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## **Chaoju Eye Care Holdings Limited**

**朝聚眼科醫療控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2219)**

### **(1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023; AND (2) UPDATE ON EXPECTED TIMELINE FOR THE USE OF PROCEEDS**

#### **FINANCIAL AND OPERATIONAL HIGHLIGHTS**

Revenue of the Group increased by 38.3% to RMB1,369.5 million for the year ended December 31, 2023 from RMB990.0 million for the year ended December 31, 2022.

Profit before tax of the Group increased by 25.1% to RMB299.2 million for the year ended December 31, 2023 from RMB239.1 million for the year ended December 31, 2022. Pre-tax profit margin decreased to 21.8% for the year ended December 31, 2023 from 24.2% for the year ended December 31, 2022.

Net profit of the Group increased by 20.5% to RMB220.7 million for the year ended December 31, 2023 from RMB183.2 million for the year ended December 31, 2022. Net profit margin decreased to 16.1% for the year ended December 31, 2023 from 18.5% for the year ended December 31, 2022.

Non-IFRS adjusted net profit<sup>(Note)</sup> of the Group increased by 19.8% to RMB223.1 million for the year ended December 31, 2023 from RMB186.2 million for the year ended December 31, 2022. Non-IFRS adjusted net profit margin decreased to 16.3% for the year ended December 31, 2023 from 18.8% for the year ended December 31, 2022.

Basic earnings per Share of the Group increased by 22.2% to RMB0.33 for the year ended December 31, 2023 from RMB0.27 for the year ended December 31, 2022.

The number of ophthalmic hospitals operated by the Group increased from 24 as at December 31, 2022 to 31 as at December 31, 2023 and the number of optical centers operated by the Group increased from 26 as at December 31, 2022 to 29 as at December 31, 2023.

The Board recommended the payment of a final dividend of HK\$0.2208 per Share (2022: HK\$0.1738 per Share) and a special dividend of HK\$0.0767 per Share for the year ended December 31, 2023.

### **NON-IFRS MEASURES**

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Company has provided non-IFRS adjusted net profit and non-IFRS adjusted net profit margin as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors and others in understanding and evaluating the Group's consolidated statements of profit or loss in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's operating performance from period to period by eliminating impacts of items that the Group does not consider indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS.

*Note:*

- (1) Non-IFRS adjusted net profit was calculated as net profit for the Reporting Period excluding share-based compensation expenses and one-off gain on a deemed disposal of interest previously held in an associate. The above adjustments will only have an impact on the net profit for this fiscal year, and will no longer have a continuous impact from the next fiscal year.

## SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2023

	Year ended December 31,	
	2023	2022
	(RMB'000)	(RMB'000)
Revenue	1,369,505	990,044
Cost of sales	<u>(748,371)</u>	<u>(555,347)</u>
Gross Profit	621,134	434,697
Other income and gains	83,278	50,249
Selling and distribution expenses	(104,989)	(61,283)
Administrative expenses	(222,459)	(162,040)
Other expenses	(59,666)	(6,631)
Impairment losses on financial assets, net	(5,835)	(3,957)
Finance costs	<u>(12,221)</u>	<u>(11,897)</u>
Profit before tax	299,242	239,138
Income tax expense	<u>(78,507)</u>	<u>(55,942)</u>
Net profit	220,735	183,196
Non-IFRS adjusted net profit <sup>(1)</sup>	<u>223,105</u>	<u>186,174</u>
Gross profit margin	45.4%	43.9%
Net profit margin	16.1%	18.5%
Non-IFRS adjusted net profit margin <sup>(2)</sup>	<u>16.3%</u>	<u>18.8%</u>
Non-IFRS EBITDA <sup>(3)</sup>	377,295	307,234
Non-IFRS adjusted EBITDA	<u>379,665</u>	<u>310,212</u>

Notes:

- (1) Adjustments to the net profit for the year ended December 31, 2023 include share-based compensation expenses and one-off gain on a deemed disposal of interest previously held in an associate. Adjustments to the net profit for the year ended December 31, 2022 include share-based compensation expenses.
- (2) Non-IFRS adjusted net profit margin was calculated based on non-IFRS adjusted net profit divided by revenue.
- (3) Non-IFRS EBITDA represents profit before tax excluding (i) finance costs; (ii) interest income and fair value gains on financial assets at fair value through profit or loss; (iii) depreciation of property, plant and equipment; (iv) amortization of intangible assets; and (v) depreciation of right-of-use assets.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group is a leading ophthalmic medical service group in North China with a strong reputation nationwide. The Group was founded in 1988 in Baotou, Inner Mongolia, as a clinic providing ophthalmic services. Since its inception, the Group adheres to the vision of “Being a Leader of Happy Ophthalmic Healthcare” (成為全球快樂眼健康引領者) and has been providing its patients with a safe, reassuring and pleasant ophthalmic medical experience with the aid of effective medical equipment and technology as well as professional, caring and considerate services.

In 2023, the Group continued to expand its network of ophthalmic hospitals and optical centers. The Group strengthened its presence in providing ophthalmic medical services in North China by establishing and acquiring new hospitals and optical centers while also strategically leveraging the Group’s leading position in the ophthalmic market to explore new markets with high potential for development. In terms of the Group’s own establishment of hospitals, the Group added two new hospitals to its network of ophthalmic hospitals and optical centers, namely Zhoushan Chaoju Eye Hospital Co., Ltd.\* (舟山朝聚眼科醫院有限公司) and Zhangjiakou Chaoju Eye Hospital Co., Ltd.\* (張家口朝聚眼科醫院有限公司), which obtained the necessary licenses and subsequently commenced business in February 2023 and July 2023, respectively.

Further, in 2023, the Group also successfully completed the acquisitions of Beijing Mingyue Ophthalmic Clinic Co., Ltd.\* (北京明玥眼科診所有限公司), the name of which has been changed to Beijing Chaoju Ophthalmic Clinic Co., Ltd.\* (北京朝聚眼科診所有限公司), Bayannur Xudong Ophthalmic Hospital Co., Ltd.\* (巴彥淖爾市旭東眼科醫院有限公司), Bayannur Chaoju Optometry Co., Ltd.\* (巴彥淖爾朝聚眼視光有限公司), Wuyuan County Xudong Ophthalmic Hospital Co., Ltd.\* (五原縣旭棟眼科醫院有限公司), Wulate Qianqi Xudong Ophthalmic Out-Patient Department Co., Ltd.\* (烏拉特前旗旭棟眼科門診部有限公司), Ningxia Chaoju Kaiming Eye Hospital Co., Ltd.\* (寧夏朝聚開明眼科醫院有限公司), and Ningxia Kaiming Optometry Co., Ltd.\* (寧夏開明視光配鏡有限公司). The acquisitions have expanded the Group’s footprint in North China to gradually interact with the ophthalmic market in Eastern Mongolia, Western Mongolia, Hebei, Shanxi and Ningxia, which will be significant to the future of the Group in the core North China region and other northern regions.

As at December 31, 2023, the Group operated a network of 31 ophthalmic hospitals and 29 optical centers spanning across a total of 7 provinces and autonomous regions in China. The ophthalmic hospitals specialize in providing ophthalmic services and the optical centers offer a series of optical products and services to satisfy a wide array of requests from customers.

The following table sets forth a breakdown of certain operational information by type of services provided by the Group for the years indicated:

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>The hospitals</b>		
<b>Out-patient services</b>		
Number of out-patient visits	<b>1,128,719</b>	944,523
Average spending per visit ( <i>RMB</i> ) <sup>(2)</sup>	<b>698</b>	626
<b>In-patient services</b>		
Number of in-patient visits	<b>67,258</b>	44,581
Average spending per visit ( <i>RMB</i> ) <sup>(2)</sup>	<b>7,109</b>	7,244
<b>Optical centers</b>		
Number of customer visits <sup>(1)</sup>	<b>120,184</b>	101,956
Average selling price ( <i>RMB</i> ) <sup>(2)</sup>	<b>806</b>	746

*Notes:*

- (1) Represents the total number of purchases made by customers at the optical centers. If a customer makes more than one purchase at the optical centers within the same day, he/she will only be counted once. If a customer purchases at the optical centers on different days, he/she will be counted according to the number of days he/she made purchases at the optical centers.
- (2) Subject to rounding adjustments, (i) average spending per visit represents the average spending per visit calculated by the total revenue generated from the out-patient or in-patient services (as applicable) divided by the total number of out-patient or in-patient visits (as applicable) and (ii) average selling price represents the average selling price calculated by the total revenue generated from the optical centers divided by the total number of customer visits.

