EuroEyes International Eye Clinic Limited
德視佳國際眼科有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 1846

Annual Report
年度報告
2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr Jørn Slot Jørgensen
(Chairman and Chief Executive Officer)
Mr Marcus Huascar Bracklo
(Chief Financial Officer)
Mr Jannik Jonas Slot Jørgensen
Prof Dan Zoltan Reinstein

Independent Non-executive Directors

Mr Hans Helmuth Hennig
Ms Katherine Rong Xin
Mr Philip Duncan Wright

AUDIT COMMITTEE

Mr Philip Duncan Wright *(Chairman)*
Ms Katherine Rong Xin
Mr Hans Helmuth Hennig

REMUNERATION COMMITTEE

Mr Hans Helmuth Hennig *(Chairman)*
Dr Jørn Slot Jørgensen
Ms Katherine Rong Xin

NOMINATION COMMITTEE

Dr Jørn Slot Jørgensen *(Chairman)*
Mr Philip Duncan Wright
Ms Katherine Rong Xin

AUTHORISED REPRESENTATIVES

Mr Marcus Huascar Bracklo
Ms Rosenna Ho

COMPANY SECRETARY

Ms Rosenna Ho

CORPORATE HEADQUARTERS

Valentinskamp 90
20355 Hamburg
Germany

REGISTERED ADDRESS

4/F, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3rd Floor, Plaza 2000
2-4 Russell Street
Causeway Bay
Hong Kong S.A.R. of China

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
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 S.A.R. of China

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong S.A.R. of China

PRINCIPAL BANKS

(In Switzerland)
UBS Switzerland AG
Paradeplatz 6
CH-8001 Zürich

(In Germany)
Hamburger Sparkasse AG
Adolphsplatz 3
20457 Hamburg
Germany

Sydbank A/S Flensburg
Rathausplatz 11
24937 Flensburg
Germany

Deutsche Bank AG
Adolphsplatz 7
20457 Hamburg
Germany

(In the People's Republic of China)
Industrial and Commercial Bank of China Limited
Shanghai Jinmao Tower Sub-Branch
4C-11 J-life Jinmao Tower
88 Century Avenue
Pudong New Area, Shanghai
People's Republic of China

Bank of China Limited, Beijing Branch
Financial Center Sub-Branch
1/F, Winland International Finance Center
7 Financial Street
Xicheng District, Beijing
People's Republic of China

(In Hong Kong S.A.R. of China)
Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Central
Hong Kong S.A.R. of China

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong S.A.R. of China

China Everbright Bank
20/F, Everbright Centre
108 Gloucester Road
Wan Chai
Hong Kong S.A.R. of China

Bank Julius Baer & Co. Ltd.
40/F, Two Taikoo Place
979 King's Road, Quarry Bay
Hong Kong S.A.R. of China

LEGAL ADVISOR AS TO HONG KONG LAWS

TWSL Partners
Unit 1602, 16/F
COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong S.A.R. of China

COMPANY WEBSITE

www.euroeyes.com

STOCK CODE

01846

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published financial statements, is set out as below:

	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Result					
Revenue	**796,041**	715,682	714,289	610,291	632,931
Gross profit	**324,332**	286,593	335,521	270,844	312,545
Profit for the year	**56,633**	84,359	133,254	83,518	132,384
Profit attributable to owners of the Company	**54,450**	82,285	131,242	89,472	133,560
Gross profit margin (%)	**40.7**	40.0	47.0	44.4	49.4
Net profit margin (%)	**7.1**	11.8	18.7	13.7	20.9
Earnings per share					
basic	**17.028**	24.929	39.544	26.958	40.673
diluted	**17.026**	24.915	39.501	26.927	40.577
Assets and liabilities					
Total assets	**1,952,235**	1,599,435	1,753,598	1,541,040	1,369,022
Total liabilities	**(667,778)**	(473,721)	(588,090)	(497,947)	(328,545)
Equity					
Equity attributable to the owners of the Company	**1,249,699**	1,092,965	1,134,776	1,014,266	1,005,552
Non-controlling interests	**34,758**	32,749	30,732	28,827	34,925
Total Equity	**1,284,457**	1,125,714	1,165,508	1,043,093	1,040,477

The above published results and statement of asset and liabilities have been prepared on a consistent basis.

Dear Shareholders,

On behalf of the Board of Directors of EuroEyes International Eye Clinic Limited, I am pleased to present the annual report of the Company and its subsidiaries for the financial year ended 31 December 2025.

Since our founding in 1993 with a single clinic in Hamburg, Germany, we have remained focused exclusively on refractive surgery, addressing myopia and presbyopia. This clear strategic focus has enabled us to build a leading position in a highly specialized and attractive segment of ophthalmology, particularly in presbyopia, which today represents the majority of our business and is a key long-term growth driver.

EXPANDED FOOTPRINT AND STRATEGIC EXECUTION

Following our listing in Hong Kong in 2019, we have taken a disciplined approach to deploying capital raised at IPO, prioritizing greenfield investments in major cities such as London and Hong Kong as well as high-quality M&A opportunities that align with our strategy and return requirements.

In 2025, we made significant progress on this front through two strategic transactions.

In Switzerland, we completed the acquisition of a platform consisting of eight clinics on 13 October 2025. Switzerland represents an attractive market for premium refractive services, with favorable competitive dynamics and strong patient demand. Following the acquisition, we have successfully begun integrating and rebranding the clinics under the EuroEyes platform. The turnaround is progressing as planned, and we expect the business to reach EBITDA breakeven by mid-FY2026.

CHAIRMAN'S STATEMENT

In addition, we signed an agreement to acquire FYEO in the Netherlands, a leading and well-established refractive surgery provider with 13 clinics and a strong brand. The transaction is subject to shareholder approval and is expected to close by mid-FY2026. We intend to retain the FYEO brand as a sub-brand, leveraging its strong local recognition while benefiting from the broader EuroEyes platform. Further details will be provided in the forthcoming circular to shareholders.

With these two transactions, we have now fully deployed the capital raised at IPO in line with our strategy, significantly strengthening our position as the leading presbyopia platform in Europe.

STRONG OPERATING PERFORMANCE

I am pleased to report that EuroEyes achieved another record level of revenue in 2025. All regions contributed to growth, reflecting resilient demand and continued progress in our core markets.

Germany and the United Kingdom were the primary growth drivers, both delivering double-digit revenue increases, supported by strong demand for presbyopia treatments. Denmark also delivered steady growth, supported by enhanced digital marketing capabilities.

In China, while the myopia segment remains highly competitive, our presbyopia business continued to grow and differentiate our offering. As the first foreign refractive clinic operator to enter China in 2013, we have established a leading position in presbyopia, and we remain confident in the long-term potential of this market.

Overall, our performance reflects the strength of our focused strategy, the resilience of demand for premium vision correction, and the increasing importance of presbyopia as a structural growth driver.

OUTLOOK AND FUTURE OPPORTUNITIES

Looking ahead to 2026 and beyond, our priorities are clear.

We will focus on the successful integration and optimization of our Switzerland operations and the completion and integration of the FYEO acquisition. Together, these initiatives are expected to enhance our scale, strengthen our market position, and contribute to earnings growth as the Swiss business reaches breakeven.

At the same time, we see significant opportunities for organic growth. With current capacity utilization at relatively low levels, we have substantial room to increase throughput and revenue without requiring meaningful additional capital expenditure. This provides a strong foundation for both growth and margin expansion.

Geographically, Europe remains a key expansion focus, with further opportunities for both greenfield development and selective acquisitions in markets where we are not yet present. In parallel, we continue to evaluate medium-term opportunities in other regions, including the United States, while maintaining a disciplined and selective approach.

We also remain open to additional M&A opportunities that meet our strategic and financial criteria.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to our management team and all employees for their dedication, professionalism, and commitment over the past year. Despite a challenging macroeconomic and geopolitical environment, their efforts have enabled us to deliver high-quality care to our patients and to continue executing our strategy.

I would also like to thank our shareholders, partners, and stakeholders for their continued trust and support.

We look forward to building on this momentum and delivering sustainable long-term value.

Yours sincerely,
Dr Jørn Slot Jørgensen
31 March 2026

BUSINESS REVIEW

Highlights

EuroEyes International Eye Clinic Limited (the "Company" and its subsidiaries, collectively, the "Group") is pleased to report encouraging signs of recovery in the fiscal year 2025, despite some ongoing challenges. For the 12 months ended 31 December 2025 (the "Fiscal Year" or the "Reporting Period"), the Group achieved a record total revenue of HK$796.0 million, marking an 11.2% increase compared to the previous year. As the European market leader in presbyopia treatment, the Group continued to benefit from rising demand in this area, driving significant revenue growth in its lens exchange and Presbyond segments. Revenue from these segments reached HK$448.8 million and HK$33.2 million, reflecting year-over-year increases of 14.8% and 26.1%, respectively. The proportion of revenue from presbyopia treatments also rose to 61.2%, up from 58.8% last year. Additionally, the Group observed a resurgence in demand for myopia treatments, particularly in Germany and the UK, which further contributed to the revenue growth during the Fiscal Year.

The Group has successfully executed its mergers and acquisitions ("M&A") strategy, completing one add-on acquisition in Switzerland (the "Swiss Acquisition") during the Fiscal Year and pursuing a strategic acquisition in the Netherlands (the "NL Acquisition"), which was announced in February 2026. The Swiss Acquisition was closed in mid-October 2025, and its financial results have been consolidated into the Group from that point onward. The NL Acquisition, given its scale, is awaiting approval from the shareholders of the Company (the "Shareholders"), expected later during the 12 months ending 31 December 2026 (the "FY2026"). For more details on the Swiss Acquisition and the NL Acquisition, please refer to the sections headed "Significant Investments and Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures" and "Important Events since the year ended 31 December 2025" in this annual report.

Group Financial Performance

In the Fiscal Year, the Group achieved a revenue increase for the seventh consecutive time since going public, reaching another record high of HK$796.0 million compared to HK$715.7 million in 2024. Excluding the contribution from the Swiss Acquisition, organic revenue increased by 9.6% year-over-year, reaching HK$784.2 million. Gross profit rose by 13.2% to HK$324.3 million from 2024. The gross profit margin stood at 40.7% as compared to 40.0% last year. Excluding the impact of the Swiss Acquisition, the organic gross profit increased by 12.9% to HK$323.4 million, with organic gross profit margin reaching 41.2%. During the Fiscal Year, the Group successfully conducted 28,109 procedures, an increase from 27,045 procedures performed in the previous year.

The Group's earnings before interest, tax, depreciation, and amortisation ("EBITDA") increased by 6.3% year-over-year, reaching HK$242.3 million. Excluding the effects of the Swiss Acquisition, EBITDA grew by 10.6% to HK$252.2 million organically. The EBITDA margin experienced a slight decline to 30.4% from 31.9% last year; however, on an organic basis without the Swiss Acquisition, the margin improved to 32.2%. Net profit attributable to the Company's equity holders decreased by 33.8% year-on-year to HK$54.5 million. Excluding the impact of the Swiss Acquisition, the organic net profit attributable to equity holders declined by 11.9% to HK$72.5 million. This reduction in the organic net profit was primarily due to an unrealized foreign exchange loss arising from the mark-to-market revaluation of certain Euros ("EUR") denominated intercompany payables due to the appreciation of the EUR against the Renminbi ("RMB"). It should be noted that this loss is non-cash and remains unrealized.

Performance by Geographic Regions

In Germany, total revenue for the Fiscal Year reached HK$426.8 million, reflecting a 10.8% increase compared to the previous year. Germany accounted for 53.6% of the Group's total revenue, a slight decrease from 53.9% in 2024. The strong growth was primarily driven by increased demand for presbyopia treatments. Revenue from lens exchange surgery and Presbyond surgery in Germany rose to HK$248.8 million and HK$7.3 million, representing year-on-year growth of 12.2% and 102.8%, respectively. Additionally, the Group observed a positive resurgence in demand for myopia treatments, with revenue from refractive laser surgery increasing by 8.7% year-over-year to HK$117.9 million.

In China, macroeconomic challenges persisted throughout the Fiscal Year, and consumer confidence remained subdued. Despite these conditions, the Group achieved a steady year-on-year revenue growth of 0.5%, increasing the region's sales to HK$146.1 million. This accounted for 18.4% of the Group's total revenue, slightly down from 20.3% in 2024. Notably, even amid a difficult economic environment, the Group saw significant growth in presbyopia treatments, including lens exchange and Presbyond surgeries. Revenue from lens exchange procedures increased by 8.2% year-over-year, reaching a new record of HK$96.9 million, while revenue from Presbyond surgeries surged by 228.9% to HK$4.1 million. This strong performance in the presbyopia segment helped to counterbalance the challenges encountered in China's highly competitive myopia market.

The UK operation continued to be a key driver of the Group's growth during the Fiscal Year. The flagship clinic in Knightsbridge, London renowned for lens exchange surgeries, benefited from strong demand for presbyopia treatments. Meanwhile, the London Vision Clinic ("LVC") experienced a renewed increase in demand for myopia treatments. Both clinics contributed to UK's total revenue reaching HK$134.5 million, representing an 18.7% year-over-year increase. The UK now accounts for 16.9% of the Group's total revenue, up from 15.8% in 2024. Growth was observed across both the presbyopia and myopia segments. Within the presbyopia segment, revenue from lens exchange surgeries rose by 104.8% year-over-year to HK$27.7 million, while revenue from Presbyond surgeries increased by 2.7% to HK$26.1 million. In the myopia segment, revenue from refractive laser surgeries grew 5.0% year-over-year to HK$57.2 million, and revenue from ICL surgeries increased by 35.1% to HK$8.2 million.

In Denmark, the Group's new marketing initiatives contributed to a strong recovery, resulting in a 7.1% year-over-year increase in annual revenue, reaching HK$76.8 million. Approximately 93.3% of sales in Denmark were generated from lens exchange surgeries, which experienced an 8.5% growth compared to the previous year. Denmark accounted for 9.6% of the Group's total revenue.

As a result of the Swiss Acquisition completed on 13 October 2025, and the subsequent consolidation of its financial statements into the Group's financial statements, the operation in Switzerland now represents 1.5% of the Group's total revenue, amounting to HK$11.8 million. The operations under the Swiss Acquisition were rebranded as the Company's operations on closing, effectively a relaunch of the business. With eight clinics across Switzerland, the Group now offers high-end myopia treatments and innovative presbyopia solutions. The Group has significantly streamlined operations and implemented a new marketing strategy to drive growth. The impact of these initiatives is anticipated to materialize by mid-FY2026.

Performance by Type of Surgeries

Lens exchange surgery

Lens exchange surgery accounted for 56.4% of the Group's total revenue, up from 54.6% last year. During the Fiscal Year, revenue from lens exchange procedures, mainly involving trifocal lenses for presbyopia correction increased by 14.8% compared to the previous year, reaching a record HK$448.8 million. This robust growth was driven by the aging populations across the countries where the Group operates. As part of the natural aging process, surgery offers the most effective solution for replacing reading glasses, resulting in steady demand for presbyopia correction treatments that remain strong even in challenging economic environments.

Presbyond Laser Blended Vision

In addition to offering lens exchange surgery, the Group also provides Presbyond, a refractive laser treatment for presbyopia. Developed by Dr. Dan Reinstein, an executive Director and the founder of LVC, this innovative procedure was made available to the Group's international patients in Germany and the PRC beginning in 2023. Presbyond now accounts for 4.8% of the Group's total revenue, an increase from 4.2% last year, contributing HK$38.2 million to the Group's earnings for the Fiscal Year, marking a 26.1% growth compared to the previous year.

By combining these two treatments, the presbyopia segment represented 61.2% of the Group's total revenue, amounting to HK$487.0 million, compared to HK$421.1 million in the previous year.

Refractive laser surgery

Refractive laser surgery accounted for 25.4% of the Group's total revenue, slightly down from 26.5% in the previous year. Revenue from this segment increased by 6.6% year-over-year, reaching HK$202.3 million for the Fiscal Year. The Group observed signs of recovery in the myopia correction market, particularly in Germany and the UK. However, the refractive laser market in China continues to face intense competition, with consumer confidence remaining cautious.

Phakic lens (ICL) surgery

ICL surgery accounted for 9.0% of the Group's total revenue, down from 10.5% from last year. The revenue from performing ICL surgery declined 4.9% year-over-year to HK$71.7 million.

OUTLOOK AND FUTURE STRATEGIES

The Group remains cautiously optimistic that the positive recovery trends observed in the Fiscal Year will continue into FY2026, subject to market conditions and integration progress.

Following the completion of the Swiss Acquisition and the NL Acquisition, the Group will focus on the integration of the newly acquired operations in Switzerland and the Netherlands, with a view to enhancing operational efficiency and realising synergies.

The Group reiterates the three-year growth guidance previously announced, targeting a low to mid-teens compound annual growth rate in revenue, a high-teens compound annual growth rate in EBITDA, and a low-twenties compound annual growth rate in organic net profit through the financial year ending 31 December 2028.

Such targets are based on the Group's current business plans and assumptions and may be subject to change depending on market conditions and other factors. The Group's growth is expected to be driven by three key factors as set out below:

Growth Pillar #1: Enhance market leadership in presbyopia treatments

As the market leader in presbyopia treatments, the Group has been recognized by Carl Zeiss for the ninth consecutive year as one of the clinics performing the highest number of trifocal lens implants. With the introduction of Presbyond Laser Blended Vision, the Group now offers one of the most comprehensive ranges of presbyopia treatment options available. This positions the Group well to meet the growing demand for presbyopia correction driven by an aging population.

Growth Pillar #2: Improve existing clinics utilization rate

Fixed costs, including equipment depreciation and employee expenses, represent a substantial part of the Group's total cost structure. Consequently, once a new clinic achieves its breakeven point, any additional revenue will directly enhance the Group's profitability. Moreover, by improving the utilization rates of existing clinics, the Group can achieve significant growth in net profit without incurring further capital expenditures.

Growth Pillar #3: Integrate newly acquired operations

The Group has successfully executed its M&A strategy by completing the Swiss Acquisition and negotiating the NL Acquisition during the Fiscal Year. The Swiss Acquisition, completed in mid-October 2025, aims to introduce advanced myopia and innovative presbyopia treatments to the market. The Swiss operations are anticipated to achieve a turnaround within FY2026. Meanwhile, the NL Acquisition is currently awaiting Shareholder approval. Once approved, the NL Acquisition is projected to be consolidated into the Group's financial statements in the second half of FY2026, significantly enhancing the Group's scale and profitability.

Regarding other M&A opportunities, the Group remains actively open to exploring suitable prospects as they become available.

FINANCIAL REVIEW

1. Revenue

The Group is a high-end vision correction service provider in Germany, PRC, the UK, Denmark, and Switzerland. The Group's vision correction services include refractive laser surgery (which includes ReLEx SMILE, Femto LASIK and Presbyond®), phakic lens surgery (ICL), lens exchange surgery (which includes monofocal and trifocal lens exchange surgery) and others (which includes PRK/LASEK and ICRS implantation). The following table sets forth the Group's revenue by product category during the years indicated:

	For the 12 months ended 31 December			
	2025	% of total revenue	2024	% of total revenue
	HK$'000		HK$'000	
Provision of vision correction services	**788,731**	**99.1%**	710,875	99.3%
Training services	**5,701**	**0.7%**	3,613	0.5%
Sales of pharmaceutical products	**106**	**0.0%**	51	0.0%
Others	**1,503**	**0.2%**	1,143	0.2%
Total	**796,041**	**100.0%**	715,682	100.0%

The Group's total revenue for the Fiscal Year was HK$796.0 million, representing a year-on-year increase of 11.2%, which was mainly due to a robust growth of lens exchange surgeries for presbyopia treatment in all regions.

The Group's revenue was generated from Germany, PRC, the UK, Denmark and Switzerland. As of 31 March, 2026, the Group had a total of 42 clinics and consultation centres worldwide. The following table sets forth the Group's revenue by geographical locations during the years indicated:

	For the 12 months ended 31 December			
	2025		2024	
	HK$'000	% of total revenue	HK$'000	% of total revenue
Germany	**426,788**	**53.6%**	385,195	53.9%
China	**146,140**	**18.4%**	145,468	20.3%
UK	**134,534**	**16.9%**	113,381	15.8%
Denmark	**76,752**	**9.6%**	71,638	10.0%
Switzerland	**11,827**	**1.5%**	–	–
Total	**796,041**	**100.0%**	715,682	100.0%

For the Fiscal Year, the Group generated 53.6% of its revenue from Germany, 18.4% from China, 16.9% from the UK, 9.6% from Denmark, and 1.5% from Switzerland.

2. Cost of Revenue

For the Fiscal Year, the largest cost of revenue incurred continued to be employee benefit expenses, representing 25.8% of the Group's total revenue as compared to 26.6% in 2024, followed by depreciation of property, plant and equipment, representing 12.5% as compared to 12.2% in 2024 of the Group's total revenue.

	For the 12 months ended 31 December		
	2025	2024	Change
	HK$'000	HK$'000	%
Employee benefit expenses	**205,523**	190,622	7.8%
Depreciation of property, plant and equipment	**99,592**	87,583	13.7%
Raw materials and consumables	**95,526**	89,242	7.0%
Doctor's fee	**8,875**	4,994	77.7%
Others[(1)]	**62,193**	56,648	9.8%
Total	**471,709**	429,089	9.9%

Note:

(1) Others mainly included clinic, office and consumption expenses, transportation costs, repair and maintenance, electricity and other utility expenses, etc.

The total cost of revenue of the Group for the Fiscal Year amounted to HK$471.7 million, representing an increase of 9.9% compared to 2024. The increase was primarily attributable to the increase in employee benefit expenses and depreciation of property, plant and equipment.

3. Gross Profit and Gross Profit Margin

The following table sets forth the Group's gross profit and gross profit margin for the years indicated:

	For the 12 months ended 31 December		
	2025	2024	Change
	HK$'000	HK$'000	%
Revenue	**796,041**	715,682	11.2%
Cost of revenue	**(471,709)**	(429,089)	9.9%
Gross profit	**324,332**	286,593	13.2%
Gross profit margin	**40.7%**	40.0%	0.7 ppt

The gross profit of the Group for the Fiscal Year increased by 13.2% compared to 2024 with a gross profit margin of 40.7%.

