any interest in, or had been granted any right to subscribe for the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) or had exercised any such right during the year ended 31 March 2025.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2025, other than the interests of a Director or chief executive of the Company as disclosed under the heading "Directors' and chief executive's interest and short position in Shares, underlying Shares and debentures of Our Company or any associated company" above, the following persons (not being a Director or the chief executive officer of the Company) have an interest or a short position in Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to section 336 of the SFO were as follows:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares	Approximately percentage of shareholding in our Company (%) (Note 5)
Long Position			
Innovative Vision Inc (Note 1)	Beneficial owner	107,370,176	20.30%
Global Vision Investment LP (Note 1)	Interest of controlled corporation	107,370,176	20.30%
Innovative Vision GP Ltd (Note 1)	Interest of controlled corporation	107,370,176	20.30%
天津眾佑健康科技有限公司 (Note 1)	Interest of controlled corporation	107,370,176	20.30%
北京鷹瞳科技發展股份有限公司 (Note 1)	Interest of controlled corporation	107,370,176	20.30%
Clear Lead Ventures Limited (Note 2)	Beneficial owner	58,404,950	11.04%
3W Partners Fund I L.P. (Note 2)	Interest of controlled corporation	58,404,950	11.04%
3W Partners GP Limited (Note 2)	Interest of controlled corporation	58,404,950	11.04%
Goh Lu Hong (Note 2)	Interest of controlled corporation	58,404,950	11.04%
Chan Hoi Hin William (Note 2)	Interest of controlled corporation	58,404,950	11.04%
Ultimate Bliss Limited (Note 3)	Beneficial owner	77,784,630	14.71%
Prime Sage International Limited (Note 3)	Interest of controlled corporation	77,784,630	14.71%
TMF (Cayman) Ltd. (Note 3)	Trustee	77,784,630	14.71%
Dr. Tse Wai Ip (Note 3)	Founder of a discretionary trust who can influence how the trustee exercises his discretion	77,784,630	14.71%
	Beneficial owner	478,750	0.09%
WuXi AppTec (HongKong) Limited (Note 4)	Beneficial owner	78,125,196	14.77%
WuXi AppTec Co., Ltd. (Note 4)	Interest of controlled corporation	78,125,196	14.77%
Cheng Chi Heng	Beneficial owner	12,450,000	2.35%
	Person having a security interest in Shares	50,937,500	9.63%

Notes:

- 1) Innovative Vision Inc is 54.16% owned by Global Vision Investment LP, which has a 1% equity interest held by Innovative Vision GP Ltd (formerly known as Global Vision GP Ltd), and 45.84% owned by 天津眾佑健康科技有限公司, which is wholly owned by 北京鷹瞳科技發展股份有限公司.
- 2) Clear Lead Ventures Limited is wholly owned by 3W Partners Fund I L.P.; and 3W Partners Fund I L.P. is managed by 3W Partners GP Limited as its general partner and is ultimately controlled by Mr. Goh Lu Hong and Mr. Chan Hoi Hin William, who indirectly hold majority of the equity interests of 3W Partners GP Limited.
- 3) Ultimate Bliss Limited is wholly owned by Prime Sage International Limited which is in turn wholly owned by TMF (Cayman) Ltd. under the Awareness Trust. The Awareness Trust is a discretionary trust established by Dr. Tse Wai Ip (as the settlor and protector), the discretionary beneficiaries of which include Dr. Tse Wai Ip and his family members.
- 4) WuXi AppTec (HongKong) Limited is wholly owned by 無錫藥明康德新藥開發股份有限公司 WuXi AppTec Co., Ltd.*. WuXi AppTec Co., Ltd. is a joint stock limited company established in the PRC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 603259) and the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 2359).
- 5) As at 31 March 2025, the number of issued ordinary Shares of the Company was 528,917,125, which has been used for the calculation of the approximately percentage of shareholding in our Company.

* *The English translation of entity and Company name in Chinese or another language which are marked with “*” and the Chinese translation of company names in English which are marked with “*” is for identification purpose only. If there is any inconsistency between the Chinese names of entities or enterprises and their English translations, the Chinese names shall prevail.*

Save as disclosed above, as at 31 March 2025, the Company had not been notified by any persons (other than the Directors and the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to our Company and to the best of our Directors' knowledge, information and belief as at the date of this annual report, our Company has always maintained sufficient public float as required under the Listing Rules during the year ended 31 March 2025.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by our Company are set out in the “Corporate Governance Report” section on pages 45 to 64 of this report.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Details of the significant events after the end of the reporting period are set out in the Management Discussion and Analysis on pages 19 to 21 of this report.

Directors' Report

AUDITOR

Crowe (HK) CPA Limited (“**Crowe**”) has been appointed as the auditor of the Company since 24 April 2026 to fill the casual vacancy following the resignation of Ernst & Young as the auditor of the Company on 31 March 2026. Save as disclosed above, there were no other changes in the auditor of the Company during the past three years.

The Consolidated Financial Statements for the year ended 31 March 2025 have been audited by Crowe, and a resolution for ratifying and confirming the appointment of Crowe as the independent auditor of our Company will be proposed at the forthcoming annual general meeting.

On behalf of our Board

Jiang Bo

Executive Director

Hong Kong, 15 September 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICE

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 the year ended 31 March 2025 and up to the date of this annual report, 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 except for the deviation from code provisions C.2.7 and B.2.2 of the CG Code.

Given the allegations raised and the suspension of trading in the Company’s shares during the year ended 31 March 2025 and up to the date of this report, the Board and management focused their attention on handling the relevant investigations and implementing the resumption plan. As a result, no meeting was held between the chairman and the independent non-executive Directors without the presence of other Directors during the said period and up to the date of this report, and the Company was therefore unable to comply with code provision C.2.7 of the CG Code.

Under code provision B.2.2 of the CG Code, each of the Directors shall be subject to retirement by rotation at least once every three years. As the Company has delayed the publication of the 2025 annual results and the 2025 annual report (which resulted in the delay in publication of the 2025 interim results, 2025 interim report, 2026 annual results and 2026 annual report), and its shares have been suspended from trading since 15 April 2025, the Company has not been able to convene the annual general meetings timely for the years ended 31 March 2025 and 2026. To remediate this, the Company held an annual general meeting on 6 January 2026 where certain relevant Directors had retired by rotation and offered themselves for re-election at such meeting in compliance with the articles of association of the Company and the Listing Rules. An adjourned annual general meeting for 2025 and an annual general meeting for 2026 will be held respectively for the Company to re-comply with the requirements under its articles of association and the Listing Rules.

The Company considers that sufficient measures have been taken to ensure the Company’s corporate governance practices are no less exacting than those 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 may meet the general rules and standards as required by 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, during the year ended 31 March 2025 and up to the date of this annual report, the Company has complied with all applicable code provisions as set forth in the CG Code.

The amendments to the Corporate Governance Code (Appendix C1) effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this annual report, the Company shall refer to the then effective CG Code.

BOARD OF DIRECTORS

The Board currently comprises eight members as follows:

Corporate Governance Report

Executive Directors

Mr. Jiang Bo (*Chief Executive Officer*) (*Appointed on 9 September 2024*)

Mr. Hui Yung Chris (*Chief Executive Officer*) (*Re-designated as a Co-CEO on 9 September 2024 and retired on 6 January 2026*)

Mr. Lo Tsz Hong (*Resigned with effect from 1 September 2025*)

Dr. Tse Wai Ip (*Vacated on 1 August 2025*)

Non-Executive Directors

Mr. Chen Jiarong (*Appointed on 1 September 2025*)

Professor Wang Qinmei (*Appointed on 11 November 2025*)

Mr. Sun Peng (*Appointed on 22 January 2026*)

Mr. Wu Ting Yuk Anthony (*Chairman of the Board*) (*Retired on 6 January 2026*)

Mr. Ng Roy (*Resigned on 9 September 2024*)

Ms. Zhao Wei (*Resigned on 11 June 2025*)

Independent Non-Executive Directors

Mr. Wang Can (*Appointed on 9 September 2024*)

Ms. Ci Ying (*Appointed on 25 June 2025*)

Dr. Chen Poujian (*Appointed on 11 November 2025*)

Mr. Xu Anliang (*Appointed on 22 January 2026*)

Mr. Li Michael Hankin (*Resigned on 25 November 2024*)

Mr. Ma Wai Hung Vincent (*Resigned on 9 September 2024*)

Ms. Cheng Jessica (*Appointed on 29 May 2024 and retired on 6 January 2026*)

The biographical information of the Directors are set out in the section headed “Profile of Directors, Senior Management and Company Secretary” on pages 22 to 26 of this annual report. Save as disclosed in the section headed “Profile of directors, senior management and company secretary” in this annual report, the Board members have no financial, business, family or other material/relevant relationships with each other as at the date of the report.

Ms. Cheng Jessica was appointed as an independent non-executive Director on 29 May 2024 and was retired on 6 January 2026. She has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 29 May 2024 and has confirmed her understanding of the obligations as a director of a listed issuer.

Mr. Jiang Bo and Mr. Wang Can were appointed as an executive Director and an independent non-executive Director, respectively, on 9 September 2024. They have obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 2 September 2024 and have confirmed their understanding of the obligations as a director of a listed issuer.

Mr. Chen Jiarong was appointed as a non-executive Director on 1 September 2025. He has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 1 September 2025 and has confirmed his understanding of the obligations as a director of a listed issuer.

Ms. Ci Ying was appointed as an independent non-executive Director on 25 June 2025. She has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 25 June 2025 and has confirmed her understanding of the obligations as a director of a listed issuer.

Professor Wang Qinmei and Dr. Chen Poujian were appointed as a non-executive Director and an independent non-executive Director, respectively, on 11 November 2025. They have obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 11 November 2025 and 10 November 2025, respectively, and have confirmed their understanding of the obligations as a director of a listed issuer.

Mr. Sun Peng and Mr. Xu Anliang were appointed as a non-executive Director and an independent non-executive Director, respectively, on 22 January 2026. They have obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 16 January 2026 and 4 September 2025 respectively, and have confirmed their understanding of the obligations as a director of a listed issuer.

Non-compliance with the Listing Rules

During the year ended 31 March 2025, the Company has failed to comply with the following Listing Rules and the relevant remedial steps taken were as follows:

- (i) On 7 February 2024, following the passing away of Professor Lau Wan Yee Joseph on 7 February 2024, the composition of the Board included only two independent non-executive Directors and the Audit Committee comprised of only two members. Thus, the number of independent non-executive Directors and the members of the Audit Committee fell below the minimum threshold required under Rules 3.10(1), 3.10A and 3.21 of the Listing Rules. Pursuant to Rules 3.11 and 3.23 of the Listing Rules, the Company should appoint an independent non-executive Director and a member of the Audit Committee within three months after failing to meet the requirements under Rules 3.10(1), 3.10A and 3.21 of the Listing Rules (i.e. on or before 6 May 2024). As additional time was needed to undergo due diligence checks on and interviews with the candidates and to complete the internal appointment procedures of the Company, the Company applied for and was granted a waiver by the Stock Exchange from strict compliance up to 6 June 2024.
- (ii) On 29 May 2024, following the appointment of Ms. Cheng Jessica as an independent non-executive Director, the Board at the relevant time comprised three executive Directors, three non-executive Directors and three independent non-executive Directors. As a result, the Company complied with the requirements under Rules 3.10(1), 3.10A and 3.21 of the Listing Rules in respect of the minimum number of independent non-executive Directors and the minimum number of members of the Audit Committee.
- (iii) On 25 November 2024, following the resignation of Mr. Li Michael Hankin, the Board comprised only two independent non-executive Directors and the Audit Committee comprises only two members and both the remuneration committee and the nomination committee lack a majority of independent non-executive Directors. As a result, the Company has failed to meet the requirements under Rules 3.10(1), 3.10A, 3.21, 3.25, and 3.27A of the Listing Rules. Following the appointment of Ms. Ci Ying on 25 June 2025 as an independent non-executive Director and a member of Nomination Committee, as well as the re-designation of Mr. Wang Can on 25 March 2025 from member to chairman of the Audit Committee, the Company has re-complied with Rules 3.10(1), 3.10A, 3.21 (which requires the Audit Committee be chaired by an independent non-executive of the Director) and 3.27A of the Listing Rules. However, the Company remained non-compliant with Rules 3.21 and 3.25 of the Listing Rules in respect of the composition of the Audit Committee and the Remuneration Committee respectively, and both the Audit Committee and Remuneration Committee still do not meet the minimum membership requirements set out in their respective terms of reference.

Corporate Governance Report

- (iv) On 1 September 2025, following the appointment of Mr. Chen as a non-executive Director and a member of the Remuneration Committee, and with Ms. Ci Ying, an independent non-executive Director, being appointed as a member of the Remuneration Committee in place of Mr. Jiang Bo, the executive Director and chief executive officer of the Company, the Company has complied with the requirements set out in Rule 3.25 of the Listing Rules that: (i) the Remuneration Committee comprising majority of independent non-executive Directors; and (ii) the Remuneration Committee meeting the minimum membership requirement set out in its terms of reference. However, the Company has not yet complied with Rule 3.21 of the Listing Rules in respect of the composition of the Audit Committee, and the Audit Committee still does not meet the minimum membership requirements set out in its terms of reference.
- (v) On 11 November 2025, following the appointment of Dr. Chen Poujian as an independent non-executive Director and a member of the Audit Committee, the Company has re-complied with the requirements of Rule 3.21 of the Listing Rules.
- (vi) On 6 January 2026, following the retirement of Ms. Cheng Jessica, the Audit Committee only had two members, and thus the number of members fell below the requirement of Rule 3.21 of the Listing Rules. Following the retirement of Mr. Wu, the Nomination Committee lacked a chairperson and only consisted of two members, failing to meet the requirements under Rule 3.27A of the Listing Rules and the membership requirements under the terms of reference of the Nomination Committee.
- (vii) On 13 January 2026, following the appointment of (a) Ms. Ci Ying, an independent non-executive Director, as the chairperson of the Nomination Committee and a member of the Audit Committee; and (b) Mr. Chen Jiarong, a non-executive Director, as a member of the Nomination Committee, the Audit Committee comprised of three members, and the Nomination Committee is chaired by an independent non-executive Director and comprised of three members. As a result, the Company has met the requirements under Rules 3.21 and 3.27A respectively of the Listing Rules and the membership requirement under the terms of reference of the Nomination Committee.
- (viii) Reference is made to the disclosures under the section “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” of this report, during the years ended 31 March 2025 and 2026, the trading of the Company’s shares was suspended, and the Company received two sets of Resumption Guidance accordingly. While pending the findings of the FTI Investigation, GT Investigation, the IC Review, and completion of the audits, the publication of the Company’s 2025 annual results and 2025 annual report was delayed (which resulted in the delay in publication of the Company’s 2025 interim results, 2025 interim report, 2026 annual results and 2026 annual report), which led to the Company’s non-compliance with Listing Rules 13.49(1), 13.49(6), 13.46(2) and 13.48(1), respectively. As one of the conditions to resume trading of the shares of the Company under the Resumption Guidance and following the disclosure of the outstanding results and reports abovementioned, the Company will re-comply with the relevant Listing Rules.

Roles and Responsibilities of the Board

The Board’s primary responsibilities include the formulation of long-term corporate strategies, policy decisions and overseeing the management of the Group’s operations.

The Board is accountable to shareholders for the activities and performance of the Group and its primary functions cover, among other things, the formulation of overall strategy, the review of the corporate and financial policies, review and assessment of the Company’s financial reporting, internal control and risk management systems and the oversight of the management of the Group’s business and affairs.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and adequate and timely access to all the information of the Company as well as the services (including the company secretary) and advice from the senior management. The Directors may, make further enquiries to the management for more information, and upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company. The Directors shall timely disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company. All Directors are entitled to have access to all board papers and related materials which are sufficient to enable them to make informed decisions, and their queries shall receive prompt and reasonable response.

The Board delegates day-to-day operations of the Company to the management of the Group, who possesses extensive operating experience and industry knowledge. The management reports and obtains prior approval from the Board which gives clear directions to the management to implement the Board's decisions and commitments.

The Board reserves its powers over decision of all major matters which include, inter alia, the approval and monitoring of all policy matters, overall strategies and budgeting, internal control and risk management systems, material transactions (in particular those which may involve conflict of interests of substantial shareholder(s) or Director(s)), financial information, appointment of Directors and other significant financial and operational matters.

The Board has also established mechanisms to ensure independent views are available to the Board. All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. Each of the Director will be required to declare his/her interests before the meeting. Any Director who has a conflict of interest in a matter to be considered by the Board will abstain from voting and will not be counted towards the quorum on the relevant resolutions. If such conflict is considered to be material, a physical Board meeting will be held. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting and to take the lead when potential conflicts of interest arise. The current Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year under review.

Independent Non-Executive Directors

As disclosed in the section headed "Non-compliance with the Listing Rules" above, the Company temporarily failed to comply with Rules 3.10(1), 3.10A, 3.21, 3.25, and 3.27A of the Listing Rules during the year ended 31 March 2025. As at the date of this report, the Company has fully re-attained compliance with all the relevant Listing Rules.

The non-executive Directors (including independent non-executive Directors) are expected to participate in the Board meetings to bring independent judgments on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct, to make positive contribution to the development of the Company's strategy and policies through their independent, constructive and informed comments, and to scrutinise the Company's performance in achieving agreed corporate goals and objectives and to monitor performance reporting. They are also encouraged to attend general meetings to gain and develop balanced understanding of the Shareholders' views.