The Group's revenue increased by 38.3% from RMB990.0 million for the year ended December 31, 2022 to RMB1,369.5 million for the year ended December 31, 2023, primarily attributable to the recovery of demand for ophthalmic services coupling with the Group's enhanced reception capacity for increased patient visits, the recovery of the industry and the improved economic environment in the PRC after the COVID-19 pandemic.

The following table sets forth a breakdown of revenue by business segments for the years indicated:

	Year ended December 31,			
	2023		2022	
	Revenue	Percentage	Revenue	Percentage
	(RMB'000)	of revenue %	(RMB'000)	of revenue %
Consumer ophthalmic services	709,225	51.8	542,873	54.8
Basic ophthalmic services	654,011	47.8	447,171	45.2
Sales of equipment	6,269	0.4	–	–
<b>Total</b>	<b>1,369,505</b>	<b>100.0</b>	<b>990,044</b>	<b>100.0</b>

### Consumer ophthalmic services

The Group's consumer ophthalmic services include treatments and prevention of various types of ophthalmic disorders, including refractive correction (including presbyopia correction), myopia prevention and control, dry eye syndrome, oculoplastic and provision of optical products and services, the costs for which are currently not covered by public health insurance programs.

To maintain the Group's strong reputation in the provision of consumer ophthalmic services, the Group (i) optimized its marketing and promotion activities with a focus on online promotion, new media and other online channels; (ii) chaired various pro bono eye disease screening activities for the public; (iii) formulated operational management measures to optimize its customer membership management model for maintaining customer loyalty; and (iv) streamlined the admission process to increase the Group's capacity for patient visits. The Group continued to reinforce the training on consumer ophthalmic services techniques and related skills and improve the service quality in adherence to the Group's core values of "Providing its patients with a safe, reassuring and pleasant ophthalmic medical experience". Furthermore, the Group also implemented stringent medical quality control measures in providing quality medical services to its patients to enhance its reputation.

In addition, consumer ophthalmic services are usually more profitable as it is not subject to the pricing guidance imposed by public health insurance authorities and as such, the Group devoted more resources to pursue continuous and rapid growth of consumer ophthalmic services. For the year ended December 31, 2023, the Group's consumer ophthalmic services contributed to 51.8% of the Group's total revenue, representing a decrease of approximately 3.0 percentage points compared to the year ended December 31, 2022. In terms of revenue, consumer ophthalmic services have continued to be the Group's major source of revenue.

## Basic ophthalmic services

The Group's basic ophthalmic services include treatments of a wide range of common eye diseases, including cataract, glaucoma, squint, ocular fundus diseases, ocular surface diseases, orbital diseases and pediatric eye diseases, the cost of which are mostly eligible to be covered by public health insurance programs.

The Group continued to devote significant resources on the procurement of cutting-edge medical equipment for the treatment of eye diseases and expanded the use of advanced treatment regimes, premium medical equipments and consumables, which further raised the quality of the Group's medical services, and in turn increased the patient retention rate returning to the Group's ophthalmic hospitals to receive treatment on their other eye for basic eye diseases.

For the year ended December 31, 2023, the Group's basic ophthalmic services accounted for 47.8% of the Group's total revenue, representing an increase of approximately 2.6 percentage points compared to the year ended December 31, 2022.

## Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of gross profit by business segments and the corresponding gross profit margin for the years indicated:

	Year ended December 31,			
	2023		2022	
	Gross profit (RMB'000)	Gross profit margin %	Gross profit (RMB'000)	Gross profit margin %
Consumer ophthalmic services	348,519	49.1	279,854	51.6
Basic ophthalmic services	271,768	41.6	154,843	34.6
Sales of equipment	847	13.5	–	–
<b>Total</b>	<b>621,134</b>	<b>45.4</b>	<b>434,697</b>	<b>43.9</b>

The gross profit generated from consumer ophthalmic services was RMB348.5 million for the year ended December 31, 2023, representing an increase of 24.5% compared to the year ended December 31, 2022, mainly due to an increase in revenue from consumer ophthalmic services of 30.6% as compared to the year ended December 31, 2022, and the expansion of the consumer ophthalmic services business resulting in the dilution of related costs. The gross profit generated from basic ophthalmic services was RMB271.8 million for the year ended December 31, 2023, representing an increase of 75.6% compared to the year ended December 31, 2022. This was primarily due to an increase in revenue from basic ophthalmic services of 46.2% compared to the year ended December 31, 2022 and the dilution of related costs. The Group's gross profit was RMB621.1 million for the year ended December 31, 2023, representing an increase of 42.9% compared to the year ended December 31, 2022.

## **Team of Medical Professionals**

The Group has a deep bench of ophthalmic experts with medical expertise and rich experience to treat a wide range of eye diseases and to provide various types of consumer ophthalmic services. The Group focuses on the quality of ophthalmic services and devotes resources to allow its ophthalmologists to provide ophthalmic medical services in a professional, dedicated and responsible manner. The Group is also committed to recruiting and cultivating qualified professionals to form an ophthalmic medical team with outstanding professional and ethical standards and strong sense of responsibility. As at December 31, 2023, the Group had a total of 1,428 full-time medical professionals, among which, is composed of 288 physicians, 616 nurses and 524 other professionals. Among the 288 physicians, 252 are full-time physicians registered as specialized ophthalmologists. In addition, the Group also had 66 multi-site practice physicians who were full-time employees of other medical institutions.

## **Awards, Recognitions and Social Responsibility**

The Group provides charitable medical aid and free medical consultations to public institutions and disadvantaged communities from time to time. Such charitable events allow the Company to maintain good relationships with government authorities and agencies while simultaneously promote its ophthalmic and optical services. These events do not only benefit the vulnerable communities, but also improve our brand awareness and reputation. For example, in 2023, the Group:

1. continued to participate in the “Spread the Love in Inner Mongolia, Helping Patients in Pursuit of Health and Dreams” (大愛北疆助康圓夢) charity campaign jointly organized by the Inner Mongolia Disabled Persons’ Federation and Inner Mongolia Disabled Persons’ Welfare Foundation to provide examination and treatment to children suffering from amblyopia;
2. continued to participate in the “Belt and Road: Bright Tour” project and provided free cataract screening and cataract recovery operation services in both Inner Mongolia Autonomous Region and Mongolia;
3. provided free optical screening services to and established medical profiles for primary and secondary school students in Inner Mongolia;
4. provided professional and customized rehabilitation training for children with low vision and squint, and carried out prevention activities to educate children and parents for early diagnosis;
5. conducted various forms of online and offline expert science popularization lectures on eye health for students and their parents for enriching their knowledge in eye health and common eye diseases among children; and

- led 9 scientific research projects with various authorities and published 19 articles on reputable scientific journals.

## **BUSINESS PROSPECTS AND STRATEGIC HIGHLIGHTS**

The demand for ophthalmic medical services has grown steadily in recent years and is expected to experience relatively high growth rates in the foreseeable future as a result of continued economic growth and an increasingly aging population, according to the report of Frost and Sullivan. The size of China's ophthalmic medical services market is expected to further reach RMB223.1 billion by 2024, and in particular, the size of ophthalmic medical services market in North China is expected to further grow to RMB33.7 billion by 2024. However, ophthalmic medical resources in China are scarce, and the penetration rate of surgeries for eye diseases in China is low.