4. Selling Expenses

The Group's selling expenses for the Fiscal Year amounted to approximately HK$96.7 million, representing an increase of 19.7% as compared to 2024, mainly due to an increase in advertising and marketing expenditure and depreciation of property, plant and equipment. For the Fiscal Year, the selling expenses amounted to 12.1% of the Group's total revenue as compared to last year's 11.3%.

	For the 12 months ended 31 December		
	2025	2024	Change
	HK$'000	HK$'000	%
Advertising and marketing expenditure	**69,565**	58,121	19.7%
Employee benefit expenses	**13,312**	11,807	12.7%
Depreciation of property, plant and equipment	**7,593**	5,764	31.7%
Others	**6,223**	5,078	22.5%
Total	**96,693**	80,770	19.7%

5. Administrative Expenses

The administrative expenses of the Group for the Fiscal Year amounted to approximately HK$112.6 million, representing a decrease of 2.7% as compared to 2024. For the Fiscal Year, the administrative expenses amounted to 14.1% of the Group's total revenue, down from 16.2% last year.

	For the 12 months ended 31 December		
	2025	2024	Change
	HK$'000	HK$'000	%
Employee benefit expenses	**47,812**	44,503	7.4%
Legal, consulting and other service fee	**17,546**	16,124	8.8%
Depreciation of property, plant and equipment	**14,638**	14,008	4.5%
Goodwill impairment	**–**	11,000	(100.0%)
Office and consumption expenses	**11,288**	10,021	12.6%
Others	**21,338**	20,050	6.4%
Total	**112,622**	115,706	(2.7%)

6. Finance Income and Expenses, Net

The Group's finance income decreased by approximately HK$13.1 million, or 49.5%, from approximately HK$26.5 million for the year ended 31 December 2024 to approximately HK$13.4 million for the year ended 31 December 2025. The decrease in net finance income was primarily due to the decline in interest rates on time deposits with EUR amount in 2025.

The Group's finance expenses increased by approximately HK$9.7 million, or 61.8%, from approximately HK$15.8 million for the year ended 31 December 2024 to approximately HK$25.5 million for the year ended 31 December 2025, which was primarily due to the increase in foreign exchange loss which arose from the changes in foreign currency exchange rates.

7. Borrowings

As at 31 December 2025, the Group had outstanding borrowings of approximately HK$0.3 million (2024: approximately HK$0.9 million), which shall be repaid within one year. The borrowings are related to the overdraft cash in bank.

As at 31 December 2025, the borrowings were denominated in Great British Pound ("GBP" or "£") and EUR (2024: GBP).

8. Foreign Exchange Risk

The subsidiaries of the Group primarily operates in Germany, Denmark, UK, China (including Hong Kong) and Switzerland, with most of the transactions settled in EUR, Danish Krone ("DKK"), GBP, RMB, Hong Kong dollar ("HK$"), and Swiss Franc ("CHF"), respectively. Foreign exchange risk arises when recognised financial assets and liabilities are denominated in a currency that is not the Group entities' functional currency. As at 31 December 2025 and 2024, the financial assets and liabilities of the subsidiaries of the Group in Germany, Denmark, UK, China (including Hong Kong), and Switzerland are primarily denominated in EUR, DKK, GBP, RMB, HK$, and CHF, respectively, which are their respective functional currencies.

As at 31 December 2025 and 2024, foreign currency exposure of these financial assets and liabilities does not have material impact on the operating results of the Group. Management believes that the foreign exchange risk is immaterial. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates. The Group will constantly review the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures in the future, as may be necessary.

9. Charges on Group Assets

As at 31 December 2025, the Group had no charges on Group assets (as at 31 December 2024: Nil).

10. Capital Commitments

As at 31 December 2025, the Group had no significant capital commitments (as at 31 December 2024: Nil).

11. Contingent Liabilities

The Group has no material contingent liabilities as at 31 December 2025 (as at 31 December 2024: Nil).

12. Significant Investments and Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Swiss Acquisition

On 2 September 2025 (after trading hours), EuroEyes Switzerland AG ("EuroEyes Swiss"), a wholly-owned subsidiary of the Company as purchaser, the Company as guarantor and betterview AG ("Betterview Swiss") as vendor entered into the Swiss asset sale and purchase agreement (the "Swiss Agreement"), pursuant to which EuroEyes Swiss agreed to purchase, and Betterview Swiss agreed to sell, the following assets for the consideration in the aggregate amount of approximately CHF12,010,000 (equivalent to approximately HK$117,029,043) (the "Swiss Consideration"):–

(i) seven medical clinics for refractive surgery located in Zurich, Bern, Basel, St. Gallen, Lugano, Lausanne, and Geneva;

(ii) a surgery theatre in Zurich for refractive surgery treatments; and

(iii) certain headquarter assets pursuant to the Swiss Agreement, which shall include relevant (a) commercial contracts, client contracts, employment contracts, rental contracts and past patient agreements (except those agreed to be remained with Betterview Swiss); (b) leasehold improvements, furniture and fixtures, office equipment, medical machinery/production equipment, tools, computer hardware and software; (c) intellectual property rights; (d) customers data; (e) personnel files, technical, operational and marketing records, manuals and handbooks; and (f) obligations under the contracts mentioned in (a) above but excluding those past patient agreements agreed to be remained with Betterview Swiss.

On 13 October 2025, all the conditions precedent of the Swiss Agreement has been satisfied, and the Swiss Agreement was completed in accordance with the terms and conditions therein. Upon the completion of the Swiss Acquisition, the financial information of Betterview Swiss was included into the consolidated financial statements of the Company. For more details of the Swiss Acquisition, please refer to the announcements of the Company dated 2 September 2025 and 30 January 2026.

UK Acquisition

On 2 September 2025 (after trading hours), EuroEyes London Knightsbridge Ltd ("EuroEyes UK"), a wholly-owned subsidiary of the Company as purchaser and Betterview Britain Ltd ("Betterview UK") as vendor entered into the UK asset sale and purchase agreement (the "UK Agreement"), pursuant to which EuroEyes UK agreed to purchase, and Betterview UK agreed to sell, certain assets, which are the property, assets and rights of Betterview UK, (which is the business of ophthalmological services including but not limited to laser treatments and retractive surgery) (the "UK Acquisition"). The consideration in the aggregate amount of CHF200,000 (equivalent to approximately GBP184,420 and HK$1,948,860) was agreed after arm's length negotiations between EuroEyes UK and Betterview UK. Upon the completion of the UK Acquisition, it is expected that the financial information of Betterview UK would be included into the consolidated financial statements of the Group. For further details of the UK Acquisition, please refer to the announcements of the Company dated 2 September 2025 and 30 January 2026.

As at the date of this annual report, the UK Acquisition has not been completed. The Company will continue to keep Shareholders and investors updated on the completion of the UK Acquisition through announcement(s) to be issued from time to time.

Save as disclosed above, there were no significant investments held, other material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the year ended 31 December 2025.

13. Plans for Material Investments or Capital Assets

Save as disclosed in the prospectus of the Company dated 30 September 2019 (the "Prospectus"), (i) the capital commitment in relation to the addition of property, plant and equipment; (ii) the acquisition of FreeVis GmbH as disclosed in the announcements of the Company dated 18 and 21 August 2023; and (iii) the Swiss Acquisition and the UK Acquisition as disclosed in the announcements of the Company dated 2 September 2025 and 30 January 2026, which will be funded by the proceeds from the Company's global offering, the Group did not have other plans for material investments or capital assets as at 31 December 2025.

Further, reference is made to the announcement of the Company dated 26 February 2026 in respect of the NL Acquisition. As disclosed, the maximum consideration would be funded in the following manner, (i) as to approximately HK$391 million by means of internal resources of the Group; (ii) as to approximately HK$691 million by means of bank borrowings; and (iii) as to approximately HK$152 million by means of proceeds from the subscription. Accordingly, the Group expects to utilise its internal resources, financing facilities and subscription proceeds to finance the NL Acquisition in accordance with its capital allocation plan. Save as disclosed above, the Group does not have any other plans for material investments or capital assets as at the date of this annual report.

14. Liquidity and Capital Resources

The liquidity requirements of the Company are primarily attributable to the working capital for the Group's business operations. For the year ended 31 December 2025, the principal source of liquidity of the Company was cash generated from the business operations of the Group and proceeds from the global offering. As at 31 December 2025, the Group had cash and cash equivalents of approximately HK$695.5 million. As at 31 December 2025, the cash and cash equivalents were denominated in EUR, CHF, RMB, GBP, HK$, DKK, and USD, respectively. For more details, please refer to note 21 of the consolidated financial statements in this annual report.

The Group's current ratio (calculated as current assets over current liabilities) was approximately 2.8 as at 31 December 2025 (2024: approximately 4.7).

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as long-term borrowings divided by the total capital. The total capital is calculated as equity as shown in the consolidated statement of financial position plus long-term borrowings. The Group did not have long-term borrowing as at 31 December 2025 and 2024.

There were no material changes in the funding and treasury policy of the Group for the year ended 31 December 2025.

15. Use of Net Proceeds from the Global Offering

On 15 October 2019, the shares of the Company were listed on the Main Board of the Stock Exchange. In connection with the listing, the Company issued 91,234,000 shares at a price of HK$7.50. The aggregate net proceeds from the Company's global offering (after deducting underwriting fees and expenses) amounted to approximately HK$660.66 million, which will be used for (i) establishing clinics in major cities in the PRC, including Chengdu and Chongqing; (ii) potential acquisition of clinic groups in Europe; (iii) expansion of marketing efforts; and (iv) working capital and general corporate purposes.

The net proceeds from the Company's global offering (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilised in the same manner, proportion and expected timeframe as set out in the Prospectus under the section headed "Future Plans and Use of Proceeds". The table below sets out the planned applications of the net proceeds and actual usage up to 31 December 2025:

Use of net proceeds	Percentage of the net proceeds (%)	Planned application (HK$'000)	Actual usage up to 31 December 2025 (HK$'000)	Unutilised net proceeds as at 31 December 2025 (HK$'000)	Expected timeline for fully utilising the unutilised amount (Note 1)
For establishing clinics in major cities in the PRC	40.0	264,266	198,265	66,001	By 31 December 2026
For potential acquisition of clinic groups in Europe	33.0	218,019	218,019	–	By 31 December 2026
For the expansion of marketing efforts	17.0	112,313	19,152	93,161	By 31 December 2026
Working capital and general corporate purposes	10.0	66,066	1,503	64,563	By 31 December 2026
	100.0	660,664	436,939	223,725	

Note:

1. The expected timeline for utilisation of the unutilised proceeds disclosed above is based on the best estimation from the Board with latest information as at the date of this annual report.

PROFILE OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

BOARD OF DIRECTORS

As at the date of this annual report, the board (the "Board") of directors (the "Directors" and each a "Director") consisted of seven Directors including four executive Directors and three independent non-executive Directors.

EXECUTIVE DIRECTORS

Dr Jørn Slot Jørgensen ("Dr Jørgensen"), aged 71, is the chairman of the Board, executive Director and chief executive officer of the Company and is the chairman of the nomination committee of the Board (the "Nomination Committee") and a member of the remuneration committee of the Board (the "Remuneration Committee"). He was appointed as a Director on 13 August 2018 and subsequently re-designated as an executive Director, and appointed as chairman of the Board, on 25 March 2019. He is a founder of the Group and is mainly responsible for formulating its overall development strategies and business plans and overseeing the management and strategic development of the Group. He is also a director of several subsidiaries of the Company.

Dr Jørgensen has over 30 years of experience of practice as an ophthalmologist. Prior to founding the Group, he practiced medicine in clinics and hospitals (both private and public) between 1987 and 1991.

The table below sets out Dr Jørgensen's major engagements in various professional associations and organisations:

Membership/Position	Associations/Organisations	Period
Member	European Society of Cataract and Refractive Surgeons	April 2010 – March 2022
Member	Professional Association of German Ophthalmologists (BVA)	Since 1992
Member of the board, vice president and president	Association of Specialty Clinics for Eye Laser and Refractive Surgery (VSDAR)	Since 2004
Active Member	International Intra-Ocular Implant Club (IIIC)	Since October 2021

Dr Jørgensen has received numerous awards and recognitions for his achievement, including (i) the "Hans-Sautter-Laureate" awarded by the Vereinigung Norddeutscher Augenärzte in 1987; (ii) inclusion into the "Best Doctors List" under the category of "Experts for Refractive and Cataract Surgery" in "FOCUS", a German magazine from 2012 to 2019; (iii) "Germany's Excellent Doctors 2022" for Refractive Surgery, awarded by the publication of the STERN special issue "Gute Ärzte für mich" (Good Doctors for Me); (iv) the STERN cooperates for the list "Germany's excellent doctors" with the independent Munich research institute Munich Inquire Media GmbH (MINQ), which has been compiling lists of doctors and clinics since 2010; and (v) recognised as the surgeon to implant most of Zeiss AT LISA® trifocal intraocular lens (IOL) around the world.

Dr Jørgensen passed his medical examination at Odense University, Denmark in July 1974. He was a registrar at the University Medical Centre Hamburg-Eppendorf in Germany from 1982 to 1986 and he had undertaken intensive training in refractive laser surgery at the Neumann Eye Institute in Deland, Florida in the United States in 1990.

Dr Jørgensen is the father of Mr Jannik Jonas Slot Jørgensen ("Mr Jørgensen"), who is an executive Director and vice president of the Company in Denmark.

Mr Marcus Huascar Bracklo, aged 61, is an executive Director and chief financial officer of the Company. Mr. Bracklo first joined the Group in July 2012 and was appointed a non-executive Director on 25 March 2019 and a member of the audit committee of the Board (the "Audit Committee"). Mr. Bracklo was redesignated from a non-executive Director to an executive Director with effect from 14 September 2025 and he ceased to be a member of the Audit Committee on 14 September 2025. He is primarily responsible for advising on strategy and business development of the Group. Mr. Bracklo has over 25 years of experience in the healthcare sector, specialising in corporate finance, accounting and mergers and acquisitions. From October 1987 to August 1998, he worked at Price Waterhouse, currently known as PricewaterhouseCoopers and was admitted to partnership in June 1997. In October 1998, he was admitted to the partnership of Arthur Andersen as their head of healthcare in Europe during which he was primarily responsible for cross-border mergers and acquisitions in the healthcare industry. From December 2001 to September 2007, he was a managing director of the investment bank, Sal. Oppenheim. Jr. & Cie. AG & Co. KgaA and a member of their investment banking committee where he was primarily responsible for their investment banking business in the healthcare industry. He is a director of Baigo Capital GmbH, an advisory and investment firm specialising in the healthcare sector, which he founded in October 2008. He has also served as a non-executive chairman of Lohfert & Lohfert AG, a healthcare consultancy firm since January 2020.

Mr. Bracklo obtained his bachelor's degree in Economic Science from the University College London, the United Kingdom (the "UK") in August 1986. He obtained his master's degree in Economic Science from the London School of Economics, the UK in November 1987. He became a chartered accountant in the UK in 1990 and was appointed a public auditor (Wirtschaftsprüfer) in Germany in January 1995.

Mr Jannik Jonas Slot Jørgensen, aged 34, is an executive Director and vice president of the Company in Denmark. He joined the Group in March 2012 and was appointed an executive Director on 25 March 2019, and is primarily responsible for supervising and overseeing the business development and marketing of the Group's business in Denmark and the People's Republic of China ("PRC" or "China"). He is also a director of several subsidiaries of the Company.

Prior to joining the Group, Mr Jørgensen interned and worked in the ophthalmological and marketing sectors on a part-time basis. He was an intern at the Group's eye clinic in Copenhagen, Denmark from January to July 2011, and was also an intern at Moorfields Eye Hospital in London, United Kingdom from August to December 2011. Since February 2014, he has been a marketing manager of the Group's marketing department in the PRC. From May to July 2015, he interned at the ophthalmology department at Instituto Zaldivar, an ophthalmological centre in Mendoza and Buenos Aires, Argentina. From May to July 2017, he interned in the emergency department of Tygerberg Hospital in Cape Town, South Africa. He was a marketing manager overseeing the marketing department of the Group's eye clinics in the PRC from April to August 2017 and he also acted as a marketing director of EuroEyes Hong Kong Co. Limited from 2019 to 2020. From August 2018 to February 2019, he was a resident doctor at the department of abdominal surgery at Randers Hospital in Denmark. Since December 2020, he has been working at the department of ophthalmology at the Charite in Berlin, Germany, where he is finishing his specialization in the field of medical and surgical ophthalmology.

Mr Jørgensen obtained a Bachelor's degree in Human Medicine at Aarhus University in Denmark in January 2015. He further obtained a Master's degree in Human Medicine at Aarhus University, Denmark in June 2018.

Mr Jørgensen is the son of Dr Jørgensen, the chairman, executive Director, chief executive officer and controlling shareholder of the Company.

Prof Dan Zoltan Reinstein, aged 63, is an executive Director of the Company. He was appointed an executive Director on 8 July 2022.

Prof Reinstein has been a director of London Vision Clinic Partners Limited ("LVCPL") and London Vision Clinic Training Limited ("LVCTL"), which are indirect wholly-owned subsidiaries of the Company.

Prof Reinstein is the founder and has been Medical Director of London Vision Clinic Limited since 2002 and has been the Lead Refractive Surgery Consultant for Carl Zeiss Meditec since 2001. He has been a professor at Columbia University Irving Medical Center, New York, USA since 2010, a professor at Ulster University, the UK since 2015 and a professor at Sorbonne University, France since 1999. Prof Reinstein has garnered worldwide reputation for his inventions and major contributions to the refractive surgery field, including the invention of the PRESBYOND® Laser Blended Vision treatment as commercialized by Carl Zeiss Meditec for reading vision in ageing eyes (presbyopia) which is designed to treat patients from the age of 40 years old, who have developed presbyopia (decreased ability to read up close). PRESBYOND® provides an additional method of treating younger patients with presbyopia by a LASIK procedure, which avoids the need to perform surgery inside the eye to replace the natural lens.

Prof Reinstein is also a bioengineering pioneer, inventor and developer in the field of layered corneal mapping and imaging and biometry. In 1991, he was the first to map the epithelium of the cornea having developed very high-frequency digital ultrasound scanning technology at Cornell University, USA, for this purpose and which is now commercially available world-wide as the ArcScan Insight 100 robotic scanner. His Insight 100 technology, as well as more recent optical coherence tomography (OCT) devices enable superior diagnostic capabilities to improve the safety and accuracy of both laser corneal and Implantable Collamer Lens (ICL) surgery. Application of his patented biometric technologies has resulted in major contributions to the clinical and scientific development of both LASIK and SMILE. His authoritative textbook "The Surgeon's Guide to SMILE" was published in April 2018. Prof Reinstein is an editor for the Therapeutic Refractive Surgery section of the Journal of Refractive Surgery and has published over 206 peer-reviewed papers, a majority in the area of corneal imaging and biometry with OCT and very high-frequency digital ultrasound scanning using the Artemis Insight 100 technology, which he coinvented while at Cornell University in the early 1990s. He has developed a novel formula that enhances the safety of the ICL based on Insight 100 robotic scanning. Prof Reinstein is amongst the most scientifically published clinician scientists in the field of corneal laser surgery as well as being recognized as one of the leading surgeons in Therapeutic Refractive Surgery.

Prof Reinstein graduated in 1989 from the University of Cambridge School of Clinical Medicine, UK. He was awarded the Waring Medal in 2006, the Kritzinger Award in 2013, the American Academy of Ophthalmology Lifetime Achievement Award in 2020, the United Kingdom and Ireland Society of Cataract and Refractive Surgery Lifetime Achievement Award in 2023, and Barraquer Award from the International Society of Refractive Surgery in 2025.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Hans Helmuth Hennig, aged 68, was appointed as an independent non-executive Director on 25 March 2019 and is the chairman of the Remuneration Committee and a member of the Audit Committee. He is mainly responsible for providing independent judgment to bear on policy, performance, accountability, key appointments and standard of conduct of the Group. Mr Hennig worked with Jebsen & Co. Ltd. ("Jebsen"), a privately-held marketing, distribution and investment company established in Greater China, from September 1983 to May 2020. In May 1990, Mr Hennig was promoted to the role of General Manager-Corporate Development of Jebsen where he was responsible for developing the business strategy of the Group. He was then further appointed as a director of the board of directors of Jebsen in January 1994. In January 1997, Mr Hennig became group deputy managing director of Jebsen up until March 2000, with his last position as group managing director of Jebsen, where he was responsible for the overall business operations, strategies and development of Jebsen.

Mr Hennig graduated with his Danish Studentereksamen (high school diploma equivalent) from Deutsches Gymnasium für Nordschleswig, Aabenraa, Denmark in June 1977. He further completed the thirty-fifth executive development program at the executive development centre of the College of Commerce and Business Administration of the University of Illinois at Urbana-Champaign in the United States in June 1987. Mr Hennig was appointed as a guest professor by Jilin University, the PRC in June 2012.

Ms Katherine Rong Xin, aged 62, was appointed as an independent non-executive Director on 12 April 2021 and is a member of both of the Remuneration Committee and the Nomination Committee. Ms. Xin was appointed as a member of the Audit Committee with effect from 14 September 2025. She is mainly responsible for supervising and providing independent advice to the Board.

Ms. Xin has been a professor of management since September 2001 and Associate Dean since 2011 at the China Europe International Business School (中歐國際工商學院). From August 2006 to December 2009, Ms. Xin worked as a professor of management at the International Institute for Management Development in Lausanne, Switzerland . She worked as an associate professor of management at The Hong Kong University of Science and Technology from September 1999 to August 2001. From September 1995 to August 1999, she served as an assistant professor of management at the University of Southern California. She is currently an independent non-executive director of Horizon Robotics (a company listed on the Main Board of the Stock Exchange, stock code: 9660), Landsea Green Life Service Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1965), and Kingdee International Software Group Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 268), respectively.