Corporate Governance Report

The Company has obtained written annual confirmations from each of the current independent non-executive Directors, confirming their independence in accordance with the independence guidelines outlined in Rule 3.13 of the Listing Rules. The Company believes that all the current independent non-executive Directors are indeed independent.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board as a whole is responsible for reviewing its composition, developing and formulating the relevant procedures for the nomination and appointment of Directors; and monitoring their succession. Each of the Directors is engaged on a director's service agreement/appointment letter for a specific term ranging from one to three years, which is renewable and subject to the Articles of Association of the Company.

By virtue of Article 83 of the Articles of Association, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or additional to the existing Board. Any Director so appointed by the Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with code provision B.2.2 of the CG Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Furthermore, pursuant to Article 84 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors keep abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive formal and comprehensive induction on the first occasion of his/her appointment. Further suitable training is to be arranged by the Company to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors are encouraged to participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant at the Company's expenses.

According to the records kept by the Company, all the current Directors appointed during the year ended 31 March 2025, namely Mr. Jiang Bo and Mr. Wang Can had attended seminars and/or trainings that are relevant to the Directors' professional knowledge and skills and in performing their duties and responsibilities as Directors. Each Director keeps abreast of his/her responsibility as a Director and of the conduct, business activities and development of the Company.

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. 3 former Directors who resigned in 2024, 1 former Director who has been removed in 2025, 2 former Directors who resigned in 2025 and 3 Directors who retired in 2026, namely, Mr. Roy Ng, Mr. Ma Wai Hung Vincent, Mr. Li Michael Hankin, Dr. Tse Wai Ip, Mr. Lo Tsz Hong, Ms. Zhao Wei, Mr. Hui Yung Chris, Mr. Wu Ting Yuk Anthony and Ms. Jessica Cheng. Mr. Roy Ng, Mr. Lo Tsz Hong, Ms. Zhao Wei, Mr. Wu Ting Yuk Anthony and Ms. Jessica Cheng, have confirmed that they have complied with the required standard as set out in the Model Code throughout the year and until their respective resignation date. Apart from that, the Company did not receive any confirmation regarding the compliance of Model Code from the remaining former Director(s), namely Mr. Ma Wai Hung Vincent, Mr. Li Michael Hankin, Dr. Tse Wai Ip and Mr. Hui Yung Chris as at the date of this report.

The Company has also made specific enquiries of the current Directors, namely Mr. Jiang Bo and Mr. Wang Can appointed in 2024, Mr. Chen Jiarong, Professor Wang Qinmei, Ms. Ci Ying and Dr. Chen Poujian appointed in 2025 and Mr. Sun Peng and Mr. Xu Anliang appointed in 2026, and all current Directors have confirmed that they have complied with the required standard set out in the Model Code from the date of their appointment to the date of this report. The Company will continue to ensure compliance with the Model Code.

The Company has also established written guidelines on terms no less exacting than the Model Code (the “**Employees Written Guidelines**”), for securities transactions by relevant employees (including directors or employees of a subsidiary or holding company of the Company) who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company. In case when the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its Directors and relevant employees in advance.

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Wu Ting Yuk Anthony, was appointed as a non-executive Director and chairman of the Board on 20 March 2019 and was retired on 6 January 2026. Since then, the position of Chairman of the Board has remained vacant. The Chairman of the Board, is primarily responsible for leading and managing the Board to ensure it works effectively and performs its responsibilities. The Chairman is responsible for drawing up, approving and taking into account matters proposed by Directors in the agenda for each Board meeting and ensures that all directors are properly briefed on issues arising at Board meetings and that they receive adequate information in a timely manner; ensures good corporate governance practices and procedures are established encourages other Directors to make a full and active contribution to the Board’s affairs and ensuring that it acts in the best interests of the Group; encourages every Director (whether they are executive or non-executive Directors) with different views to voice their concerns and allow debate by facilitation effective contribution; allows sufficient time for discussion of issues and ensuring that Board decisions fairly reflect Board consensus; provides effective communication with Shareholders and that their views are communicated to the Board as a whole. The Company will use its best endeavours to seek a suitable candidate to fill the vacancy of the position of chairman of the Board.

Corporate Governance Report

The Chief Executive Officer Mr. Jiang Bo, is responsible for business strategic planning and day-to-day management and operation of the Group. The Board believes this segregation of duties helps to supervise and balance the power and authority of the Board and enhances the independence and accountability of the Board.

BOARD COMMITTEE

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website (www.claritymedic.com) and the Stock Exchange's website (www.hkexnews.hk).

The chairman and majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out in the Corporate Information on page 2 of this annual report. The Board committees are provided with sufficient resources to perform their duties and shall seek, at the Company's expenses, independent professional advice to perform its responsibilities if necessary.

Minutes of the Board committees are kept by the company secretary, where drafts and final versions of the relevant minutes should be sent to all committee members for their comments and records, within a reasonable time after the meeting.

Audit Committee

The primary responsibilities of the Audit Committee include the followings:

- (a) to review the Company's financial information including annual report and half-yearly report and the appropriateness of any significant financial reporting judgments contained therein;
- (b) to review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, reappointment and removal of external auditors; and
- (c) to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures. Further information is disclosed in the section titled "Risk Management and Internal Controls" below.

Rule 3.21 of the Listing Rules requires the Audit Committee to comprise non-executive directors only, with a minimum of three members. As disclosed in the section headed "Non-compliance with the Listing Rules" above, the Company temporarily failed to comply with Rule 3.21 of the Listing Rules during the year ended 31 March 2025. As at the date of this report, the Company has fully re-attained compliance with all the relevant Listing Rules.

During the year ended 31 March 2025, the Audit Committee held four meetings. The attendance of each member at the Audit Committee meetings is set out in the table under the section titled 'Meeting Attendance' of this report.

Due to the delay in publication of the Company's annual results, annual reports, interim results and interim report for the year ended 31 March 2025, for the six months ended 30 September 2025 and for the year ended 31 March 2026, during the year ended 31 March 2025 and up to the date of this annual report, the Audit Committee (i) reviewed the annual results of the Company for the year ended 31 March 2025, the interim results of the Company for the six months ended 30 September 2025 and the annual results of the Company for the year ended 31 March 2026 (which reviews were conducted subsequent to 31 March 2026 following the delay in the publication of the annual results for the year ended 31 March 2025) and reported the review conclusions to the Board; (ii) reviewed the independence and objectivity of the external auditor; (iii) considered and approved the remuneration and terms of engagement of the external auditor; (iv) considered and made recommendation to the Board on the appointment of Crowe (HK) CPA Limited as the new auditor of the Company following the resignation of Ernst & Young on 31 March 2026; (v) reviewed the internal control review report by the independent professional consultancy firm engaged by the Group ("**the IC Adviser**"), reviewed the appropriateness and effectiveness of the remedial measures and implementations of risk management and internal control systems and made recommendations to the Board on the improvement of the internal control and risk management of the Group; and (vi) reviewed the effectiveness of the Group's whistleblowing policy and the arrangements for employees to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters, and confirmed that appropriate procedures are in place for remedial purposes and follow-up action.

Auditors' Remuneration

An analysis of the remuneration that should be paid to the external auditor of the Company, Ernst & Young (which tendered its resignation on 31 March 2026 as announced by the Company on 2 April 2026) and Crowe (HK) CPA Limited, for the audit of the year ended 31 March 2025 and non-audit services is set out below:

Services rendered	Paid/Payable HK\$'000
Audit services fees	
Annual audit (Ernst & Young)	1,500
Annual audit (Crowe (HK) CPA Limited)	1,300
Non-audit services fees	
Review of interim financial information (Ernst & Young)	300

The Audit Committee has expressed its views to the Board that the level of fees paid/payable to the Company's external auditor is reasonable. There has been no major disagreement between the external auditors and the management of the Company for the reporting period.

Corporate Governance Report

Nomination Committee

The primary functions of the Nomination Committee are to review the structure, size and composition of the Board, to identify suitable qualified individuals to become board members, and make recommendations to the Board in relation to the appointment and re-appointment of Directors and senior management, and on matters regarding succession planning. In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board diversity policy, including but not limited to professional qualifications, regional and industry experience, educational and cultural background, skills, industry knowledge, reputation and gender. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. The Nomination Committee is also responsible for assessing the independence of the independent non-executive Directors.

The nomination policy (which includes the Company's Board succession policy (established upon the internal control review by the IC Adviser) and Board Diversity Policy (as defined below)) serves as a guiding framework which is expected to be followed to ensure timely and effective appointment. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, talent needs and experience relevant to the Company's businesses, where appropriate, evaluation and reference checks may also be conducted before making recommendation to the Board.

During the year ended 31 March 2025, the Nomination Committee held three meetings to review the structure, size and composition of the Board, including the appointments of Mr. Jiang Bo, Mr. Wang Can and Ms. Jessica Cheng as new Directors, and the re-designation of Mr. Chris Hui Yung as co-chief executive officer, review the independence of the independent non-executive Directors and of re-appointment of retiring Directors. Attendance of each member at the Nomination Committee meeting is set out in the table under the section headed "Meeting Attendance" of this report.

Remuneration Committee

The primary duties of the Remuneration Committee are to (i) review and determine the policies and the structure of the remuneration for the Directors and senior management; (ii) assess the performance of, and make recommendations to the Board on the remuneration packages and long-term incentive compensation or equity plans (including matters relating to share schemes under Chapter 17) for, individual Directors and senior management in accordance with E.1.2(c)(ii) of the GC Code; and (iii) evaluate and make recommendations on employee benefit arrangements.

During the year ended 31 March 2025, the Remuneration Committee held three meetings to review and make recommendation to the Board on the remuneration policy and structure of the Company, and the remuneration packages of the Directors and senior management and other related matters. Attendance of each member at the Remuneration Committee meeting is set out in the table under the section headed "Meeting Attendance" of this report.

Major work completed by the Remuneration Committee during the year included: (i) recommended the remuneration package and bonus payable to executive Directors of the Company; (ii) recommended the remuneration packages of non-executive Directors and independent non-executive Directors of the Company for approval by the Board; and (iii) considered and approved matters relating to the Share Award Plan under Chapter 17 of the Listing Rules, including the reasonableness of the service provider sub-limit of 5% and other grant issues. Details of the Director's remuneration are set out in note 8 to the consolidated financial statements. Pursuant to code provision E.1.5 of the CG Code, a company should disclose details of any remuneration payable to members of the senior management by band for the year ended 31 March 2025 in its annual report. As at 31 March 2025, the Company had no senior management other than the Directors.

Corporate Governance Functions

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code. The Board developed and reviewed the Company's corporate governance policies and practices, reviewed and monitored, training and continuous professional development of Directors and senior management, reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements, developed, reviewed and monitored the compliance of the Model Code and the guidelines, and reviewed the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Board and Workforce Diversity

The Board has adopted a board diversity policy (the **"Board Diversity Policy"**) as required by the Listing Rules which sets out the approach to achieve diversity on the Board. The Board recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company seeks to achieve Board diversity when selecting candidates from a number of perspectives based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board has reviewed the appropriateness of an express diversity quota or measurable objective in achieving board diversity, and noted that currently the Board has members of both genders. In light of the above, the Board has concluded that selection of Board members should continue to be based on the above said diversity perspectives instead of setting an express quota or objective. The Nomination Committee will monitor and review annually the implementation of the Board Diversity Policy to ensure its effectiveness as appropriate.

Pursuant to Rule 13.92 of the Listing Rules, the Stock Exchange will not regard a single gender board of directors as achieving member diversity. As at the date of this report, the Board consists of one female Director and seven male Directors, which is in compliance with the requirement of appointing at least a director of a different gender.

In relation to the details of gender ratio and relevant policy of the Group at the workforce level as of 31 March 2025, please refer to the section headed "Employment and Labour Standards" under the Environmental, Social and Governance Report which is contained in this annual report. During the year under review, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

During the year ended 31 March 2025, the Board held at least 4 regular meetings, where majority of Directors are presented and actively participated. Schedules for regular Board meetings are agreed with Directors in advance to facilitate their attendance. At least 14 days' notice for all regular Board meetings was given to all Directors and all Directors (including independent non-executive Directors) are given the opportunity to include matters for discussion on the agenda. For other Board meetings, reasonable notice of at least 3 days in advance will be given. Agendas and accompanying meeting documents will be sent to all Directors in a timely manner before the Board meeting. Minutes of Board meetings and committee meetings, record in sufficient detail of matters considered and resolved, with relevant Directors' views, are sent to all Directors for their comment and records, and the final versions are kept by the company secretary and are open for Directors' inspection on reasonable notice.

Corporate Governance Report

The attendance record of each Director at the Board meetings, Board committee meetings and the annual general meeting of the Company held from 1 April 2024 to 31 March 2025 set out in the table below:

Name of Directors	Board	Attendance/Number of Meetings		Audit Committee	General Meeting
		Nomination Committee	Remuneration Committee		
Executive Directors					
Jiang Bo <i>(Chief Executive Officer)</i> (note 1)	10/10	NA	NA	NA	NA
Hui Yung Chris <i>(Co-CEO)</i> (note 2)	13/13	NA	NA	NA	1/1
Lo Tsz Hong	13/13	NA	NA	NA	1/1
Tse Wai Ip	13/13	NA	NA	NA	1/1
Non-Executive Directors					
Wu Ting Yuk Anthony <i>(Chairman)</i>	13/13	3/3	NA	NA	1/1
Ng Roy (note 3)	3/3	NA	3/3	NA	1/1
Zhao Wei	13/13	NA	NA	NA	1/1
Independent Non-Executive Directors					
Cheng Jessica (note 4)	12/12	NA	NA	3/3	1/1
Wang Can (note 5)	9/10	NA	NA	2/2	NA
Li Michael Hankin (note 6)	3/6	3/3	3/3	3/3	1/1
Ma Wai Hung Vincent (note 7)	1/3	3/3	2/3	2/2	1/1

Notes:

1. Appointed on 9 September 2024
2. Re-designated as a Co-CEO on 9 September 2024
3. Resigned on 9 September 2024
4. Appointed on 29 May 2024
5. Appointed on 9 September 2024
6. Resigned on 25 November 2024
7. Resigned on 9 September 2024

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2025 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 88 to 93 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group has established a risk management and internal control framework which enables it to identify, evaluate and manage significant risks associated with its business activities. The framework is designed to safeguard the Group's assets, to ensure the maintenance of proper accounting records, to enhance operational effectiveness and efficiency, and to ensure compliance with applicable laws and regulations.

Board Responsibilities

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems.

The Board acknowledges its responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable, but not absolute, assurance against material misstatement or loss.

The Board, with the assistance of the Audit Committee and management, oversees the Group's risk management and internal control systems on an ongoing basis and reviews their effectiveness at least annually.

Risk Management System

The Group has established a risk management system to identify, evaluate and manage significant risks associated with its business activities. Management is responsible for identifying and assessing risks and implementing appropriate measures to mitigate and manage such risks. Any significant risks identified by management are regularly reported to the Audit Committee and the Board.

The risk management process comprises the following key elements:

- Identification of significant strategic, financial, operational, ESG, and compliance risks;
- Assessment and evaluation of the likelihood and potential impact of identified risks;
- Development and implementation of appropriate risk mitigation measures;
- Continuous monitoring of risk exposure and effectiveness of controls; and
- Periodic reporting of risk management matters to the Board and Audit Committee.

Corporate Governance Report

Internal Control Systems

The Group's internal control systems comprise the policies, procedures and organisational arrangements through which management safeguards the Group's assets, ensures that transactions are properly authorised and recorded, maintains reliable financial reporting and secures compliance with the Listing Rules and applicable laws and regulations.

Internal Control Review

As part of its efforts towards resumption of trading in its shares, the Company engaged an independent internal control adviser (the **"IC Adviser"**) to review the internal control systems and procedures of the Company and its two principal operating subsidiaries, Saintford Limited and Clarity Ophthalmology (Shenzhen) Co., Ltd.* (清晰眼科(深圳)有限公司) (collectively, the **"Key Subsidiaries"**), for the period from 1 April 2025 to 31 March 2026 (the **"Internal Control Review"**). The Internal Control Review covered the following areas: (i) board governance and decision-making; (ii) connected transactions; (iii) management of integrity and conflicts of interest; (iv) regulatory compliance, disclosure and whistleblowing; (v) treasury management; (vi) procurement management; (vii) contract management; (viii) human resources and employment compliance; and (ix) financial reporting management. The background, scope, findings and remediation of the Internal Control Review are set out in the Company's announcement dated 13 September 2026 and are summarised below.

Review Findings

The Internal Control Review identified 13 observations, comprising 1 material control observation, 9 other control observations and 3 observations for improvement.

1) *Material control observation*

The material control observation concerned the Company's corporate governance framework and its oversight of subsidiaries. The IC Adviser found that the Company had not established, or systematically updated, the governance policies required to keep pace with developments in the Listing Rules and the Corporate Governance Code (the **"CG Code"**), and had not formalised group-level escalation protocols and Board approval procedures for material transactions undertaken by its subsidiaries. Specifically:

- (a) some formal policies to govern certain key areas addressed under the Listing Rules and the CG Code, namely the policies on shareholder communication, notifiable transactions, board diversity and conflict of interest (the **"Outstanding Policies"**) were not established;
- (b) the dividend policy and the whistleblowing policy required enhancement; and
- (c) certain of the Company's policies did not fully address the Company's monitoring, approval and reporting procedures for subsidiary-level activities and transactions.

The IC Adviser recommended that the Company: (a) establish the Outstanding Policies in accordance with the CG Code and the Listing Rules; (b) enhance the dividend policy and the whistleblowing policy; (c) establish a subsidiary oversight policy, applicable to all subsidiaries, setting out approval thresholds and reporting procedures for material subsidiary-level activities, including acquisitions and disposals, borrowings and loans (including financing arrangements with controlling shareholders), the giving of security and guarantees, and interested or related party transactions; and (d) communicate the policies to relevant stakeholders and review them periodically.