As at the date of this announcement, the Group operated a network of 31 ophthalmic hospitals and 29 optical centers. The Group plans to continue expanding its network layout and strengthening its network coverage in the key regions of North China and expects to acquire more hospitals in 2024. The Group also plans to expand its layout in the key regions of Yangtze River Delta region through acquisitions and establishment of new hospitals and optical centers. As at the date of this announcement, the Group had not entered into any letters of intent or agreements with respect to acquisitions and had not identified any definite acquisition targets.

As a leading ophthalmic medical services group in China, the Group is able to leverage on its branding and market reputation in North China and continue to increase its market share in North China. The Group has further enhanced its brand awareness and reputation in East China through continuously expanding its market share and consolidating the Group's market position in the region. The Group is well-positioned to capture the significant growth potential of the underserved market of private ophthalmic services in China.

Looking into the future, the Group expects to:

- adhere to the vision of "Being a Leader of Happy Ophthalmic Healthcare" to provide effective medical services and continuously revising its improvement plans;
- reinforce its leading position in North China and enhance its market positioning in Yangtze River Delta region and other key regions while developing its featured ophthalmic hospitals;
- seize opportunities in the consumer ophthalmic market to become a national chain provider of ophthalmic services trusted by the public;

4. improve the utilization efficiency of its regional resources and strengthen its centralized management model with regional center hospitals as the core;
5. serve with quality medical services and continuously improve patient satisfaction and brand awareness;
6. actively attract and recruit talents by further refining its training and career developments programs, cultivating its unique corporate culture and offering fair incentives to its key employees; and
7. standardize the management of the Group and the communication with regulatory authorities, such as the Stock Exchange, and various professional institutions, so as to improve the comprehensive corporate governance.

## **Financial Review**

### ***Revenue***

During the Reporting Period, the Group generates revenue primarily from (i) consumer ophthalmic services; and (ii) basic ophthalmic services. The revenue of the Group increased by 38.3% from RMB990.0 million for the year ended December 31, 2022 to RMB1,369.5 million for the year ended December 31, 2023.

#### *Consumer ophthalmic services*

The Group's consumer ophthalmic services offer a variety of ophthalmic disorder treatments and prevention measures, including myopia control, refractive correction (including presbyopia correction), dry eye syndrome, oculoplastic and provision of optical products and services.

The Group's revenue from consumer ophthalmic services increased by 30.6% from RMB542.9 million for the year ended December 31, 2022 to RMB709.2 million for the year ended December 31, 2023. The increase in revenue was primarily due to (i) the increase in the number of out-patient visits due to the Group's efforts to further optimize its marketing and promotion activities by way of increasing its initiatives in market expansion and fully adjusting its marketing activities to effectively implement offline and online promotion activities after the easing of COVID-19 pandemic prevention and control measures; (ii) the increase in the referral rate between the existing and new customers via the enhancement of its customer membership management model for maintaining the customer loyalty; and (iii) the Group's continuous efforts in reinforcing the training on consumer ophthalmic services techniques and related skills and implementing stringent medical quality control measures in providing quality medical services to its patients so as to improve the Group's reputation.

### *Basic ophthalmic services*

The Group's basic ophthalmic services offer a wide range of common eye diseases treatments, including cataract, glaucoma, squint, ocular fundus diseases, ocular surface diseases, orbital diseases and pediatric eye diseases.

The Group's revenue from basic ophthalmic services increased by 46.2% from RMB447.2 million for the year ended December 31, 2022 to RMB654.0 million for the year ended December 31, 2023. The increase in revenue was primarily due to the Group's continuous efforts in (i) enhancing its marketing activities through chairing various pro bono health lectures, eye disease screening, physical examination and other activities for the public after the easing of COVID-19 pandemic prevention and control measures; (ii) enhancing admission, reception, pre-surgery and post-surgery process to provide more convenient treatment services, more efficient emergency process and better reception capacity to enable serving rapidly increased patients in a short period of time; (iii) devoting significant resources on the procurement of premium consumables and equipment and expanding the use of advanced treatment regimes, which satisfied patients' diversified and customized needs, so as to improve the successful rate of converting potential patients to the Group's customers and increase single customer value; and (iv) enhancing stringent medical quality management and control measures to improve the Group's reputation, which attracted more patients to receive basic ophthalmic services in the Group's ophthalmic hospitals, among which, more and more patients chose to return to receive treatment on their other eye for basic diseases.

### *Cost of Sales*

During the Reporting Period, the Group's cost of sales was primarily composed of medical consumables and optical products, employee compensation directly related to our provision of medical services, cost of pharmaceuticals, depreciation, amortization and rental expenses.

The Group's cost of sales increased by 34.8% from RMB555.3 million for the year ended December 31, 2022 to RMB748.4 million for the year ended December 31, 2023, primarily due to (i) the business expansion of the Group; (ii) the additional costs associated with the newly built and acquired hospitals and optical centers; and (iii) depreciation costs in relation to equipment, lease and renovation.

### *Gross Profit and Gross Profit Margin*

The Group's gross profit increased by 42.9% from RMB434.7 million for the year ended December 31, 2022 to RMB621.1 million for the year ended December 31, 2023.

The Group's gross profit margin increased from 43.9% for the year ended December 31, 2022 to 45.4% for the year ended December 31, 2023. The increase in gross profit margin was mainly due to the expansion of the Group's business, which allows it to enjoy the benefits of economies of scale.

### ***Other Income and Gains***

During the Reporting Period, the Group's other income and gains were primarily composed of interest income, fair value gains, gains on remeasurement to fair value in an associate and government grants.

The Group's other income and gains increased by 65.9% from RMB50.2 million for the year ended December 31, 2022 to RMB83.3 million for the year ended December 31, 2023, primarily due to (i) an increase in interest income; and (ii) the appreciation gain on the valuation of Ningxia Chaoju Kaiming Eye Hospital Co., Ltd..

### ***Selling and Distribution Expenses***

During the Reporting Period, the Group's selling and distribution expenses were primarily composed of the compensation of the Group's sales and marketing personnel and advertising expenses, depreciation, amortization and rental expenses.

The Group's selling and distribution expenses increased by 71.3% from RMB61.3 million for the year ended December 31, 2022 to RMB105.0 million for the year ended December 31, 2023, primarily due to an increase in marketing expenses for the newly built and acquired hospitals.

### ***Administrative Expenses***

During the Reporting Period, the Group's administrative expenses were primarily composed of the compensation and share-based payments of the Group's administrative and management personnel, depreciation and amortization, rental expenses, start-up costs of hospitals and fees paid for the professional services.

The Group's administrative expenses increased by 37.3% from RMB162.0 million for the year ended December 31, 2022 to RMB222.5 million for the year ended December 31, 2023, primarily due to (i) an increase in compensation to the Group's employees of the newly built and acquired hospitals; and (ii) an increase in office expenses such as business trips and marketing expenses due to the easing of the pandemic restrictions.

### ***Impairment Losses on Financial Assets, Net***

During the Reporting Period, the Group's impairment losses on financial assets were primarily composed of provision for impairment losses on trade receivables and other receivables.

The Group's impairment losses on financial assets increased by 45.0% from RMB4.0 million for the year ended December 31, 2022 to RMB5.8 million for the year ended December 31, 2023, primarily due to an increase in medical insurance receivables and an increase in individual accrual of receivables.

### ***Finance Costs***

During the Reporting Period, the Group's finance costs were primarily composed of interest expenses on lease liabilities.

The Group's finance costs increased by 2.5% from RMB11.9 million for the year ended December 31, 2022 to RMB12.2 million for the year ended December 31, 2023, which indicates that the Group's finance costs for the year ended December 31, 2023 is basically similar to that for the year ended December 31, 2022.

### ***Income Tax Expense***

During the Reporting Period, the income tax rate generally applicable to the Group's subsidiaries in China is 25% and certain subsidiaries of the Group are eligible for a preferential income tax rate of 15%. Certain other subsidiaries are eligible for a preferential income tax rate of 5% with respect to part of their taxable income.

The Group's income tax expense increased by 40.4% from RMB55.9 million for the year ended December 31, 2022 to RMB78.5 million for the year ended December 31, 2023, primarily due to an increase in profit before tax of the Group.