Ms. Xin was awarded the Chinese Most Cited Researchers by Elsevier, a global provider of scientific, technical, and medical information, for consecutive years from 2014 till now.

Ms. Xin graduated from Anhui University (安徽大學) in July 1984 with a bachelor's degree in English. She received a master's degree in applied linguistics from Graduate University of Chinese Academy of Sciences (中國科學院研究生院) in July 1986, and a master's degree in business administration (MBA) from California State University in June 1991. She obtained a doctor's degree in business administration from the University of California in June 1995.

Mr Philip Duncan Wright, aged 72, was appointed as an independent non-executive Director on 25 March 2019 and is the chairman of the Audit Committee and a member of the Nomination Committee. He is mainly responsible for financial oversight and supervising and providing independent advice to the Board.

Mr Wright has more than 40 years of experience in the fields of accounting and finance. He has been a member of the Institute of Chartered Accountants in England and Wales since January 1979. He was formerly a partner of PW from July 1987 to June 1998 and of PwC from July 1998 to December 2011. During his time with PW and PwC, Mr Wright had experience in corporate finance and recovery, as well as assurance and audit matters, which included preparing and reviewing the financial statements of public bodies and companies regularly. During his time with PW in Germany, he served as partner in charge of corporate finance and recovery from August 1990 to August 1994, and partner in charge of Berlin from July 1993 to August 1994 and partner in charge of business development for assurance and audit of PW Europe from September 1994 to June 1998. At PwC, he served as partner in charge of corporate finance and recovery in Europe, Middle East and Africa from July 1998 to September 2000, partner in charge of global corporate finance and recovery as well as a member of the Global Executive of PwC from October 2000 to October 2003. From November 2003, Mr Wright became a global relationship partner of PwC UK and was the chairman of their non-executive director program up until December 2011 when he retired from the partnership of PwC.

Mr Wright has vast experience in assuming public and charitable roles which have included several positions in various public bodies in the public health sector. He served as a non-executive director of the National Health Service ("NHS") London (Strategic Health Authority) from October 2009 to July 2010. Thereafter, he assumed the positions of non-executive director and the chair of the audit committee of Barts and the London NHS Trust from November 2010 to March 2012 and then assumed the same positions in Barts Health NHS Trust, from April 2012 to March 2015. From April 2015 to August 2015, Mr Wright served as acting chairman of Barts Health NHS Trust. He was also a trustee and director of The Common Purpose Charitable Trust, a charity and social enterprise based in the United Kingdom which is engaged in leadership management from May 2007 to January 2018. Mr Wright was a council member of Goldsmiths College, University of London, from March 2012 to August 2017 and the chairman of their audit committee from September 2013 to August 2017. From February 2009 to October 2015, Mr Wright was also the chairman and director of Digital Theatre.com Limited, a company which is engaged in the online media sector.

Mr Wright has been a non-executive director and chair of the audit committee of Allia Limited, a communal benefit society, since October 2012 and is since October 2024 the senior independent director. He is also a non-executive director and the chairman of the audit committee of Retail Charity Bonds Plc, which is a listed bond company that helps charitable organisations to raise unsecured loan finance since March 2014, In October 2021, he became a non-executive director of Ureco Limited, a UK property company and in December 2021 he became a non-executive director and chairman of Digby Fine Wines, a producer of English sparkling wine.

The major duties of the audit committees of the public bodies and companies named above include, among other things, reviewing financial statements and management response to the findings of internal and external auditors; monitoring and ensuring the effectiveness of the risk management, internal control and governance arrangements.

Mr Wright obtained his Bachelor of Arts degree from Christ Church of the University of Oxford in the United Kingdom in July 1975 and was conferred a Master of Arts degree from the same university in May 1980.

SENIOR MANAGEMENT

Dr Jørn Slot Jørgensen, aged 71, is the chief executive officer of the Company. He is also the founder of the Group and is mainly responsible for formulating the overall development strategies and business plans and overseeing the management and strategic development of the Group. For more information, see the paragraph headed "– Executive Directors – Dr Jørn Slot Jørgensen" in this section.

Prof Dr Michael Christian Knorz, aged 67, is the Chief Medical Officer of the Company. He has worked with the Group since July 2015 and is primarily responsible for supervising and overseeing the Group's medical operations worldwide. Prof Knorz also serves as medical director and managing director of FreeVis LASIK Zentrum Mannheim (Germany), a EuroEyes clinic acquired in 2023. In addition, he serves as the Group's consulting surgeon in the PRC and has been a member of the Group's international medical advisory board since October 2017. Prof Knorz is a full-time employee of the Group since 2023 and has previously worked with the Group as a freelancer with a contract for service.

From September 1988 to December 1998, Prof Knorz served as the vice chairman of the university eye department of the Medical Faculty Mannheim of the University of Heidelberg, Germany. From 1998 to 2004, he was the chairman and is currently the secretary to the Commission of Refractive Laser Surgery (KRC), a commission that imposes standards on refractive laser surgery and certification of refractive laser surgeons in Germany. Prof Knorz has been a professor of Ophthalmology at the Medical Faculty in Mannheim of the University of Heidelberg, Germany since February 2000. Prof Knorz has also been a senior associate editor of the Journal of Refractive Surgery (JRS) since July 2007 and was also a chairman of the editorial board of Ocular Surgery News, Europe Edition from September 2005 to September 2007.

Prof Knorz is/was also involved in various professional associations and organisations and the table below sets out his major engagements:

Membership/Position	Associations/Organisations	Period
Member	American Academy of Ophthalmology	Since June 1988
Member	American Society of Cataract and Refractive Surgery	Since June 1998
Member	European Society of Cataract and Refractive Surgery	May 2000 – September 2016
Member	German Ophthalmological Society (DOG)	Since September 1988
Honorary Member	South African Society of Cataract and Refractive Surgery	Since June 2006
Member	Asia-Pacific Association of Cataract and Refractive Surgeons (APACRS)	Since May 1999
Executive director	International Intra-Ocular Implant Club (IIIC)	Since September 2010
Co-founder, board member and past president	Association of Specialty Clinics for Eye Laser and Refractive Surgery (VSDAR)	Since January 2010

Prof Knorz completed his medical studies at the Medical School in Homburg of University of Saarland, Germany from October 1977 to September 1979, and at the Medical Faculty in Mannheim of University of Heidelberg, Germany from October 1979 to September 1983. He received his medical degree from the Land Baden-Württemberg, Regierungspräsidium Stuttgart, Germany in October 1983. Prof Knorz received his board certification as an ophthalmologist in September 1988 after he completed his residency at the department of ophthalmology of the St. Vincentius Eye Hospital in Karlsruhe, Germany from July 1984 to December 1987 and at the university eye department of the Medical Faculty Mannheim of the University of Heidelberg, Germany from January 1988 to September 1988.

Mr Keith Nicholas McKay, aged 57, is the senior vice president of operations (Germany) of the Company. He joined the Group in March 2005 and is primarily responsible for supervising and overseeing the Group's operations in Germany.

Mr McKay has 22 years of experience in providing optometric services. He undertook a practical semester at the General Optical Council at David Clulow (now known as Optico Opticians) in the United Kingdom from July 1995 to November 1995. From April 1998 to December 2002, he was the director of Euro-Optix Limited, a company providing optometric services in the United Kingdom. From July 2004 to January 2005, Mr McKay had worked as a self-employed optometrist in different clinics in the United Kingdom. Since February 2005, he has also been the clinic manager of EuroEyes ALZ City Hamburg GmbH, a subsidiary of the Company, being primarily responsible for the provision of optometric services and managerial duties.

In May 1991, Mr McKay obtained his Bachelor of Optometry from the University of Durban-Westville (now known as the University of KwaZulu-Natal) in South Africa. He was registered as an optometrist with the South African Medical and Dental Council in February 1991. He passed the examinations of the College in Ophthalmic Optics in the United Kingdom in February 1996 and became a member of the College of Optometrists in the United Kingdom. In February 1996, he further became a registered optician of the General Optical Council in the United Kingdom. Mr McKay obtained his European Diploma in Optometry from the European Council of Optometry and Optics in October 2004.

Dr Lars Jannik Boberg-Ans, aged 69, is senior vice president of the Company in Denmark. He joined the Group in September 1997 and is primarily responsible for supervising and overseeing the overall operations of the Group's business in Denmark. He is also a director and the chief executive officer of EUROEYES ApS, a wholly-owned subsidiary of the Company.

Dr Boberg-Ans has 32 years of experience in ophthalmology. From January 1989 to January 1990, Dr Boberg-Ans was the scientific secretary of the Danish Ophthalmological Society, and he was also their board member from January 1989 to December 1993. From January 1993 to September 2004, he was a specialist consultant and the head of the eye department (administrerende overlage) of Roskilde County Hospital in Denmark. He also founded Skodsborg Eye Clinic in Denmark in September 1994.

From 1986 to 2000, Dr Boberg-Ans authored/co-authored articles, which were published in renowned scientific publications in relation to ophthalmic development, such as *"Glaucoma"*, "*Ophthalmic Surgery & Lasers*" and "*European Journal of Implant and Refractive Surgery*". From 1983 to the present, he has attended congresses and courses in relation to ophthalmic development. Since 2000, he has participated in eye expeditions targeted at cataract surgeries in countries which included the PRC, Myanmar and Nepal. Besides that, he has also participated in humanitarian missions in many countries, including China, Lesotho, Tanzania, Peru, Dominican Republic, etc. Dr Boberg-Ans was awarded an honorary award for his work helping blindness in the world by the Danish organization in 2022 and an honorary price from the National Danish Medical Doctors Association in 2023.

Dr Boberg-Ans obtained his Master in Medicine degree from the Faculty of Health Sciences of the University of Copenhagen, Denmark in June 1981. He completed the Educational Commission for Foreign Medical Graduates examination in Copenhagen, Denmark in July 1981. He was recognised as a specialist in Ophthalmology by the National Board of Health in Denmark in January 1991. In September 1998, Dr Boberg-Ans also passed the ESCRS Refractive Surgery Diploma Certificate Course from the European Society of Cataract and Refractive Surgeons. In January 2002, he registered with the General Medical Council in the United Kingdom as a medical practitioner with speciality in Ophthalmology. Since February 2004, he has been qualified to practice as a doctor in Hamburg, Germany.

Mr Jannik Jonas Slot Jørgensen, aged 34, is vice president of the Company in Denmark. He joined the Group in March 2012 and is primarily responsible for supervising and overseeing the business development and marketing of the business. For more information, please see the paragraph headed "– Executive Directors – Mr Jannik Jonas Slot Jørgensen" in this section.

Ms Yan Wang (alias Jenny Wang), aged 56, is the vice president of the Company in China. Ms Wang joined the Group in August 2014, and is primarily responsible for supervising and overseeing the overall operations of the Group's business in the PRC.

Ms Wang is experienced in the fields of finance, accounting and tax management. From June 1998 to February 2000, she worked as a financial accountant at Commerzbank AG in Shanghai, where she was primarily responsible for reporting on PRC operations to the German group. She also worked from June 2000 to December 2002 as a senior consultant at Fiducia Management Consulting, a corporate management consultancy firm in Shanghai, where she was primarily responsible for providing accounting and tax advices and headhunt services to German companies operating in the PRC. From January 2002 to July 2004, she worked at Einhell Germany AG in Landau Isar of Germany as a vice general manager and commercial director, and she was primarily responsible for advising on finance, accounting, tax and human resources matters.

Ms Wang obtained a Bachelor's degree in International Economics and Trade from the Shanghai International Studies University (上海外國語大學), the PRC in July 1992 and was accredited as a business economist in Accounting and Finance by the University of Applied Sciences in Cologne, Germany, in December 1997.

COMPANY SECRETARY

Ms Rosenna Ho, aged 42, is the company secretary of the Company (the "**Company Secretary"**). She was appointed as Company Secretary on 30 April 2020 and is also a director of several subsidiaries of the Company.

Ms. Ho has over 10 years of experience in compliance and listed company secretarial practice.

Ms. Ho obtained her Master's degree in Professional Accounting and Corporate Governance from City University of Hong Kong and she is a fellow member of both the Hong Kong Chartered Governance Institute (formerly known as Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute in the United Kingdom.

The Board is pleased to present the report of the Directors and audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the provision of vision correction services in Germany, Denmark, the United Kingdom of Great Britain and Northern Ireland (the "UK"), the People's Republic of China (the "Chinese Mainland" or the "PRC") including Hong Kong S.A.R. of the PRC ("Hong Kong"), and Switzerland.

An analysis of the Group's performance for the year ended 31 December 2025 by geographical segment is set out in note 5 to the consolidated financial statements of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated financial statements on pages 120 to 200 of this annual report.

The Board recommend the payment of final dividend of HK$0.0126 per ordinary share for the year ended 31 December 2025, in total amounting to approximately HK$4,041,000. The proposed final dividend is subject to the approval of the relevant resolution at the forthcoming annual general meeting of the Company.

The Board confirms that all dividend decisions made were made in accordance with the Dividend Policy. The Board also confirms that there is no material variation in the dividend rate compared to that of the previous corresponding year.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"). The Board would consider, inter alia, the following factors before declaring or recommending dividend to the shareholders of the Company (the "Shareholders"):

1. Declaration of dividend is subject to the discretion of the Board, taking into consideration among others, the following factors:

    (a) financial results of the Company;

    (b) interest of the shareholders of the Company (the "Shareholders");

    (c) general business conditions, strategies and future expansion needs of the Company;

    (d) the Company's capital requirements;

    (e) the payment of cash dividends to the Company from its subsidiaries;

    (f) possible effects on liquidity and financial position of the Company;

    (g) the amount of profit that can be distributed under applicable accounting standards and other factors that the Board may deem relevant and appropriate;

    (h) any relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and applicable laws, rules and regulations and the memorandum of association of the Company and articles of association of the Company (the "Articles");

(i) general market conditions; and

(j) any other factors that the Board may consider relevant and appropriate.

2. Subject to the Companies Act of the Cayman Islands and the Articles, the Company in general meeting may declare dividends in any currency with respect to shares of the Company on a per share basis but no dividends shall exceed the amount recommended by the Board.

3. The Board may, subject to the Articles, from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company.

4. No dividend shall be declared or paid or shall be made otherwise than in accordance with the Companies Act of the Cayman Islands.

5. No dividend shall be declared or paid or shall be made otherwise than in accordance with the Companies Act of the Cayman Islands.

6. Any amendments to this Dividend Policy must be approved by the Board.

To the best knowledge of the Directors, there has been no arrangement under which a Shareholder has waived or agreed to waive any dividends. The Board will review the Dividend Policy, as appropriate, which will include an assessment of the effectiveness of the Dividend Policy and approve any amendments thereto if necessary.

BUSINESS REVIEW

A fair review of the Group's business for the year and an indication of the likely future development in the Group's business are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 5 to 6 and 7 to 18 of this annual report respectively. A discussion and analysis of the Group's performance during the year using certain financial key performance indicators are set out in the section headed "Five-Year Financial Summary" on pages 4 of this annual report.

OUTLOOK AND FUTURE STRATEGIES

Macro uncertainties are expected to persist in the first half of 2025; however, the Group is cautiously optimistic about the upcoming year. It believes that with the Group's growth pillars, along with its global portfolio, will enable it to tackle challenges and exceed market performance in the medium term. By 2028, the Group is confident its organic compound annual growth rate (CAGR) for revenue will be in the low to mid-teens, while the organic EBITDA CAGR will reach the high teens, and its net profit organic CAGR will be in the high-teens to low-twenties. Additionally, the Group will actively seek suitable merger and acquisition (M&A) opportunities, which are expected to significantly enhance its organic growth over the next two to three years.

PRINCIPAL RISKS AND UNCERTAINTIES

Based on the risk management and internal control systems adopted by the Company, the following highlights some of the principal risks that affect the Group's business and the corresponding mitigation strategies adopted by the Group:

Concentrated senior management personnel

The Group's success depends on the continuous services of its management team and other key employees. If the Group loses the services of one or more of these key management personnel, it may not be able to replace them easily or immediately, and may incur additional expenses to recruit and train new personnel. The Group has implemented various measures to mitigate the risk arising from concentrated senior management personnel. These include maintaining a formal succession plan for key management positions, enhancing cross-training and knowledge transfer among senior staff, and documenting critical business processes to reduce reliance on any single individual. The Group also adopts structured retention initiatives, including competitive remuneration and performance-based incentives, to encourage the continued service of key management personnel.

Financial instability affecting demand for vision correction services

The Group's operation and growth depend on various macroeconomic factors which could be out of its control, such as the occurrence of any economic downturn in the respective markets where the Group operates, which may lead to loss of customers who may be less willing to pay for the Group's premium services. The Group has implemented several measures to mitigate the risk of financial instability impacting demand for its premium vision correction services. The Group closely monitors macroeconomic indicators and customer spending trends, enabling proactive adjustments to marketing strategies and cost structures.

Inability to reduce operational costs

The Group's business and profitability may be affected by fluctuations in the prices of lenses, consumables, equipments and labour costs. As the price of these supplies fluctuates, the Group may have to adjust the price of its services from time to time to transfer the expected increase in such costs to its customers. However, there is no guarantee that the Group will be able to transfer all or any of the increased costs to its customers in a timely manner or at all. The Group mitigates the risk of inability to reduce operational costs from fluctuating prices of lenses, consumables, equipment, and labour through targeted measures. These include securing long-term supplier contracts for price stability, optimising inventory with just-in-time ordering, and cross-training staff to boost efficiency.

Exposure to reputational risks

The Group's success depends significantly on the recognition of its brand and reputation. The Group strives to provide quality services to its customers, but it cannot ensure that it will not be affected by factors which are out of its control. These may include incidental errors made by its staff, unexpected machine or equipment malfunction, shortage of its medical supplies, or the varying levels of effectiveness of pre-operative or post-operative care for different customers. As a result, the Group may face the risk of exposure to malpractice, or medical negligence or misconduct and claims on account of alleged deficiencies in the services it provided. The Group has implemented measures to mitigate reputational risks arising from potential service deficiencies, malpractice claims, or external factors beyond its control. These include rigorous staff training programs, regular equipment maintenance protocols, and quality assurance checks for medical supplies and patient care processes.

For more details about the Company's risk management and internal control systems, please refer to the section headed "Risk Management and Internal Control"on page 66 to 69 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises the importance of environmental affairs and believes that business development and environment affairs are highly related. The Group has implemented certain environmental protection measures to reduce the consumption of energy resources. These policies were supported by the Group's staff and were implemented effectively.

Discussion on the Group's environmental policies and performance are contained in the "Environmental, Social and Governance Report 2025" on pages 72 to 114 of this annual report.

Going forward, the Group will review its environmental practices from time to time, and will continue to promote environmental practises and social sustainability through various initiatives, consistent with its policies and the relevant laws and regulations.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out in Germany, Denmark, the UK, PRC, Hong Kong and Switzerland, while the Company is incorporated in the Cayman Islands with its shares listed on the Main Board of the Stock Exchange. During the year ended 31 December 2025 and to the best knowledge of the Directors, the Group's businesses were in compliance with the relevant laws and regulations in Germany, Denmark, the UK, the PRC, the Cayman Islands and Hong Kong in all material aspects.

RELATIONSHIP WITH KEY STAKEHOLDERS

The Group values its stakeholders and their feedback regarding its businesses and the environmental, social and governance (the "ESG") aspects. The Group maintains close communication with its key stakeholders, including but not limited to, the Stock Exchange, governments and regulatory authorities, the Shareholders and investors, employees, patients and customers, suppliers, media, the public and community.

STAFF

The Group's staff members are regarded as one of its most important assets. The Group has been endeavouring to provide its staff with a fair and harmonious workplace. The Group offers a competitive remuneration package and great opportunities for career advancement based on its employees' performance. The Group intends to grant share options and/or restricted share awards to outstanding employees to recognise and reward the employees who have contributed to the Group's development pursuant to the share schemes adopted by the Company. The Group also provides its staff with regular trainings to keep them abreast of the latest development of the Company and the industry, as well as medical related knowledge and skillsets.

CUSTOMERS

Professionalism and safety have always been the Group's paramount concerns in terms of the provision of services. The Group is committed to providing the best client experience to its patients. Meanwhile, the Group has a patient survey system to enhance its active solicitation of client feedback.

SUPPLIERS

Reliable and quality suppliers are of equal importance in ensuring the Group's provision of services with high standards of safety and professionalism. When selecting suppliers, the Group considers, among other factors, the suppliers' reputation, safety record, track record of performance, quality of goods supplied, price competitiveness, punctuality of delivery, relationship with the Group, completeness of certification and credentials provided, service quality and product offerings. The Group regularly reviews and assesses its suppliers' performance and their qualifications to ensure the quality of its suppliers and that such suppliers have obtained the licenses (if applicable).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and financial position of the Group is set out in the section headed "Five-Year Financial Summary" on pages 4 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Reporting Period are set out in note 13 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of the movements in the Company's share capital during the Reporting Period are set out in note 22 to the consolidated financial statements of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the reserves of the Company available for distribution to the Shareholders under the Companies Act of the Cayman Islands amounted to HK$1,088,249,000 (2024: HK$981,352,000).

Details of the reserves of the Company during the Reporting Period are set out in note 38(b) to the consolidated financial statements of this annual report.

CHARITABLE DONATIONS

During the year ended 31 December 2025, no charitable donations were made by the Group. However, the Group also supported charitable causes, details of which are set out in the "Environmental, Social and Governance Report 2025" on pages 72 to 114 of this annual report.

BORROWINGS

The Group's borrowings as at 31 December 2025 is set out in note 28 to the consolidated financial statements of this annual report.

SUBSIDIARIES

Particulars of the Company's subsidiaries for the year ended 31 December 2025 are set out in note 31 to the consolidated financial statements of this annual report.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

EMPLOYEES AND EMPLOYMENT POLICIES

Human resources are the linchpin of the Group. The Group attaches great importance to its employees' contribution and dedication to sustainable business development. Employment policies are formally documented, covering recruitment, compensations, remuneration, diversity and equal opportunities, etc. The Group periodically reviews existing policies and employment practices to ensure continuous improvement of its employment standards and competitiveness against other ophthalmic service providers.