2) *Other control observations*

The 9 other control observations concerned (i) the articles of association of relevant Key Subsidiaries; (ii) Director training and succession planning; (iii) delegation of authority ("**DOA**") and responsibility descriptions; (iv) conflict-of-interest declarations by Directors; (v) payment authorisation workflow and consultancy fee adjustments; (vi) supplier performance monitoring and procurement documentation; (vii) contract approval and register; (viii) human resources policy framework; and (ix) recruitment, resignation and payroll procedures.

3) *Observations for improvement*

The 3 observations for improvement identified areas in which the Group's practices could be further aligned with good corporate governance practice, namely, the maintenance of a centralised register of board meetings, the formalisation of background checks for newly appointed Director, and budget management including the preparation of an annual budget and periodic variance analysis.

Remedial measures taken by the Group

The Board and the Audit Committee agreed with and accepted all of the findings and recommendations of the IC Adviser.

In response to the material control observation, the Company has: (a) established the Outstanding Policies to address the identified deficiencies; (b) enhanced its dividend policy and whistleblowing policy as recommended; (c) adopted a Group Transactions and Governance Policy, applicable to the Company and all of its subsidiaries, which sets out escalation triggers, approval thresholds and reporting requirements for material subsidiary-level activities and transactions; and (d) communicated the new and enhanced policies to the Directors, management and relevant staff of the Company and the Key Subsidiaries.

In response to the other control observations, the Company and the Key Subsidiaries have taken the appropriate remedial measures, and in particular, they have enhanced their procedures for payment authorisation, procurement, contract management, human resources, payroll, and have strengthened their record-keeping controls.

In response to the observations for improvement, the Company has established a centralised register of board meetings, adopted a formal policy for background checks for newly appointed Director, and introduced an annual budgeting process with periodic variance analysis reported to the Board.

Follow-up Review conducted by the IC Adviser

The IC Adviser subsequently conducted a follow-up review covering the periods from 1 April 2026 to 30 June 2026 and from 1 July 2026 to 31 August 2026 (together, the "**Follow-up Review**") to assess whether (a) the weaknesses identified had been rectified and the remedial measures duly implemented; and (b) the remediated controls were effectively designed and implemented so as to enable compliance with the Listing Rules.

The IC Adviser examined the new and enhanced policies and procedures of the Company and the Key Subsidiaries, interviewed management and process owners, and tested samples of transactions where transactions had arisen during the Follow-up Review; where no relevant transaction had arisen, it assessed whether the relevant policies and procedures had been put in place. The IC Adviser completed the Follow-up Review in September 2026 and no exception was noted.

Corporate Governance Report

Further Measures adopted by the Group

In addition to the remedial measures above, the Group will:

(a) perform periodic reviews of the newly established and enhanced policies, the DOA matrix and the articles of association of the Key Subsidiaries to keep pace with changes in the Listing Rules, the CG Code and applicable laws; (b) maintain the recurring controls introduced, including Directors' training records and conflict-of-interest declaration updates, annual supplier evaluations, annual budgeting and monthly variance analysis; (c) continue to monitor the operation of the remediated controls, in particular those for which no transactions were available for sample testing during the Follow-up Review; and (d) report the results of such monitoring, and any significant control deficiencies, to the Audit Committee and the Board.

Main Features of the Internal Control Systems After Remediation

Control environment and governance structure. A clear organisational structure with defined lines of responsibility and authority is in place, supported by the Board-approved DOA matrix, which specifies approval limits and dual-approval requirements for transactions, payments and contracts and reserves specified matters for decision by the Board. The Group Transactions and Governance Policy requires material subsidiary-level matters – including acquisitions and disposals, borrowings and loans, security and guarantees, financing arrangements with controlling shareholders and transactions with related or connected parties – to be escalated to and approved by the Board before commitment.

Board and Director conduct. The Company maintains written policies on board diversity, board succession, Director background checks and conflicts of interest. Directors declare their interests on appointment, update their declarations periodically and upon any change in their affiliations, and abstain from deliberating and voting on matters in which they are conflicted. The Company Secretary maintains centralised registers of Board and committee meetings, Directors' training and Directors' declarations of interest.

Financial and operational controls. Written policies and procedures are in place to govern payment authorisation, procurement, contract management, human resources and payroll across the Company and the Key Subsidiaries. Payments are matched against contracted terms before release. Procurements above specified thresholds require competitive quotations and documented selection rationale. Contracts are subject to risk-based legal review and recorded in a centralised register. Payroll is prepared and verified by separate personnel before approval. An annual budget is approved by the management before the start of each financial year, and actual performance is monitored against budget monthly, with significant variances explained and reported.

Compliance controls. The Company maintains policies on notifiable and connected transactions, shareholder communication, dividends, inside information, whistleblowing and anti-corruption. The Company Secretary, with the assistance of the Company's legal advisers, monitors changes in the Listing Rules and applicable laws and regulations and reports to the Board on compliance matters.

Monitoring and reporting. Management reports to the Audit Committee at least twice a year on the operation of the risk management and internal control systems, significant risks identified, any control failings or weaknesses and the actions taken to address them. The Audit Committee reports to the Board following each of its meetings.

Internal Audit Function

The Group does not have an internal audit function. Having considered the Group's size, effective use of resources, and existing internal control framework, and taking into account that the Internal Control Review performed by the IC Adviser, which is an independent professional services firm, covering the material operational and financial processes had recently been completed, and its recommendations and remedial measures implemented, the Board considered that it was not necessary to establish an internal audit function for the time being. The Board will continue to review the need for establishing an internal audit function on an annual basis and will continue to monitor the sufficiency and effectiveness of the Group's existing risk management and internal control systems.

Whistleblowing Policy

The Group has enhanced the existing whistleblowing policy and supporting systems which enable employees and those who deal with the Group (including customers and suppliers) to raise concerns in confidence and anonymity, with the Audit Committee about possible improprieties relating to financial reporting, internal control or other matters. Such concerns are handled in a fair and appropriate manner with appropriate follow up action.

Anti-corruption Policy

The Group has adopted an anti-corruption policy to promote ethical and lawful business conduct. Employees are required to comply with the relevant laws and regulations and the Group's code of conduct regarding anti-bribery and anti-corruption matters.

Procedures for Handling and Dissemination of Inside Information

The Group has established guidelines and procedures and internal controls for handling and dissemination of inside information in accordance with the requirements of the Securities and Futures Ordinance.

Inside information is required to be identified, assessed and escalated to senior management in a timely manner. Access to inside information is restricted to authorised personnel on a need-to-know basis. Employees are reminded regularly of their obligations to preserve confidentiality.

Annual Review of Effectiveness of Internal Control Systems

The Board, with the assistance of the Audit Committee and the IC Adviser, has conducted an review over the Group's internal control systems covering all material controls, including financial, operational and compliance controls, which took into account the Internal Control Review report issued by the IC Adviser, including its findings, recommendations and follow-up reviews on the implementation status, after discussions and with confirmations from the management.

As part of the review, the Board and the Audit Committee also considered the adequacy of resources, staff qualifications and experience, training programmes and budgets of the Group's accounting, financial reporting functions, as well as those relating to ESG performance and reporting and considered that they were adequate and sufficient.

Corporate Governance Report

In conducting the review, the Board also considered the effectiveness of the Group's processes for financial reporting and Listing Rule compliance. During the years ended 31 March 2025 and 2026, the Board and Board committees did not fulfil the composition's requirements, and the publication of the annual results of the Company for the year ended 31 March 2025, the interim results of the Company for the six months ended 30 September 2025 and the annual results of the Company for the year ended 31 March 2026 were also delayed, resulting in non-compliance with the Listing Rules. For details of the above non-compliances, the reasons therefor and the relevant remedial measures taken by the Group, please refer to the sections headed "*Non-compliance with the Listing Rules*" and "*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*" of this annual report.

Based on the review, subject to the deficiencies and remedial actions as elaborated above, the Board and the Audit Committee considered that the Group's risk management and internal control systems are effective and adequate as at the date of this report.

COMPANY SECRETARY

Ms. Yeung Pui Yee Holly was appointed by the Board, as the external company secretary of the Company, on 1 September 2025. Ms. Yeung reports directly to the Board and is responsible for, inter alia, providing updated and timely information to all Directors from time to time. Since her appointment date and up to the date of this report, Ms. Yeung confirmed that she has complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training.

Ms. Wong Wing Yee ("**Ms. Wong**") served as the company secretary of the Company from 1 April 2025 to 29 August 2025. Ms. Wong confirmed that she has complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training during her tenure.

Before Ms. Wong, Ms. Chan Po Yu ("**Ms. Chan**") was the company secretary of the Company, as Ms. Chan has resigned as the company secretary prior to the date of this report, the Company was unable to obtain confirmations regarding her compliance with the professional training requirements under Rule 3.29 of the Listing Rules for the year ended 31 March 2025.

DISCLOSURE OF INSIDE INFORMATION

The Board has a policy for handling and disseminating inside information. The policy sets out guidelines and procedures for the Directors of the Company and executives of the Group to ensure the Group's inside information is disseminated to the public on an equal basis and in a timely manner.

Directors and executives in possession of potential inside information and or inside information, are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognise their obligations to maintain confidentiality. The policy shall be updated and revised as and when necessary in light of changes in circumstances and changes in the Listing Rules, the Securities and Futures Ordinance, relevant statutory and regulatory requirements from time to time.

DIVIDEND POLICY

The Company adopted a dividend policy (the “**Dividend Policy**”). The Company endeavours to maintain sufficient operating capital to develop and operate the Group’s business, and to provide stable and sustainable returns to its shareholders.

In deciding whether to recommend dividends and determining the amount of dividends, the Board will consider the following factors:

- the Group’s financial results and general financial condition;
- liquidity position and capital requirement of the Group;
- the Group’s current and future operations;
- the Group’s business development strategies and future expansion plans;
- the general market conditions;
- any relevant requirements of the Listing Rules and applicable laws, rules and regulations and the memorandum and articles of association of the Company; and
- any other factors that the Board considers relevant.

The Board will also constantly review the Dividend Policy and retain the discretion to update, revise, modify and/or cancel the Dividend Policy at any time. The Dividend Policy will not in any way constitute a legally binding commitment of the Group in relation to its future dividends and/or will not in any way render the Company obligated to declare dividends at any time or from time to time. Any final dividend for a financial year will be subject to the Shareholders’ approval.

SHAREHOLDERS’ RIGHTS

The Company aims to establish fair and transparent procedures to enable all shareholders an equal opportunity to exercise their rights in an informed manner and communicates efficiently with the Company. Under the Articles of Association and the relevant policies and procedures of the Company, the shareholders enjoy, among others, the following rights:

(I) Convene an extraordinary general meeting/put forward proposals:

Any one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth (10%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition at the Company’s Hong Kong office at 20/F, Ginza Plaza, 2A Sai Yeung Choi Street South, Mongkok, Kowloon, Hong Kong, or sent by email to info@claritymedic.com. If within twenty-one days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The Company would take appropriate actions and make necessary arrangements in accordance with the requirements under Article 58 of the Articles of Association once a valid requisition is received.

Corporate Governance Report

(II) Procedures by which enquiries may be put to the Board

Enquiries of shareholders can be sent to the Company either by email at info@claritymedic.com or by post to the Company's Hong Kong head office at 20/F, Ginza Plaza, 2A Sai Yeung Choi Street South, Mongkok, Kowloon, Hong Kong. Shareholders can also make enquiries with the Board directly at the general meetings.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company recognises the importance of communication with shareholders. In order to maintain and further enhance the investors' relationship with the Company's shareholders, the Company established various channels of communication with its shareholders:

The Company has in place a Communication Policy for Shareholders and External Parties to ensure that Shareholders' and external parties' views and concerns are appropriately addressed. The policy is regularly reviewed by the Board to ensure its effectiveness.

- (1) The annual general meeting provides a platform for shareholders to exchange views with the Board. The members of the Board and external auditors will attend the meeting. The Group encourages all shareholders to attend and raise any comment on the performance of the Group. The Board welcomes to exchange views with its shareholders at the meeting.
- (2) The Company has regularly met with financial analysts, fund managers and potential investors during the reporting period, in order to enhance the understanding, the Group's operations and developments.
- (3) Information relating to the Company's financial information is provided through publications of annual/interim reports, announcements, circulars and press release.
- (4) The Company has established a corporate website (www.claritymedic.com) which provides regularly updated Company financial information and other corporate information.

The Board has reviewed the implementation and effectiveness of the Communication Policy during the year under review, and considered that the policy effectively enabled the Company to achieve good communication with its shareholders.

CONSTITUTIONAL DOCUMENTS

On 6 January 2026, an annual general meeting was held and shareholders' approval was obtained to approve the proposed amendments to the existing articles of association of the Company and the adoption of the new articles of association of the Company. For details, please refer to the circular of the Company dated 8 December 2025. The amended and restated articles of association of the Company was effective on 6 January 2026 and is available for viewing on the websites of the Company and the Stock Exchange.

Save as disclosed above, there had been no significant changes in the constitutional documents of the Company during the year ended 31 March 2025 and up to the date of this annual report.

Environmental, Social and Governance Report

SCOPE OF THE REPORT

Clarity Medical Group Holding Limited (the “**Company**”, together with its subsidiaries, collectively as the “**Group**”, “**we**”, or “**us**”) is pleased to present its Environmental, Social and Governance (“**ESG**”) Report (the “**Report**” or “**ESG Report**”). The ESG Report aims to provide an overview of our performance with respect to environmental protection, social involvement, engagement with stakeholders and sustainable development. The reporting scope is determined based on the materiality and significance of ESG impacts on the company under the Group’s direct operational control. Relevant figures are recorded and collected from our Medical Centres (the “**Medical Centres**”) and office in Hong Kong from 1 April 2024 to 31 March 2025 (“**Reporting Period**”).

PREPARATION BASIS OF THE REPORT

The ESG Report is prepared following the Environmental, Social and Governance Reporting Guide (the “**Reporting Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). It not only complies with all provisions of “Comply or Explain” but also adheres to materiality, quantitative, balance, and consistency principles. We have adopted the international standards and emission factors specified in the guidance materials on ESG issued by the Stock Exchange for computing the relevant key performance indicators (“**KPIs**”), and there have been no changes in terms of the reporting scope as compared to the previous year. The application of materiality is detailed in the subsection headed “Materiality Assessment.” The two ESG subject areas, namely environmental and social, are disclosed separately, each highlighting the impacts of our operating activities in Hong Kong during the Reporting Period.

Adopting the above reporting standard ensures that our disclosure is accurate, consistent, reliable, timely, and reflects our commitment to transparency. As we see this report as a medium to communicate with our stakeholders, we openly present both the positive and negative aspects of our performances to ensure a meaningful assessment.

SOURCE OF DATA AND RELIABILITY STATEMENT

The information disclosed in the ESG Report is retrieved from the Group’s internal documents, statistical reports, and relevant public materials. The Group undertakes that the ESG Report does not contain any false information, misleading statement, or material omission and takes responsibility for the contents hereof as to authenticity, accuracy, and completeness.

CONTACT US

We value your feedback on our ESG Report and performance. Please share your opinions with us via info@claritymedic.com.

Environmental, Social and Governance Report

STATEMENT OF THE BOARD

As responsible corporate citizens, we value the concept of sustainable business development. This ESG Report summarises our strategies, practices, and vision for integrating sustainability into our business. To enhance our resilience and adaptive capacity to potential ESG-related risks and opportunities, all potential ESG issues are covered and evaluated in the annual assessment.

We have established a governance structure to strengthen our management of ESG matters. Our Board of Directors (the “**Board**”) takes the overall responsibility for the ESG matters and their integration into the Group’s operational strategies. It oversees the ESG matters, establishes, revises and implements ESG targets and strategies for the Group, and reviews the Group’s performance annually against the set target and goals. We have also set up an ESG working group (the “**ESG Working Group**”), which comprises four members: Financial Controller, Human Resources Manager, Clinic Manager, and Nursing Director, to assist the Board in achieving sustainability ambitions. To do so, the ESG Working Group is responsible for collecting ESG data from functional departments, conducting materiality assessments regarding ESG matters, facilitating the execution of ESG measures derived from the assessments, and monitoring deviations from the ESG strategies to provide timely remedial actions.

With the aim of transitioning to a more sustainable business, the Board will continue to review our progress toward achieving the set ESG goals and targets.

GOVERNANCE STRUCTURE

Board	The Board is responsible for the overall decision-making, oversees the formulation, administration, and assessment of the ESG system.
ESG Working Group	The ESG Working Group is responsible for assisting the Board in managing and monitoring the ESG matters on a daily basis.
Functional Department	Functional departments are responsible for the execution of implemented measures to achieve the set strategies and targets.

IDENTIFICATION OF AND ENGAGEMENT WITH STAKEHOLDERS

We believe communication with stakeholders is key to a successful business. We seek to understand and communicate with our stakeholders: Stock Exchange, government and regulatory authorities, investors, media and public, suppliers, customers, employees and community. By such communications, we have a better understanding regarding the general expectations and concerns of our stakeholders. To pursue our sustainability ambitions, we have aimed to establish mutual trust and develop cooperative relationships with our stakeholders, and we would like to align our ESG strategies with their expectations. Our stakeholders’ major ESG expectations and concerns are set forth below:

Stakeholders	Areas of ESG Concern	Means of Engagement
Stock Exchange	• Compliance with the Listing Rules; and • Timely and accurate announcement.	• Meetings; • Training and seminars; and • Company’s website and announcements.