### ***Net Profit and Net Profit Margin***

As a result of the foregoing, the Group's net profit increased by 20.5% to RMB220.7 million for the year ended December 31, 2023 from RMB183.2 million for the year ended December 31, 2022. The Group's net profit margin decreased to 16.1% for the year ended December 31, 2023 from 18.5% for the year ended December 31, 2022. The Group defined non-IFRS adjusted net profit as profit for the period adjusted for items which are non-recurring or extraordinary, including share-based compensation expenses and one-off gain on a deemed disposal of interest previously held in an associate. The Group's non-IFRS adjusted net profit increased by 19.8% to RMB223.1 million for the year ended December 31, 2023 from RMB186.2 million for the year ended December 31, 2022.

## ***Non-IFRS Measures***

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Company has provided non-IFRS adjusted net profit and non-IFRS adjusted net profit margin as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors and others in understanding and evaluating the Group's consolidated statements of profit or loss in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's operating performance from period to period by eliminating impacts of items that the Group does not consider indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS.

The following table sets forth the reconciliations of the Group's non-IFRS financial measures for the years ended December 31, 2022 and 2023 to the nearest measures prepared in accordance with IFRS:

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>
<b>Net Profit</b>	<u><b>220,735</b></u>	<u>183,196</u>
<b>Adjustments:</b>		
Share-based compensation expenses	<u><b>14,443</b></u>	<u>2,978</u>
One-off gain on deemed disposal of interest previously held in an associate	<b>(12,073)</b>	–
<b>Non-IFRS adjusted net profit</b>	<u><u><b>223,105</b></u></u>	<u><u>186,174</u></u>
<b>Non-IFRS adjusted net profit margin</b>	<u><u><b>16.3%</b></u></u>	<u><u>18.8%</u></u>

*Note:*

Non-IFRS adjusted net profit margin was calculated based on non-IFRS adjusted net profit divided by revenue.

## Financial Position

### *Trade Receivables*

The Group's trade receivables increased by 19.5% from RMB46.6 million for the year ended December 31, 2022 to RMB55.7 million for the year ended December 31, 2023, primarily due to an increase in medical insurance receivables as a result of the growth in the Group's basic ophthalmic services.

### *Prepayments, other receivables and other assets*

The Group's prepayments, other receivables and other assets mainly include prepayments, trust funds, loans to third parties and deposits. Prepayments, other receivables and other assets increased by 40.9% from RMB54.5 million for the year ended December 31, 2022 to RMB76.8 million for the year ended December 31, 2023, primarily due to an increase in other receivables paid to third party companies which will be recovered in the future.

### *Cash and Bank Balances*

The Group's business operations and expansion plans require significant amount of capital, which will be used for upgrading the existing ophthalmic hospitals and optical centers, establishing and acquiring new hospitals and other working capital requirements. The Group's principal sources of liquidity are cash generated from its business operations, as well as debt and equity financing.

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>
Net cash flows from operating activities	<b>372,569</b>	273,410
Net cash flows from investing activities	<b>(654,095)</b>	(464,768)
Net cash flows from financing activities	<b>(204,015)</b>	(165,427)
Effect of foreign exchange rate changes, net	<b>4,251</b>	44,376
Net decrease in cash and cash equivalents	<b>(481,290)</b>	(312,409)

The Group's net decrease in cash and cash equivalents is RMB481.3 million for the year ended December 31, 2023, primarily due to net cash inflows of RMB372.6 million from operating activities and net cash outflows of RMB654.1 million from investing activities, which was mainly due to purchase of financial assets and time deposits and cash outflows of RMB204.0 million from financing activities, resulting from dividends paid for the year ended December 31, 2022.

### ***Trade Payables***

The Group's trade payables increased by 25.9% from RMB44.0 million for the year ended December 31, 2022 to RMB55.4 million for the year ended December 31, 2023, primarily due to an increase in accounts payable as a result of the Group's business expansion.

### ***Other Payables and Accruals***

The Group's other payables and accruals include salaries and welfare payables, rent payables, equity payables, payables for purchases of property, plant and equipment and contract liabilities.

The Group's other payables and accruals increased by 55.4% from RMB147.5 million for the year ended December 31, 2022 to RMB229.2 million for the year ended December 31, 2023, primarily due to (i) an increase in compensation payable to the employees; and (ii) an increase in equity payables in relation to the payment of the consideration for the acquisition of Beijing Mingyue Ophthalmic Clinic Co., Ltd..

### ***Contingent Liabilities***

As at December 31, 2023, the Group did not have any material contingent liabilities or guarantees.

### ***Pledge of Assets***

As at December 31, 2023, no asset has been pledged by the Group (as at December 31, 2022: the Group's medical equipment with the carrying amount of RMB7.2 million was pledged as security for bank borrowings of RMB2.7 million).

### ***Capital Commitments***

As at December 31, 2023, the Group had a total capital commitment of approximately RMB71.5 million (as at December 31, 2022: RMB10.0 million), primarily related to an increase in the Group's liabilities in relation to the subscription of limited partnership interest in Xiamen Ronghui Hongshang Phase II Equity Investment Partnership (Limited Partnership)\* (廈門融匯弘上二期股權投資合夥企業(有限合夥)).

## Significant Investments

The Group subscribed for low-risk short-term structured deposit products issued by reputable commercial banks with certain portion of its temporary idle funds (including surplus cash received from its business operations and idle IPO Proceeds) for treasury management purpose in order to enhance the efficiency, the utilization of and the return on its temporary idle funds. These products are of very low risk nature with satisfactory liquidity and the Group expects that the structured deposit products will earn a better yield than current deposits generally offered by commercial banks in the PRC while at the same time offer flexibility to the Group in terms of treasury management. The Group has implemented adequate and appropriate internal control procedures to ensure subscriptions of structured deposit products would not affect the working capital or the operations of the Group, and that such investments would be closely monitored and conducted in accordance with the Group's treasury policy. As such, the Board is of the view that the subscriptions of the structured deposit products (as listed below) are fair and reasonable and are on normal commercial terms and the subscriptions are in the interests of the Company and the Shareholders as a whole.

As at December 31, 2023, the Group maintained a portfolio of structured deposit products with a total outstanding principal amount of RMB410 million, representing approximately 14.0% of the Group's total assets. For the year ended December 31, 2023, the total principal amount of the structured deposit products that the Group has subscribed for was RMB1.4 billion and the amount of interest income that the Group has recognized as fair value gains on financial assets at fair value through profit or loss was approximately RMB15.9 million.

The following table sets forth a breakdown of the major structured deposit products subscribed by the Group and remain outstanding as at December 31, 2023:

Name of the issuer of the structured deposit products	Name of the structured deposit products	Deposit Starting Date	Date of maturity	Principal amount of subscription (RMB'000)	Expected annualized return rate <sup>(1)</sup>	Realized/Fair value as at December 31, 2023 (RMB'000)	Percentage of the total assets of the Group as at December 31, 2023
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鉤型結構性存款) (機構客戶) (CSDVY202338710)	September 15, 2023	March 18, 2024	95,000	1.2500% to 3.9600%	95,696	3.27%

Name of the issuer of the structured deposit products	Name of the structured deposit products	Deposit Starting Date	Date of maturity	Principal amount of subscription (RMB'000)	Expected annualized return rate <sup>(1)</sup>	Realized/ Fair value	Percentage of the total assets of the Group as at December 31, 2023
						as at December 31, 2023 (RMB'000)	December 31, 2023
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鉤型結構性存款)(機構客戶) (CSDVY202338711)	September 15, 2023	March 19, 2024	85,000	1.2400% to 3.9500%	85,623	2.93%
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鉤型結構性存款)(機構客戶) (CSDVY202339833)	October 20, 2023	April 19, 2024	120,000	1.2500% to 3.8600%	120,592	4.13%
BOC	BOC Linked Structured Deposit Product (Corporate Client) (中國銀行掛鉤型結構性存款)(機構客戶) (CSDVY202339834)	October 20, 2023	April 20, 2024	110,000	1.2400% to 3.8500%	110,542	3.78%

*Note:*

(1) Upon maturity, the Group expects to receive the principal amount together with the expected interest.