As at 31 December 2025, the Group had 404 full-time employees. In addition, the Group also engages certain surgeons, conservative ophthalmologists and a member of the senior management via freelance arrangements.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong) and Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) of Hong Kong, Labour Law of the PRC and the Labour Contract Law of the PRC, German Civil Code of Germany and relevant collective agreements and statutes of Denmark.

EMOLUMENT POLICY

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remunerations of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The Group's emolument policy is designed to attract, retain and motivate talented individuals to contribute to the development and success of its business. The remunerations of the Directors are determined with reference to the economic situations, the market condition, the responsibilities and duties assured by each Director as well as their individual performance.

The Directors believe that the compensation packages offered by the Group to staff members are competitive in comparison with market standards and practices.

PENSION SCHEME

The Group principally participates in defined contribution plans and pension schemes. In Hong Kong, the Group participates in the Mandatory Provident Fund Scheme. Contributions at a fixed rate of 5% of the employee's relevant income, subject to a cap of monthly relevant income of HKD30,000 per employee, are made to the scheme and are vested immediately. The Group also operates several defined contribution retirement plans and pension schemes for its overseas subsidiaries and pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. Contributions to the schemes by the Group and employees are calculated at fixed percentages of employees' basic salaries or at agreed fixed amounts. Under the defined contribution scheme in some countries, where employees leave the scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group. During the Reporting Period, the Group did not have any contributions forfeited in accordance with the schemes' rules which have been applied towards the contributions payable by the Group. Details of the pension schemes undertaken by the Group are set out in note 8 to the consolidated financial statements of this annual report.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") on 23 September 2019 (the "Adoption Date") and it will be valid until 23 September 2029.

No share option has been granted by the Company under the Share Option Scheme since the commencement of listing of shares of the Company on 15 October 2019 (the "Listing Date") and up to the date of this annual report. The number of options available for grant under the Share Option Scheme at the beginning and the end of the year ended 31 December 2025 was 31,733,400 Shares, representing approximately 9.89% of the total number of Shares in issue as at the date of the annual report (excluding treasury shares). The number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the financial year ended 31 December 2025 divided by the weighted average number of issued Shares (excluding treasury shares) for the financial year ended 31 December 2025 is 0.0992. As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme is 31,733,400 Shares, representing approximately 9.89% of the total number of Shares in issue (excluding treasury shares) as at the date of this annual report.

A summary of the Share Option Scheme is set out below. Please refer to the Prospectus for more details of the Share Option Scheme.

(1) Purpose, duration and administration

The purposes of the Share Option Scheme are (i) to motivate the Eligible Persons (as defined in paragraph (2) below) to optimise their future contributions to the Group and/or to reward them for their past contributions; (ii) to attract and retain or otherwise maintain on-going relationships with the Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group; and (iii) in the case of Executives (as defined in paragraph (b) below), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The Share Option Scheme shall be valid and effective for the period commencing on the Adoption Date and expiring on the tenth anniversary thereof or such earlier date as the Share Option Scheme is terminated in accordance with the Share Option Scheme (the "Term"), after which period no further share options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Share options granted during the Term shall continue to be valid in accordance with their terms of grant after the end of the Term.

The Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the Share Option Scheme or its interpretation or effect shall (except as otherwise provided in the rules of the Share Option Scheme) be final and binding on all parties thereto. The Board has delegated its powers in relation to the Share Option Scheme to the Remuneration Committee pursuant to the terms of reference of such committee.

(2) Eligible Persons

The Board may, at its sole and absolute discretion, make an offer to grant Option(s) ("Share Option(s)") to subscribe for Shares pursuant to the Share Option Scheme to any Director or proposed Director (including an independent non-executive Director) of any member of the Group, any director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in, any member of the Group (an "Employee"), any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of the Group (an "Executive"), a consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group, a person or entity that provides advisory, consultancy, professional or other services to any member of the Group, or a close associate of any of the foregoing persons (together, the "Eligible Persons" and each an "Eligible Person").

(3) Determination of eligibility

(i) The Board may, at its sole and absolute discretion, make an offer to grant to any Eligible Person a Share Option to subscribe for Shares under the Share Option Scheme.

(ii) The basis of eligibility of any Eligible Person to the grant of any Share Option shall be determined by the Directors from time to time on the basis of his contributions to the development and growth of the Group.

(iii) For the avoidance of doubt, the grant of any options by the Company for the subscription of shares to any person who falls within the definition of Eligible Persons shall not, by itself, unless the Directors otherwise determine, be construed as a grant of share options under the Share Option Scheme.

(iv) An Eligible Person or grantee shall provide the Board such information and supporting evidence as the Board may, in its sole and absolute discretion, request from time to time (including, without limitation, before the offer of a grant of Share Option is made, at the time of acceptance of a grant of Share Option, and at the time of exercise of a Share Option) for the purpose of assessing and/or determining his eligibility or continuing eligibility as an Eligible Person and/or grantee or that of his close associates or for the purposes in connection with the terms of a share option (and the exercise thereof) or the Share Option Scheme and the administration thereof.

(4) Grant of Share Options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within the Term to offer the grant of any Share Option to any Eligible Person as the Board may in its sole and absolute discretion select, and on acceptance of the offer, grant such part of the Share Option as accepted to the Eligible Person.

Subject to the provisions of the Share Option Scheme, the Board may in its sole and absolute discretion determine whether any conditions, restrictions or limitations in relation to the grant of Share Option should be imposed, in addition to those set out in the Share Option Scheme (which shall be stated in the written notice containing the offer of the grant of the Share Option (the "Offer Letter")) including (without prejudice to the generality of the foregoing) continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the grantee, and the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period when the right to exercise the Share Option in respect of all or some of the shares which the Share Option relates shall vest.

An offer of the grant of a Share Option shall be deemed to have been accepted when the Company receives from the grantee duplicate Offer Letter duly executed by the grantee together with a remittance in favour of the Company of HKD10.00 (or such other amount in any other currency as may be determined by the Board) by way of consideration for the grant thereof within the period specified in the Offer Letter. Once such acceptance is made, the Share Option shall be deemed to have been granted and to have taken effect from the offer date.

(5) Vesting period

The Board may determine from time to time such vesting conditions or vesting periods for an option to be vested provided that such vesting conditions/vesting period is not inconsistent with the Share Option Scheme.

(6) Subscription price of shares

The subscription price in respect of any particular Share Option shall be such price as the Board may in its sole and absolute discretion determine at the time of grant of the relevant Share Option (and shall be stated in the letter containing the offer of the grant of the Share Option) but the subscription price shall not be less than whichever is the highest of:

(i) the nominal value of Share;

(ii) the closing price of Shares as Stated in the Stock Exchange's daily quotations sheet on the offer date; and

(iii) the average of the closing prices of Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date.

The subscription price shall also be subject to adjustment in accordance with the provisions under the Share Option Scheme.

(7) Exercise of Share Options

(a) A Share Option shall be exercised in whole or in part by the grantee according to the procedures for the exercise of Share Options established by the Company from time to time. Every exercise of a Share Option must be accompanied by a remittance for the full amount of the subscription price for the Shares to be issued upon exercise of such Share Option.

(b) A share option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Share Option or purport to do so (save that the grantee may nominate a nominee in whose name the shares issued pursuant to the Share Option may be registered). Any breach of the foregoing shall entitle the Company to cancel, revoke or terminate any outstanding Share Option or part thereof granted to such grantee without any compensation.

(c) Subject to any conditions, restrictions or limitations imposed in relation to the particular Share Option pursuant to the provisions of the Share Option Scheme and subject as hereinafter provided, a Share Option may be exercised at any time during the option period, provided that:

(i) if the grantee (being an individual) dies or becomes permanently disabled before exercising a Share Option (or exercising it in full), he (or his legal representative(s)) may exercise the Share Option up to the grantee's entitlement (to the extent not already exercised) within a period of 12 months following his death or permanent disability or such longer period as the Board may determine;

(ii) in the event of the grantee ceasing to be an Executive by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time, his Share Option (to the extent not exercised) shall be exercisable until the expiry of the relevant option period;

(iii) in the event of the grantee ceasing to be an Executive by reason of his/her transfer of employment to an affiliate company of the Company, his/her Share Option (to the extent not exercised) shall be exercisable until the expiry of the relevant option period unless the Board in its absolute discretion otherwise determines in which event the Share Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined;

(iv) in the event of the grantee ceasing to be an Executive by reason of transfer of employment to an affiliate company, the Share Option (to the extent not exercised) shall be exercisable until the expiry of the relevant option period unless the Board in its absolute discretion otherwise determines in which event the Share Option (or such remaining part thereof) shall be exercisable within such period as the Board may determine;

(v) in the event of the grantee ceasing to be an Executive by reason of the termination of his employment by resignation or culpable termination, the Share Option (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the grantee is notified of the termination of his employment (in the case of culpable termination) and not be exercisable unless the Board otherwise determines in which event the Share Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving that the Executive's Share Option has lapsed pursuant to this subparagraph shall be final and conclusive;

(vi) if a grantee being an executive Director ceases to be an Executive but remains a non-executive Director, his Share Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant option period unless the Board in its absolute discretion otherwise determines in which event the Share Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined, the Share Option (to the extent not already exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Board otherwise determines in which event the Share Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its sole and absolute discretion determine following the date of such cessation;

(vii) if (i) the Board in its absolute discretion at any time determines that a grantee has ceased to be an Eligible Person; or (ii) a grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Share Option or which were the basis on which the Share Option was granted, the Share Option (to the extent not already exercised) shall lapse on the date on which the grantee is notified thereof (in the case of (i)) or on the date on which the grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Board otherwise determines in which event the Share Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure/non-satisfaction/non-compliance. In the case of (i), a resolution of the Board resolving that the grantee's Share Option has lapsed pursuant to this subparagraph shall be final and conclusive;

(viii) if a grantee (being a corporation) (i) has a liquidator, provisional liquidator, receiver or any person carrying out any similar function appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the grantee; or (ii) has suspended or ceased or threatened to suspend or cease business; or (iii) is unable to pay its debts (within the meaning of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any similar provisions under the Companies Act of the Cayman Islands or any applicable law); or (iv) otherwise becomes insolvent; or (v) suffers a change in its constitution, directors, shareholding or management which in the opinion of the Board is material; or (vi) commits a breach of any contract entered into between the grantee or his associate and any member of the Group, the option (to the extent not already exercised) shall lapse on the date of appointment of the liquidator or receiver or other similar person or on the date of suspension or cessation of business or on the date when the grantee is deemed to be unable to pay its debts as aforesaid or on the date of notification by the Company that the said change in constitution, directors, shareholding or management is material or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Share Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its sole and absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the grantee's Share Option has lapsed pursuant to this sub-paragraph by reason of a breach of contract as aforesaid shall be final and conclusive;

(ix) if a grantee (being an individual) (i) is unable or has no reasonable prospect of being able to pay his debts within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or any other applicable law or has otherwise become insolvent; or (ii) has made any arrangements or compositions with his creditors generally; or (iii) has been convicted of any criminal offence involving his integrity or honesty; or (iv) commits a breach of any contract entered into between the grantee or his associate and any member of the Group, the Share Option (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Share Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its sole and absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the grantee's Share Option has lapsed pursuant to this sub-paragraph by reason of a breach of contract as aforesaid shall be final and conclusive;

(x) if a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of the Shareholders (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the Share Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;

(xi) in the event of an effective resolution being passed for the voluntary winding-up of the Company, and if the grantee immediately prior to such event had any subsisting Share Option which had not been fully exercised, the grantee may by notice in writing to the Company within one month after the date of such resolution elect to be treated as if the Share Option had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in such notice and shall accordingly be entitled to receive out of the assets available in the liquidation, pari passu with the shareholders, such sum as would have been received in respect of the shares the subject of such election reduced by an amount equal to the subscription price which would otherwise have been payable in respect thereof; and

(xii) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the grantees who have unexercised share options at the same time as it despatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his legal representatives or receiver) may until the expiry of the earlier of: (i) the option period; (ii) the period of two months from the date of such notice; and (iii) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his/her Share Option. Except insofar as exercised in accordance with this paragraph, all share options outstanding at the expiry of the relevant period referred to in this paragraph shall lapse. The Company may thereafter require each grantee to transfer or otherwise deal with the Shares issued on exercise of the Share Option to place the grantee in the same position as would have been the case had such shares been the subject of such compromise or arrangement, provided that in determining the entitlement of any grantee to exercise a Share Option at any particular date, the Board may in its absolute discretion relax or waive, in whole or in part, conditionally or unconditionally, any additional conditions, restrictions or limitations imposed in relation to the particular Share Option pursuant to the provisions of paragraph (d) above and/or deem the right to exercise the Share Option in respect of the shares the subject thereof to have been exercisable notwithstanding that according to the terms of the particular Share Option such right shall not have then vested.

(d) The Shares to be allotted upon the exercise of a Share Option shall be subject to the Articles and the laws of the Cayman Islands in force from time to time and shall rank pari passu in all respects with then existing fully-paid shares in issue on the allotment date, and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made on or after the allotment date, other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the allotment date. Subject as aforesaid, no grantee shall enjoy any of the rights of a shareholder by virtue of the grant of a Share Option pursuant to the Share Option Scheme.

(e) The Company is entitled to refuse any exercise of a Share Option if such exercise is not in accordance with the terms of the Share Option Scheme or the procedures for exercise of Share Option established by the Company from time to time or if such exercise may cause the Company to contravene or breach any laws, enactment or regulations for the time being in force in Hong Kong and the Cayman Islands or any other applicable jurisdiction or the Listing Rules or any rules governing the listing of the shares on a stock exchange.

(8) Lapse of Share Options

A Share Option or any part thereof shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of the occurrence of any of the following events unless otherwise waived (conditionally or unconditionally) by the Company:

(i) the expiry of the option period;

(ii) the expiry of any of the periods referred to in the provisions under the Share Option scheme;

(iii) the date of the commencement of the winding-up of the Company;

(iv) there is an unsatisfied judgment, order or award outstanding against the grantee or the Board has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong);

(v) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in the provisions under the Share Option scheme; or

(vi) a bankruptcy order has been made against any director or shareholder of the grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any Share Option, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

(9) Maximum number of Shares

The maximum number of Shares to be issued upon exercise of all share options which may be granted under the Share Option Scheme (and under any other share option schemes of the Company) shall not in aggregate exceed 31,733,400, representing 10% of the shares in issue (excluding treasury shares) immediately after completion of the global offering and as at the Listing Date (the "Scheme Mandate Limit"), provided that the Company may at any time as the Board may think fit seek approval from the Shareholders to refresh the scheme mandate limit, except that the maximum number of shares to be issued upon exercise of all share options which may be granted under the Share Option Scheme (and under any other share option schemes of the Company) shall not exceed 10% of the shares in issue (excluding treasury shares) as at the date of approval by the Shareholders in general meeting where such limit is refreshed. Share Options previously granted under the Share Option Scheme and any other share option schemes (including those outstanding, cancelled, and lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes or exercised options under the said schemes of the Company) shall not be counted for the purpose of calculating the limit as refreshed. The Company shall send a circular containing the information required under Chapter 17 of the Listing Rules to the Shareholders. In addition, the Company may seek separate approval from the Shareholders in general meeting for granting share options beyond the Scheme Mandate Limit, provided that the share options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specified by the Company before such approval is sought. The Company shall issue a circular to the Shareholders containing the information required under Chapter 17 of the Listing Rules accordingly.

Pursuant to the provisions under the Share Option Scheme, the maximum number of Shares to be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme (and under any other share option schemes of the Company) shall not exceed 30% of the shares in issue from time to time.

The maximum number of Shares issued and to be issued upon exercise of the share options granted to any one Eligible Person (including exercised and outstanding share options) in any 12-month period shall not exceed 1% of the Shares in issue (excluding treasury shares) from time to time. Where any further grant of share options to such Eligible Person would result in the Shares issued and to be issued upon exercise of all share options granted and which may be granted to such Eligible Person (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue (excluding treasury shares), such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his close associates (or his associates of such Eligible Person is a connected person) abstaining from voting.

(10) Maximum number of Shares per grantee who is a core connected person

Each grant of share options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates under the Share Option Scheme shall be approved by independent non-executive Directors (excluding the independent non-executive Director who is the proposed grantee of the share options). Where a grant of share options to a substantial Shareholder or an independent non-executive Director or any of their respective associates would result in the securities issued and to be issued upon exercise of all Share Options already granted and which may be granted (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(a) representing in aggregate over 0.1% of the shares in issue (excluding treasury shares); and

(b) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HKD5 million,

such further grant of share options must be approved by the Shareholders. The Company shall send a circular to the shareholders containing the information required under Chapter 17 of the Listing Rules. The relevant Eligible Person, his associates and all core connected persons of the Company shall abstain from voting at such general meeting. Any vote taken at the meeting to approve the grant of such share options must be taken on a poll.

(11) Remaining life of the Share Option Scheme

Approximately 3 years (valid until 23 September 2029).

RESTRICTED SHARE AWARD SCHEME

On 19 March 2020, the Board approved the adoption of the restricted share award scheme (the "Restricted Share Award Scheme") to incentivise skilled and experienced personnel, and to recognise the contributions of the eligible participants of the Group. The Restricted Share Award Scheme is valid and effective until the 10th anniversary of the date of adoption, being 19 March 2030 (approximately 5 years left for the remaining life of the Restricted Share Award Scheme). The Restricted Share Award Scheme is defined as a share scheme under Chapter 17 of the Listing Rules.

The purposes of the Restricted Share Award Scheme are to (i) attract skilled and experienced personnel to the Group; (ii) incentivise participants of the Restricted Share Award Scheme (the "Participants") to remain with the Group; and (iii) motivate Participants to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

The Participants include (i) any employee, any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group; (ii) a director or proposed director (including an independent non-executive director) of any member of the Group; (iii) a general staff of any member of the Group; and (iv) a person that provides advisory, consultancy, professional or other services to any member of the Group.

The Participants do not have any contingent interest in any Shares underlying the share awards granted in the Restricted Share Award Scheme (the "Share Awards") unless and until such Shares are actually transferred to the Participant. Further, the Participants may not exercise voting rights in respect of the Share Awards underlying the Restricted Share Award Scheme prior to their exercise and, unless otherwise specified by the Board in its entire discretion in the grant letter to the Participant, nor do they have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Share Awards underlying the Restricted Share Award Scheme.

The number of Share Awards available for grant under the Restricted Share Award Scheme as at 1 January 2025 was 30,412,481 and the number of Share Awards available for grant under the Restricted Share Award Scheme as at 31 December 2025 was 30,412,481. As at the date of this annual report, the total number of Share Awards available for issue under the Restricted Share Award Scheme is 30,412,481 Shares, representing approximately 9.48% of the total number of Shares in issue (excluding treasury shares) as at the date of this annual report. There is no restriction on maximum entitlement of each Participant under the Restricted Share Award Scheme as the Restricted Share Award Scheme only involves existing Shares of the Company. The Board may determine from time to time such vesting conditions or vesting periods for a Share Award to be vested. The purchase price of the Share Awards was the closing price of the date of grant.

A grant is accepted when the Company receives the letter of acceptance of such grant from the grantee duly executed by the grantee together with a remittance in favour of the Company of HKD10.00 (or such other amount in any other currency as may be determined by the Board) as valid consideration for the grant of the Share Award. Such remittance of the consideration is not refundable in any circumstances.

During the year ended 31 December 2025, no Share Awards have been granted by the Company under the Restricted Share Award Scheme. Details of the Share Awards outstanding at the beginning and the end of the year are set out under Note 25 to the condensed consolidated financial information of this report.

Details of the movements of the Share Awards under the Restricted Share Awards Scheme for the year ended 31 December 2025 are set out below:

	Date of grant (Notes 1 and 2)	Number of granted Share Awards	Vesting period	Purchase price (Note 3)	Number of Shares					Closing price immediately before vesting date
					Outstanding as at 1 January 2025	Granted during the year ended 31 December 2025	Cancelled during the year ended 31 December 2025 (Note 4)	Vested during the year ended 31 December 2025	Outstanding as at 31 December 2025	
Employees of the Group										
Employee Group A (2023)	13 January 2021	20,000	13 January 2021 to 13 January 2022	HKD9.70	20,000	–	–	–	20,000	–
	18 January 2022	20,000	18 January 2022 to 18 January 2023	HKD9.36	20,000	–	–	–	20,000	–
Subtotal:		40,000			40,000	0	0	0	40,000	
Total:		**40,000**			**40,000**	**0**	**0**	**0**	**40,000**	

Notes:

1. For the year ended 31 December 2025, no Share Awards were granted.

2. The fair value of the granted Share Awards was measured on the basis of an observable market price of the Shares on the date of grant.

3. The purchase price of the Share Awards was the closing price of the grant date.

4. No Share Awards were cancelled or lapsed during the year ended 31 December 2025.

5. There was no issuance of Shares under the Share Award Scheme, and hence, the data concerning the number of Shares that may be issued in respect of the Share Awards granted under the Share Award Scheme during the financial year divided by the weighted average number of Shares in issue for the year ended 31 December 2025 is not applicable herein.

PERMITTED INDEMNITY

Pursuant to the Articles, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such as they shall incur or sustain through their own fraud or dishonesty.

The Company has taken out and maintained appropriate liability insurance for the Directors during the Reporting Period as at 31 December 2025.

DIRECTORS

The Directors during the Reporting Period and up to the date this annual report are set out below:

Executive Directors

Dr Jørn Slot Jørgensen *(Chairman and Chief Executive Officer)*
Dr Markus Braun *(Chief Financial Officer) (resigned as executive Director and Chief Financial Officer on 14 September 2025)*
Mr Jannik Jonas Slot Jørgensen
Prof Dan Zoltan Reinstein

Non-executive Director

Mr Marcus Huascar Bracklo *(redesignated to executive Director and appointed as Chief Financial Officer on 14 September 2025)*

Independent non-executive Directors

Mr Hans Helmuth Hennig
Mr Philip Duncan Wright
Ms Katherine Rong Xin

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management of the Group are set out in the section headed "Profile of Directors, Senior Management and Company Secretary" on pages 19 to 26 of this annual report.