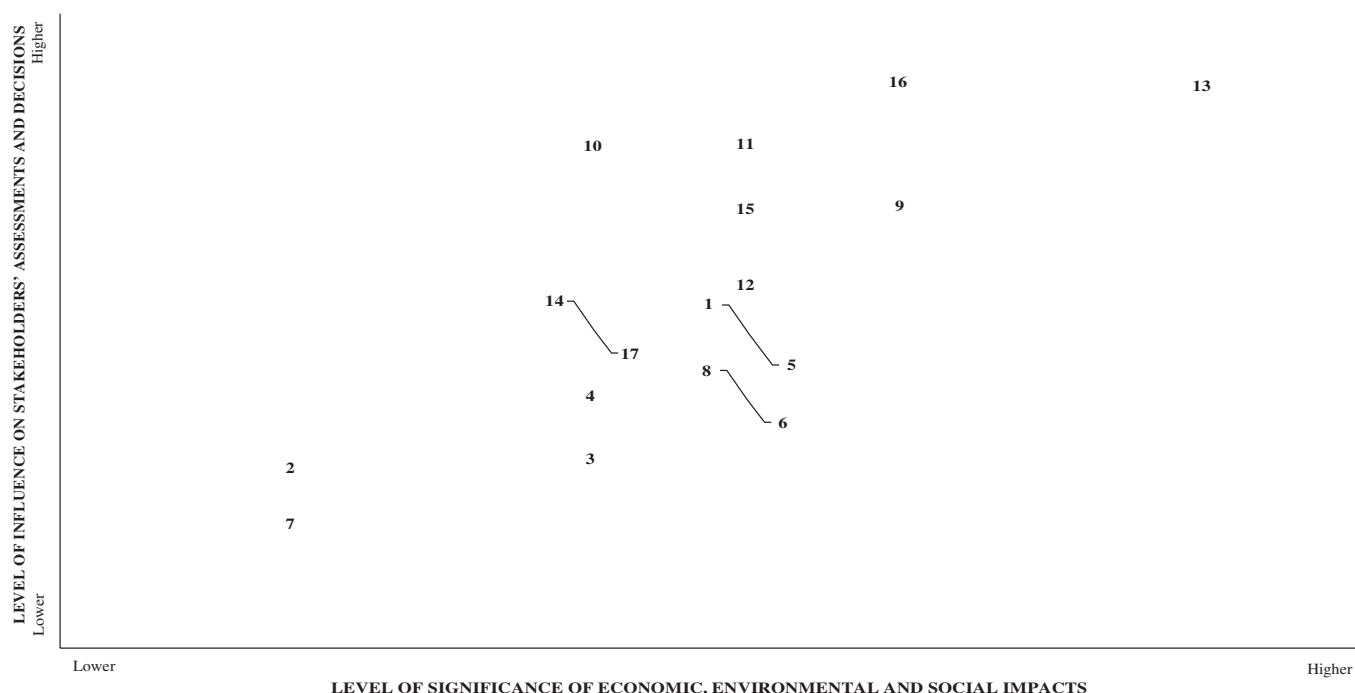
Stakeholders	Areas of ESG Concern	Means of Engagement
Government and Regulatory Authorities	- Operational compliance; - Tax payment as legally required; and - Disclosure of information and submission of materials.	- Annual review process; and - Company's website and announcements.
Investors	- Business strategies and performances; - Effective corporate governance; - Sustainable profitability; and - Investment returns.	- General meetings; - Financial reports and announcements; and - Company's website.
Media and Public	- Corporate governance; - Environmental protection; and - Uphold human rights standards.	- Announcements; - Company's website; and - Press conference.
Suppliers	- Payment schedule; - Demand stability; - Operational compliance; and - Quality services and products.	- Site visits; - Meetings; and - Conference calls and interviews.
Customers	- Quality services and products; - Product safety; - Commercial credibility; and - Operational compliance.	- After-sales services; - Customers' enquiries handling mechanism; and - Customers' privacy policies.
Employees	- Rights and benefits of employees; - Training and development; - Working environment and occupational safety; and - Equal opportunities.	- Regular meetings; - Employee training; - Annual appraisal; - Opinion box; and - WhatsApp and WeChat group.
Community	- Community development; - Employment opportunities; - Environmental protection; and - Social welfare.	- Community service activities; - Media enquiry; and - Press releases and announcements.

Environmental, Social and Governance Report

MATERIALITY ASSESSMENT

We have identified ESG matters that have a potential or actual impact on our sustainable development from various sources, such as our internal policies, industry trends, and the Sustainability Accounting Standards Board's Materiality Map¹. We have analysed the ESG matters regarding an array of factors, including our ESG strategies, development, goals, and targets. As such, we have conducted a materiality assessment to rate the identified ESG matters and their impacts that are pertinent to us and our stakeholders. The ESG matters are prioritised as follows:

LEVEL OF INFLUENCE ON STAKEHOLDERS' ASSESSMENTS & DECISIONS



ESG issues	
Environment	Social
1. Exhaust emissions	9. Employment
2. Greenhouse gas emissions	10. Health and safety
3. Hazardous waste	11. Training and development
4. Non-hazardous waste	12. Labour standard
5. Energy usage	13. Supply chain management
6. Water usage	14. Products responsibility
7. Environment and natural resources	15. Anti-corruption
8. Climate change	16. Social responsibility

¹ Sustainability Accounting Standards Board's Materiality Map, <https://materiality.sasb.org/>

A. ENVIRONMENTAL

Environmental Compliance

We comply with all laws and regulations that are relevant to environmental protection in Hong Kong, including but not limited to the Air Pollution Control Ordinance of Hong Kong, the Water Pollution Control Ordinance of Hong Kong, the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Waste Disposal (Clinical Waste) (General) Regulation (Chapter 354O of the Laws of Hong Kong), the Waste Disposal (Chemical Waste) (General) Regulation (Chapter 354C of the Laws of Hong Kong), and the Hazardous Chemicals Control Ordinance of Hong Kong. During the Reporting Period, we have noted no confirmed non-compliance incidents or grievances to environmental issues.

Types of Emissions

The Group owned a vehicle for serving its management team members. The vehicle is under regular maintenance checks to facilitate fuel consumption efficiency, which ensures road safety and minimises air emissions. The major air pollutants emitted from vehicles include nitrogen oxides (NO_x), sulphur oxides (SO_x), and particulate matter (PM). We are committed to maintaining all types of air emissions within a range of 90% to 120% levels compared to this Reporting Period. We will consistently conduct regular vehicle inspections to enhance fuel consumption efficiency, and proactively manage and minimise our environmental impact, to ensure that our operations align with sustainable practices and contribute to a greener future.

Details of exhaust gas generated by the Group are as follows:

	Unit	Year Ended 31 March 2025	Year Ended 31 March 2024
Air Emissions ²			
Nitrogen oxides (NO _x)	kg	2.24	2.35
Sulphur oxides (SO _x)	kg	0.06	0.05
Particulate Matter (PM)	kg	0.17	0.17

Greenhouse Gas Emissions

During the Reporting Period, the Group's indirect Greenhouse gas (the "GHG") emissions result primarily from purchased electricity under scope 2, waste disposal at landfills, and business air travel by employees under scope 3. There are also direct GHG emissions generated directly from the combustion of fuels by vehicle under scope 1. We use electricity to support the daily operations of our office and Medical Centres, such as the air-conditioning and lighting systems, medical devices, and other electrical equipment. Paper consumption is solely for administrative printing purposes, while business air travel is limited to our management team and is only approved under necessary circumstances.

² The air emissions for the Reporting Period are disclosed in accordance with "Appendix 2: Reporting guidance on Environment KPIs" issued by the Stock Exchange to provide a more comprehensive performance of the Group.

Environmental, Social and Governance Report

During the Reporting Period, the Group produced a total of 125.72 (2024: 168.71) tonnes of carbon dioxide equivalent (“CO₂e”), with a GHG emissions intensity of 0.0007 (2024: 0.0009) tonnes of CO₂e per thousand revenues³. The Group was able to meet the previously established target. We are committed to maintaining the GHG intensity at 0.0007 of CO₂e per thousand revenues or below in the next reporting period.

To reduce the generation of GHG emissions, we have been educating our employees and encouraging them to uphold energy efficiency. Please refer to the “Electricity and Energy Efficiency” section for details of our energy-efficient practices.

The following shows the statistics of our GHG emissions during the Reporting Period:

Scope of GHG Emissions ^{4,5}	Emission Sources	Year ended 31 March 2025		Year ended 31 March 2024	
		Emission (in tonnes of CO ₂ e)	Emission per thousand revenues (tonnes of CO ₂ e/ thousand revenues)	Emission (in tonnes of CO ₂ e)	Emission per thousand revenues (tonnes of CO ₂ e/ thousand revenues)
Scope 1 – Direct emission	Vehicle usage – Petrol	11.15		9.24	
Scope 2 – Energy indirect emission	Purchased electricity	102.60		137.02	
Scope 3 – Other indirect emission	Paper consumption	5.72		10.23	
	Business Air Travel	6.25		12.22	
Total GHG emissions (tonnes of CO₂e)⁴		125.72	0.0007	168.71	0.0009

Hazardous Waste Management

We comply with all relevant laws and regulations that are relevant to hazardous waste management in Hong Kong, including but not limited to the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Waste Disposal (Clinical Waste) (General) Regulation (Chapter 354O of the Laws of Hong Kong), and the Waste Disposal (Chemical Waste) (General) Regulation (Chapter 354C of the Laws of Hong Kong). During the Reporting Period, we have noted no confirmed non-compliance incidents or grievances to environmental issues.

³ The Group’s revenue for the Reporting Period is HK\$180,592,000 (2024: HK\$190,933,000).

⁴ Greenhouse Gas Emissions data are presented in terms of carbon dioxide equivalent. They are based on, including but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, the global warming potential values from the “Sixth Assessment Report” issued by the Intergovernmental Panel on Climate Change, “How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, the “Sustainability Report 2024” issued by the HK Electric Investments Limited, and the “2024 Sustainability Report” issued by the CLP Holdings Limited.

⁵ Air travel emissions were calculated via the ICAO Carbon Emissions Calculator and emission factors from US Environmental Protection Agency.

Our hazardous wastes are principally clinical wastes and pharmaceutical products, such as expired drugs and medicines produced during medical operations in our Medical Centres. During the Reporting Period, the Group produced 122.65 (2024: 130.10) kg of hazardous waste, with an intensity of 0.0007 (2024: 0.0007) kg per thousand revenues. The Group achieved the previously established target due to proper hazardous waste management and strive to reduce its hazardous waste generation by implementing various effective measures.

Although the disposal of clinical and chemical materials is inevitable as they are necessary for us to provide ophthalmic services and medications to patients, to lower the generation of hazardous wastes, besides offering regular compulsory training and information sessions for all our operational staff regarding clinical and chemical waste handling, we also safely and legally reuse reusable medical equipment and instruments after thorough disinfection and sterilisation.

Patient safety is our top priority. We have used reusable medical equipment and instruments after thorough disinfection and sterilisation during the Reporting Period. By implementing the aforementioned measures, we target to maintain the total intensity of hazardous wastes produced at 0.0007 kg per thousand revenues or below in the next reporting period.

The following shows the statistics of hazardous waste recorded during the Reporting Period:

Discharge of Hazardous Waste	Unit	Year ended 31 March 2025	Year ended 31 March 2024
Total hazardous waste	Kg	122.65	130.10
Total hazardous waste intensity	Kg per thousand revenues	0.0007	0.0007

We have established a set of “Clinical Waste Management Policy” in compliance with the legal requirements to safely and organise clinical waste. Regarding the policy, we would like to highlight some major measures that we implement, which our Clinical Waste Management Policy has regulated:

- all containers for packaging clinical wastes should be leak-proof, impervious to moisture, and strong enough to prevent tearing or bursting under normal handling. Such packages should not be reused;
- all used or contaminated sharps should be put into standardised sharps boxes with a specified label. The label must be securely affixed or pre-printed on a prominent position of the container, which allows the information on the label to be read easily;
- sharp containers should not be filled above the warning line indicating between 70% and 80% of their maximum volumes before sealing;
- packaging and sealing of clinical wastes should be conducted with meticulous care to ensure that no clinical waste adheres to the external surface of the containers;

Environmental, Social and Governance Report

- our clinic manager should check the clinical waste containers of all Medical Centres weekly to ensure our compliance with relevant laws and regulations and
- clinical waste must be collected and transported by licensed collectors to licensed disposal facilities for proper disposal.

Non-hazardous Waste Management

Our major source of non-hazardous waste is paper for administrative work. During the Reporting Period, the Group produced 1,192.50 (2024: 2,131.25) kg of non-hazardous waste, showing a significant decrease compared to the previous year. This reduction reflects the effectiveness of the Group's ongoing efforts to promote paperless operations and minimise paper consumption. The waste intensity remained stable at 0.01 (2024: 0.01) kg per thousand revenues. Through the effective management of paper usage and the continued implementation of digitalisation initiatives, the Group successfully achieved its previously established waste reduction target.

The statistics of our non-hazardous waste during the Reporting Period are set forth below:

Discharge of Non-hazardous Waste	Unit	Year ended 31 March 2025	Year ended 31 March 2024
Total non-hazardous waste	Kg	1,192.50	2,131.25
Total non-hazardous waste intensity	Kg per thousand revenues	0.01	0.01

To reduce the use of paper, we are committed to creating a paperless working environment for our administrative operations; we strongly encourage our employees to opt for electronic copies instead of paper copies if such an option is open for us. We have also set our printers' default setting to double-sided printing in case printing is necessary, and we reuse paper that was printed with one side when it does not contain confidential information. By implementing these measures, we target to maintain the intensity of non-hazardous wastes produced at 0.01 kg per thousand revenues or below in the next reporting period.

Use of Resources

We are aware of the importance of environmental protection and energy conservation. We strive to raise our employees' environmental awareness and implement energy-efficient measures to use resources, including electricity, water, and other natural resources, wisely and prudently.

Energy Consumption

During the Reporting Period, the total amount of fuel consumed by vehicles, including petrol fuel usage, was 40,614.58 (2024: 33,541.40) kWh. The purchased electricity from third-party providers totalled 277,609.00 (2024: 321,953.00) kWh. The total energy consumption totalled 318,223.58 (2024: 355,494.40) kWh, with an intensity of 1.76 (2024: 1.86) kWh per thousand revenues.

The Group was able to achieve the previously established target. The following are the statistics of energy consumption recorded during the Reporting Period:

Types of Energy Consumption	Unit	Year ended 31 March 2025	Year ended 31 March 2024
Direct energy consumption			
Fuel consumption (Petrol)	kWh	40,614.58	33,541.40
Indirect energy consumption			
Purchased electricity consumption	kWh	277,609.00	321,953.00
Total energy consumption	kWh	318,223.58	355,494.40
Total energy consumption intensity	kWh per thousand revenues	1.76	1.86

As we are aware of the significance of energy conservation, we have established and implemented a series of energy-efficient measures to use electricity wisely and prudently; we:

- Switch off lighting facilities, equipment, and other electrical devices when they are idle and before leaving the premises;
- Carry out regular review or maintenance of office and clinical equipment to avoid instances of energy inefficiency;
- Opt for energy-efficient electrical devices;
- Monitor and review the electricity usage monthly. If we discover any unusual increase in electricity usage, we carry out follow-up actions; and
- Set and keep air-conditioners to a default temperature within an appropriate range.

By implementing these measures, we target to continuously maintain the total energy consumption intensity at 1.76 kWh per thousand revenues or below in the next reporting period.

Environmental, Social and Governance Report

Use of Water

During the Reporting Period, the total amount of water consumed was 163.00 cubic meters, with an intensity of 0.0009 cubic meters per thousand revenues. The following figures for water consumption are presented:

Water Consumption	Unit	Year ended 31 March 2025	Year ended 31 March 2024
Total water consumption	Cubic meters	163.00	107.98
Total water consumption intensity	Cubic meters per thousand revenues	0.0009	0.0006

In addition, we strive to conserve water by implementing water-saving measures: we perform regular checks on faucets to avoid unnecessary leakage and enable prompt reporting of any damages, and we actively promote water conservation awareness to our employees by placing water-saving signs in toilets. We have not encountered any issues in sourcing water during the Reporting Period. By implementing these measures, we target to continuously maintain the total water consumption intensity at 0.0009 cubic meters per thousand revenues or below in the next reporting period.

Environmental and Natural Resources

As disclosed in this section, the Group does not significantly impact the environment or natural resources and upholds environmental sustainability in our daily operations. We comply with ESG policies and procedures, apply energy-efficient practices in our operations, and avoid causing significant impacts on the environment and overexploiting natural resources.

Climate Change

We review and identify climate-related risks annually when we conduct the risk assessment. We have considered the potential climate-related risks concerning the recommendations of the Task Force on Climate-related Financial Disclosure (the “TCFD”), which are the physical and transition risks. Physical risks comprise both the acute risks, such as extreme weather conditions, and the chronic risks, such as sustained high temperature. Transition risks, such as regulatory change on environmental matters, are also in the scope of our assessment. The potential climate-related risks are summarised below:

Risk Type	Risks	Potential Financial Impact	Short (current Reporting Period)	Medium (one to three years)	Long (four to ten years)	Mitigation Strategy
Acute Physical Risks	Extreme weather conditions, such as flooding and typhoon	Reduced revenue from business and supply chain disruption	✓	✓		Established adverse weather condition policy
Chronic Physical Risks	Sustained elevated temperature			✓	✓	Implemented energy conservation measures such as installing more energy-efficient electrical devices

Risk Type	Risks	Potential Financial Impact	Short (current Reporting Period)	Medium (one to three years)	Long (four to ten years)	Mitigation Strategy
Transition Risks	- Changes in environmental-related regulations - Emerging technology	- Higher operation costs to adopt new practices or technologies - Decreased competitiveness and impact on revenues		✓	✓	- Continue to monitor the regulatory environment to ensure that we meet the expectations of regulatory authority and comply with relevant environmental-related laws and regulations - Encourage our employees to attend conferences and training to keep them abreast with the latest developments in ophthalmic technologies

Besides climate-related risks, we have also evaluated related opportunities for our operation. Vision correction surgery is a more environmentally friendly alternative to disposable contact lenses, so we may capture more business opportunities. Our revenue primarily comes from providing ophthalmic services.