(2) All of the above subscriptions are funded by surplus cash of the Group.

Save as disclosed in this announcement, there was no other significant investments held by the Group during the Reporting Period.

### ***Future Plan for Material investment and Capital Asset***

Save as disclosed in this announcement and the Prospectus, for the year ended December 31, 2023, the Group did not have any future plan for material investments and capital assets.

### ***Borrowings and Gearing Ratio***

As at December 31, 2023, the Group is in a net cash position and thus, gearing ratio is not applicable.

### ***Foreign Exchange Risk***

Foreign exchange risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which our Group conducts business may affect our financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars, has been based on rates set by the People's Bank of China. The Group seeks to limit our exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

### ***Interest Rate Risk***

The Group's interest rate risk arises from interest-bearing borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group currently does not use any interest rate swap contracts or other financial instruments to hedge against interest rate exposure.

### ***Credit Risk***

Credit risk is the risk regarding the loss arising from a counterparty's inability to meet its obligations. The management of the Group has put in place a credit policy and the exposure to such credit risks is monitored on an on-going basis.

### ***Liquidity Risk***

The Group's liquidity is primarily dependent on our ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and the ability to obtain external financing to meet its committed future capital expenditure.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by its management to finance the operation and mitigate the effects of fluctuations in cash flows.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

Since January 1, 2023 and up to the date of this announcement, save as provisions addressed below, the Company has complied with all the applicable code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The roles of chairman of the Board and chief executive officer of the Company are held by Mr. Zhang Bozhou who has extensive experience in the industry. The Board believes that vesting the roles of the chairman and chief executive officer in Mr. Zhang Bozhou is beneficial to the management of the Group and will improve the efficiency of the Group's decision making and executive process given his knowledge in the Group's affairs. Further, the Group has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors.

In view of the above, the Board considers that such structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangement when the Board considers appropriate.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Upon specific enquiry, all Directors confirmed that they had complied with the requirements as set out in the Model Code since January 1, 2023 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. The Audit Committee is composed of three independent non-executive Directors, being Mr. Li Jianbin (chairman of the Audit Committee), Ms. Guo Hongyan and Mr. Bao Shan. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process, the internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

## **UTILIZATION OF PROCEEDS FROM GLOBAL OFFERING AND UPDATE ON EXPECTED TIMELINE FOR THE USE OF PROCEEDS**

The shares of the Company were listed on the Main Board of the Stock Exchange on July 7, 2021. In the Global Offering, the Company issued 137,500,000 Shares at HK\$10.60 per share and subsequently issued 20,125,000 Shares at HK\$10.60 per share on August 3, 2021 upon partial exercise of the overallotment option. The net proceeds from the Global Offering received by the Company, after deduction of the underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, were approximately HK\$1,599 million.

As disclosed in the Prospectus, the Company intended to use the net proceeds from the Global Offering for the following purposes:

- (i) approximately 35.8% of the net proceeds is intended to be used for the establishment of new hospitals and the relocation, upgrade and renovation of existing hospitals;
- (ii) approximately 44.8% of the net proceeds is intended to be used for acquiring hospitals, when appropriate opportunities arise, in new markets with sizable population and relatively high level of demand for ophthalmic healthcare services;
- (iii) approximately 9.4% of the net proceeds is intended to be used for upgrading information technology systems;
- (iv) approximately 10.0% of the net proceeds is intended to be used for working capital and other general corporate purposes.

For the year ended December 31, 2023, the Group utilized HK\$285.73 million of the net proceeds from the Global Offering. The Group had utilized an aggregate of approximately HK\$707.98 million of the net proceeds as at December 31, 2023 according to the intentions set out in the Prospectus. With a view to enhancing the utilisation and efficiency of its idle IPO Proceeds, the Company has applied some of the idle IPO Proceeds to further subscribe for low-risk short-term wealth management products issued by reputable commercial banks, thereby increasing the overall income of the Company. The unutilized net proceeds in the amount of HK\$891.02 million as at December 31, 2023 and are expected to be utilized as set out on the Prospectus.

The Group has been proactively seeking business development opportunities after the listing. However, due to, among other things, the change of market conditions and the lack of suitable targets, the timeline for the use of proceeds in relation to (i) the establishment of new hospitals and the relocation, upgrade and renovation of existing hospitals; (ii) acquiring hospitals for ophthalmic healthcare services; and (iii) upgrading information technology systems had been delayed from the original timeline planned. As additional time is required for utilizing the proceeds for the abovementioned expansion and development plan, the Board resolved on March 26, 2024 to revise the expected timeline for the use of the unutilized net proceeds from the Global Offering as set out below:

Use of Proceeds	Net Proceeds from the Global Offering <i>HK\$ million</i>	Percentage of the net proceeds from the Global Offering	Utilized during the year ended December 31, 2023 <i>HK\$ million</i>	Utilized as at December 31, 2023 <i>HK\$ million</i>	Unutilized amount as at December 31, 2023 <i>HK\$ million</i>	Expected timeline for utilization (as disclosed in the 2023 Interim Report)	Updated timeline for utilization <sup>(1)(2)</sup>
Establishment of new hospitals and the relocation, upgrade and renovation of existing hospitals	572.44	35.8%	56.72	182.59	389.85	From July 2021 to June 2024	Expected to be fully utilized on or before December 31, 2025
Acquiring hospitals, when appropriate opportunities arise, in new markets which has sizable population and relatively high level of demand for ophthalmic healthcare services	716.35	44.8%	209.88	331.54	384.81	From July 2021 to June 2024	Expected to be fully utilized on or before December 31, 2025
Upgrading information technology systems	150.31	9.4%	16.02	33.95	116.36	From July 2021 to December 2023	Expected to be fully utilized on or before December 31, 2025
Working capital and other general corporate purposes	159.90	10.0%	3.11	159.90	–	From July 2021 to June 2023	–
<b>Total</b>	<b>1,599.00</b>	<b>100.0%</b>	<b>285.73</b>	<b>707.98</b>	<b>891.02</b>		

*Notes:*

1. The expected timeline for utilizing the remaining net proceeds is made based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business development and need, and is therefore subject to change.
2. The Board considers that the extension of the expected timeline for full utilization of the proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole. Save as disclosed in this announcement, there are no other changes to the plan for utilizing the proceeds.

The Board will continuously assess the plans for the use of the unutilized proceeds and may revise or amend such plans where necessary to cope with, among other things, the changing market conditions in order to strive for a better performance of the Group.

**PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended December 31, 2023.

## EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2023, the Group had 2,597 full-time employees, among which, 1,428 were professionals at the hospitals, 94 were professionals at the optical centers and 1,075 were administrative, finance and other employees at the Group's headquarters, hospitals and optical centers. In addition, the Group also had 66 practice physicians who were full-time employees of other medical institutions. The following table shows a breakdown of the Group's full-time employees by function as at that date:

	<b>As at December 31, 2023</b>	
	<b>Number of employees</b>	<b>Percentage of total employees</b>
<b>Professionals at the hospitals</b>		
Physicians <sup>(1)</sup>	<b>288</b>	11.09%
Nurses	<b>616</b>	23.72%
Other professionals	<b>524</b>	20.18%
<b>Professionals at the optical centers</b>	<b>94</b>	3.62%
<b>Administrative, finance and other employees at</b>		
The headquarters	<b>177</b>	6.82%
The hospitals	<b>859</b>	33.07%
The optical centers	<b>39</b>	1.50%
<b>Total</b>	<b>2,597</b>	<b>100%</b>

*Note:*

(1) As at December 31, 2023, 252 of the full-time physicians were registered as specialized ophthalmologists.

The Group enters into employment contracts with all of its full-time employees. The remuneration packages for its employees primarily comprise one or more of the following elements: basic salary, performance-based incentive bonus and discretionary year-end bonus. The Group also sets performance targets for its employees based on their position and regularly reviews their performance, the results of which are used in their annual salary review and promotion appraisal.