CHANGES IN INFORMATION OF DIRECTORS

Save as disclosed in this annual report, there has been no change in information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONFIRMATION OF INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company confirmed that it has received the annual confirmations of independence from each of the independent non-executive Directors, namely, Mr Hans Helmuth Hennig, Mr Philip Duncan Wright and Ms. Katherine Rong Xin, respectively in compliance with Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent in accordance with the relevant requirements of Rule 3.13 of the Listing Rules.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The remuneration paid to and/or entitled by each of the Directors and the five highest paid individuals for the year ended 31 December 2025 is set out in note 8 to the consolidated financial statements. No Director has waived or has agreed to waive any emoluments. No emoluments were paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the Reporting Period. No bonus was paid or receivable by the Directors or the five highest paid individuals which are based on performance during the Reporting Period.

DIRECTORS' SERVICE CONTRACTS OR LETTERS OF APPOINTMENT

No Director proposed for re-election at the forthcoming annual general meeting has a service contract or a letter of appointment with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

MANAGEMENT CONTRACTS

Save as disclosed in this annual report, no contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during the Reporting Period.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no Directors or their connected entities had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period and required to be disclosed under the Listing Rules and the Companies (Directors' Report) Regulation (Cap. 622D).

CONTRACTS OF SIGNIFICANCE

Save as disclosed in notes 8(d) and 36 to the consolidated financial statements and section headed "Related Party Transactions and Connected Transactions" below, no contract of significance (including the provision of services to the Group) in relation to the Group's business in which the Company, or any of its subsidiaries or a controlling shareholder of the Company was a party, and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of material related party transactions of the Group undertaken in the normal course of business are set out in note 36 to the consolidated financial statements. None of which is required to be disclosed under Rule 14A of the Listing Rules.

During the Reporting Period, the related party transactions as disclosed in notes 8(d) and 36 to the consolidated financial statements either did not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, or only constituted fully exempt connected transactions or continuing connected transactions by virtue of the de minimis exemption under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Reporting Period.

NON-COMPETITION UNDERTAKING

As disclosed in the Prospectus, pursuant to the non-competition undertakings set out in the deed of non-competition dated 23 September 2019, Dr Jørgensen, the controlling Shareholder, has undertaken to the Company (for itself and on behalf of its subsidiaries) that, amongst other things, he is not or will not, and will procure his close associates, to be interested, involved or engaged in or concerned with, directly or indirectly, any business which is in any respect in competition with or similar to or is likely to be in competition with the business of the Group during the period commencing from the Listing Date and ending on the occurrence of the earliest of the date on which (i) the shares of the Company cease to be listed on the Stock Exchange (except for the temporary trading halt or trading suspension of the shares of the Company on the Stock Exchange due to any reason); (ii) Dr Jørgensen and/or his close associates, individually or taken as a whole, ceases to hold, directly or indirectly, 30% or more of the then total issued share capital of the Company; or (iii) Dr Jørgensen and/or his close associates, jointly and severally, ceases to be considered as a controlling shareholder of the Company.

Dr Jørgensen has confirmed to the Company in relation to his compliance with the non-competition undertakings provided to the Company under the deed of non-competition.

The independent non-executive Directors have reviewed the implementation of the deed of non-competition and are of the view that Dr Jørgensen has complied with his undertakings given under the deed of non-competition during the Reporting Period. As at 31 December 2025, no new business opportunity has been notified by Dr Jørgensen.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDER

The Board believes that the Group is capable of carrying on its business independent of, and does not place undue reliance on, Dr Jørgensen or his respective close associates, taking into consideration the factors of financial independence, operational independence and management independence when the facts and reasons as disclosed in the Prospectus were applied to the Group during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and the chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (b) as recorded in the register kept by the Company pursuant to section 352 of the SFO or (c) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules (the "Model Code") were as follows:

Interests in shares and underlying shares or in an associated corporation of the Company

Name of Director/ Chief Executive	Capacity	Number of shares interested	Approximately percentage of the total issued share capital of the Company (Note 1)
Dr Jørgensen	Beneficial owner, interest in a controlled corporation and interest of spouse	184,901,100(L) (Note 2)	57.65%
Dr Markus Braun (Note 5)	Beneficial owner	283,000(L)	0.09%
Mr Jannik Jonas Slot Jørgensen	Beneficial owner	6,629,500(L)	2.07%
Prof Dan Zoltan Reinstein	Beneficial owner and interest of spouse	2,424,000(L) (Note 3)	0.76%
Mr Marcus Huascar Bracklo	Beneficial owner	928,000(L) (Note 4)	0.29%

Notes:

(L) denotes long position.

1. Total number of issued shares of the Company as at 31 December 2025 was 320,706,000.

2. Out of 184,901,100 shares that Dr Jørgensen was interested, 4,007,000 shares were held by EuroEyes Holding AG which is owned as to 100% by Dr Jørgensen and 379,100 shares were held by Dr Susanne Jørgensen, the spouse of Dr Jørgensen.

3. Out of 2,424,000 shares that Prof Dan Zoltan Reinstein was interested, 801,000 shares were held by Dr Ursula Inge Reinstein, the spouse of Prof Dan Zoltan Reinstein.

4. Out of 928,000 shares that Mr Marcus Huascar Bracklo was interested, 655,000 shares were held by Baigo Capital GmbH which is owned as to 100% by Mr Marcus Huascar Bracklo.

5. Dr Markus Braun resigned as executive Director with effect from 14 September 2025.

Save as disclosed above, as at 31 December 2025, so far as is known to any Directors or the chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the 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) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at 31 December 2025, other than interests disclosed above in respect of the Directors and the chief executive of the Company, the following persons had or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO as recorded in the register kept by the Company pursuant to section 336 of the SFO or who was, directly or indirectly, interested in 5% or more of the issued share capital of the Company.

Interests in shares and underlying shares of the Company

Name of substantial shareholders	**Capacity**	**Number of shares interested**	**Approximately percentage of the total issued share capital of the Company** (Note 1)
Dr Susanne Jørgensen	Beneficial owner and interest of spouse	184,901,100(L) (Note 2)	57.65%

Notes:

(L) denotes long position.

1. Total number of issued shares of the Company as at 31 December 2025 was 320,706,000.

2. Out of 184,901,100 shares that Dr Jørgensen was interested, 4,007,000 shares were held by EuroEyes Holding AG which is owned as to 100% by Dr Jørgensen and 379,100 shares were held by Dr Susanne Jørgensen. Dr Susanne Jørgensen is the spouse of Dr Jørgensen, and Dr Susanne Jørgensen was therefore deemed to be interested in the shares of the Company in which Dr Jørgensen was interested under Part XV of the SFO.

Save as disclosed above, as at 31 December 2025, the Directors have not been notified by any person (other than the Directors or the chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save and except for the Share Option Scheme, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE SHARES OF THE COMPANY

A. Repurchase of Shares pursuant to the general mandates granted by the Shareholders at the annual general meetings of the Company

Pursuant to the repurchase mandate granted by the Shareholders passed at the annual general meeting of the Company held on 6 June 2024 (the "2024 AGM"), regarding the repurchase of Shares not exceeding 10% of the total number of Shares in issue as at the date of 2024 AGM (i.e., 33,152,300 Shares) (the "2024 Repurchase Mandate"), the Board repurchased a total of 5,211,000 Shares on the Stock Exchange, representing approximately 1.57% of the total number of issued Shares (excluding treasury shares) as at the date of the 2024 AGM. The Directors believe that the repurchase of Shares reflects the Company's recognition of its own value and its confidence in the long-term prospects of the industry.

The following table sets out the particulars of the repurchase of Shares conducted by the Company pursuant to 2024 Repurchase Mandate during the Reporting Period.

Month of Repurchase	Number of Share(s) repurchased	Highest price per Share (HK$)	Lowest price per Share (HK$)	Aggregate consideration (before expenses) (HK$)
January 2025	5,211,000	3.85	3.29	18,331,120
Total	5,211,000	–	–	18,331,120

The Directors confirm that the Shares repurchased under the 2024 Repurchase Mandate during the Reporting Period have been cancelled on 28 February 2025. As at the year ended 31 December 2025, the Company does not hold any treasury shares.

Save as disclosed above, neither the Company or any of its subsidiaries (except purchased by the trustee in accordance with the Restricted Share Award Scheme) have purchased, sold or redeemed any Shares (including sale of treasury shares) for the year ended 31 December 2025.

B. Repurchase of Shares by the trustee pursuant to the Restricted Share Awards Scheme

For the year ended 31 December 2025, the trustee of the Restricted Share Award Scheme did not purchase any Shares on the Stock Exchange pursuant to the rules and the trust deed of the Restricted Share Award Scheme.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) for the year ended 31 December 2025.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors as at the date of this annual report, the Company has complied with the public float requirement under Rule 13.32B of the Listing Rules by maintaining not less than 25% of its total issued Shares (excluding treasury shares) being held by the public as at 31 December 2025. As at 31 December 2025, the percentage of the public float was 38.77%.

As at 31 December 2025, the total issued share capital of the Company amounted to USD3,207,060, comprising 320,706,000 ordinary shares of USD0.01 each. The Company has one class of shares in issue, which rank pari passu with each other in all respects.

For the purposes of the disclosure in this section, the terms "public", "core connected persons", "substantial shareholders" and "close associates" shall have the meanings ascribed to them under the Listing Rules. Set out below is the shareholding ownership structure of the Company as at 31 December 2025.

Shareholding Ownership as at 31 December 2025 (Note 1)

Group of Shareholders	Names	Number of Shares	Percentage of ownership of the Company's Shares (%) (Note 2)
(a) Shareholders who are not members of "the public" under the Listing Rules			
Directors and their close associates	Dr. Jørgensen Jørn Slot (Note 3)	184,901,100	57.65
	Mr. Jannik Jonas Slot Jørgensen	6,629,500	2.07
	Prof. Dan Zoltan Reinstein (Note 4)	2,424,000	0.76
	Mr. Marcus Huascar Bracklo (Note 5)	928,000	0.29
	Dr. Markus Braun (Note 6)	283,000	0.09
(b) Shareholders who are members of "the public" under the Listing Rules			
Trustee of the Restricted Share Award Scheme	BOCI Trustee (Hong Kong) Limited (Note 7)	1,203,861 (Note 8)	0.38
Public shareholders	–	124,336,539 (Note 9)	38.77
Total		**320,706,000**	**100.00**

Notes:

1. This table is compiled based on the information disclosed in the Disclosure of Interests notices (DI notices) filed under Part XV of the SFO and other relevant information received by the Company up to the date of this annual report and on the assumption that all such information disclosed in the DI notice or received by the Company is accurate and complete.

2. Percentage may not add up to the total due to rounding.

3. For further details, please refer to notes 2 under the section titled "Directors' and Chief Executives Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares" in this annual report.

4. For further details, please refer to note 3 under the section titled "Directors' and Chief Executives Interests and Short Positions in Shares, Underlying Shares and Debentures" in this annual report.

5. For further details, please refer to note 4 under the section titled "Directors' and Chief Executives Interests and Short Positions in Shares, Underlying Shares and Debentures" in this annual report.

6. Dr. Markus Braun resigned as an executive Director with effect from 14 September 2025.

7. BOCI Trustee (Hong Kong) Limited hold Shares in the capacity of the trustee of the Restricted Share Award Scheme.

8. This item aims to include only the Share Awards granted but unvested to the participants under the Restricted Share Award Scheme (excluding those Share Awards held by or granted to the executive Directors and their close associates under the Restricted Share Award Scheme).

9. This is the balancing figure between the total number of Shares in issue and the sum of Shares held by all specific Shareholders or groups of Shareholders listed in this table.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the aggregate amount of revenue attributable to the Group's five largest customers represented less than 20% of the Group's total revenue.

During the Reporting Period, purchase from the Group's largest supplier amounted to approximately HK$69.2 million, representing approximately 31.2% of the Group's total cost of raw materials and consumables used, advertising and marketing expenditure, electricity and other utility expenses and clinic, office and consumption expenses for the same period, while purchases from the Group's top five largest suppliers amounted to approximately HK$148.8 million, representing approximately 67.1% of the Group's total cost of raw materials and consumables used, advertising and marketing expenditure, electricity and other utility expenses and clinic, office and consumption expenses for the same period.

To the best knowledge of the Directors, none of the Directors, their respective close associates or any Shareholder (which to the knowledge of the Directors own more than 5% of the number of issued shares (excluding treasury shares)) had any direct/indirect interest in the aforementioned major suppliers or customers during the year ended 31 December 2025.

IMPORTANT EVENTS SINCE THE YEAR ENDED 31 DECEMBER 2025

NL Acquisition

On 20 February 2026 (after trading hours), EuroEyes Netherlands Holding B.V. ("EuroEyes Netherlands"), a wholly-owned subsidiary of the Company as purchaser, the Company, as purchaser's guarantor and each of Committed Capital Fund I Coöperatie U.A., Stichting Administratiekantoor Batoan, Mateflo B.V., FYEO WPP B.V. and Stichting Administratiekantoor FYEO WPP, as vendors (collectively, the "Vendors") entered into a sale and purchase agreement (the "Sale and Purchase Agreement"), pursuant to which Euroeyes Netherlands has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell and transfer, the entire issued share capital of FYEO Europe B.V. (the "Target Company"). The consideration for the NL Acquisition is in the aggregate amount of EUR131,766,173 (equivalent to approximately HK$1,115,242,535), as adjusted by a locked box compensation accruing from 1 January 2025 up to the date of completion of the NL Acquisition and any agreed leakage. The NL Acquisition is expected to be funded by a combination of the Group's internal resources, bank borrowings and proceeds from a proposed subscription.

On 20 February 2026 (after trading hours), the Company and Messrs. Rens Schoenmakers, Frank Kerkhoff, Niels de Wildt and Leonie Claes (the "Managers"), all of whom are management staff members of the Target Company and its subsidiaries (the "Target Group"), entered into a term sheet (the "MIP Term Sheet") for the purposes of, among other matters, agreeing the principal terms of the subscription agreement (the "Subscription Agreement") to be entered into between EuroEyes Netherlands as issuer and the Managers and surgeons of the Target Group (the "Participants") who will subscribe for shares of EuroEyes Netherlands (the "Subscription"). As at the date of this annual report, no formal agreement has been entered into between EuroEyes Netherlands and the Participants. The Company will continue to will continue to keep Shareholders and investors updated the details of the Subscription through announcement(s) to be issued from time to time.

Based on the highest applicable percentage ratio under Rule 14.07 of the Listing Rules, the NL Acquisition (either alone or aggregated with the proposed subscription and/or related options) constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements. A circular containing, among other things, further details of the NL Acquisition and the related subscription, financial information on the Group and the Target Group and an unaudited pro forma financial information on the enlarged group, together with a notice of an extraordinary general meeting ("EGM"), is expected to be despatched to Shareholders on or before 30 June 2026, and the EGM is currently expected to be convened on or before 24 July 2026. Completion of the NL Acquisition is subject to the satisfaction and/or waiver of the conditions precedent set out in the Sale and Purchase Agreement, including, among others, obtaining required regulatory approvals in the Netherlands and Shareholders' approval, and therefore may or may not proceed. For more details, please refer to the announcement of the Company dated 26 February 2026.

Proposed Amendments to the Existing Memorandum and Articles of Association and the Adoption of the New Memorandum and Articles of Association

The Company proposed to amend the existing second amended and restated memorandum and articles of association of the Company by way of adopting the new third amended and restated memorandum and articles of association of the Company (the "New M&A") for the purposes of (i) enabling the Company to hold hybrid and electronic meetings; (ii) permitting electronic voting; (iii) aligning with the requirements of the "Consultation Conclusions to Proposals to Further Expand the Paperless Listing Regime and Other Rule Amendments" published by the Stock Exchange on 24 January 2025; and (iv) incorporating certain housekeeping amendments (the "Proposed Amendments"). The Proposed Amendments and the proposed adoption of the New M&A will be subject to the passing of a special resolution by the Shareholders at the AGM to be held on 30 June 2026. For more details, please refer to the announcement of the Company dated 31 March 2026.

Save as disclosed above, to the best knowledge of the Directors there are no important events affecting the Company and its subsidiaries which have occurred since 1 January 2026 and up to the date of this annual report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Save as disclosed in the Corporate Governance Report, the Board is of the view that the Company has complied with the mandatory disclosure requirements and code provisions in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules (the "Corporate Governance Code") during the Reporting Period. To the best knowledge of the Directors, no Directors are aware of any information that reasonably reveals that there was any non-compliance with the code provisions of the Corporate Governance Code by the Company at any time during the Reporting Period.

For details of the Corporate Governance Report, please refer to pages 53 to 71 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The text of the Environmental, Social and Governance Report 2025 is set out on pages 72 to 114 of this annual report.

LITIGATION AND ARBITRATION

During the Reporting Period, the Group has not been involved in any material litigation or arbitration. As far as the Directors are aware, the Company does not have any material litigation or arbitration pending or threatened against the Company which may adversely affect the Company's operating results and financial conditions.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Ms Katherine Rong Xin, Mr Hans Helmuth Hennig and Mr Philip Duncan Wright. The chairman of the Audit Committee is Mr Philip Duncan Wright.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2025 which have been agreed by the Company's auditors, and is of the view that the Group's audited consolidated financial statements for the year ended 31 December 2025 are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

The Audit Committee has also reviewed the annual results for the year ended 31 December 2025.

AUDITOR

The financial statements for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers, Certified Public Accountants, in accordance with International Standards on Auditing, who will retire and, being eligible, have offered themselves for re-appointment at the forthcoming annual general meeting. A resolution for the re-appointment of PricewaterhouseCoopers as the auditor of the Company is to be proposed at the forthcoming annual general meeting.

The Company confirms that no change in the auditor of the Company in any of the preceding three years.

INFORMATION TO SHAREHOLDERS

Closure of register of members

In determining the right to attend and vote at the annual general meeting of the Company (the "AGM") in 2026: the register of members of the Company will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026 (both days inclusive) for the purpose of determining this right. In order to be entitled to attend and vote at the AGM in 2026, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied with the corresponding share certificates are lodged with the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 June 2026.

In determining the entitlement to the proposed final dividend: the register of members of the Company will be closed from Tuesday, 7 July 2026 to Wednesday, 8 July 2026 (both days inclusive) for the purpose of determining this entitlement. In order to be qualified for the proposed final dividend (if approved by the Shareholders at the AGM in 2026), unregistered holders of shares of the Company should ensure that all share transfer documents accompanied with the corresponding share certificates are lodged with the Company's Share Registrar in Hong Kong at the above address for registration not later than 4:30 p.m. on Monday, 6 July 2026. It is expected that the proposed final dividend will be paid on or around Friday, 24 July 2026 to those Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 8 July 2026.

By order of the Board

Dr Jørn Slot Jørgensen
Chairman

Hong Kong, 31 March 2026

CORPORATE GOVERNANCE

The Company has been committed to maintaining a high standard of corporate governance and to devoting considerable efforts to improve its practices in light of the regulatory requirements and the expectation of the investors.

Save for the deviation discussed below, the Company has applied and complied with the principles (the "Principles") set out in the Corporate Governance Code contained in Appendix C1 (the "Corporate Governance Code") to the Listing Rules for the year ended 31 December 2025 and annually reviewed the application of the Principles.

The Board is of the view that the Company has complied with the code provisions set out in part 2 of the Corporate Governance Code during the Reporting Period, with the exception of code provision C.2.1, as explained under the paragraph headed "Chairman and Chief Executive Officer" below. Save as disclosed in this annual report, to the best knowledge of the Directors, no Director is aware of any information that reasonably reveals that there was any non-compliance with the Corporate Governance Code by the Company at any time during the Reporting Period.

THE BOARD AND THE DIRECTORS

Board Composition

During the Reporting Period, the composition of the Board is set out below:

	Length of Tenure (year(s))	Current Period of Appointment
Executive Directors		
Dr. Jørn Slot Jørgensen *(Chairman & Chief Executive Officer)*	6	From 25 March 2025 to 26 March 2027
Dr. Markus Braun	6	From 25 March 2025 to 14 September 2025 *(Note 1)*
Mr. Jannik Jonas Slot Jørgensen	6	From 25 March 2025 to 26 March 2027
Prof. Dan Zoltan Reinstein	4	From 8 July 2024 to 8 July 2026
Mr. Marcus Huascar Bracklo *(Chief Financial Officer)*	6	From 14 September 2025 *(Notes 2 & 3)*
Independent non-executive Directors		
Mr. Hans Helmuth Hennig	6	From 25 March 2025 to 25 March 2027
Ms. Katherine Rong Xin	5	From 12 April 2025 to 12 April 2027
Mr. Philip Duncan Wright	6	From 25 March 2025 to 25 March 2027

Notes:

1. Dr. Markus Braun resigned as executive Director and Chief Financial Officer with effect from 14 September 2025.

2. Mr. Marcus Huascar Bracklo was redesignated from a non-executive Director to an executive Director and was appointed Chief Financial Officer with effect from 14 September 2025.

3. Mr. Marcus Huascar Bracklo was appointed without a fixed term, and his service agreement is terminable by either party, by serving the other party not less than three (3) months notice.

After the annual assessment by the Nomination Committee, the Board considers that the current structure, size and composition of the Board is performing a balanced and independent monitoring function on management practices to complement the Company's corporate strategies. The Directors and their biographical details as at the date of this annual report are set out on pages 19 to 26 of this annual report.

Independence of the Independent Non-Executive Directors

Throughout the Reporting Period, the Board has complied with the requirements of the Listing Rules to have three independent non-executive Directors which represented at least one-third of the Board and with one of whom possesses appropriate professional qualifications or accounting or related financial management expertise.

The Board has received from each independent non-executive Director a written annual confirmation of his/her independence that satisfies the guidelines set out in Rule 3.13 of the Listing Rules, and the Nomination Committee has assessed the independence of each independent non-executive Director. With the recommendation of Nomination Committee, the Company considers that each of the independent non-executive Directors are independent and they have complied with the relevant guidelines as stipulated in the Listing Rules during the Reporting Period. Each of the independent non-executive Directors understood his/her duties to inform the Company in writing as soon as practicable if there is any change of circumstances which may affect his independence.