B. SOCIAL

Employment and Labour Standards

Knowing that our employees are the core of our business development, we strive to construct a diversified, inclusive, and harmonious working environment with our employees. We comply with the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination, and the Race Discrimination Ordinance in Hong Kong. To uphold equal opportunity and protect our employees' rights and benefits, we have established a set of rules in our "Employee Handbook" to ensure that no employee is mistreated, harassed, discriminated against, or deprived of any opportunities, including but not limited to recruitment, promotion, training, and company welfare because of their gender, ethnicity, religious belief, race, sexual orientation, age, marital and family status.

We offer our employees competitive remuneration packages and benefits to attract high-calibre talents. In addition to basic employee benefits such as overtime compensation, annual leave, maternity leave, medical insurance, employment compensation insurance, retirement benefits, induction and on-the-job training, we offer attractive discounts to our employees and their family members for our services and subsidise our employees' pursuit of professional qualifications and continuing education.

Environmental, Social and Governance Report

We oppose any form of child and forced labour. We comply with all relevant laws and regulations that have significant impacts on us relating to forced and child labour, including but not limited to the Employment Ordinance in Hong Kong. During the Reporting Period, we recorded zero incidents of child or forced labour and confirmed no material non-compliance with applicable laws and regulations in this regards. To avoid child and forced labour, our Human Resources Department performs meticulous interview screening procedures on every candidate. We also conduct a thorough background check on our candidates. We would verify the authenticity of personal data stated on the application forms by examining the candidate's original identity card, and we would make in-depth inquiries about the candidate to ensure that we do not employ child and forced labour. If we discover any instance of child and forced labour, we will terminate the contract immediately and conduct a comprehensive investigation of the incident. Disciplinary actions may be taken against members who are responsible for causing the incident.

We comply with all relevant laws and regulations regarding employment in Hong Kong that significantly impact us, including, but not limited to, the Employment Ordinance, Minimum Wage Ordinance, and Employees' Compensation Ordinance. As at 31 March 2025, the Group had 150 employees.

The breakdowns of our workforce by gender, age group, and region are as follows:

	As at 31 March 2025
Total workforce	150
Breakdowns by gender	
Male	28
Female	122
Breakdowns by age	
< 25	22
25-29	22
30-39	56
40-49	31
≥50	19
Breakdowns by employment type	
Full-time	121
Part-time	29
Breakdowns by geographical location	
Hong Kong	150

Details of our employee turnover for the Reporting Period are as follows:

	As at 31 March 2025
Overall turnover rate⁶	27%
Turnover rate by gender	
Male	29%
Female	26%
Turnover rate by age	
< 25	36%
25-29	27%
30-39	27%
40-49	19%
≥50	26%
Turnover rate by geographical location	
Hong Kong	27%

Health and Safety

We comply with all relevant laws and regulations in relation to occupational health and safety that have significant impacts on us, including but not limited to the Employee's Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). During the Reporting Period, there were no work-related injuries, no lost working days result due to work injuries, and no work-related fatalities. We recorded no work-related fatalities, work-related injuries, and no relevant lost days in the past two years.

To mould a safe working environment, we offer our employees regular training and information sessions regarding infection control, emergency control, fire and power shortage drills and procedures, drug allergy handling procedures, and the proper handling of sharps, contaminants, and chemicals.

The Group will continue to monitor and assess any other health and safety-related issues that may impact our employees and set up corresponding solutions and measures to protect them in compliance with relevant laws and regulations.

⁶ Employee turnover rate by category = Total number of employees leaving employment by category during the financial year/Total number of employees by category at the end of the financial year*100%.

Environmental, Social and Governance Report

Development and Training

We emphasise the development and training of our employees, as we believe they are key to providing professional optimal services to our patients. First, regarding newly joined staff, we have an induction training on the first day explicating employee benefits, duties and responsibilities, our background information, and the rules and regulations that all employees must follow. Regarding newly joined frontline employees such as nurses and employees who need to communicate with patients, they must attend additional compulsory customer service training sessions to ensure satisfactory service quality. In their first month with us, all newly joined employees are subjected to intensive on-the-job training. They shadow their department managers to pick up all job-related skills and knowledge quickly. Upon finishing the intensive training, we will evaluate the performance of the employees within the 3-month probation period to decide their availability to us. To improve our training quality, we collect written evaluations and feedback from all employees, and we review and amend our training regularly based on the feedback.

All our employees are required to attend the monthly training sessions. Our monthly training sessions cover a wide range of topics. They are held by respective professionals such as optometrists, registered nurses, pharmacists, the Human Resources Manager, and the Customer Relation Manager. Besides informing our employees of health and safety-related issues and procedures such as infection control and proper handling of sharps, contaminants, and chemicals, as disclosed in the section headed “Health and Safety”, our training sessions also cover proper communications with patients with case studies. To ensure the training sessions’ effectiveness, all employees must complete an online quiz after attending the training sessions.

Aside from the above, we offer mandatory professional training sessions to all our medical practitioners (the “**Medical Practitioners**”). These training sessions mainly cover optometry-related information, devices, and technologies to keep our Medical Practitioners abreast of updates in medical practices, medical device management procedures, and the latest developments in ophthalmic technologies.

	As at 31 March 2025
The overall percentage of employees trained⁷	67%
Percentage of employees trained by gender⁸	
Male	18%
Female	82%
Percentage of employees trained by employee category⁸	
Management	13%
Mid-level employee	13%
Junior employee	74%
Overall average training hours completed per employee (hours)⁹	8.46
Average training hours completed per employee by gender (hours)¹⁰	
Male	6.17
Female	13.95
Average training hours completed per employee by employee category (hours)¹⁰	
Management	7.62
Mid-level employee	8.31
Junior employee	14.16

⁷ Total percentage of employees trained = Total number of employees trained during the financial year/Total number of employees at the end of the financial year*100%.

⁸ Percentage of employees trained among employees participated in training = Number of employees trained by category during the financial year/Total number of employees trained during the financial year*100%.

⁹ Average training hours completed per employee = Total number of training hours completed during the financial year/Total number of employees at the end of the financial year.

¹⁰ Average training hours = Number of training hours completed by category during the financial year/Number of employees by category at the end of the financial year.

Environmental, Social and Governance Report

Supply Chain Management

We have a stringent system for selecting reliable and quality suppliers. To standardise the procurement procedures and strengthen the monitoring and management of suppliers, we have established the Purchase, Expenditure & AP Management Policy. As regulated by such a policy, we carry out new supplier evaluations prior to considering any supplier as our approved supplier, and we conduct ongoing assessments and regular inspections of our approved suppliers. We select and appraise our suppliers based on various factors, including pricing, quality, reliability, timeliness of delivery, general market reputation, maintenance and service support, and standard of consultancy services provided. Besides the above stringent standards, we prefer products and suppliers that are more environmentally and socially conscious. Our senior management reviews the performance of all our suppliers annually to ensure our suppliers always live up to our business ethics, environment, and health and safety standards.

During the Reporting Period, the Group had a total of 71 suppliers, and the breakdown of the number of suppliers by geographical region is as follows:

	Unit	Year ended 31 March 2025
Total Key Suppliers by Geographical Region		
Hong Kong	no.	71
Mainland China	no.	–
Total	no.	71

Product and Service Responsibility

As we are principally engaged in the provision of ophthalmic services and the sales of visual aids and pharmaceutical products in Hong Kong, during the Reporting Period, we have not been involved in instigating and/or carrying out any product recall.

Service Quality Assurance

We are dedicated to providing high-quality medical services to our patients. In compliance with the Medical Registration Ordinance (Chapter 161 of the Laws of Hong Kong), all our Medical Practitioners are registered Medical Practitioners and Specialists in ophthalmology, and all our optometrists are registered under the Supplementary Medical Professions Ordinance (Chapter 359 of the Laws of Hong Kong). Our nursing staff is well-experienced in medical centre operation support and management.

When recruiting new registered Medical Practitioners, registered optometrists, and frontline staff, we do not only assess their academic background and professional qualifications. We conduct thorough background investigations of the candidates through detailed inquiries to retrieve information such as their years of experience or practice, depth of professional knowledge, and integrity in professional conduct.

We nurture a high-calibre workforce. We sincerely believe that the professional knowledge of our team, including all our Medical Practitioners, optometrists, pharmacists, nurses, and frontline staff, is vital to our service quality. Therefore, we put great emphasis on our employees' development and training. For more details on our employees' development and training, please refer to the section headed "Development and Training."

In addition, in the pursuit of quality excellence, we were one of the few private healthcare institutions in Hong Kong to implement a high-standard quality management system in accordance with the requirement of ISO 9001:2015 as of 31 March 2025. Under the quality management system, we have set up a quality management system committee which comprises 7 senior management members who have specialisations in overall business strategies, business administration and coordination, financial reporting and planning, business development and customer relations, and they are directly involved in the daily operation of our Medical Centres. The committee coordinates and leads the operation of the quality management system. We can now effectively manage the services we provide and ensure the provision of satisfactory services and suitable treatments to our patients.

We have established a set of procedures for purchasing and controlling materials and medical devices required for our services. Regarding medical materials, we closely monitor the level and age of our inventories. We conduct inventory checks every month for drugs and dispensary supplies and every day for implantable intraocular lenses. During each inventory check, we examine the materials' quantities, expiry dates, and storage conditions. As for medical devices and equipment, we regularly check our ophthalmic equipment and devices to ensure they function efficiently.

Advertising and Labelling

We comply with all relevant laws and regulations that significantly impact us regarding advertising, including, but not limited to, the Undesirable Medical Advertisements Ordinance (Chapter 231 of the Laws of Hong Kong), which aims to protect public health by prohibiting or restricting advertisements relating to certain diseases, orally consumed products, and abortion.

Under the Pharmacy and Poisons Ordinance, we closely monitor the sale and labelling of products classified as pharmaceutical products and medicine. We also ensure that all our pharmacists are registered with the Pharmacy and Poisons Board and possess valid practising certificates.

Complaint Handling

We value every feedback from our patients, especially those related to the services we provide. To handle complaints in an organised and effective way, we have established the "Complaint Handling Policy." We sincerely hope that by handling complaints in an organised manner, all parties will voluntarily reach a consensus by communicating effectively to resolve disputes.

To ensure better complaint handling and service quality, our nursing staff are required to attend training sessions regarding proper complaint handling. They are responsible for handling ordinary complaints immediately when such complaints are raised in our Medical Centres. When handling a complaint, we will record the details of the patient, the complaint, the way our employee has handled it, and the result in a Record of Patient and Customer Feedback Review log sheet ("**log sheet**"). If the complaint is more serious or requires close follow-up, our nursing staff will pass the case to the management for further follow-up handling. If the complaint requires us to take further follow-up actions, our client service team will discuss the details of the complaint with our operation supervisors and Medical Centre managers, who will follow up with the progress and take effective actions. To ensure we provide quality care and take our patients' comments seriously, our senior management reviews the log sheets monthly and comes up with potential improvement measures for further discussion.

During the Reporting Period, we received 0 product- or service-related complaints.

Environmental, Social and Governance Report

Data Protection and Privacy

We fully understand how important privacy rights are to our patients, especially in the healthcare industry, where our patients expect their personal information to be strictly confidential. We have implemented the “Information and Personal Data Protection Policy” to ensure that our operation is in compliance with all relevant laws and regulations that have significant impacts on us relating to data protection and privacy, including but not limited to the Code of Professional Conduct and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). Under the Code of Professional Conduct, our registered ophthalmologists are not allowed to disclose patients’ medical information to any third parties without their consent except for specific circumstances. Adhering to the Personal Data (Privacy) Ordinance, we do not use our patients’ personal data other than the purpose that the information has been collected, and for a directly related purpose.

We would like to briefly mention our current measures and the policy for managing our patients’ personal data. Upon our patients’ first visit, our receptionist will explain to them our service terms, including our use of personal information and the terms of disclosure of their details to certain of our suppliers, and ensure they have consented to the above terms before receiving any of our services. Their personal information and medical records are stored in locked cabinets to which no access is granted besides their responsible Medical Practitioners, optometrists, and nursing staff, including the patients themselves. If our patients would like to request a copy of their medical records, they are required to submit a written request. They must also sign the acknowledgement letter upon receiving the medical record so that we can assure that the medical record is not disseminated to any other third parties without our patients’ written consent (except for minors and guardians).

In addition to the above, we pay close attention to the security of the personal information stored in our Medical Centre Management System. Based on our employees’ duties and responsibilities, we grant various levels of access rights to them for access to the “Medical Centre Management System”. This ensures that only responsible Medical Practitioners, optometrists, and nursing staff can access their patients’ personal data. As per our regulation, our employees are prohibited from disclosing their system accounts to anyone and are required to log off when they leave their working spaces. The medical records stored in our Medical Centre Management System are protected by regular backups. And we perform regular checks on our information technology equipment to ensure our patients’ data are well-protected.

Intellectual Property Rights

We have established a set of “Trademark Policy” for trademark management. We have registered trademarks that are material to our business. As at 31 March 2025, we have 7 registered trademarks in Hong Kong and 1 domain names that are important to our business. We closely monitor our trademarks’ expiry dates and will apply for renewals whenever they are deemed necessary. We also regularly monitor whether our trademarks are being infringed. If we discover any infringement of our trademarks, we will engage professional parties such as lawyers to take legal action against such infringements to protect our rights.

Anti-corruption

We do not tolerate any corruption and fraudulent behaviours violating work ethics or in breach of the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong). We value and uphold integrity, honesty, and fairness. We have established an Anti-Fraud Policy and a Whistleblowing Policy, in which our Code of Conduct lays out the basic standard of conduct expected of all directors and employees and the policy on acceptance of advantage and handling of conflict of interests when dealing with our business. All employees should turn down any offer of advantage if the acceptance of such an offer may affect their objectivity in operating our business. If any of these unlawful behaviours are discovered, depending on the situation, the cases may be reported to law enforcement authorities for possible prosecution.

Our Anti-Fraud Policy and Whistleblowing Policy explicitly state the scope and definition of our disciplinary actions against corruption, fraudulent behaviour, and misconduct. We encourage our employees to promptly report any potential signs of corruption, fraudulent behaviour, and misconduct, and we make every effort to keep the whistleblower's identity confidential to offer protection.

We believe education is another way of preventing corruption, as it helps to raise our employees' awareness to combat such behaviours. For every newly joined staff, we offer compulsory induction training on their duties and responsibilities, our work ethics, and the rules and regulations stated in the "Employee Handbook". The induction training session involves a detailed explanation of the rules and regulations against corruption and fraudulent behaviours in breach of the Prevention of Bribery Ordinance which they should follow. Anti-corruption requirements have been communicated through employee induction programmes, internal policies and ongoing management communications to reinforce employees' awareness of integrity and compliance.

During the Reporting Period, we have not been involved in any legal cases regarding corruption, and we have noted no cases of bribery, extortion, fraud, money laundering, or other violations.

Community Investment

We practice corporate social and environmental responsibilities and regard public welfare as an important aspect of our corporate culture. We understand that good corporate citizenship goes beyond our business operations and extends into the lives of our customers, employees, and neighbours. To contribute to the community in the future, we plan to hold educational seminars regarding eye care and other ophthalmic-related information. These seminars will be designed to raise awareness about eye health, provide valuable information on the prevention of eye-related issues, and share the latest advancements in ophthalmic care. We recognise the importance of education in promoting well-being and are dedicated to positively impacting individual and community health.

Environmental, Social and Governance Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Aspect	Description	Chapter
A. Environmental		
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Compliance
KPI A1.1	The types of emissions and respective emissions data.	Types of Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse Gas Emission
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous Waste Management
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Non-hazardous Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Greenhouse Gas Emission Energy Consumption
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Hazardous Waste Management Non-hazardous Waste Management
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Water
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Water
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable due to the Group's business nature

Aspect	Description	Chapter
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental and Natural Resources
A4 Climate Change		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
B. Social		
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Standards
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Labour Standards
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Standards
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety

Environmental, Social and Governance Report

Aspect	Description	Chapter
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Labour Standards
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Aspect	Description	Chapter
B6 Product and Service Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product and Service Responsibility Service Quality Assurance Advertising and Labelling Complaint Handling Data Protection and Privacy Intellectual Property Rights
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product and Service Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Complaint Handling
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Service Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Protection and Privacy
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Year and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

Independent Auditor's Report



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

**To the shareholders of Clarity Medical Group Holding Limited
(Incorporated in the Cayman Islands with limited liability)**

OPINION

We have audited the consolidated financial statements of Clarity Medical Group Holding Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 94 to 155, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<i>Revenue recognition (refractive treatments)</i>	
Revenue recognition for refractive treatments, which form part of the ophthalmic service income, was identified as a key audit matter due to the heightened risk of material misstatement. This elevated risk reflects both the high value and high volume of such procedures during the year ended 31 March 2025. Related disclosures are included in notes 2.4 and 4 to the consolidated financial statements.	Our audit procedures were designed to address the risks identified above and included: (i) We obtained an understanding of the Group's revenue recognition processes for refractive treatments, including controls over patient registration, surgical scheduling, procedure completion, and billing. We evaluated the design and implementation of these controls and tested their operating effectiveness on a sample basis. (ii) We selected samples of refractive treatment transactions and inspected supporting documentation such as patient medical records, surgical logs, procedure completion records, invoices, and cash receipts. (iii) We tested revenue transactions that took place shortly before and after the year-end date, on a sample basis, to assess whether transactions were in the correct reporting periods by checking the relevant supporting documents.