The Group adopted a share award scheme on May 10, 2022, for the purposes of recognizing and motivating the contribution of certain employees of the Group and incentivising them and helping the Group in retaining its existing employees and attracting and recruiting subtable personnel as additional employees to further the operation and development of the Group and providing them with a direct economic interest in attaining the long-term business objectives of the Group. The Scheme is analogous to a share scheme and subject to

provisions of Chapter 17 of the Listing Rules (as amended with effect from January 1, 2023). As at December 31, 2023, the Company has granted 13,396,724 award Shares in aggregate to 221 employees, Directors and directors of the Company's subsidiaries pursuant to the Scheme, among which 51,630 awarded Shares have lapsed after the Reporting Period and as at the date of this announcement. As at the date of this announcement, a total of 57,417,406 Shares allowed to be granted under the Scheme. Further details of the Scheme are set out in the section headed "Share Schemes" in our 2023 annual report to be issued in due course.

The Group provides structured training and education programs which enables its employees to consistently deliver high quality services. The Group's discipline development committees are responsible for training its medical professionals, maintaining a proper mix of different levels of professionals, as well as research and development, and have supplied numerous young ophthalmologists with solid skills and rich clinical experience. The Group also engages external consultants, experts and professors to provide training for the physicians with an aim to cultivate clinicians with extensive practical capabilities in a precise, standardized and high-quality manner. These programs aim to equip them with a sound foundation of the medical principles, ethics and knowledge as well as practical skills, and foster a high standard of practice. Regular internal and external mandatory online and on-site training are organized for the medical team to keep them abreast of the latest development in the ophthalmology industry. From time to time, the Group identifies and sponsors its employees with high development potential to undertake further study and professional training in prestigious medical institutions. They also support their attending physicians to train at top-tier eye hospitals in China for a period of three to six months, such as Wenzhou Medical University Eye Hospital (溫州醫科大學附屬眼視光醫院). In addition, the Group also designs and implements specialized training for its nurses and medical assistants to improve their respective professional skills and foster their professional career path.

As at December 31, 2023, none of the Group's employees had negotiated with them on the employment terms through the labor unions or in a way of collective bargaining and the Group had not experienced any major labor disputes or labor strikes that had interfered with its operations in any material respect.

## **REVIEW OF ANNUAL RESULTS**

The Audit Committee has jointly reviewed with the management and the independent auditors of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the audited annual results for the year ended December 31, 2023) of the Group. The Audit Committee and the independent auditors of the Company considered that the annual results for the year ended December 31, 2023 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

## SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended December 31, 2023 as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year ended December 31, 2023. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

## EVENTS AFTER THE REPORTING PERIOD

Since January 1, 2024 and up to the date of this announcement, the Group has the following events taken place:

- (i) On January 12, 2024 and January 15, 2024, pursuant to the share repurchase mandate granted by the Shareholders at the annual general meeting of the Company held on June 6, 2023, the Company repurchased a total of 98,500 ordinary shares of HK\$0.00025 each of the Company from the open market, and all of which were cancelled on January 25, 2024.
- (ii) On March 21, 2024, Chaoju Medical Technology Co., Ltd.\* ("**Chaoju Medical Technology**"), an indirect wholly-owned subsidiary of the Company, subscribed for two structured deposit products ("**2024 Structured Deposit Products**") in the total principal amount of RMB200 million offered by the Bank of China Limited ("**BOC**"). As the structured deposit products subscribed by Chaoju Medical Technology on October 19, 2023 ("**2023 Structured Deposit Products**") in the total principal amount of RMB230 million were also offered by BOC, the 2023 Structured Deposit Products and the 2024 Structured Deposit Products were aggregated and treated as if the subscriptions were one transaction conducted with BOC for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the applicable percentage ratios, on an aggregate basis, in respect of the subscription amount of the 2023 Structured Deposit Products and the 2024 Structured Deposit Products at the relevant period, exceed 5% but are less than 25%, the subscriptions constituted discloseable transactions of the Company and are hence subject to the reporting and announcement requirements but are exempted from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. For more details of the subscription of 2024 Structured Deposit Products, please refer to the announcement of the Company dated March 21, 2024.

Save as disclosed above, there was no other significant event that might affect the Group after the Reporting Period and up to the date of this announcement.

## **ANNUAL GENERAL MEETING**

The AGM of the Company will be held on June 6, 2024. A notice convening the AGM will be published on the Company's website and the Stock Exchange's website in accordance with the requirements of the Listing Rules in due course.

## **FINAL DIVIDEND AND SPECIAL DIVIDEND**

The Company has declared and paid the final dividend of HK\$0.1738 per Share for the year ended December 31, 2022, amounting to approximately HK\$123.0 million (approximately RMB111.5 million) in total.

The Board has recommended the payment of a final dividend of HK\$0.2208 per Share and a special dividend of HK\$0.0767 per Share for the year ended December 31, 2023. The final dividend are subject to the approval of Shareholders at the forthcoming AGM. The final dividend and special dividend are expected to be payable to the Shareholders on Friday, June 28, 2024. The final dividend and special dividend will be payable to the Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, June 18, 2024.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from June 3, 2024 to June 6, 2024, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on May 31, 2024.

The register of members of the Company will be closed from June 14, 2024 to June 18, 2024, both days inclusive, in order to determine the identity of the Shareholders who are entitled to the proposed final dividend and special dividend, during which period no share transfers will be registered. To be eligible to receive the proposed final dividend and special dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on June 13, 2024.

**PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chaojueye.com](http://www.chaojueye.com)), and the 2023 annual report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company.

The Board is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2023 together with the comparative figures for the year ended December 31, 2022:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2023

	Notes	2023 RMB'000	2022 RMB'000
<b>REVENUE</b>	4	<b>1,369,505</b>	990,044
Cost of sales		<u>(748,371)</u>	<u>(555,347)</u>
Gross profit		<b>621,134</b>	434,697
Other income and gains	5	<b>83,278</b>	50,249
Selling and distribution expenses		<b>(104,989)</b>	(61,283)
Administrative expenses		<b>(222,459)</b>	(162,040)
Other expenses		<b>(59,666)</b>	(6,631)
Impairment losses on financial assets, net		<b>(5,835)</b>	(3,957)
Finance costs	7	<u><b>(12,221)</b></u>	<u>(11,897)</u>
<b>PROFIT BEFORE TAX</b>	6	<b>299,242</b>	239,138
Income tax expense	8	<u><b>(78,507)</b></u>	<u>(55,942)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>220,735</b></u>	<u>183,196</u>
Attributable to:			
Owners of the parent		<b>228,914</b>	187,752
Non-controlling interests		<u><b>(8,179)</b></u>	<u>(4,556)</u>
		<u><b>220,735</b></u>	<u>183,196</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic for profit for the year (expressed in RMB per share)	10	<b>0.33</b>	0.27
Diluted for profit for the year (expressed in RMB per share)	10	<u><b>0.33</b></u>	<u>0.27</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2023

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b><u>220,735</u></b>	<b><u>183,196</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>12,320</u>	<u>57,401</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>12,320</u>	<u>57,401</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b><u>12,320</u></b>	<b><u>57,401</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>233,055</u></b>	<b><u>240,597</u></b>
Attributable to:		
Owners of the parent	241,234	245,153
Non-controlling interests	<u>(8,179)</u>	<u>(4,556)</u>
	<b><u>233,055</u></b>	<b><u>240,597</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2023