Relationships between the Directors

Dr Jørgensen, the chairman of the Board (the "Chairman"), executive Director and chief executive officer of the Company (the "Chief Executive Officer") is the father of Mr Jannik Jonas Slot Jørgensen, who is an executive Director and vice president of the Company in Denmark. Dr Jørgensen, is an executive Director and senior vice president, medical affairs (Germany), a partner of Dr Jørgensen und Kollegen GbR, a German civil law partnership (BGB-Gesellschaft) governed under the German Civil Code. Other details of Dr Jørgensen und Kollegen GbR are set out in the Prospectus. Save as disclosed above and in the Prospectus, to the best knowledge of the Directors, the members of the Board do not have financial, business, family or other material/relevant relationships with each other.

Chairman and Chief Executive Officer

Under code provision C.2.1 of the Corporate Governance Code, the responsibilities between the chairman and chief executive officer should be separate and should not be performed by the same individual. Dr Jørgensen is the Chairman and also acts as the Chief Executive Officer because of his considerable experience in the business of providing ophthalmic services in Germany, Denmark and the PRC. Dr Jørgensen is also the founder and has been managing the business and overall strategic development since the establishment of the Group. The Directors consider that vesting the roles of both the Chairman and the Chief Executive Officer in Dr Jørgensen is beneficial to the business prospects and management of the Group by ensuring consistent leadership with the Group and enabling more effective and efficient overall strategic development for the Group.

To facilitate good corporate governance, the Company has established the division of responsibilities between the Chairman and Chief Executive Officer which is set out in writing. The responsibilities of the Chairman are performed in accordance with the code provisions under the Corporate Governance Code.

Having considered the corporate governance measures implemented by the Company, the Directors consider that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Accordingly, the Company has not segregated the roles of the Chairman and the Chief Executive Officer. The Board will continue to review and consider the separation of the roles of the Chairman and the Chief Executive Officer at an appropriate time, taking into consideration the business development of the Group as a whole.

Roles and Responsibility of the Board

The Board is responsible for setting up the Company's corporate strategies, monitoring its implementation and reviewing operational and financial performance of the Group by making decisions on major aspects of the Company's business operations and other matters, including but not limited to approving and monitoring key policies, material transactions, business plans, annual budgets, risk management and internal control systems, annual and interim results, major capital expenditure and appointment of Directors.

The non-executive Director and independent non-executive Directors have diversified industry expertise and professional knowledge, and provide advisory, adequate check and balances for effective and constructive contribution to the executive Directors to safeguard the interests of the Company and the Shareholders as a whole. Independent non-executive Directors and non-executive Directors are encouraged to make positive contribution to the development of the company's strategy and policies through independent, constructive and informed comments.

If a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution. Independent non-executive Directors who, and whose close associates, have no material interest in the transaction will be present at that Board meeting.

Delegation to Management

Day-to-day operational management and administration functions of the Group and implementation of the corporate strategies of the Group are delegated to the management of the Company led by the executive Directors. The management will report back to the Board and obtain prior Board approval before making decisions or entering into any commitments on behalf of the Company. The Company reviews these arrangements periodically to ensure these remain appropriate to the Company's needs.

Management should provide all members of the Board with, and the Board and each Director are entitled to and should request for, monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Management should provide sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval.

Corporate Governance Functions

The Board is responsible for the performance of functions of corporate governance. During the Reporting Period, the Board has determined the policy for corporate governance of the Group and performed the functions as set out in code provision A.2.1 of the Corporate Governance Code.

Appointment, Re-election, Rotation and Removal of Directors

The Company has established formal, considered and transparent procedures for appointment, re-election, rotation, and removal of the Directors. The Nomination Committee is responsible for considering the suitability of an individual to act as a Director and making recommendations to the Board on appointment or re-election of Directors, succession planning of Directors and assessing the independence of the independent non-executive Directors as set out below under the paragraph headed "Nomination Committee".

The independent non-executive Directors entered into a letter of appointment with the Company for a term of two (2) years setting out the key terms and conditions of their appointment. Each term of office is the period up to his/her retirement by rotation or retirement, but eligible for re-election at the AGM in accordance with the Articles.

In accordance with the Articles, the Company may by ordinary resolution at general meetings of the Company elect any person to be a Director. The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the first general meeting after his appointment, and shall then be eligible for re-election at such general meeting.

At each of the AGM of the Company, not less than one-third of the Directors (including those appointed for a specific term) shall retire from office by rotation provided that each Director shall be subject to retirement by rotation at the AGM at least once every three years.

Under the current Corporate Governance Code of the Listing Rules, if all the independent non-executive Directors have served more than nine years on the Board, the Company will appoint a new independent non-executive Director at the forthcoming annual general meeting.

During the Reporting Period, Dr. Markus Braun resigned as an executive Director with effect from 14 September 2025 due to his own plan of career development.

Induction and Continuing Professional Development of Directors

The Company encourages all Directors to participate in continuous professional development to further enhance and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. The Company is responsible for arranging and (where necessary) funding a comprehensive, formal and tailored induction for all newly appointed directors upon appointment, and suitable continuous professional development for all existing Directors. Under Rule 3.09F of the Listing Rules, Directors must receive continuous professional development in each financial year of the Company.

In accordance with the Principles of the Corporate Governance Code regarding continuous professional development, the Company had received a confirmation from each of the executive Directors, namely Dr Jørn Slot Jørgensen, Prof Dan Zoltan Reinstein, Mr Jannik Jonas Slot Jørgensen and Mr Marcus Huascar Bracklo and each of the independent non-executive Directors, namely Mr Hans Helmuth Hennig, Ms Katherine Rong Xin and Mr Philip Duncan Wright, respectively that each of them had participated in continuous professional development as required by rules 3.09F and 3.09G of the Listing Rules. Each of the above named Directors attended training sessions and seminars as well as read materials on corporate governance, updates on laws, rules and regulations and accounting/financial/management or other professional skills to develop and refresh their knowledge and skills on the roles, functions and duties as a director of a listed company during the Reporting Period.

Each Director has provided the Company with regular updates and supporting documents on the training they attended during the Reporting Period. The records are maintained by the Company Secretary for annual review by the Nomination Committee. The system to record and retain such information helps facilitate detailed and accurate disclosure of each Director's training record. During the Reporting Period, the Directors received an aggregate of approximately 28 hours of training (excluding Dr. Markus Braun who resigned as an executive Director with effect from 14 September 2025).

Set out below are the training hours by topic received by each Director during the Reporting Period:

	The roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness	Issuer's obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments	Corporate governance and ESG matters	Risk management and internal controls	Updates on industry-specific developments, business trends and strategies relevant to the issuer
Executive Directors					
Dr. Jørn Slot Jørgensen	✓ *(Note 2)*	✓ *(Note 2)*	✓ *(Note 2)*	✓ *(Note 1)*	✓ *(Note 1)*
Dr. Markus Braun *(resigned with effect from 14 September 2025)*	Nil	Nil	Nil	Nil	Nil
Mr. Jannik Jonas Slot Jørgensen	✓ *(Note 2)*	✓ *(Note 2)*	✓ *(Note 2)*	✓ *(Note 1)*	✓ *(Note 1)*
Prof. Dan Zoltan Reinstein	✓ *(Note 2)*	✓ *(Note 2)*	✓ *(Note 2)*	✓ *(Note 1)*	✓ *(Note 1)*
Mr. Marcus Huascar Bracklo *(redesignated to executive Director with effect from 14 September 2025)*	✓ *(Note 2)*	✓ *(Note 2)*	✓ *(Note 2)*	✓ *(Note 1)*	✓ *(Note 1)*

	The roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness	Issuer's obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments	Corporate governance and ESG matters	Risk management and internal controls	Updates on industry-specific developments, business trends and strategies relevant to the issuer
Independent non-executive Directors					
Mr. Hans Helmuth Hennig	✓ (Note 2)	✓ (Note 2)	✓ (Note 2)	✓ (Note 1)	✓ (Note 1)
Ms. Katherine Rong Xin	✓ (Note 2)	✓ (Note 2)	✓ (Note 2)	✓ (Note 1)	✓ (Note 1)
Mr. Philip Duncan Wright	✓ (Note 2)	✓ (Note 2)	✓ (Note 2)	✓ (Note 1)	✓ (Note 1)

Notes:

1. By self-study (i.e., reading materials, journals, articles, magazines or industry magazines provided by external parties or by the Company).

2. Trainings seminars, conferences, forums and/or courses by external training providers.

3. Each of the Directors attended approximately 4 hours of continuous professional development training during the Reporting Period.

Supply of and Access to Information

Yearly schedule of regular Board meetings and the draft of agendas of each regular meeting are made available to the Directors in advance with sufficient time of at least 14 days and 3 days, respectively, to encourage the Directors' involvement to include matters in the agenda for regular Board meetings. All Directors have full and timely access to the management of the Company for any information to enable them to make informed decisions at the Board meetings. The Company Secretary ensures that the regulatory Board procedures are followed, and is responsible for preparing and maintaining the documents and records of the Board meeting. The draft and final minutes of each meeting of the Board meeting and the board committees of the Company (the "Board Committees") are sent to all Directors or committee members for comment within a reasonable period of time after the date of the meeting, and are open for inspection at any reasonable time on reasonable notice by the Director.

Members of the management of the Company has an obligation to supply the Board and the Board Committees with complete, reliable and adequate information, in a timely manner, to enable it to make informed decisions and are usually invited to attend the Board meetings to promote effective communications within the Group. Each Director is authorised to hire external consultants or experts for independent professional advice at the Company's expenses to discharge the Director's responsibilities. Save as disclosed in this annual report, the Directors did not request for separate independent professional advice during the Reporting Period.

Number of meetings and Directors' attendance

The Board meets regularly and the Board meetings are held at least four times a year at approximately quarterly intervals. The Directors actively participated in meetings and all the Directors have devoted sufficient time and attention to the Company's affairs. A summary of the attendance records of each Director during the year ended 31 December 2025 are set out below:

	Attendance/Number of Meetings (Note 1)				
	Board	Nomination Committee	Remuneration Committee	Audit Committee	Annual General Meeting (Note 2)
Executive Directors					
Dr Jørn Slot Jørgensen	4/4	1/1	2/2	N/A	1/1
Dr Markus Braun *(resigned as executive Director on 14 September 2025)*	3/4	N/A	N/A	N/A	1/1
Mr Marcus Huascar Bracklo *(redesignated to executive Director on 14 September 2025)*	4/4	N/A	N/A	2/2	1/1
Mr Jannik Jonas Slot Jørgensen	4/4	N/A	N/A	N/A	1/1
Prof Dan Zoltan Reinstein	4/4	N/A	N/A	N/A	1/1
Independent non-executive Directors					
Mr Hans Helmuth Hennig	4/4	N/A	2/2	2/2	1/1
Ms Katherine Rong Xin *(appointed member of the Audit Committee on 14 September 2025)*	3/4	1/1	2/2	N/A	1/1
Mr Philip Duncan Wright	4/4	1/1	N/A	2/2	1/1

Notes:

(1) No alternate of the Directors attended the above meetings during the year ended 31 December 2025.

(2) Pursuant to article 62 of the Articles, AGM shall be held in each year.

Board Committees

The Board established three Board Committees on 23 September 2019, namely the Audit Committee, the Remuneration Committee and the Nomination Committee (the "Committees") with written terms of reference for each Board committee. The Committees are chaired by an independent non-executive Director or the Chairman to oversee their respective functions set out below, and to report to the Board on their decisions or recommendations by circulating the minutes of the committee meetings to all Board members. The terms of reference of each of the Board Committees have been published on the websites of the Company (www.euroeyes.com) and the Stock Exchange (www.hkexnews.hk). To provide independent views and input to the Board, the Board has adopted the following arrangements: (i) each committee or committee member is authorised to hire outside consultants or experts for independent professional advice at the Company's expenses to discharge their responsibilities; and (ii) most of the committee members in each Board Committee are independent non-executive Directors. The Board is responsible for the review of the implementation of such arrangements on an annual basis.

Audit Committee

The Audit Committee was established by the Board with its written terms of reference. The primary duties of the Audit Committee are set out in the written terms of reference which include reviewing and supervising the Group's financial reporting process, risk management and internal control systems, and providing advices and comments to the Board. During the Reporting Period, the Audit Committee has reviewed the consolidated financial statements for the year ended 31 December 2025, the accounting principles and practices adopted by the Company and discussed auditing, internal control (including the effectiveness of the Company's internal audit function) and financial reporting matters. During the Reporting Period, the Board is of the view that the Audit Committee performed its duties in accordance with its terms of reference.

During the Reporting Period and as at the date of this annual report, the Audit Committee consists of Mr Philip Duncan Wright (an independent non-executive Director) as its chairman, and Ms Katherine Rong Xin (an independent non-executive Director) and Mr Hans Helmuth Hennig (an independent non-executive Director) as its members.

Remuneration Committee

The Remuneration Committee was established by the Board with its written terms of reference adopting a model of making recommendation to the Board on the remuneration packages of individual Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee shall review, consider and approve material matters relating to the share schemes as required under Chapter 17 of the Listing Rules. During the Reporting Period, the Remuneration Committee reviewed the remuneration of all the Directors and senior management and ensured that levels of their remuneration and compensation are appropriate. The Remuneration Committee also assessed the performance of Directors and approved the terms of service contracts of the Directors. During the Reporting Period, the Board is of the opinion that the Remuneration Committee performed its duties in accordance with its terms of reference.

During the Reporting Period and as at the date of this annual report, the Remuneration Committee consists of Mr Hans Helmuth Hennig (an independent non-executive Director) as its chairman, and Dr Jørn Slot Jørgensen (an executive Director) and Ms Katherine Rong Xin (an independent non-executive Director) as its members.

Nomination Committee

The Nomination Committee was established by the Board with its written terms of reference. The primary duties of the Nomination Committee are set out in the written terms of reference which include selecting and recommending candidates for directorship, reviewing the structure, size and composition of the Board, assessing the independence of independent non-executive Directors, maintaining a Board Skills matrix and assessing each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his/her duties effectively. During the Reporting Period, the Board is of the view that the Nomination Committee performed its duties in accordance with its terms of reference.

During the Reporting Period and as at the date of this annual report, the Nomination Committee consists of Dr Jørn Slot Jørgensen (an executive Director and the Chairman) as its chairman, and Mr Philip Duncan Wright (an independent non-executive Director) and Ms. Katherine Rong Xin (an independent non-executive Director) as its members.

The Nomination Committee may invite nominations of candidates from Board members for its consideration. The Nomination Committee may also put forward candidates who are not nominated by Board members. The factors in assessing the suitability of a proposed candidate for director include, inter alia, reputation for integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as Board member, diversity of the Board, and such other perspectives appropriate to the Company's business. The Nomination Committee shall make recommendations for the Board's consideration and approval.

Annual Nomination Committee Assessment

During the Reporting Period, the Nomination Committee assessed each Director's time commitment and contribution to the Board. The Nomination Committee applied a consistent assessment criteria to all Directors in a holistic manner and ensured that an impartial assessment was conducted. In respect of an assessment of a member of the Nomination Committee, the relevant Nomination Committee member was excluded from discussion. Accordingly, the Nomination Committee is satisfied that each Director can discharge his/her responsibilities effectively. Directors consistently attended and actively participated in Board and Committee meetings, coming well-prepared and providing valuable insights from their experience and qualifications. The Nomination Committee also reviewed Directors external commitments and confirmed that none were overextended. Directors continued to demonstrate integrity and professionalism by disclosing any conflicts of interest and maintaining confidentiality, fostering an ethical and effective Board culture. The Nomination Committee will continue to assess Director's time commitment and contribution to the Board annually to ensure that each Director remains able to discharge their responsibilities effectively and to support a strong Board performance.

Nomination Policy

The Company has established a nomination policy adopted by the Nomination Committee which sets out the selection criteria and nomination procedures for the appointment of Directors. The selection criteria used by the Nomination Committee to assess candidates include reputation, achievements, expertise, industry experience, time available and diversity. The nomination procedure is summarised as follows:

(1) Nomination Procedures and Appointment of Directors

The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to board diversity policy, and assesses the independence of the proposed independent non-executive Director(s) as appropriate.

a. The Nomination Committee makes recommendation(s) to the Board.

b. The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the board diversity policy (i.e., gender, age, cultural and educational background, professional experience etc.).

c. The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual (s) appointed by the Board to fill a casual vacancy or as an addition to the Board will be subject to re-election by the shareholders at the next AGM after initial appointment in accordance with the Articles.

(2) Re-appointment of Directors

a. The Nomination Committee considers each retiring Director, having due regard to the board diversity policy and assesses the independence of each retiring independent non-executive Director.

b. The Nomination Committee makes recommendation(s) to the Board.

c. The Board considers each retiring Director recommended by the Nomination Committee having due regard to the board diversity policy (i.e., gender, age, cultural and educational background, professional experience etc.).

d. The Board recommends the retiring Directors to stand for re-election at the AGM in accordance with the Articles.

The Nomination Committee will review and amend this policy in due course to ensure its effectiveness.

BOARD PERFORMANCE REVIEW

Pursuant to code provision B.1.4 of the Corporate Governance Code, the Company shall conduct a formal evaluation of the Board's performance at least once every two years. The performance review shall be sufficiently robust and involve the Board directly, with views and feedback also coming from stakeholders beyond the Board. The focus of the Board performance review is on the overall performance of the Board and the existing skills, expertise and qualifications of the Board as a whole, and is not intended to be a personal assessment of individual directors. An assessment criterion should be in place to enable an evaluation of the overall effectiveness and efficiency of the Board.

The Board has a structured process to evaluate its own performance and directors' contribution on an annual basis including a self-evaluation questionnaire (the "Questionnaire") which is completed by all Directors. The objectives of the evaluation are to assess whether the Board and the Committees, as well as the Directors, have adequately and effectively performed their duties and fulfilled their responsibilities; have devoted sufficient time and attention to the Company's affairs and made meaningful contributions to the Board; whether the composition of the Board reflects an appropriate mix of skills, expertise and experience having regard to the Company's business and strategy; whether Board meetings are effectively conducted; and to recommend areas for improvement.

As at the date of this annual report, all Directors had completed a Questionnaire, and the results were presented to the Board. Based on this evaluation process, the Board and its Committees continued to operate effectively, and the performance and time commitment of all Directors in discharging their duties for the year ended 31 December 2025 were considered satisfactory.

BOARD SKILLS MATRIX

The Company recognises that a Board skills matrix should display the Board's collective experience, skills, qualifications and expertise, and connect these with the Company's long-term strategy and particular goals, including its diversity targets.

During the Reporting Period, the mix of skills of its Directors are set out in the chart below:

The Board is composed of Directors whose diverse skills, experience, and perspectives collectively drive the Company's purpose of creating long-term, sustainable value for its stakeholders. Their expertise and industry knowledge enables effective oversight and informed decision-making. Guided by the Company's core values of integrity, accountability, inclusiveness, and sustainability, the Board ensures that business objectives align with ethical and responsible practices. This diversity fosters an open, innovative, and forward-looking culture that supports strategic growth, strengthens governance, and helps the Company remain resilient and responsive to evolving market and regulatory environments.

As at the date of this annual report, the Board regards the current combination of skills, experience and diversity of its Directors as adequate to meet the Company's purpose, values, strategy, and desired culture. The Board acknowledges the importance of maintaining a diverse Board and will revisit this matter annually.

DIVERSITY

Board Diversity

The Company has adopted a board diversity policy (the "Diversity Policy"). Under the Diversity Policy, the Nomination Committee is delegated to review, assess and recommend any appointment, re-election or any succession plan of any Directors to the Board after considering a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience, to allow for the Company's business model and specific needs. The Board is responsible for the review of the implementation and effectiveness of the Diversity Policy on an annual basis after taking into account of the recommendations from the Nomination Committee.

The Company has taken steps to promote gender diversity at board level by appointing a female Director to the Board. The Board will continue to take opportunities to increase the proportion of female members when selecting and making recommendation on suitable candidates for its appointments.

The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices. The Board also aspires to having an appropriate proportion of Directors who have direct experience in the core markets of the Group, with different ethnic backgrounds, and reflecting the Group's strategy. The Nomination Committee will continue to use its best efforts to identify and recommend suitable candidates to act as a Director to the Board for its consideration, subject to the Board (i) being satisfied with the competence and experience of the relevant candidate after conducting a reasonable review process based on reasonable criteria; and (ii) fulfilling their fiduciary duties to act in the best interests of the Company and its shareholders as a whole when making the relevant appointment.

As at the date of this annual report, there are six male Directors and one female Director. In particular, Ms. Katherine Rong Xin, an independent non-executive Director is a member of the Audit Committee, the Nomination Committee and the Remuneration Committee, respectively. The Board will maintain at least the current level of female representation (in the Board and its Committees) in accordance with the Listing Rules, while striving to progress towards the Company's long-term goal set out in the Diversity Policy.

During the Reporting Period, the Board considered the current composition of the Board and its Committees against the Company's diversity objectives, measurable progress made towards enhancing gender diversity and the breadth of skills, experience and cultural backgrounds represented on the Board. The Board also reviewed the outcomes of the Nomination Committee's annual evaluation of the Board's composition, which included a skills matrix analysis. Based on the assessment, the Board concluded that the Diversity Policy has been effectively implemented and is contributing positively to building a diverse Board that supports the Company's strategic direction and sustainable development.