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<i>Impairment of plant and equipment and right-of-use assets</i>	
As of March 31, 2025, the Group's plant and equipment and right-of-use assets totaled HK\$30,707,000 and HK\$8,682,000, respectively. Indicators of impairment were identified for certain clinics and equipment due to lower-than-expected operating performance and utilization levels. Management therefore performed impairment assessments of the relevant cash-generating units ("CGUs"), resulting in impairment losses of HK\$4,388,000 and HK\$Nil recognised during the year. Management, with support from an external valuation expert, determined the recoverable amounts of the affected CGUs using value-in-use calculations based on discounted cash flow models. These assessments involve significant judgments and estimates, including assumptions about revenue growth, operating margins, long-term growth rates, and discount rates. The outcome is highly sensitive to changes in these assumptions and future market conditions. Accordingly, this area required significant auditor attention. Related disclosures are included in notes 2.4, 3, 12, and 13(a).	Our audit procedures were designed to respond to the risks arising from the judgmental nature of impairment assessments and included: (i) Assessing whether management's process for identifying clinics and equipment with potential impairment indicators was appropriate. (ii) Evaluating the appropriateness of the value-in-use model applied, including the methodology used by management and the external valuation expert. We assessed key assumptions, including discount rates, long-term growth rates, and operating margin projections, with reference to market data, industry benchmarks, and observable inputs. (iii) Performing independent sensitivity analyses to assess the impact of reasonably possible changes in key assumptions (such as discount rates and revenue growth) on the recoverable amounts of the CGUs. We evaluated whether the impairment conclusions remained supportable under such scenarios. (iv) Evaluating whether the disclosures in the consolidated financial statements appropriately described the impairment assessments, key assumptions and recognised impairment losses.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide with those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 24 June 2024.

Crowe (HK) CPA Limited

Certified Public Accountants

Hong Kong, 15 September 2026

Fung Hin Chiu

Practicing Certificate Number P04865

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	Year ended 31 March	
		2025 HK\$'000	2024 HK\$'000
Revenue	4	180,592	190,933
Other income and other losses, net	5	2,280	6,407
Inventories used		(37,996)	(37,326)
Consultancy fee		(64,343)	(75,821)
Employee benefit expenses	8	(50,213)	(61,059)
Depreciation of plant and equipment	12	(10,636)	(15,891)
Depreciation of right-of-use assets	13(a)	(12,394)	(21,492)
Impairment loss on plant and equipment	12	(4,388)	(18,334)
Impairment loss on right-of-use assets	13(a)	–	(11,715)
Impairment loss on other receivables	17(c)	(1,838)	–
Other expenses	6	(36,938)	(35,574)
Operating loss		(35,874)	(79,872)
Finance costs	7	(1,038)	(2,024)
Loss before income tax		(36,912)	(81,896)
Income tax	9	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 arising on translation of foreign operations		(116)	1
Total comprehensive expense for the year and 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	11	(6.5)	(14.4)

Consolidated Statement of Financial Position

As at 31 March 2025

		As at 31 March	
	Notes	2025	2024
		HK\$'000	HK\$'000
Non-current assets			
Plant and equipment	12	30,707	39,281
Right-of-use assets	13(a)	8,682	13,348
Other deposits	17	3,300	7,892
Financial assets at fair value through profit or loss	14	4,375	–
Deferred tax assets	22	9,057	6,434
Total non-current assets		56,121	66,955
Current assets			
Inventories	15	2,517	3,576
Trade receivables	16	4,787	2,647
Deposits, prepayments and other receivables	17	3,706	20,149
Tax recoverable		–	1,405
Cash and cash equivalents	18	132,573	141,431
Total current assets		143,583	169,208
Current liabilities			
Trade payables	19	5,627	4,767
Accruals and other payables	20	15,948	12,089
Provisions	21	5,734	2,300
Lease liabilities	13(b)	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	21	1,193	2,075
Lease liabilities	13(b)	2,220	6,233
Total non-current liabilities		3,413	8,308
NET ASSETS		161,294	189,522

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	As at 31 March 2025 HK\$'000	2024 HK\$'000
Capital and reserves			
Share capital	23	5,289	5,281
Share premium	23	306,415	306,388
Shares held under the Share Award Plan		–	(3,468)
Reserves	25	(150,410)	(118,679)
TOTAL EQUITY		161,294	189,522

The consolidated financial statements on pages 94 to 155 were approved and authorised for issue by the Board of Directors on 15 September 2026 and are signed on its behalf by:

Mr. Jiang Bo
Director

Mr. Chen Jiarong
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Share capital HK\$'000 (Note 23)	Share premium HK\$'000 (Note 23)	Shares held under the Share Award Plan HK\$'000 (Note 24)	Other reserves HK\$'000 (Note 25(a))	Exchange fluctuation reserve HK\$'000	Share-based payment reserve HK\$'000 (Note 24, 25(b))	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023	5,281	306,388	(3,468)	(11,489)	–	–	(37,428)	259,284
Loss for the year	–	–	–	–	–	–	(75,793)	(75,793)
Other comprehensive income for the year:								
Exchange differences arising on translation of foreign operations	–	–	–	–	1	–	–	1
Total comprehensive expense for the year	–	–	–	–	1	–	(75,793)	(75,792)
Share-based payments	–	–	–	–	–	6,030	–	6,030
At 31 March 2024	5,281	306,388	(3,468)	(11,489)	1	6,030	(113,221)	189,522

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Share capital HK\$'000 (Note 23)	Share premium HK\$'000 (Note 23)	Shares held under the Share Award Plan HK\$'000 (Note 24)	Other reserves HK\$'000 (Note 25(a))	Exchange fluctuation reserve HK\$'000	Share-based payment reserve HK\$'000 (Note 24, 25(b))	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2024	5,281	306,388	(3,468)	(11,489)	1	6,030	(113,221)	189,522
Loss for the year	-	-	-	-	-	-	(34,289)	(34,289)
Other comprehensive expense for the year:								
Exchange differences arising on translation of foreign operations	-	-	-	-	(116)	-	-	(116)
Total comprehensive expense for the year	-	-	-	-	(116)	-	(34,289)	(34,405)
Issue of shares under the Share Award Plan	8	(8)	-	-	-	-	-	-
Shares vested under the Share Award Plan	-	35	3,468	-	-	(3,503)	-	-
Share-based payments	-	-	-	-	-	6,177	-	6,177
At 31 March 2025	5,289	306,415	-	(11,489)	(115)	8,704	(147,510)	161,294

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	Year ended 31 March	
		2025 HK\$'000	2024 HK\$'000
Operating activities			
Loss before income tax		(36,912)	(81,896)
Adjustments for:			
Depreciation of plant and equipment	12	10,636	15,891
Depreciation of right-of-use assets	13(a)	12,394	21,492
Impairment loss on plant and equipment	12	4,388	18,334
Impairment loss on right-of-use assets	13(c)	–	11,715
Impairment loss on other receivables	17	1,838	–
Gain on disposal of items of plant and equipment, net	5	(257)	–
Write-off of items of plant and equipment	5	844	–
Loss on reinstatement costs	5	1,617	–
Finance costs	7	1,038	2,024
Interest income	5	(4,468)	(6,224)
Share-based payments	24	6,177	6,030
Operating cash flows before movements in working capital		(2,705)	(12,634)
Decrease in inventories		1,059	106
Increase in trade receivables		(2,140)	(687)
Decrease in deposits, prepayments and other receivables		15,399	1,810
Increase (decrease) in trade payables		860	(2,399)
Increase (decrease) in accruals and other payables		6,297	(1,424)
Decrease in provisions		(2,300)	–
Cash generated from (used in) operations		16,470	(15,228)
Hong Kong profits tax refund (paid)		1,405	(351)
Net cash flows from (used in) operating activities		17,875	(15,579)
Investing activities			
Purchase of financial assets at fair value through profit or loss		(4,403)	–
Purchases of items of plant and equipment		(7,532)	(31,321)
Deposits paid for purchases of items of plant and equipment		–	(1,492)
Proceeds from disposal of items of plant and equipment		1,373	–
Interest received		4,050	6,421
Decrease in time deposits with original maturity of more than three months		50,000	53,000
Repayment from a medical practitioner		900	–
Net cash flows from investing activities		44,388	26,608

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

		Year ended 31 March	
	Notes	2025 HK\$'000	2024 HK\$'000
Financing activities			
Repayment of principal portion of lease liabilities	26(b)	(19,995)	(22,071)
Repayment of interest portion of lease liabilities	26(b)	(1,038)	(2,024)
Net cash flows used in financing activities		(21,033)	(24,095)
Net increase (decrease) in cash and cash equivalents		41,230	(13,066)
Cash and cash equivalents at beginning of the year		91,431	104,496
Effect of foreign exchange rate changes		(88)	1
Cash and cash equivalents at end of the year		132,573	91,431
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		34,573	43,431
Non-pledged time deposits with original maturity of more than three months when acquired		–	50,000
Non-pledged time deposits with original maturity of less than three months when acquired		98,000	48,000
Cash and cash equivalents as stated in the consolidated statement of financial position	18	132,573	141,431
Time deposits with original maturity of more than three months when acquired		–	(50,000)
Cash and cash equivalents as stated in the consolidated statement of cash flows		132,573	91,431

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.

Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
Clarity Medical Group International Limited	British Virgin Islands (“BVI”)	US\$1	100	100	Investment holding
Saintford Limited (“Saintford”)	Hong Kong	HK\$42,410,000	100	100	Provision of ophthalmic services and sales of prescriptions and vision products
Clarity Pharmacal Company Limited	Hong Kong	HK\$1	100	100	Inactive
Clarity Medical China Investment Limited	Hong Kong	HK\$1	100	100	Investment holding
Clarity Ophthalmology (Shenzhen) Limited ¹ 清晰眼科(深圳)有限公司 ¹	The People’s Republic of China (“PRC”)/ Mainland China	RMB8,000,000 (2024: 500,000)	100	100	Provision of consultancy services

¹ Clarity Ophthalmology (Shenzhen) Limited is registered as a wholly-foreign-owned enterprise under PRC law.

Except for Clarity Medical Group International Limited, all of the above subsidiaries are indirectly held by the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. ACCOUNTING POLICIES

2.1 Basis of preparation

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group for the year ended 31 March 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

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

2.2 Changes in Accounting Policies and Disclosures

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

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

The nature and the impact of the amendments to HKFRS Accounting Standards that are applicable to the Group are described below:

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in Accounting Policies and Disclosures (Continued)

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months;
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the 2020 and 2022 Amendments in the current year had no material impact on the consolidated financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective HKFRS Accounting Standards

The Group has not early applied the following new and revised HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	<i>Lack of exchangeability</i> ¹
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁵
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 1</i> ²
Amendments to HKAS 21	<i>Translation to Hyperinflationary Presentation Currency</i> ³
HKFRS 20	<i>Regulatory Assets and Regulatory Liabilities</i> ⁴
Amendments to HKAS 28	<i>Amendment to the Fair Value Option for Investments in Associate and Joint Venture</i> ³

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

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

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

⁴ Effective for annual periods beginning on or after 1 January 2029

⁵ Effective for annual periods beginning on or after a date to be determined

Further information about those new and revised HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is expected to effect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective HKFRS Accounting Standards (Continued)

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in HKFRS 7 *Financial Instruments: Disclosures* in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKFRS Accounting Standards Annual Improvements to HKFRS Accounting Standards – Volume 11

The annual improvements make amendments to the following HKFRS Accounting Standards.

HKFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge accounting by a first-time adopter

For consistency with the requirements in HKFRS 9, HKFRS 1.B5-B6 were amended to refer to the ‘qualifying criteria’ for hedge accounting (instead of the ‘conditions’) and to add cross-references to HKFRS 9:6.4.1 to improve the understandability of HKFRS 1.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective HKFRS Accounting Standards (Continued)

Amendments to HKFRS Accounting Standards Annual Improvements to HKFRS Accounting Standards – Volume 11 (Continued)

HKFRS 7 Financial Instruments: Disclosures – Gain or loss on derecognition

The amendments remove an obsolete cross-reference in HKFRS 7.B38 to a paragraph that had been deleted when HKFRS 13 Fair Value Measurement was issued and align the wording of this paragraph with the terms used in HKFRS 13.

Guidance on implementing HKFRS 7 – Disclosure of deferred difference between fair value and transaction price

The amendments update HKFRS 7.IG14 to make the wording of that paragraph consistent with HKFRS 7.28 and improve the internal consistency of the wording in the example in HKFRS 7.IG14.

Guidance on implementing HKFRS 7 – Introduction and credit risk disclosures

The amendments add a statement to HKFRS 7.IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in HKFRS 7.IG20B.

HKFRS 9 Financial Instruments – Derecognition of lease liabilities

The amendments add a cross-reference to HKFRS 9.3.3.3 in HKFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply HKFRS 9.3.3.3 and therefore recognise any resulting gain or loss in profit or loss.

HKFRS 9 Financial Instruments – Transaction price

The amendments replace “their transaction price (as defined in HKFRS 15)” in HKFRS 9.5.1.3 with “the amount determined by applying HKFRS 15” to address inconsistency between HKFRS 9.5.1.3 and the requirements of HKFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue. Additionally, the reference to “transaction price” (as defined in HKFRS 15) is deleted from Appendix A of HKFRS 9.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective HKFRS Accounting Standards (Continued)

Amendments to HKFRS Accounting Standards Annual Improvements to HKFRS Accounting Standards – Volume 11 (Continued)

HKFRS 10 Consolidated Financial Statements – Determination of a ‘de facto agent’

The amendments address concerns that the requirements in HKFRS 10.B73-B74 might, in some situations, be contradictory. HKFRS 10.B73 refers to “de facto agents” as parties acting on the investor’s behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of HKFRS 10.B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor’s behalf. The amendments update HKFRS 10.B74 to use less conclusive language and to clarify that the relationship described in HKFRS 10.B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

HKAS 7 Statement of Cash Flows – Cost method

The amendment replaces the term ‘cost method’ with “at cost” in HKAS 7.37 in line with the removal of the definition of “cost method” from the HKFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. An entity is required to apply the amendments to HKFRS 9.2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

The application of the amendments is not expected to have an impact on the financial position and performance of the Group.

2.4 Material accounting policy information

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and fixtures	20%
Leasehold improvements	Over the shorter of lease terms and 20%
Medical and office equipment	10% to 20%
Motor vehicle	20%

Where parts of an item of plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Leases (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use asset are depreciated on a straight-line basis over the lease terms.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of any office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, as appropriate.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Impairment of financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and any contract assets which apply the simplified approach as detailed below.

- | | |
|---------|--|
| Stage 1 | – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Impairment of financial assets (Continued)

Simplified approach

For trade receivables and any contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables at amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Financial liabilities (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Income tax (Continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Income tax (Continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(i) *Revenue from the provision of ophthalmic services*

Ophthalmic service income is recognised at the point in time when the respective services are rendered.

(ii) *Revenue from sales of prescriptions*

Revenue from sales of prescriptions is recognised at the point in time when the control of the products has been transferred to the customer.

(iii) *Revenue from sales of vision products*

Revenue from sales of vision products is recognised at the point in time when the control of the products has been transferred to the customer.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

Share-based payments

As approved in the extraordinary general meeting on 23 November 2022, the Company operates a share award scheme (the “Share Award Plan”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operation.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date of which they are granted.

The fair value of awarded shares under the Share Award Plan is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the awarded shares granted:

- including any market performance conditions (for example, an entity’s share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as the Eligible Participants of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for the employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of awarded shares that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Share-based payments (Continued)

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the Eligible Participants, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

Shares of the Company which are acquired and held by the trust for the Share Award Plan are recognised directly in equity at cost if no awarded shares have been granted to the eligible participants.

Foreign currencies

These financial statements are presented in HK\$, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policy information (Continued)

Foreign currencies (Continued)

The functional currencies of the overseas subsidiary are currencies other than the HK\$. As at the end of the reporting period, the assets and liabilities of the entity are translated into HK\$ at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into HK\$ at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiary are translated into HK\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiary which arise throughout the year are translated into HK\$ at the weighted average exchange rates or the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Estimation uncertainty arises because the amount of deferred tax assets that can be recognised depends on management's assessment of timing and sufficiency of future taxable profits, together with future tax planning strategies.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Deferred tax assets (Continued)

The Group has tax losses of HK\$72,502,000 arising in Hong Kong and HK\$38,000 arising in Mainland China (2024: HK\$63,321,000 arising in Hong Kong and HK\$38,000 arising in Mainland China) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the loss would be decreased by and equity would have increased by HK\$22,275,000 (2024: HK\$11,081,000). Further details on deferred taxes are disclosed in note 22 to the consolidated financial statements.

Impairment of plant and equipment and right-of-use assets

The Group assesses whether there are any indicators of impairment of plant and equipment and right-of-use assets at the end of each reporting period. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. In assessing value in use, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

As at 31 March 2025, the carrying amounts of plant and equipment and right-of-use assets were approximately HK\$30,707,000 and HK\$8,682,000 (2024: HK\$39,281,000 and HK\$13,348,000), respectively. Further details are disclosed in notes 12 and 13(a) to the consolidated financial statements, respectively.