	<i>Notes</i>	<b>2023</b> <b>RMB'000</b>	2022 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>396,995</b>	392,309
Investment properties		<b>28,774</b>	–
Right-of-use assets		<b>195,100</b>	200,744
Goodwill		<b>205,986</b>	115,214
Intangible assets		<b>166,963</b>	91,201
Financial assets at fair value through profit or loss		<b>92,000</b>	–
Deferred tax assets		<b>5,712</b>	6,013
Time deposits		<b>95,007</b>	82,002
Due from related parties		–	1,000
Prepayments, other receivables and other assets		<b>6,604</b>	19,540
		<hr/> <b>1,193,141</b>	<hr/> 908,023
Total non-current assets			
<b>CURRENT ASSETS</b>			
Inventories	<i>11</i>	<b>51,112</b>	52,415
Trade receivables	<i>12</i>	<b>55,742</b>	46,645
Prepayments, other receivables and other assets		<b>70,190</b>	34,931
Financial assets at fair value through profit or loss		<b>412,453</b>	382,793
Other current financial assets		<b>50,222</b>	–
Time deposits		<b>626,509</b>	353,616
Cash and cash equivalents		<b>463,437</b>	944,727
		<hr/> <b>1,729,665</b>	<hr/> 1,815,127
Total current assets			
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>13</i>	<b>55,356</b>	44,027
Other payables and accruals		<b>221,137</b>	138,918
Due to related parties		<b>306</b>	2,415
Interest-bearing bank and other borrowings	<i>14</i>	<b>7,153</b>	12,013
Lease liabilities		<b>41,822</b>	41,358
Tax payable		<b>16,965</b>	6,252
		<hr/> <b>342,739</b>	<hr/> 244,983
Total current liabilities			
<b>NET CURRENT ASSETS</b>		<hr/> <b>1,386,926</b>	<hr/> 1,570,144
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>2,580,067</b>	<hr/> 2,478,167

	<b>2023</b>	2022
	<b>RMB'000</b>	<i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	<b>151,822</b>	142,785
Deferred tax liabilities	<b>41,777</b>	28,368
Other payables and accruals	<b>8,043</b>	8,541
	<hr/>	<hr/>
Total non-current liabilities	<b>201,642</b>	179,694
	<hr/>	<hr/>
Net assets	<b>2,378,425</b>	2,298,473
	<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	<b>152</b>	152
Treasury shares	<b>(76,901)</b>	(18,665)
Reserves	<b>2,436,803</b>	2,291,231
	<hr/>	<hr/>
	<b>2,360,054</b>	2,272,718
	<hr/>	<hr/>
Non-controlling interests	<b>18,371</b>	25,755
	<hr/>	<hr/>
Total equity	<b>2,378,425</b>	2,298,473
	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO FINANCIAL STATEMENTS

*For the year ended December 31, 2023*

### 1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

## 2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The nature and the impact of the new and revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.
- (b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

The adoption of amendments to IAS 12 did not have any material impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, other comprehensive income and the consolidated statements of cash flows for the years ended 31 December 2023 and 2022.

- (d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

### 3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of in-patient services, out-patient services, sales of optical products, and sales of equipment. For management purposes, the aforesaid businesses are integral and the Group has not organised into different operating segments. Management monitors the results of the Group's operation as a whole for the purpose of making decisions about resource allocation and performance assessment, and accordingly no further operating segment analysis thereof is presented.

#### Geographical information

As the Group's major operations, customers and non-current assets are located in the People's Republic of China (the "PRC"), no further geographical segment information is provided.

#### Information about major customers

No revenue from single customers individually accounted for 10% or more of the Group's revenue.

### 4. REVENUE

An analysis of revenue is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Revenue from contracts with customers	<u>1,369,505</u>	<u>990,044</u>
Analysed into:		
Basic ophthalmic services	654,011	447,171
Consumer ophthalmic services	709,225	542,873
Sales of equipment	<u>6,269</u>	–
Total	<u>1,369,505</u>	<u>990,044</u>

(a) **Disaggregated revenue information for revenue from contracts with customers**

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<i>Types of goods or services</i>		
In-patient services	<b>478,165</b>	322,952
Out-patient services	<b>788,210</b>	591,054
Sales of optical products	<b>96,861</b>	76,038
Sales of equipment	<b>6,269</b>	–
	<hr/>	<hr/>
<b>Total</b>	<b><u>1,369,505</u></b>	<u>990,044</u>

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<i>Timing of revenue recognition</i>		
Services and goods transferred at a point in time	<b>891,340</b>	667,092
Services transferred over time	<b>478,165</b>	322,952
	<hr/>	<hr/>
<b>Total</b>	<b><u>1,369,505</u></b>	<u>990,044</u>

The following table shows the amounts of revenue recognised in the year and prior year that were included in the contract liabilities at the beginning of the respective years:

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the respective years:		
Out-patient services	<b>5,405</b>	5,275
Others	<b>3,811</b>	416
	<hr/>	<hr/>
<b>Total</b>	<b><u>9,216</u></b>	<u>5,691</u>

**(b) Performance obligations**

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

***In-patient services***

For in-patient services, customers normally receive in-patient treatment which contains various treatment components that are all highly interdependent and regarded as a single performance obligation. Since the patient simultaneously receives and consumes the benefits of the Group's performance in the medical treatment, the relevant revenue of in-patient services is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards the complete satisfaction of performance obligation is measured by direct measurements of the value of individual products or services transferred by the Group to the customer.

***Out-patient services***

Revenue from the provision of out-patient services is recognised at the point in time, when the services are provided.

***Sales of optical products***

For the sales of optical products, the performance obligation is satisfied upon delivery of the products and the Group has already received the payment or has the right to receive the payment properly.

***Sales of equipment***

For the sales of equipment, the performance obligation is satisfied upon delivery of the equipment and the Group has already received the payment or has the right to receive the payment properly.

**5. OTHER INCOME AND GAINS**

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Interest income	<b>41,306</b>	22,974
Fair value gain from financial assets at fair value through profit or loss	<b>16,223</b>	20,193
Gain on a deemed disposal of interest previously held in an associate	<b>12,073</b>	–
Government grants	<b>9,589</b>	4,375
Rental income	<b>621</b>	403
Gain on disposal of a subsidiary	–	402
Others	<b>3,466</b>	1,902
	<hr/>	<hr/>
<b>Total other income and gains</b>	<b>83,278</b>	50,249
	<hr/> <hr/>	<hr/> <hr/>

## 6. PROFIT BEFORE TAX

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

	<i>Notes</i>	<b>2023</b> <b>RMB'000</b>	2022 <i>RMB'000</i>
Cost of sales		748,371	555,347
Depreciation of property, plant and equipment		64,448	51,275
Depreciation of right-of-use assets		49,139	42,238
Amortisation of intangible assets		9,774	5,853
Impairment of goodwill <sup>#</sup>		13,831	–
Impairment of property, plant and equipment <sup>#</sup>		866	–
Lease payments not included in the measurement of lease liabilities		1,302	1,970
Auditor's remuneration		2,560	2,480
Employee benefit expense (including directors' remuneration):			
Wages, salaries and allowances, social securities and benefits		338,243	248,249
Pension costs (defined contribution scheme)*		25,068	23,796
Share-based payments		14,443	2,978
Total		<u>377,754</u>	<u>275,023</u>
Impairment/(reversal of impairment) of trade receivables, net	12	4,123	(623)
Impairment of prepayments, other receivables and other assets		1,712	4,580
Interest income	5	(41,306)	(22,974)
Impairment of investment properties		19,137	–
Fair value gains on financial assets at fair value through profit or loss	5	(16,223)	(20,193)
Government grants	5	(9,589)	(4,375)
Loss/(gain) on disposal of items of property, plant and equipment, net		860	(82)
Loss on disposal of items of intangible assets, net		7	–
Loss on termination of lease contract		–	206
Gain on a deemed disposal of interest previously held in an associate	5	(12,073)	–
Gain on disposal of a subsidiary		–	(402)
Foreign exchange differences, net		<u>8,069</u>	<u>21</u>

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

# The impairment of goodwill and impairment of property, plant and equipment are included in "Other expenses" in the consolidated statement of profit or loss.