Set out below is the composition of the Board in terms of diversity as at the date of this annual report:

Name	Dr. Jørn Slot Jørgensen	Mr. Jannik Jonas Slot Jørgensen	Prof Dan Zoltan Reinstein	Mr. Marcus Huascar Bracklo	Mr. Hans Helmuth Hennig	Ms. Katherine Rong Xin	Mr. Philip Duncan Wright
Gender	Male	Male	Male	Male	Male	Female	Male
Age	71	34	63	61	68	62	72

Workforce Diversity

The Group aims to provide a diversified working environment for the workforce to achieve gender diversity. The Company strives to ensure that recruitment, development and retention practices of its staff promote equal opportunities. The Company annually reviews its workforce diversity profile and, where feasible, sets measurable objectives to enhance diversity. Set out below is the table summarising the diversity ratio among the workforce (excluding the senior management):

Gender	
Male	70
Female	330

Age Group	
Under 30 Years Old	77
30 to 50 Years Old	238
Above 50 Years Old	85

Set out below is the table summarising the diversity ratio among the senior management:

Gender	
Male	3
Female	1

Age Group	
Under 30	N/A
30-50 years old	N/A
Above 50 years old	4

As at 31 December 2025, 25% of the Group's senior management and approximately 81.68% of the Group's total workforce (excluding senior management) are female. Therefore, the Group considers that diversity of the senior management (excluding the workforce) and workforce are acceptable. In the future, the Group will continue its endeavor to increase female representation in the senior management and its workforce.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors.

Specific enquiries regarding non-compliance of the Model Code were made to all Directors, and they all confirmed that they had fully complied with the required standards set out in the Model Code and its code of conduct regarding the securities transactions of the Directors during the Reporting Period.

COMPANY SECRETARY

The Company Secretary, Ms Rosenna Ho is employed on a full time basis and have day-to-day knowledge of the Company affairs. She has fulfilled the requirements pursuant to Rule 3.28 of the Listing Rules and is responsible for advising the Board on corporate governance matters during their respective term of appointment of the reporting period. Ms Rosenna Ho had taken no less than 15 hours of professional training during the Reporting Period.

Under the corporate governance measures adopted by the Company, the Board is responsible for approving the selection, appointment or dismissal of the Company Secretary of the Company. The Company Secretary should report to the Chairman and the Chief Executive Officer. All Directors should have access to the advice or services of the Company Secretary to ensure the Board procedures, and all applicable laws, rules and regulations, are followed.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the remuneration of the Directors are set out in note 8(d) to the consolidated financial statements in this annual report.

The remuneration by band of senior management (excluding Directors) of the Group during the Reporting Period is set out below:

	Number of individuals
Emolument bands	
HK$3,500,001 to HK$4,000,000 (approximately €381,000 to €439,000)	1
HK$5,000,001 to HK$5,500,000 (approximately €548,000 to €603,000)	1
HK$6,000,001 to HK$6,500,000 (approximately €658,000 to €713,000)	2

REMUNERATION OF EXTERNAL AUDITOR AND RELATED MATTERS

During the Reporting Period, the remuneration paid or payable to PricewaterhouseCoopers, Certified Public Accountants and the external auditor of the Company (the "External Auditor") in respect of the annual audit for the year ended 31 December 2025 amounted to approximately HKD4,950,000. During the Reporting Period, the External Auditor provided non-audit services to the Group which amounted to approximately HKD114,000 relating to tax specifications.

The Board and the Audit Committee were satisfied with the External Auditor in relation to their findings, independence, objectivity and effectiveness in the annual audit and their audit fees. PricewaterhouseCoopers, Certified Public Accountants, is proposed for re-appointment as the Company's external auditor at the forthcoming annual general meeting.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2025 to give true and fair presentation of the financial position of the Company in accordance with all applicable International Financial Reporting Standards and for timely financial disclosures under the Listing Rules and any other regulatory requirements.

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

The statements as to the auditor's responsibility of financial reporting is set out in the independent auditor's report on pages 115 to 119 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has established an effective risk management and internal control system and has developed policies and procedures that are considered appropriate for the Group's business operations. The Group's comprehensive governance structure plays an integral role in supporting its operations and the achievement of its strategic and business objectives. It provides a framework for setting strategic and business goals, monitoring performance and systematically identifying, assessing, managing and monitoring the risks faced by the Group. The Company recognises that the risks faced by its businesses, including financial instability affecting demand for vision correction services and exposure to reputational risks, are dynamic in nature, and accordingly maintains a comprehensive governance structure to ensure that such risks are properly identified, evaluated and managed so as to minimise any material adverse impact on the Group's strategic and business objectives. The Group will annually monitor and evaluate the effectiveness of its risk management and internal control systems and take measures to protect the interests of the Group and the Shareholders.

The Board oversees and manages the risks associated with the Group's business and internal control systems on an ongoing basis in accordance with the Corporate Governance Code. The Board is aware of the fact that such systems are designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable assurance and not absolute assurance against material misstatement or loss. The Board acknowledges its responsibility to maintain adequate internal control and risk management systems to safeguard Shareholders' investments and the Company's assets and confirms that the Company's risk management and internal control systems are appropriate and effective for the purposes set out in Principle D2 of the Corporate Governance Code.

The Group has adopted a three-tier risk management approach to identify, assess and manage different types of risks. As the first line of defence, business units are responsible for identifying, assessing and monitoring risks associated with each business or transaction. As the second line of defence, the management of the Company defines rule sets and models, provides technical support, develops new system and oversees portfolio management, to ensure risks are within acceptable levels and that the first line of defence operates effectively. As the final line of defence, the internal audit function (whether in-house or outsourced) assists the Audit Committee to review the first and second lines of defence.

The Audit Committee is responsible for reviewing and supervising the Group's financial reporting process, risk management and internal control systems annually. The Audit Committee has reviewed, among other matters, (i) the risk management report; (ii) the risk register; and (iii) the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, the effectiveness of internal audit and financial reporting functions and effectiveness of the risk management and internal control systems for the year ended 31 December 2025.

The Company has an internal audit function which is responsible for (i) evaluating whether the risk management framework adequately identifies, assesses, and manages significant risks (including ESG risks); (ii) assessing the design and operating effectiveness of key controls; (iii) reviewing risk identification methodologies, assessment criteria and escalation protocols; and (iv) monitoring compliance with risk management policies and procedures. The internal audit function conducts its reviews through a risk-based audit approach, which includes periodic audits of high-risk areas, testing the operating effectiveness of critical control and reviewing risk registers and control frameworks. Audit findings and recommendations for improvement are reported to the Audit Committee on a semi-annual basis, with an annual comprehensive assessment conducted at year-end to evaluate the overall effectiveness of risk management and internal control systems.

During the Reporting Period, the Group had engaged an independent internal audit consultant as an internal audit function to assess the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls functions (including compliance with the Listing Rules) to ensure the effectiveness and efficiency of such systems of the Group. It was reported that there were no significant changes during the Reporting Period in (i) the Company's assessment of risks (including ESG risks); and (ii) the risk management and internal control systems. There were also no material deficiencies on the Group's internal control system.

Further, to improve the Group's corporate governance and prevent future violations, it has adopted a series of internal control policies, procedures and programs designed to provide reasonable assurance for the realisation of goals such as effective and efficient operations, reliable financial reporting and compliance with the Listing Rules, applicable laws and regulations. The key points of the Group's internal control system include the following:

- It regularly provides the Directors with the latest information on the Company's performance, status and prospects so that the entire Board and Directors can perform their responsibilities;
- It adopts different policies to ensure compliance with the Listing Rules, including rules regarding risk management, continuing connected transactions and information disclosure;
- It has implemented an internal control policy on financial management;
- It has implemented a series of internal rules and regulations relating to the business operation, including quality control, sales and marketing, human resources and information technology systems;
- It has implemented policies on social insurance funds and housing provident funds to ensure compliance with regulations in the future; and
- It has adopted inside information policy which sets out guidelines to the employees of the Group to ensure inside information is to be disseminated to the public in equal, timely and effectively manner in accordance with the SFO, the Listing Rules and all other applicable rules and regulations.

The Group is committed to the identification, evaluation and management of risks associated with its business activities through ongoing assessment of a risk register, by considering the likelihood and impact of each identified risk. The Group has implemented an effective control system which includes a defined management structure with limits of authority, a sound management system and periodic review of the Group's performance by its internal audit function, the Audit Committee and the Board.

During the Reporting Period, principal risks were identified through the process of risk identification and assessment. For more details, please refer to the section headed "Principal Risks and Uncertainties" on pages 28 to 29 of this annual report. These risks are not exhaustive or comprehensive, and there may be other risks which are not yet known to the Group at this juncture but could turn out to become material in the future. The Group will remain vigilant in addressing areas of concern while developing appropriate control measures as necessary.

Based on the assessments conducted and confirmations received from the management of the Company and the Audit Committee, and taking into account the internal audit work performed during the Reporting Period, the Board considers that the existing systems are reasonably effective and adequate. These confirmations, supported by the internal audit report which identified no material deficiencies or significant control failings or weaknesses, affirm that the internal audit function of the Company operates effectively and provides independent assurance on the adequacy of risk management and internal control systems.

Whistleblowing Policy

On 15 October 2019, the Company adopted a Whistleblowing Policy Manual (the "Whistleblowing Policy") and updated the Whistleblowing Policy which had come into effect on 1 January 2025.

The purpose of the Whistleblowing Policy is to (i) provide avenues for employees to raise concerns internally and to report misconduct or malpractice without fear of suffering retribution; (ii) implement arrangements for independent investigation of such concerns for appropriate follow-up action; and (iii) help foster a culture of openness, accountability and integrity within the Company. The Company assures that all reports will be treated as strictly confidential and promptly investigated and that reports can be made anonymously, if desired.

Any person such as the Company's employees, applicants for employment, vendors, contractors, customers or the public (the "Whistleblower(s)") may report allegations of suspected serious misconduct or any breach or suspected breach of law or regulation. Such acts of misconduct may be disclosed in writing or in person and the Company will make every effort to keep the Whistleblower's identity confidential.

The Audit Committee has overall responsibility for the Whistleblowing Policy, including responsibility for monitoring and reviewing the operation of the Whistleblowing Policy and any recommendations for action resulting from investigation into complaints. Meanwhile, the Company Secretary has been delegated the day-to-day responsibilities for overseeing and implementing the Whistleblowing Policy.

The application and effectiveness of the Whistleblowing Policy will be monitored and reviewed regularly by the Company Secretary and approved by the Audit Committee. For the year ended 31 December 2025, there were no incidents of misconduct or malpractice which have been reported and discovered.

Anti-Bribery and Corruption Policy

The Company has adopted an anti-bribery and corruption policy (the "Anti-Corruption Policy") which emphasizes a culture of integrity, fairness, and zero tolerance for bribery across all employees and directors. It prohibits offering, giving, accepting, or soliciting anything of value, such as gifts, cash, entertainment, or facilitation payments to gain improper advantages, whether involving government or private parties. Employees must report any suspected bribery or corruption confidentially and are protected when reporting in good faith. Modest business courtesies are permitted if reasonable and not intended to influence decisions, especially with care when involving government officials. Facilitation payments are banned except in emergencies involving immediate safety or liberty concerns. The Anti-Corruption Policy is reinforced through staff training, and any breach may result in disciplinary action, including dismissal.

SHAREHOLDERS' RIGHTS

Convening of extraordinary general meetings

Pursuant to Article 64 of the Articles, any one or more Shareholders holding not less than 10% of the paid up capital of the Company may deposit at the Company's principal place of business in Hong Kong a written requisition to the Board or the Company Secretary which specifies the transaction of any business at such meeting and is signed by the requisitionists to require an extraordinary general meeting to be convened by the Board. Such meeting shall be held within two months after the deposit of such requisition. If within 21 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.

Procedures for directing shareholders' enquiries to the Board

The Company's Hong Kong share registrar serves the Shareholders with respect to all share registration matters and the Chairman would ensure the appropriate steps are taken to provide effective communication with Shareholders and that their view are communicated to the Board as a whole. Specific enquiries of shareholders and other stakeholders to the Board could be sent in writing to the Company Secretary by mail to the Company's principal place of business in Hong Kong set out below:

EuroEyes International Eye Clinic Limited
3rd Floor, Plaza 2000
2-4 Russell Street
Causeway Bay
Hong Kong S.A.R. of China

Procedures for putting forward proposals at shareholders' general meetings

There are no provisions allowing Shareholders to put forward new resolutions at a general meeting under the Companies Act of the Cayman Islands or the Articles. Shareholders who wish to move a resolution may request the Company to convene an extraordinary general meeting following the aforesaid procedures.

Pursuant to Article 114 of the Articles, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registered office of the Company, provided that the minimum length of the period, during which such notice(s) to the Company are given, shall be at least seven (7) days and that (if the notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged Directors' and officers' liability insurance for its Directors. The insurance covers the corresponding costs, charges, expenses and liabilities for any legal action against them arising out of corporate activities.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there had been no significant change in the constitutional documents of the Company.

INVESTORS' RELATIONSHIP

The Company has maintained corporate transparency and communication with Shareholders and investors through timely announcements and/or other publications. The Company's website (www.euroeyes.com) provides an effective communication platform to understand the latest developments of the Company.

On 23 September 2019, the Company adopted a Shareholders' communication policy (the "Communication Policy"). Under the Communication Policy, the Company aims to pursue the fundamental principles of making fair disclosure of information to Shareholders to enable Shareholders to exercise their rights in an informed manner. The Board is responsible for maintaining an on-going dialogue with Shareholders and other stakeholders, and will review this Communication Policy annually to ensure its effectiveness. Based on the information set out below, the implementation of the Communication Policy is considered to be effective.

Corporate Communications

The Company publishes on the websites of the Company (www.euroeyes.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) in a timely manner both English and Chinese versions of (i) any corporate communication (as defined in the Listing Rules) of the Company that requires Shareholder attention or action, and (ii) announcements relating to matters to be disclosed under the Listing Rules (including but not limited to those involving inside information, corporate actions and corporate transactions).

Publication of Interim and Annual Reports

Timely publication of interim results announcement and interim reports ("Interim Reports") and annual results announcements and annual reports ("Annual Reports") on the latest development of the Company keep all Shareholders updated on the Company's financial position and latest development. Shareholders are highly recommended to pay attention to the information available to the public.

Annual General Meeting

Annual general meetings held once a year could provide an effective forum for all Shareholders to share their views with the Board. The chairman of the Board and the chairman of each of the Audit Committee, the Nomination Committee and the Remuneration Committee, respectively are normally available to respond to queries raised by Shareholders. To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings.

During the Reporting Period, the Company held an annual general meeting on 6 June 2025. Notice of the meeting was sent to Shareholders on 25 April 2025, not less than 21 days before the date of the annual general meeting. All Directors (including independent non-executive Directors) and members of senior management and investor relations were present at the annual general meeting to answer any questions raised by Shareholders. A representative from the External Auditor also attended to answer any questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. The Company followed up on the outcomes by documenting Shareholder feedback and addressing concerns promptly.

Investor Relations

Investor presentations are held semi-annually by the Group in respect of the Group's Interim Report and Annual Report, involving members of senior management and investor relations. These presentations aim to provide the latest financial and operational information about the Group to all Shareholders. The Group maintains close contact with investors through these presentations, ensuring transparent and effective communication of its financial performance and strategic outlook. The Group follows a strategic follow-up process by reviewing initial discussions, providing relevant updates such as new developments and tailoring responses to investor interests and concerns. During the Reporting Period, investor presentations were held on 1 April 2025 and 29 August 2025, respectively.

INQUIRY TO THE BOARD

Shareholders may at any time send their inquiries to the Board in writing through the investor relations team, whose contact details are as follows:

Germany headquarters:
Valentinskamp 90
20355 Hamburg
Germany

Hong Kong office:
3rd Floor, Plaza 2000
2-4 Russell Street
Causeway Bay
Hong Kong S.A.R. of China

Email: ir@euroeyes.com

Further information

The Company endeavours to disclose other material information and updates about the Group, including share interests of senior management, other shareholding information and management information etc. to all interested parties on a timely basis. All such publications together with additional information of the Group would be updated and made available on the websites of the Company (www.euroeyes.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

Dear Valued Stakeholders,

On behalf of the board of directors (the "Board"), I hereby present you the environmental, social and governance report (the "ESG Report"), demonstrating in detail the approach and performance in terms of sustainable development of EuroEyes International Eye Clinic Limited (the "Company") and its subsidiaries (collectively, the "Group") during the financial year ended 31 December 2025 ("FY2025").

During FY2025, the Group continued to make progress on its environmental, social and governance ("ESG") strategy. The Group's risk management and internal control procedures have served to increase business resilience.

The Group fully understands that building a solid governance structure is the key to sustaining the business and making positive impacts. Adhering to that, the Group manages its ESG issues by adopting a top-down management approach, which comprises the Board and the environmental, social and governance task force (the "ESG Task Force"). The Board has the ultimate accountability for the Group's ESG strategies, management approach, performance and reporting. In order to better manage the Group's ESG-related issues, the Board delegates the ESG Task Force which regularly evaluates, prioritises and manages the Group's ESG-related matters such as policies, performance, and risk and opportunities as well as to recommend improvements. More information on the Group's ESG governance structure is mentioned in the section headed "The ESG Governance Structure".

In prevailing circumstances, it is vital for the Group to engage with its stakeholders in response to the increasing attention and interest in ESG matters. To prioritise the material ESG-related issues, the Board and the ESG Task Force assess the significance of multiple ESG topics with reference to different stakeholders' opinions. The Group regularly collects their opinions through various communication channels such as meetings, surveys and workshops. The Group will further strengthen its communication with stakeholders and formulate relevant sustainable development policies and measures with reference to their opinions to enhance the Group's ESG performance.

As a responsible corporation, the Group always cares about its sustainability performance regarding service quality, privacy protection, environmental protection, green operation, staff development, occupational health and safety, supply chain management and community work. In particular, to actively respond to the global vision of decarbonisation, the Group is committed to supporting the development of low-carbon economies by setting targets in reducing emissions, waste, energy consumption and water use. The progress of such environmental targets approved by the Board is reviewed by the ESG Task Force annually. Upon review, the ESG Task Force confirmed that the key performance indicators ("KPIs") in FY2025 are in progress towards the targets. Looking forward, the Group will continue to exert effort into ESG-related issues to accomplish the existing targets, formulate improvement plans regarding all material aspects, and strengthen the standard of internal management, so as to provide a long-lasting driving force for the long-term development of the Group.

In closing, I would like to express my sincere gratitude to my fellow directors, the management team, all employees and stakeholders for their contributions to the Group's sustainable development.

Dr. Jørn Slot Jørgensen
Chairman and Chief Executive Officer

INTRODUCTION

The Group is principally engaged in the provision of vision correction services in Germany, Denmark, the United Kingdom of Great Britain and Northern Ireland (the "UK"), the People's Republic of China (the "PRC" or "China"), Hong Kong and Switzerland. For the purpose of this ESG Report, the PRC and China exclude the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan. The Group has become one of the leading brands in the vision correction industry that combines German ophthalmology excellence and years of professional experience with bespoke customer care service.

This ESG Report summarises the ESG initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

The ESG Governance Structure

The Group has developed a core governance framework to ensure the alignment of ESG governance with its strategic growth, while advocating ESG integration into its business operations. The structure of the Group's ESG governance is divided into two components, namely the Board and the ESG Task Force.

The Board possesses the appropriate skills, experience, knowledge, and perspectives required to oversee the Group's ESG matters (including climate-related risks and opportunities). The Board holds the overall and collective responsibility for the Group's ESG strategies, as well as overseeing all ESG-related matters (including climate-related risks and opportunities) through the support of the ESG Task Force. Based on the recommendation from the ESG Task Force, the Board meets at least once per year to evaluate and approve the Group's ESG policies, approaches, priorities, climate-related risk and opportunities, as well as the Group's ESG goals and targets, strategies and the progress made towards achieving those objectives on an ongoing basis. The Board is also responsible for ensuring the effectiveness of the risk management systems and internal control mechanisms. Although the Group has not explicitly set out specific climate-related performance indicators directly linked to remuneration policies, management will continue to take relevant performance factors into consideration when assessing the Group's overall sustainability effectiveness and organisational progress.

In order to assist the Board in implementing ESG initiatives and ensuring the establishment of appropriate and effective ESG risk management (including the management of climate-related risks and opportunities) and internal monitoring system, the Group has set up the ESG Task Force, which is composed of representatives from various functional departments, who possess the appropriate skills and competencies, to report to the Board at least once per year and fully implement the Group's ESG strategies and related actions. The ESG Task Force also reviews and reports to the Board on ESG-related goals and targets, management approach, strategies, climate-related risk and opportunities, policies and priorities relating to the business of the Group. In addition, the ESG Task Force examines and evaluates ESG risks and opportunities (including climate-related risks and opportunities) as well as the performance and practices of different ESG aspects such as environment, health and safety, labour standards and product responsibilities annually.

SCOPE OF REPORTING

The ESG Report follows the reporting scope of the Group's annual report, and covers its operations in Germany, Denmark, the UK, the PRC, and Hong Kong. As the newly acquired operations in Switzerland were completed in October 2025, they will be included in the ESG reporting scope for the next reporting period, once sufficient data is available for meaningful disclosure.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") as set out in Appendix C2 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Information relating to the Group's corporate governance practices can be found in the Corporate Governance Report of this annual report.

During the preparation for this ESG Report, the Group has applied the reporting principles in the ESG Reporting Code as follows:

Materiality:	This ESG Report is structured based on the materiality of respective issues, resulting from materiality assessment. The result of the materiality assessment was reviewed and confirmed by the Board and the ESG Task Force. For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment".
Quantitative:	This ESG Report is prepared in accordance with the ESG Reporting Code and discloses KPIs in a quantitative manner. Information regarding the standards, methodologies, assumptions and/or calculation references, and sources of key conversion factors used for KPIs is stated wherever appropriate.
Consistency:	Unless otherwise stated, the Group's disclosure and statistical methods are consistent with the previous financial year for meaningful comparison. If there are any other changes that may affect the comparison with previous reports, the Group will make explanatory notes to the corresponding section hereof.

REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges and measures taken by the Group during FY2025 as well as comparative data for the financial year ended 31 December 2024 ("FY2024") where appropriate.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. The Group maintains close communication with its key stakeholders, including but not limited to, the Stock Exchange, governments and other regulatory authorities, shareholders and investors, employees, patients and customers, suppliers, media and the public and the community.