Impairment of trade receivables and other receivables

The impairment provisions for trade receivables and other receivables are based on assumptions about ECLs. The Group uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of each reporting period. Changes in these assumptions and estimates could materially affect the results of the assessment and it may be necessary to make an additional impairment charge to profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

4. 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 policy information as set out in note 2.4 to the consolidated financial statements. 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

The Group has also applied the practical expedient in paragraph 121(a) of HKFRS 15 to its ophthalmic service income such that above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations that had an original expected duration of one year or less.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5. OTHER INCOME AND OTHER LOSSES, NET

		Year ended 31 March	
	Note	2025 HK\$'000	2024 HK\$'000
Other income			
Government subsidies	(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 other losses, net		2,280	6,407

Note:

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

6. EXPENSES BY NATURE

Included in “Other expenses” are expenses related to:

	Year ended 31 March	
	2025 HK\$'000	2024 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

7. FINANCE COSTS

	Note	Year ended 31 March	
		2025 HK\$'000	2024 HK\$'000
Interest expense on lease liabilities	13(b)	1,038	2,024

8. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION)

Details of the Group's employee benefit expenses are as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Wages, salaries and bonuses	45,841	55,326
Pension scheme contributions (defined contribution scheme) (note)	921	1,903
Share-based payments	2,683	3,017
Others	768	813
Total	50,213	61,059

Note:

The Group maintains a defined contribution pension scheme for its employees in Hong Kong under the Mandatory Provident Fund ("MPF"). Under the MPF Scheme, each of the Group and its employees makes monthly contributions to the scheme at 5% of the employees' relevant income, as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance. Both the Group's and the employees' contributions are subject to a cap of HK\$1,500 per month. The contributions are fully and immediately vested for the employees. The assets of this scheme are held separately from those of the Group under independently administered funds.

There were no forfeited contributions utilised during the year and available at the year-end to reduce future contributions.

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("LSP") to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) $\times$ 2/3 $\times$ Years of service

Last monthly wages are capped at HK\$22,500 while the amount of LSP shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement"). The LSP obligation, if any, is presented on a net basis.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

8. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION) (CONTINUED)

Note: (Continued)

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date and the years of service up to that date.

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Fees	1,330	1,872
Other emoluments:		
Salaries, allowances and benefits in kind	4,651	4,018
Discretionary bonuses	–	51
Share-based payments	1,975	1,523
Pension scheme contributions*	38	42
Subtotal	6,664	5,634
Total	7,994	7,506

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

Certain directors were granted awarded shares, in respect of their services to the Group, under the Share Award Plan of the Company, further details of which are set out in note 24 to the consolidated financial statements. The fair value of awarded shares, which has been recognised in the profit or loss over the vesting period, was determined as at the date of grant and the amount included in the consolidated financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

8. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION) (CONTINUED)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Notes	Year ended 31 March	
		2025 HK\$'000	2024 HK\$'000
Mr. Li Michael Hankin	a	186	240
Mr. Ma Wai Hung Vincent	b	122	240
Professor Lau Wan Yee Joseph	c	–	512
Ms. Cheng Jessica	d	252	–
Mr. Wang Can	e	168	–
Total		728	992

Notes:

- (a) Mr. Li Michael Hankin resigned as an independent non-executive director of the Company with effect from 25 November 2024.
- (b) Mr. Ma Wai Hung Vincent resigned as an independent non-executive director of the Company with effect from 9 September 2024.
- (c) Professor Lau Wan Yee Joseph has been appointed as an independent non-executive director on 30 June 2022 and passed away on 7 February 2024.
- (d) Ms. Cheng Jessica has been appointed as an independent non-executive director of the Company with effect from 29 May 2024. Ms. Cheng Jessica retired as an executive director of the Company with effect from the conclusion of the annual general meeting held on 6 January 2026 (the "2025 AGM").
- (e) Mr. Wang Can has been appointed as an independent non-executive director of the Company with effect from 9 September 2024.
- (f) Ms. Ci Ying has been appointed as an independent non-executive director of the Company with effect from 25 June 2025.
- (g) Dr. Chen Poujian has been appointed as an independent non-executive director of the Company with effect from 11 November 2025.
- (h) Mr. Xu Anliang has been appointed as an independent non-executive director of the Company with effect from 22 January 2026.

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

8. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION) (CONTINUED)

(b) Executive directors, non-executive directors and the chief executive officer

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Share-based payments HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
2025						
Executive directors:						
Mr. Jiang Bo (Chief Executive Officer) (Note (a))	-	539	-	-	8	547
Mr. Hui Yung Chris (Co-Chief Executive Officer) (Note (a))	-	3,600	-	1,975	18	5,593
Mr. Lo Tsz Hong (Note (b))	-	512	-	-	12	524
Mr. Tse Wai Ip ("Dr. Tse") (Note (c))	-	-	-	-	-	-
Subtotal	-	4,651	-	1,975	38	6,664
Non-executive directors:						
Mr. Ng Roy (Note (d))	122	-	-	-	-	122
Mr. Wu Ting Yuk Anthony (Note (e))	480	-	-	-	-	480
Ms. Zhao Wei (Note (f))	-	-	-	-	-	-
Subtotal	602	-	-	-	-	602
Total	602	4,651	-	1,975	38	7,266
2024						
Executive directors:						
Mr. Hui Yung Chris (Chief Executive Officer)	-	3,000	-	1,472	18	4,490
Mr. Lo Tsz Hong	-	618	51	51	18	738
Mr. Tse Wai Ip	-	400	-	-	6	406
Subtotal	-	4,018	51	1,523	42	5,634
Non-executive directors:						
Mr. Ng Roy	240	-	-	-	-	240
Mr. Wu Ting Yuk Anthony	480	-	-	-	-	480
Ms. Zhao Wei	160	-	-	-	-	160
Subtotal	880	-	-	-	-	880
Total	880	4,018	51	1,523	42	6,514

8. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION) (CONTINUED)

(b) Executive directors, non-executive directors and the chief executive officer (Continued)

Notes:

- (a) Mr. Jiang Bo has been appointed as an executive director and Chief Executive Officer (the "CEO") with effect from 9 September 2024. Following the appointment of Mr. Jiang Bo as a CEO, Mr. Hui Yung Chris has been re-designated as a Co-Chief Executive Officer on the same day. Mr. Hui Yung Chris subsequently retired as an executive director of the Company with effect from the conclusion of the 2025 AGM and resigned as Co-Chief Executive Officer with effect from 30 April 2026.
- (b) Mr. Lo Tsz Hong resigned as an executive director of the Company with effect from 1 September 2025.
- (c) Mr. Tse Wai Ip was disqualified as a director of the Company with effect from 1 August 2025.
- (d) Mr. Ng Roy resigned as a non-executive director of the Company with effect from 9 September 2024.
- (e) Mr. Wu Ting Yuk, Anthony retired as a non-executive director of the Company with effect from the conclusion of the 2025 AGM.
- (f) Ms. Zhao Wei resigned as a non-executive director of the Company with effect from 11 June 2025.
- (g) Mr. Chen Jiarong has been appointed as a non-executive director of the Company with effect from 1 September 2025.
- (h) Professor Wang Qinmei has been appointed as a non-executive director of the Company with effect from 11 November 2025.
- (i) Mr. Sun Peng has been appointed as a non-executive director of the Company with effect from 22 January 2026.

There was no arrangement under which a director or the chief executive officer waived or agreed to waive any remuneration during the year (2024: Nil).

(c) Five highest paid employees

The five highest paid employees during the year included 1 director (2024: 1 director), details of whose remuneration are set out above. Details of the remuneration for the year of the remaining 4 (2024: 4) highest paid employees who are neither a director nor chief executive officer of the Company are as follows:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Salaries, allowances and benefits in kind	4,943	6,802
Discretionary bonuses	77	189
Share-based payments	694	262
Pension scheme contributions	72	69
Total	5,786	7,322

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

8. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION) (CONTINUED)

(c) Five highest paid employees (Continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
Nil to HK\$1,000,000	–	–
HK\$1,000,001 to HK\$1,500,000	2	1
HK\$1,500,001 to HK\$2,000,000	2	2
HK\$2,500,001 to HK\$3,000,000	–	1
Total	4	4

Awards shares were granted to certain non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 24 to the consolidated financial statements. The fair value of such awards shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the consolidated financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosure.

9. INCOME TAX

No provision for Hong Kong profits tax and PRC Enterprise Income Tax has been made as the Group did not generate any assessable profits arising in Hong Kong and mainland China during the years 31 March 2025 and 2024.

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Deferred tax credit (Note 22)	2,623	6,103

9. INCOME TAX (CONTINUED)

A reconciliation of the tax credit applicable to loss before income tax at the Hong Kong statutory tax rate to the tax (credit)/charge at the effective tax rate is as follows:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Loss before income tax	(36,912)	(81,896)
Tax at Hong Kong profits tax rate at 16.5% (2024: 16.5%)	(6,090)	(13,513)
Difference in tax rates for specific provinces or enacted by local authority	(8)	(3)
Income not subject to tax	(726)	(951)
Expenses not deductible for tax	2,686	195
Tax losses not recognised	1,515	8,287
Others	–	(118)
Total tax credit at the Group's effective rate	(2,623)	(6,103)

10. DIVIDENDS

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

11. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

12. PLANT AND EQUIPMENT

	Furniture and fixtures HK\$'000	Leasehold improvements HK\$'000	Medical and office equipment HK\$'000	Motor vehicle HK\$'000	Total HK\$'000
31 March 2025					
At 1 April 2024					
Cost	2,749	55,651	70,418	128	128,946
Accumulated depreciation and impairment	(2,410)	(48,779)	(38,433)	(43)	(89,665)
Net carrying amount	339	6,872	31,985	85	39,281
At 1 April 2024, net of accumulated depreciation and impairment	339	6,872	31,985	85	39,281
Additions	55	8,028	327	–	8,410
Disposals/write-off	–	–	(1,960)	–	(1,960)
Depreciation	(100)	(5,820)	(4,690)	(26)	(10,636)
Impairment	–	–	(4,388)	–	(4,388)
At 31 March 2025, net of accumulated depreciation and impairment	294	9,080	21,274	59	30,707
At 31 March 2025					
Cost	2,804	63,679	70,745	128	137,356
Accumulated depreciation and impairment	(2,510)	(54,599)	(49,471)	(69)	(106,649)
Net carrying amount	294	9,080	21,274	59	30,707

12. PLANT AND EQUIPMENT (CONTINUED)

	Furniture and fixtures HK\$'000	Leasehold improvements HK\$'000	Medical and office equipment HK\$'000	Motor vehicle HK\$'000	Total HK\$'000
31 March 2024					
At 1 April 2023					
Cost	2,572	33,410	53,143	128	89,253
Accumulated depreciation	(2,150)	(20,428)	(32,845)	(17)	(55,440)
Net carrying amount	422	12,982	20,298	111	33,813
At 1 April 2023, net of accumulated depreciation	422	12,982	20,298	111	33,813
Additions	177	22,241	17,275	–	39,693
Depreciation	(121)	(10,900)	(4,844)	(26)	(15,891)
Impairment	(139)	(17,451)	(744)	–	(18,334)
At 31 March 2024, net of accumulated depreciation and impairment	339	6,872	31,985	85	39,281
At 31 March 2024					
Cost	2,749	55,651	70,418	128	128,946
Accumulated depreciation and impairment	(2,410)	(48,779)	(38,433)	(43)	(89,665)
Net carrying amount	339	6,872	31,985	85	39,281

Impairment of plant and equipment and right-of-use assets

As at 31 March 2025, the Group's management identified certain medical centers which continued to underperform and estimated the corresponding recoverable amounts of their plant and equipment and right-of-use assets. Based on these estimates, impairment losses of HK\$4,388,000 (2024: HK\$18,334,000) and HK\$Nil (2024: HK\$11,715,000) were recognised to write down the carrying amounts of these plant and equipment and right-of-use assets to their recoverable amounts of Nil and Nil (2024: Nil and Nil), respectively. The estimates of the recoverable amounts were based on value in use. The pre-tax discount rate applied to the cash flow projections was 24.88%.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

13. LEASES

The Group as a lessee

The Group has lease contracts for various properties and equipment used in its operations. Leases of various properties and equipment generally have lease terms between 1 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Properties HK\$'000
As at 1 April 2023	44,433
Additions/modifications	2,122
Depreciation charge	(21,492)
Impairment	(11,715)
As at 31 March 2024 and 1 April 2024	13,348
Additions	5,629
Modifications	2,099
Depreciation charge	(12,394)
As at 31 March 2025	8,682

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	As at 31 March 2025 HK\$'000	2024 HK\$'000
Carrying amount at beginning of the year	25,410	47,259
New leases	4,437	–
Modifications	56	222
Accretion of interest recognised during the year	1,038	2,024
Payments	(21,033)	(24,095)
Carrying amount at 31 March	9,908	25,410
Analysed into:		
Current portion	7,688	19,177
Non-current portion	2,220	6,233
	9,908	25,410

The maturity analysis of lease liabilities is disclosed in note 31.1(c) to the consolidated financial statements.

13. LEASES (CONTINUED)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Interest expense on lease liabilities (included in finance costs)	1,038	2,024
Depreciation charge of right-of-use assets	12,394	21,492
Expense relating to short-term leases (included in other expenses)	439	392
Impairment loss on right-of-use assets	–	11,715
Total amount recognised in profit or loss	13,871	35,623

(d) The total cash outflow for leases is disclosed in note 26(c) to the consolidated financial statements.

14. FINANCIAL ASSETS AT FAIR VALUE AT PROFIT OR LOSS

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Other unlisted investments, at fair value	4,375	–

On 8 May 2024, a subsidiary of the Company established in Mainland China entered into a cooperation agreement with a private hospital in Mainland China (the “PH”) to jointly operate an ophthalmology center. The subsidiary’s funding contributions, amounting to RMB4,085,000 (equivalent to HK\$4,375,000), are mandatorily classified as financial assets at fair value through profit or loss because the contractual cash flows are not solely payments of principal and interest.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

15. INVENTORIES

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Medical consumables	2,472	3,439
Vision products	45	137
Total	2,517	3,576

As at 31 March 2025 and 2024, management considers there was no inventory obsolescence. The costs of inventories were recognised as expenses and included in “inventories used” in the consolidated statement of profit or loss and other comprehensive income amounted to HK\$37,996,000 (2024: HK\$37,326,000) for the year ended 31 March 2025.

16. 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 to 30 days	2,926	1,504
31 to 60 days	1,115	560
61 to 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 ECLs 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.

17. 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
Total	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, net	3,706	20,149

Save as disclosed below, the financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 March 2025 and 2024, the loss allowance was assessed to be minimal.

Note: 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

18. CASH AND CASH EQUIVALENTS

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Cash and bank balances	34,573	43,431
Non-pledged time deposits with original maturity of more than three months when acquired	–	50,000
Non-pledged time deposits with original maturity of less than three months when acquired	98,000	48,000
Cash and cash equivalents	132,573	141,431

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$9,000 (2024: HK\$11,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months (2024: one day and six months) depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balance are deposited with credit worthy bank with no recent history of default.

19. 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 to 30 days	2,967	3,983
31 to 60 days	2,038	735
61 to 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.

20. ACCRUALS AND OTHER PAYABLES

		As at 31 March	
	Notes	2025 HK\$'000	2024 HK\$'000
Contract liabilities	a	1,262	85
Accruals and other payables	b	14,686	12,004
Total		15,948	12,089

Notes:

- (a) Contract liabilities include deposits received to deliver ophthalmic services.
- (b) The balances are non-interest bearing and have an average term of one month.

21. PROVISIONS

	As at 31 March	
	2025 HK\$'000	2024 HK\$'000
At beginning of the year	4,375	2,475
Additions	4,852	1,900
Amounts utilised	(2,300)	–
At 31 March	6,927	4,375
Less: Portion classified as non-current liabilities	(1,193)	(2,075)
Portion classified as current liabilities	5,734	2,300

The provision for reinstatement cost relates to the Group's obligations to reinstate its leased properties to their original state or to a condition, as specified in the respective tenancy agreements, at the end/upon the termination of the relevant lease terms.

The provision for reinstatement cost was determined based on certain assumptions and estimates made by the directors of the Company with reference to past experience and available information. The assumptions and estimates are reviewed and revised where appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

22. DEFERRED TAX

The followings are the deferred tax assets (liabilities) recognised and movements thereon for the current and prior years:

	Losses available for offsetting against future taxable profits HK\$'000	Depreciation allowance in excess of related depreciation HK\$'000	Impairment loss on right-of-use assets HK\$'000	Others HK\$'000	Total HK\$'000
As at 1 April 2023	779	(448)	–	–	331
Credit to profit or loss (Note 9)	–	3,083	1,933	1,087	6,103
As at 31 March 2024 and 1 April 2024	779	2,635	1,933	1,087	6,434
Credit to profit or loss (Note 9)	–	908	–	1,715	2,623
As at 31 March 2025	779	3,543	1,933	2,802	9,057

The Group has tax losses arising in Hong Kong of HK\$72,502,000 (2024: HK\$63,321,000) that are available indefinitely for offsetting against its future taxable profits. The Group also had estimated tax losses arising in Mainland China of approximately HK\$38,000 (2024: HK\$38,000), subject to the agreement by relevant tax authorities, that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets of HK\$22,275,000 (2024: HK\$11,081,000) have not been recognised in respect of these tax losses as it is considered not probable that taxable profits will be available against which the tax losses can be utilised.

23. SHARE CAPITAL AND SHARE PREMIUM

Share capital

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
<i>Authorised:</i>		
As at 31 March 2025 and 2024 (of HK\$0.01 each)	5,000,000,000	50,000
<i>Issued and fully paid:</i>		
As at 1 April 2023, 31 March 2024 and 1 April 2024	528,125,000	5,281
Issuance of shares under the Share Award Plan (Note 24)	792,125	8
As at 31 March 2025	528,917,125	5,289

Share premium

Share premium mainly represented (i) the difference between the net asset value of Saintford and the nominal value of Company's shares issued in exchange for the acquisition of Saintford pursuant to the reorganisation of the Company in connection with the Listing; and (ii) the amount of consideration received by the Company (together with share-based payment reserve transferred upon the vest of awarded shares) in excess of the par value of its shares issued.