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest on lease liabilities	<b>11,491</b>	11,471
Interest on bank and other borrowings	<b>730</b>	426
<b>Total</b>	<b><u>12,221</u></b>	<u>11,897</u>

## 8. INCOME TAX EXPENSE

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Current – Chinese Mainland		
Charge for the year	<b>83,257</b>	53,454
Deferred	<b>(4,750)</b>	2,488
<b>Total tax charge for the year</b>	<b><u>78,507</u></b>	<u>55,942</u>

## 9. DIVIDENDS

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Proposed final dividend 2023: HK22.08 cents (2022: HK17.38 cents) per ordinary share	<b>156,222</b>	122,985
Proposed special dividend 2023: HK7.67 cents (2022: Nil) per ordinary share	<b>54,267</b>	–
Less: Dividend for shares held under the share award scheme	<b>(5,992)</b>	(1,955)
	<b><u>204,497</u></b>	<u>121,030</u>

The proposed final dividend for 2023 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

On June 6, 2023, the Company's shareholders approved the profit distribution plan for 2022 at an annual general meeting, pursuant to which cash dividends of HK17.38 cents per ordinary share, in an aggregate amount of HK\$122,985,000 (equivalent to RMB111,523,000), would be distributed.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 695,610,000 (2022: 706,435,000) in issue during the year.

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

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

Earnings	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit for the year attributable to ordinary equity holders of the parent for the purpose of the basic and diluted earnings per share calculation	<u>228,914</u>	<u>187,752</u>
Total	<u><b>228,914</b></u>	<u>187,752</u>
	<b>Number of shares</b>	
Shares	<b>2023</b> <i>'000</i>	2022 <i>'000</i>
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<u>695,610</u>	<u>706,435</u>
Effect of dilution – weighted average number of ordinary shares: Share awards	<u>1,116</u>	<u>–</u>
Total	<u><b>696,726</b></u>	<u>706,435</u>

## 11. INVENTORIES

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Medical consumables	33,040	33,823
Pharmaceuticals	13,806	13,807
Optical products	<u>4,266</u>	<u>4,785</u>
Total	<u><b>51,112</b></u>	<u>52,415</u>

## 12. TRADE RECEIVABLES

	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Trade receivables	<b>60,429</b>	54,326
Impairment	<b>(4,687)</b>	(7,681)
<b>Net carrying amount</b>	<b><u>55,742</u></b>	<b><u>46,645</u></b>

Trade receivables represent the balances due from public health insurance programs and social organisation for the healthcare services provided by the Group, and sales of optical products.

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods range from 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables as at the end of the year and prior year, based on the invoice date and net of loss allowance, is as follows:

	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Within 3 months	<b>41,691</b>	24,665
4 to 6 months	<b>4,570</b>	4,671
7 to 12 months	<b>3,657</b>	5,712
Over 12 months	<b>5,824</b>	11,597
<b>Total</b>	<b><u>55,742</u></b>	<b><u>46,645</u></b>

The movements in provision for impairment of trade receivables are as follows:

	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
At the beginning of the year	<b>7,681</b>	8,151
Acquisition of subsidiaries	<b>936</b>	659
Impairment losses/(reversal of impairment), net (note 6)	<b>4,123</b>	(623)
Amount written off as uncollectible	<b>(8,053)</b>	(506)
<b>At the end of the year</b>	<b><u>4,687</u></b>	<b><u>7,681</u></b>

### 13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the year and prior year, based on the invoice date, is as follows:

	<b>2023</b> <b>RMB'000</b>	2022 <b>RMB'000</b>
Within 1 year	<b>49,477</b>	37,899
1 to 2 years	<b>3,093</b>	4,051
2 to 3 years	<b>1,392</b>	867
Over 3 years	<b>1,394</b>	1,210
Total	<b>55,356</b>	44,027

The trade payables are non-interest-bearing and are normally settled on 30 to 90 days terms.

### 14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	<b>2023</b>			2022		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>						
Bank loans – secured			–	8.00	2023	2,650
Other loans – unsecured	4.35-5.70	2024	7,153	4.35-5.70	2023	9,363
<b>Total – current</b>			<b>7,153</b>			12,013
Total			<b>7,153</b>			12,013

	<b>2023</b> <b>RMB'000</b>	2022 <b>RMB'000</b>
Analysed into:		
Bank loans repayable:		
Within one year or demand	–	2,650
Other borrowings repayable:		
Within one year	7,153	9,363
Total	<b>7,153</b>	12,013

- (a) As at December 31, 2023, there was no bank borrowing secured by fixed assets (2022: Bank borrowing of RMB2,650,000 were secured by medical equipment at a carrying value of RMB7,155,000).

## GLOSSARY AND DEFINITIONS

“AGM”	annual general meeting of the Company to be held on June 6, 2024
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“CAGR”	compound annual growth rate
“cataract”	a condition involving the clouding or opacification of the natural lens. Cataract is most commonly caused by aging, but may also be caused by other reasons such as malnutrition, diabetes, trauma or radiation. The more opaque the lens the more the quality of vision is reduced. As a common treatment, clear artificial lenses may be implanted as a substitute for the natural lens to restore clear vision
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan
“Company” or “the Company”	Chaoju Eye Care Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands on May 19, 2020
“Directors”	director(s) of the Company
“East China”	an eastern region of China consisting of Hangzhou, Zhoushan and Zhejiang Province
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, an Independent Third Party

“glaucoma”	an eye condition usually caused by overly high intraocular pressure, which usually causes optic nerve atrophies and visual field defect
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group” or “the Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong” or “HK	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected (within the meaning of the Listing Rules) with any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Inner Mongolia”	the Inner Mongolia Autonomous Region of the PRC, unless the context indicates otherwise
“in-patient services”	treatments of patients who are checked in at hospitals and are hospitalized overnight or for an extended period of time
“IPO Proceeds”	the proceeds obtained by the Company from the Global Offering
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market (GEM) of the Stock Exchange

“Model Code”	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“myopia”	a type of refractive error also known as nearsightedness, where the patient is unable to see distant objects clearly. Myopia is usually caused by a longer-than-normal eyeball or excessive refractive ability of the crystalline lens, which results in parallel lights focusing at a position before reaching the retina, thus forming a blurred spot when it reaches the retina
“North China”	a northern region of China consisting of Beijing, Tianjin, Hebei Province, Shanxi Province and Inner Mongolia
“ocular fundus”	the interior surface of the eye opposite the crystalline lens, including the retina, optic disc, macula and posterior pole
“ocular surface”	the interface between the functioning eye and the environment, including the outer layer of the cornea, the conjunctiva, and the margin of the eye lids
“oculoplastic”	restorative or reconstructive surgeries performed near or around the eye to correct deformations caused by trauma, illness or congenital causes
“ophthalmologist”	a medical doctor who specializes in eye and vision care
“out-patient services”	treatments of patients who are not checked-in at hospitals and stay at the hospital only for a short period of time (usually completed within the day)
“presbyopia”	an eye condition where the patient has difficulty seeing near items clearly due to declines in refractive abilities of the lens. Presbyopia is a result of the aging of the eye, as the lens loses its natural elasticity and therefore its ability to focus on near objects
“Prospectus”	the prospectus of the Company published on June 24, 2021
“Reporting Period”	the year ended December 31, 2023
“RMB” or “Renminbi”	the lawful currency of the PRC

“Scheme”	the share award scheme of the Company as adopted by the Board on May 10, 2022 and as amended from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of HK\$0.00025 each
“Shareholder(s)”	holder(s) of the Shares
“squint”	deviation of the eyes where there is an eye misalignment
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

By order of the Board of Directors  
**Chaoju Eye Care Holdings  
Limited**  
**ZHANG Bozhou**  
*Chairman*

Hong Kong, March 26, 2024

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. ZHANG Bozhou as the chairman and executive Director; Ms. ZHANG Xiaoli, Mr. ZHANG Junfeng and Mr. ZHANG Guangdi as executive Directors; Mr. Richard Chen MAO, Mr. LI Zhen and Ms. ZHANG Li as non-executive Directors; and Mr. HE Mingguang, Ms. GUO Hongyan, Mr. LI Jianbin and Mr. BAO Shan as independent non-executive Directors.*

\* The English translation of the Chinese names denoted in this announcement is for illustration purposes only. Should there be any inconsistencies, the Chinese name shall prevail.