24. SHARE AWARD PLAN

On 23 November 2022 (the “Adoption Date”), the Company adopted a Share Award Plan (the “Share Award Plan”). The purposes of the Share Award Plan are to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group, to provide incentives to retain them for the continued operation and development of the Group, and to attract suitable personnel for further development of the Group.

Eligible Participants of the Share Award Plan include (i) any employee (whether full-time or part-time, including any director) of the Group, and (ii) any service provider (the “Service Provider”). The Service Provider is defined as any medical practitioner or specialist in ophthalmology who works for the Group as an independent contractor, adviser, or consultant (whether directly engaged by the Group or through their service company).

The total number of shares that (i) may be subscribed for and/or purchased by the trustee in respect of all awards to be granted under the Share Award Plan, and (ii) may be issued under any other share schemes of the Company, must not in aggregate exceed 10% of the shares in issue as at the Adoption Date of the Share Award Plan. Based on the total number of issued shares as of the Adoption Date being 521,775,000 shares, the 10% limit represents a total of 52,177,500 shares. The total number of shares that may be subscribed for and/or purchased by the trustee in respect of all awards to be granted to all Service Providers under the Share Award Plan must not in aggregate exceed 5% of the Shares as at the Adoption Date. Based on 521,775,000 shares in issue as at the Adoption Date, the 5% sub-limit represents a total of 26,088,750 shares.

The total number of shares that may be subject to an award or awards to a selected participant (the “Selected Participant”), together with any shares to be issued under any options granted to such Selected Participant under any share schemes of the Company, in a 12-month period up to and including the date of the award, shall not (i) in aggregate exceed 1% of the total number of issued shares as at the date of the extraordinary general meeting held on 23 November 2022, being 521,775,000 shares; and (ii) exceed any limits applicable to such Selected Participant under the Listing Rules.

The Share Award Plan shall be valid and effective for a period of 10 years commencing from the Adoption Date of the Share Award Plan but may be terminated earlier as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant.

The Board resolved on 4 July 2023, to grant a total of 35,456,240 awarded shares to certain eligible participants under the Share Award Plan. There is no purchase price for the awarded shares granted, nor any arrangements to facilitate the purchase of awarded shares. Once the vesting conditions underlying the respective award shares are met, the award shares are considered duly and validly issued to the holder, and free of restrictions on transfer.

There is no award shares granted during the year ended 31 March 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

24. SHARE AWARD PLAN (CONTINUED)

Details of the movement of the awarded shares granted and outstanding under the Share Award Plan are set at below:

For the year ended 31 March 2025

		Number of awarded shares				Vesting period	Performance Target
Grantees		As at 1 April 2024	Vested During the year	Lapsed During the year	As at 31 March 2025		
Executive director, co-chief executive officer	Mr. Hui Yung Chris (Note (i))	5,000,000	–	–	5,000,000	100% of the awarded shares will vest on the second anniversary of 4 July 2023.	Not applicable
Executive director	Mr. Lo Tsz Hong	141,250	(35,313)	(105,937)	–	25% of the awarded shares will vest on each of the first and second anniversary of 4 July 2023, remaining 50% will vest on the third anniversary	Not applicable
Service providers	Dr. Wong Kin Keung	3,913,311	(1,304,437)	(1,304,437)	1,304,437	Note (ii)	Note (iii)
	Dr. Kwok Pui Wai	3,913,311	(434,812)	(1,304,437)	2,174,062		
	Dr. Lai Hiu Ping	3,913,311	(434,812)	–	3,478,499		
	Dr. Tang Kai Tat	3,913,311	(434,812)	(1,304,437)	2,174,062		
	Dr. Ho Chun Ho	3,913,311	(434,812)	–	3,478,499		
Other employee participants	Employees	3,765,000	(813,127)	(512,500)	2,439,373	25% of the awarded shares will vest on each of first and second anniversary of 4 July 2023, remaining 50% will vest on the third anniversary	Not applicable
Total		28,472,805	(3,892,125)	(4,531,748)	20,048,932		

24. SHARE AWARD PLAN (CONTINUED)

For the year ended 31 March 2024

		Number of awarded shares			As at 31 March 2024	Vesting period	Performance Target
Grantees		As at 1 April 203	Granted During the year	Lapsed During the year			
Executive director, co-chief executive officer	Mr. Hui Yung Chris (Note (i))	–	5,000,000	–	5,000,000	100% of the awarded shares will vest on the second anniversary of 4 July 2023.	Not applicable
Executive director	Mr. Lo Tsz Hong	–	141,250	–	141,250	25% of the awarded shares will vest on each of the first and second anniversary of 4 July 2023, remaining 50% will vest on the third anniversary	Not applicable
Service providers	Dr. Wong Kin Keung	–	5,217,748	(1,304,437)	3,913,311	Note (ii)	Note (iii)
	Dr. Kwok Pui Wai	–	5,217,748	(1,304,437)	3,913,311		
	Dr. Lai Hiu Ping	–	5,217,748	(1,304,437)	3,913,311		
	Dr. Tang Kai Tat	–	5,217,748	(1,304,437)	3,913,311		
	Dr. Ho Chun Ho	–	5,217,748	(1,304,437)	3,913,311		
Other employee participants	Employees	–	4,226,250	(461,250)	3,765,000	25% of the awarded shares will vest on each of first and second anniversary of 4 July 2023, remaining 50% will vest on the third anniversary	Not applicable
Total		–	35,456,240	6,983,435	28,472,805		

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

24. SHARE AWARD PLAN (CONTINUED)

Notes:

- (i) The proposed grant of awarded shares to Mr. Hui Yung Chris was approved in the Annual General Meeting held on 20 September 2023.
- (ii) Vesting period for Service Providers
 - (a) 25% of the awarded shares will either vest on the first anniversary of 4 July 2023 or vest in three equal instalments on an annual basis commencing on the first anniversary of 4 July 2023;
 - (b) 25% of the awarded shares will vest in three equal instalments on an annual basis commencing on the second anniversary of 4 July 2023;
 - (c) 25% of the awarded shares will vest in three equal instalments on an annual basis commencing on the third anniversary of 4 July 2023; and
 - (d) the remaining 25% of the awarded shares will vest in three equal instalments on an annual basis commencing on the fourth anniversary of 4 July 2023.
- (iii) Save for the part of the awards granted to the Service Providers which impose performance targets associated with the aggregate amount of revenue generated by such Service Providers for each financial year, there are no performance targets attached to the awards granted to other grantees (including Directors).

The weighted average closing price of the shares immediately before the dates on which the awarded shares were vested during the year ended 31 March 2025 was HK\$0.44 per share.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these awarded shares. The Group accounts for the Share Award Plan as an equity-settled plan.

The trustee, Tricor Trust (Hong Kong) Limited, held 3,100,000 shares under the Share Award Plan at as 1 April 2024, representing approximately 0.6% of the total issued share capital of the Company on that date.

During the year ended 31 March 2025, a total of 3,892,125 awarded shares vested and no awarded shares were granted, or cancelled under the Share Award Plan. To fulfill these vested awarded shares, the Company issued and allotted 792,125 shares at HK\$0.01 per share on 4 June 2024, representing approximately 0.15% of the total issued share capital as of the date of issuance and allotment. The shares held by the trustee, along with the issued and allotted shares, were transferred to the relevant grantees upon the vesting of the awarded shares.

As at 31 March 2025, the trustee held no shares under the Share Award Plan.

As at 31 March 2025, 28,236,443 (2024: 23,704,695) shares are available for grant under the Share Award Plan, representing approximately 5.3% (2024: 4.5%) of the total issued share capital of the Company as at 31 March 2025.

The fair value of the awarded share was calculated based on the market prices of the Group's shares at the respective grant dates.

24. SHARE AWARD PLAN (CONTINUED)

During the year ended 31 March 2025, share-based payments were recognised as expenses and included in “consultancy fee” and “employee benefit expenses” in the consolidated statement of comprehensive income in relation to the Share Award Plan amounted to HK\$3,494,000 (2024: HK\$3,013,000) and HK\$2,683,000 (2024: HK\$3,017,000), respectively.

25. RESERVES

The amounts of the Group’s reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 97 to 98 of the financial statements.

(a) Other reserves

Other reserves mainly represents the combined share capital of the subsidiaries comprising the Group before the completion of the reorganisation of the Company in connection with the listing of Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited on 18 February 2022, and contributed surplus and merger reserve after completion of the reorganisation.

(b) Share-based payment reserve

Share-based payment reserve represents the fair value of awarded shares granted which are yet to be vested, as further explained in the material accounting policy information for share-based payments in note 2.4 to the consolidated financial statements.

26. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions/modifications to right-of-use assets, lease liabilities, and provision of HK\$9,345,000 (2024: HK\$2,122,000), HK\$4,493,000 (2024: HK\$222,000), and HK\$4,852,000 (2024: HK\$1,900,000), respectively, in respect of lease arrangements for properties.

(b) Changes in liabilities arising from financing activities

2025

	Lease liabilities HK\$'000
At 1 April 2024	25,410
Changes from financing cash flows	(21,033)
New lease	4,437
Modifications	56
Interest expense	1,038
At 31 March 2025	9,908

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

26. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities (Continued)

2024

	Lease liabilities HK\$'000
At 1 April 2023	47,259
Changes from financing cash flows	(24,095)
Modifications	222
Interest expense	2,024
At 31 March 2024	25,410

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash outflows is as follows:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Within operating activities	439	392
Within financing activities	21,033	24,095
Total	21,472	24,487

27. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Contracted, but not provided for:		
Plant and equipment	–	260

28. RELATED PARTY TRANSACTIONS

The directors are of the view that the following individuals and companies were related parties that had transactions or balances with the Group as at and during the years ended 31 March 2025 and 2024:

Name of related party	Relationship with the Group
Dr. Tse	An executive director of the Company
WIT Limited	A company of medical practice controlled by Dr. Tse

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties

The following transactions were carried out with related parties at terms mutually agreed by both parties:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Consultancy fee to WIT Limited (Note i)	–	(2,976)
Employee benefit expense paid to a related party (Note ii)	–	(809)

Notes:

- (i) The consultancy fee represented the remuneration payable to the company of medical practice controlled by Dr. Tse pursuant to the consultancy fee agreement dated 4 April 2022.
- (ii) The related party, who is a close family member of Dr. Tse, joined the Group on 4 September 2023 and left on 15 January 2024.

(b) Compensation of key management personnel of the Group:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Short term employee benefits	5,981	5,941
Post-employment benefits	38	42
Share-based payments	1,975	1,523
Total compensation paid to key management personnel	7,994	7,506

Further details of directors' and the chief executive's emoluments are included in note 8 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

31 March 2025

Financial assets

	Financial assets at fair value through profit or loss HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss	4,375	–	4,375
Trade receivables	–	4,787	4,787
Financial assets included in deposits, prepayments and other receivables	–	6,315	6,315
Cash and cash equivalents	–	132,573	132,573
Total	4,375	143,675	148,050

Financial liabilities

	Financial liabilities at amortised cost HK\$'000
Trade payables	5,627
Financial liabilities included in accruals and other payables	14,665
Lease liabilities	9,908
Total	30,200

29. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

31 March 2024

Financial assets

	Financial assets at amortised cost HK\$'000
Trade receivables	2,647
Financial assets included in deposits, prepayments and other receivables	26,568
Cash and cash equivalents	141,431
Total	170,646

Financial liabilities

	Financial liabilities at amortised cost HK\$'000
Trade payables	4,767
Financial liabilities included in accruals and other payables	12,004
Lease liabilities	25,410
Total	42,181

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts As at 31 March		Fair values As at 31 March	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Financial assets				
Deposits and other receivables, non-current portion	3,300	7,892	3,179	7,480

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, the current portion of financial assets included in deposits, prepayments and other receivables, and financial liabilities included in accruals and other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumptions were used to estimate the fair values:

The fair values of non-current portion of deposits and other receivables are estimated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of financial assets at fair value through profit or loss were derived from the recent transaction prices.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

31 March 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss	-	-	4,375	4,375

The Group did not have any financial assets measured at fair value as at 31 March 2024.

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 March 2025 and 31 March 2024.

Regarding the assets and liabilities for which fair values are disclosed, the fair values measurement of the non-current portion of deposits and other receivables were classified as Level 2. During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

31.1 Financial risk factors

The Group's activities expose it to a variety of financial risk: market risk (including foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the directors of the Group. The directors provide principles for an overall risk management, as well as policies covering specific areas.

(a) Market risk

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the Group's functional currency.

The Group's mainly operates in Hong Kong with the majority of the transactions settled in HK\$. The Group closely monitors and manages 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 the years ended 31 March 2025 and 2024, the Group's income and operating cash flows are substantially independent of changes in market foreign exchange rate.

(b) Credit risk

The Group mainly transacts with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March. The amounts presented are gross carrying amounts for financial assets.

As at 31 March 2025

	12-month ECLs	Lifetime ECLs			Total HK\$'000
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	
Trade receivables (Note 16)	–	–	–	4,787	4,787
Financial assets included in deposits, prepayments and other receivables					
– normal*	6,315	–	–	–	6,315
– doubtful*	–	–	1,838	–	1,838
Cash and cash equivalents					
– Not yet past due	132,573	–	–	–	132,573
Total	138,888	–	1,838	4,787	145,513

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

31.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 March 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
Trade receivables (Note 16)	–	–	–	2,647	2,647
Financial assets included in deposits, prepayments and other receivables					
– Normal*	26,568	–	–	–	26,568
Cash and cash equivalents					
– Not yet past due	141,431	–	–	–	141,431
Total	167,999	–	–	2,647	170,646

* The credit quality of the financial assets included in deposits, prepayments and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

(c) Liquidity risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash balances to meet the financial commitments when they fall due.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

As at 31 March 2025

	On demand or less than 12 months HK\$'000	More than 12 months HK\$'000	Total HK\$'000
Trade payables	5,627	–	5,627
Financial liabilities included in accruals and other payables	14,665	–	14,665
Lease liabilities	7,688	2,220	9,908
Total	27,980	2,220	30,200

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

31.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

As at 31 March 2024

	On demand or less than 12 months HK\$'000	More than 12 months HK\$'000	Total HK\$'000
Trade payables	4,767	–	4,767
Financial liabilities included in accruals and other payables	12,004	–	12,004
Lease liabilities	19,177	6,233	25,410
Total	35,948	6,233	42,181

31.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of shareholders' equity. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents.

As at 31 March 2025 and 2024, the Group maintained a net cash position as follows:

	As at 31 March 2025 HK\$'000	2024 HK\$'000
Lease liabilities	9,908	25,410
Less: Cash and cash equivalents	(132,573)	(141,431)
Net cash position	(122,665)	(116,021)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Non-current asset		
Investment in a subsidiary	-*	-*
Total non-current asset	-	-
Current assets		
Other receivables	552	774
Cash and cash equivalents	101,429	114,625
Total current assets	101,981	115,399
Current liabilities		
Accruals and other payables	6,598	397
Total current liabilities	6,598	397
Net current assets	95,383	115,002
NET ASSETS	95,383	115,002
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 (Note)	(216,321)	(193,199)
TOTAL EQUITY	95,383	115,002

* Less than HK\$1,000

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 15 September 2026 and is signed on its behalf.

Mr. Jiang Bo
Director

Mr. Chen Jiarong
Director

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Share-based payment reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023	–	(54,002)	(54,002)
Loss for the year	–	(145,227)	(145,227)
Share-based payments	6,030	–	6,030
At 31 March 2024 and 1 April 2024	6,030	(199,229)	(193,199)
Loss for the year	–	(25,796)	(25,796)
Shares vested under the Share Award Plan	(3,503)	–	(3,503)
Share-based payments	6,177	–	6,177
At 31 March 2025	8,704	(225,025)	(216,321)

33. SUSPENSION OF TRADING IN THE SHARES OF THE COMPANY AND RESUMPTION GUIDANCE

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, an independent forensic investigation, an independent internal control review, and to re-comply with various corporate governance requirements under the Listing Rules. An 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.

Financial Information Summary

A summary of the published results, assets and liabilities of the Group for the last five financial years, prepared on the basis as set out herein, is set out below. The financial information for the years ended/as at 31 March 2022, 2023, 2024 and 2025 is extracted from the consolidated financial statements in this annual report while the relevant information for the year ended/as at 31 March 2021 is extracted from the Prospectus.

COMPARISON OF KEY FINANCIAL INFORMATION AND FINANCIAL RATIOS

		For the year ended 31 March			
	2025	2024	2023	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Results					
Revenue	180,592	190,933	213,847	225,237	222,381
(Loss) profit for the year	(34,289)	(75,793)	(3,191)	13,491	35,769
Adjusted EBITDA ⁽¹⁾⁽²⁾	(6,149)	(36,333)	(3,068)	42,415	53,885
Net profit margin (%)	N/A	N/A	N/A	6.0%	16.1%
Adjusted EBITDA margin (%) ⁽²⁾	N/A	N/A	N/A	18.8%	24.2%
Assets and Liabilities					
Total assets	199,704	236,163	327,259	290,144	117,150
Total liabilities	38,410	46,641	67,975	34,693	36,656
Total equity	161,294	189,522	259,284	255,451	80,494

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 other losses, net, as well as non-recurring expenditures.
- (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. It is not a measurement of the Group's financial performance under HKFRSs and should not be considered as an alternative to profit/(loss) from operations or any other performance measures derived in accordance with HKFRSs or as an alternative to cash flows from operating activities or as a measure of the Group's liquidity.