Stakeholders' expectations have been taken into consideration in formulating the Group's businesses and ESG strategies by utilising diversified engagement methods and communication channels as shown below:

Stakeholders	Engagement Methods	Expectations
The Stock Exchange	• The Stock Exchange website • Training and seminars • Announcements	• Compliance with Listing Rules and other relevant ordinances
Governments and other regulatory authorities	• Routine reports • Written or electronic correspondences • Visits and government inspections	• Legal compliance • Stability in business operations
Shareholders and investors	• General meeting and other shareholder meetings • Annual and interim reports • Announcements and circulars • Company website	• Sustainable profitability • Corporate governance • Legal compliance • Shareholder return

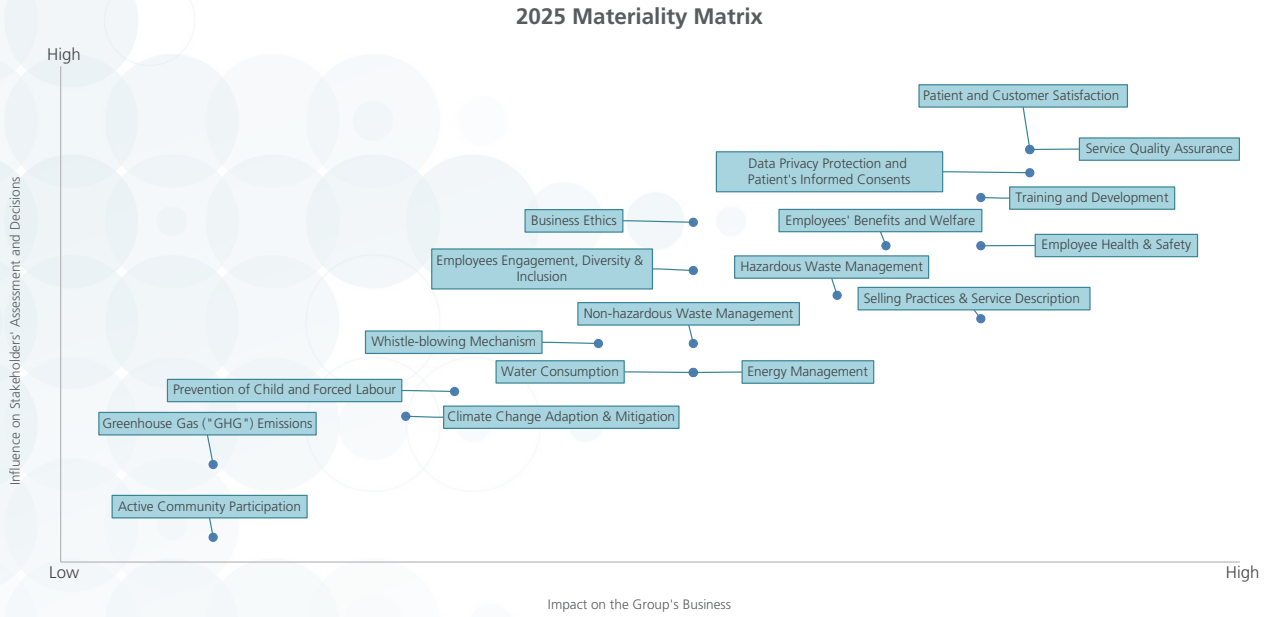
Stakeholders	Engagement Methods	Expectations
Employees	• Training, seminars and briefing • Employee suggestion boxes • Email and internal memos • Regular meetings	• Remuneration, compensation and benefits • Safe working environment • Career development
Patients and customers	• Customer service hotline and email • Visits to clinics	• Patient and customer satisfaction • Great post-operative care • High-quality services
Suppliers	• Site visits • Engagement and cooperation • Business meetings and discussion	• Fair and open procurement • On-time payment • Sustainable relationship
Media and the public	• ESG reports • Newsletters on company website • Reports and announcements	• Transparency of ESG issues and financial disclosure • Legal compliance • Corporate governance
Community	• Community activities • Employee voluntary activities • Charitable donations	• Active participation to worthy causes • Community development

The Group endeavours to actively listen to and collaborate with its stakeholders to ensure that their opinions can be voiced through proper communication channels. In the long-run, the stakeholders' contribution will aid the Group in improving its ESG performances and maintaining sustainable success of the Group's business in this challenging market.

MATERIALITY ASSESSMENT

The Board and the ESG Task Force of the Group have participated in the preparation of the ESG Report. They have assisted the Group in reviewing its operations, identifying key ESG issues and assessing their relevant importance to the Group's businesses and stakeholders. To ensure that the disclosures in the ESG Report reflect the Group's efforts in tackling sustainability issues, a materiality assessment has been conducted to identify ESG issues that are material to different stakeholders and the Group's business. The result of the materiality assessment is also used to formulate strategies, set targets and determine the focus of the ESG Report.

With the assistance of the Group's management and the ESG Task Force, the Group identified the list of material ESG issues for the Group, based on its business, the Sustainability Accounting Standards Board Standard, the ESG Reporting Code, and analysis of industry peers. To prioritise the identified material ESG issues, the Group compiled a questionnaire according to the material ESG issues identified and approached various groups of stakeholders to complete the said questionnaire in order to fully reflect different stakeholders' opinions. The results of the materiality assessment were reviewed and approved by the ESG Task Force, and then approved by the Board. The outcome of the materiality assessment is presented in the form of a materiality matrix, as shown below:



For FY2025, the Group confirmed that it has established appropriate and effective management policies and internal control systems to identify and handle ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Code.

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of the ESG Report or the Group's performances in sustainable development by email to ir@euroeyes.com or by writing to 3rd Floor, Plaza 2000, 2-4 Russell Street, Causeway Bay, Hong Kong.

A. ENVIRONMENTAL

A1. Emissions

As society demands greater acceleration in the progress of environmental protection, the Group strives to closely monitor its environmental and social impacts and incorporate environmental sustainability measures into its daily business operations.

The Group's impact on the environment through emissions is relatively low given its clinic-based operations. Nevertheless, the Group continues to review its existing guidelines and seeks to introduce new policies with the intention of mitigating any potential (direct and indirect) negative environmental impacts arising from its business operations. The Group's Code of Conduct and Business Ethics has a section headed "Environmental Protection", which states that the Group strives to be environmentally responsible by adopting sound environmental practices and supporting practical environmental-related measures and policies to protect and preserve the environment. In addition, to support the global decarbonisation vision and initiative, the Group undertakes to implement climate actions and continuously reduce carbon emissions.

During FY2025, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group including but not limited to, the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) and the Water Pollution Control Ordinance (Chapter 358 of the laws of Hong Kong), the Environmental Protection Law of the People's Republic of China, the Prevention and Control of Water Pollution Law of the People's Republic of China, the Prevention and Control of Atmospheric Pollution Law of the People's Republic of China, the Prevention and Control Law of Environmental Pollution by Solid Waste of the People's Republic of China, the Regulations on the Administration of Medical Wastes of the People's Republic of China, the Ordinance on Hazardous Substances (Gefahrstoffverordnung) of Germany, the Federal Water Act of Germany, the Environmental Protection Act of Denmark and the Environmental Protection Act 1990 of the UK.

Air Emissions

Air emissions were generated from the use of company vehicles for daily commute. As the Group's core business activity focuses on the provision of vision correction services, no significant air emissions were produced in its daily operations. The Group actively implements green measures to reduce fuel consumption by vehicles, which are mentioned in the section headed "Scope 1 – Direct GHG emissions" under this aspect.

Summary of air emissions performance:

Air Emissions[1]	**Unit**	**FY2025**	**FY2024**
Nitrogen Oxides (NOx)	kg	29.06	35.56
Sulphur Oxides (SOx)	kg	0.07	0.13
Particulate Matter (PM)	kg	2.75	3.31

Note(s):

1. The calculation method of air emissions is based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

GHG Emissions

The principal GHG emissions of the Group were generated from petrol and diesel consumption of vehicles (Scope 1), purchased electricity (Scope 2), business air travel (Scope 3), and paper waste disposal at landfills (Scope 3). To minimise the environmental impacts of GHG emissions generated from the Group's business operations, the Group has set target to reduce the total GHG emissions (gross) intensity (tCO_2e/million revenue (HK$)) gradually by the financial year ending 31 December 2026 ("FY2026"), using FY2021 as the baseline year. To achieve the target, the Group has adopted the following measures:

Scope 1 – Direct GHG emissions

The Group has adopted the following measures to mitigate direct GHG emissions from petrol and diesel consumption by vehicles in its operations:

- Plan routes ahead of time to avoid route repetition and optimize fuel consumption;
- Switch off the engine whenever the vehicle is idling; and
- Regularly service vehicles to ensure optimal engine performance and fuel use.

Scope 2 – Indirect GHG Emissions

Electricity consumption accounted for the largest percentage of GHG emissions within the Group. The Group has implemented measures to reduce energy consumption, said measures are mentioned in the section headed "Energy Management" under aspect A2.

Scope 3 – Other Indirect GHG Emissions

Business air travel and office paper waste disposal accounted for other indirect GHG emissions. The Group encouraged employees to prioritize online meetings to minimize air travel. Measures implemented to reduce paper waste disposal are mentioned in the section headed "Waste Management" under this aspect.

Total GHG emissions intensity has decreased by approximately 9% from approximately 1.26 tCO_2e per million revenue (HK$) in FY2024 to approximately 1.15 tCO_2e/million revenue (HK$) in FY2025. This was mainly due to the increase in total revenue in FY2025, which was used for the intensity calculation. The Group will continue to actively promote environmentally friendly measures to help reduce GHG emissions and achieve the target.

Summary of GHG emissions performance:

Indicator[2,3]	**Unit[4]**	**FY2025**	**FY2024**
Scope 1 – Direct GHG Emissions	tCO_2e	12.24	22.71
• Petrol and Diesel Consumption by Vehicles		12.24	22.71
Scope 2 – Indirect GHG Emissions	tCO_2e	856.17	864.55
• Purchased Electricity		856.17	864.55
Scope 3 – Other Indirect GHG Emissions	tCO_2e	45.55	11.16
• Paper Waste Disposal		10.36	11.16
• Business Air Travel		35.19	–
Total GHG Emissions (Scope 1, 2 and 3)	tCO_2e	913.96	898.42
Total GHG Emissions (Scope 1, 2 and 3) Intensity[5]	tCO_2e/million revenue (HK$)	1.15	1.26

Note(s):

2. GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards (2004)" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "Global Warming Potential Values" from the IPCC Sixth Assessment Report, the "Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factor Data" issued by the Ministry of Ecology and Environment of the PRC, the "Sustainability Report 2024" published by HK Electric Investments, "Greenhouse gas emission intensity of electricity generation" published by European Environmental Agency, "Energy Statistics 2023" published by Danish Energy Agency and "Greenhouse gas reporting: conversion factors 2025" published by Department for Energy Security and Net Zero of the UK.

3. According to the ESG Reporting Code, GHG emissions were measured in accordance with "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards (2004)". GHG emissions covered in this ESG Report comprise CO_2, CH_4, and N_2O.

4. tCO_2e is defined as tonnes of carbon dioxide equivalent.

5. For FY2025, the Group recorded a revenue of approximately HK$796.04 million (FY2024: HK$715.68 million). This data is used for calculating other intensity data.

Sewage Discharges into Water and Land

Due to the Group's business nature, the sewage discharge into land is insignificant. Similarly, there was no significant and unreasonable amount of sewage water discharged.

Waste Management

Hazardous Waste Management

Due to the Group's business nature, a material amount of hazardous wastes was generated by the Group. The major hazardous wastes produced in the Group's operations were clinical wastes. The Group remains vigilant in the management of proper clinical waste disposal. Guidelines on the handling and storage of clinical waste disposal have also been formulated to illustrate the procedures for dealing with hazardous wastes to reduce the risk of unnecessary exposure to contaminants and ensure that the disposal process complies with statutory requirements. Employees are required to familiarise themselves and strictly follow the procedures for handling hazardous wastes as set out by the Group. Licenced medical waste collectors have also been contracted to lawfully handle and dispose of such clinical wastes. During FY2025, hazardous waste was lawfully disposed of by contracted third parties in different jurisdictions.

Total hazardous waste intensity decreased from approximately 0.02 tonnes per million revenue (HK$) in FY2024 to approximately 0.01 tonnes/million revenue (HK$) in FY2025. Different types of eye surgeries require different types of equipment and materials, therefore, the amount of hazardous waste generated can vary depending on the type of procedure. In order to continuously reduce the adverse impact associated with the production of hazardous waste, the Group will continue to monitor the amount of clinical waste generated during its operations.

Summary of major hazardous waste generation performance:

Category of Waste	Unit	FY2025	FY2024
Total Hazardous Waste	Tonnes	6.97	15.79
• Clinical Waste		6.97	15.79
Total Hazardous Waste Intensity	tonnes/million revenue (HK$)	0.01	0.02

Non-hazardous Waste Management

Non-hazardous wastes generated were principally general waste and office paper, and the Group was not aware of a disproportional amount of waste produced. To minimise the environmental impacts of non-hazardous waste generated from the Group's business operations, the Group has set target to reduce the total non-hazardous waste intensity (tonnes/million revenue (HK$)) gradually by FY2026, using FY2021 as the baseline year. To achieve the target, the Group continues to place great effort in educating its employees on the importance of reducing waste production and has adopted the following environmentally friendly initiatives to enhance its environmental performance.

Green measures include but are not limited to the following:

- Reuse single-sided paper for draft documents;
- Recycle office paper, including those that are to be shredded;
- Print electronic correspondences only when necessary;
- Procure office paper with Forest Stewardship Council Recycled Label;
- Reduce the use of single-use disposable items; and
- Recycle office and electronic equipment after their life cycle.

Total non-hazardous waste intensity increased from approximately 0.01 tonnes per million revenue (HK$) in FY2024 to approximately 0.03 tonnes/million revenue (HK$) in FY2025. Different types of eye surgeries require different types of equipment and materials, therefore, the amount of non-hazardous waste generated can vary depending on the type of procedure. The Group will continue to actively promote environmentally friendly measures to help reduce total non-hazardous waste disposal.

Summary of major non-hazardous waste disposal performance:

Category of Waste	Unit	FY2025[6]	FY2024[6]
Total Non-hazardous Waste	tonnes	20.24	8.38
• Office Paper		2.16	2.33
• General Waste		18.08	6.05
Total Non-hazardous Waste Intensity	tonnes/million revenue (HK$)	0.03	0.01

Note(s):

6. General Waste and its related costs in excluded branches were included in the rental arrangement with hospitals where the surgeries were performed, a breakdown of such data is hence not available.

A2. Use of Resources

The Group takes the initiative to introduce green measures to reduce the environmental impact arising from its business operations. Measures on reducing office paper waste have been mentioned in the preceding "Waste Management" section.

Energy Management

The Group recognises the scarcity of finite natural resources and has therefore implemented policies to better govern the use of resources. Striving to reduce energy consumption during its operation, the Group has set a target to reduce its total energy consumption intensity (kWh/million revenue (HK$)) gradually by FY2026, using FY2021 as the baseline year. To achieve the target, the Group has adopted the following energy-saving measures:

- Pre-set thermostats of heaters and air-conditioners at a mutually agreed level;
- Switch off all idle appliances and unnecessary lighting upon leaving the office;
- Purchase equipment with high energy efficiency for the replacement of obsolete equipment; and
- Post energy-saving reminders near lights switches and electrical appliances.

Anomaly in electricity consumption will be investigated to find out the root cause and preventive measures will be taken. Total energy consumption intensity decreased by approximately 2% from approximately 2,741.16 kWh/million revenue (HK$) in FY2024 to approximately 2,679.24 kWh/million revenue (HK$) in FY2025 due to the increase in total revenue in FY2025, which was used for the intensity calculation. The Group will continue to actively promote energy-saving measures to reduce the use of energy.

Summary of energy consumption performance:

Types of Energy	Unit	FY2025	FY2024
Direct Energy Consumption[7]	kWh	46,003.15	88,185.79
• Petrol		22,098.33	21,868.55
• Diesel		23,904.82	66,317.24
Indirect Energy Consumption	kWh	2,086,779.38	1,873,607.63
• Electricity[8]		2,086,779.38	1,873,607.63
Total Energy Consumption	kWh	2,132,782.53	1,961,793.42
Total Energy Consumption Intensity	kWh/million revenue (HK$)	2,679.24	2,741.16

Note(s):

7. The unit conversion method of direct energy consumption data is based on the "Energy Statistic Manual" issued by the International Energy Agency.

8. Electricity consumption data in FY2025 and FY2024 included all branches in the PRC, Hong Kong, Germany, UK and the Aarhus and Copenhagen branches in Denmark. Electricity usage and its related costs in excluded branches were included in the rental arrangement with hospitals where the surgeries were performed, a breakdown of such data is hence not available.

Water Consumption

Water was mainly used in the offices and clinics. To minimise the environmental impact of water consumption from its operation, the Group has set target to reduce total water consumption intensity (m^3/million revenue (HK$)) gradually by FY2026, using FY2021 as the baseline year. To achieve the target, the Group actively promotes the importance of water conservation to its employees. Apart from posting banners around the offices, the Group also regularly inspects water taps to prevent leakage and installs dual flush water cisterns in toilets and aerators on water faucets in sinks where possible.

The Group's total water consumption intensity decreased by 52% from approximately 7.43 m^3/million revenue (HK$) in FY2024 to approximately 3.57 m^3/million revenue (HK$) in FY2025. This was mainly due to the effective implementation of the water-saving policies stated above and the increased awareness of employees.

Summary of water consumption performance:

Indicator	Unit	FY2025	FY2024
Water Consumption[9]	m^3	2,844.12	5,315.02
Water Consumption Intensity	m^3/million revenue (HK$)	3.57	7.43

Note(s):

9. Water consumption data in FY2025 and FY2024 included all branches in the PRC, the UK, Hong Kong and the Aarhus branch in Denmark. Water consumption and its related costs in excluded branches were included either in the rental arrangement with hospitals or the tenancy fee, a breakdown of such data is hence not available.

Due to the Group's business nature, the Group did not encounter any problem in sourcing water that is fit for purpose.

Use of Packaging Material

Due to the Group's business nature, the use of packaging material is not considered to be a material ESG issue to the Group.

A3. The Environment and Natural Resources

The Group's business operations have a limited impact on the environment and natural resources, save for the aforementioned. However, the Group realises its responsibility in minimising any negative environmental impacts in its business operations. The Group remains conscious of its potential impact, therefore, regularly assesses the environmental risks of its business model, adopts preventive measures to reduce risks and ensures compliance with relevant laws and regulations.

Indoor Air Quality

To enhance working efficiency, the Group is committed to providing a pleasant working environment by maintaining environmental sanitation. Therefore, indoor air quality is regularly monitored and measured. During FY2025, the indoor air quality of the Group's office has been satisfactory. To improve indoor air quality, air purifying equipment has been placed in the office and the ventilation system is cleaned periodically. These measures resulted in maintaining the indoor air quality at a satisfactory level.

A4. Climate Change

In 2025, to demonstrate its commitment to environmental sustainability, the Group adopted Part D of the ESG Reporting Code, to enhance climate-related information disclosure. The Group has implemented a Climate Change Policy to establish its management approach for the mitigation of, adaptation to, and resilience against climate change.

Relief Provisions Applied

The Group has applied the following relief provisions as permitted by the Stock Exchange:

- Financial effects relief: The Group provides qualitative assessments of climate impacts and does not disclose quantitative financial data at this time.

- Capabilities relief: The Group assesses climate resilience through qualitative scenario analysis rather than complex financial modelling, an approach commensurate with the Group's current level of resources.

- Reasonable information relief: Certain value chain data (such as selected categories of Scope 3 GHG emissions) as well as the amount and percentage of assets or business activities vulnerable to climate-related transition risks, physical risks, and those aligned with climate-related opportunities, have not been disclosed in the current year, as the relevant data cannot be obtained without undue cost or effort.

Climate-related Risks and Opportunities

The Group remains dedicated to strengthening its resilience to climate change and to developing as an environmentally responsible healthcare provider. During 2025, the Group undertook a climate scenario analysis covering the Reporting Period, with a view to deepening its understanding of the potential consequences of climate change and formulating appropriate responses. Two climate scenarios drawn from the Shared Socioeconomic Pathways (SSPs), as developed by the Intergovernmental Panel on Climate Change (IPCC), were employed: SSP1-2.6 (a low-emission pathway aligned with the Paris Agreement objective of achieving net-zero carbon dioxide emissions around or shortly after 2050) and SSP3-7.0 (a high-emission pathway under which carbon dioxide emissions are projected to roughly double by the end of the century). The scope of this analysis is aligned with the reporting boundary of this ESG Report.

Physical risks and transition risks were each subjected to a structured screening and evaluation process. This methodology enables the Group to better understand the robustness of its climate strategy and to gauge how different climate trajectories may affect its core operations, ultimately enhancing the Group's preparedness for climate-related challenges. The analysis proceeds on the assumption that the Group's principal business activities and geographic footprint – spanning the PRC, Hong Kong, and multiple European jurisdictions – remain broadly unchanged over the analysis horizon, and that climate-related policies in these regions continue to evolve along their current trajectories. The analysis draws primarily on publicly available climate science data and sector-specific research, supplemented by qualitative judgement tailored to the Group's operational characteristics across its different markets.

From a value chain perspective, the climate-related risks identified by the Group are concentrated predominantly within its own operations – specifically, the day-to-day running of the clinics and the management of energy consumption. Climate risk transmission at the upstream level (procurement of medical consumables, pharmaceuticals, and ophthalmic surgical devices) and the downstream level (patients and referral networks) is assessed to be comparatively limited.

Climate-related risks and opportunities are classified across three time horizons:

- Short-term (1 to 5 years): Addresses risks and opportunities that are imminent or already materialising, corresponding to the Group's operational and tactical planning cycle. The focus is on addressing current priorities and implementing near-term adjustments.

- Medium-term (5 to 10 years): Encompasses risks and opportunities anticipated to intensify over this period, aligned with the Group's medium-term strategic objectives. This horizon guides capital allocation and resource planning to build resilience and sustain competitive advantage.

- Long-term (over 10 years): Contemplates the deeper, more systemic impacts of climate change, aligned with the Group's long-term strategic vision. The emphasis is on driving sustainable development and safeguarding the enduring viability of the business.

Set out below is a consolidated overview of the climate-related risks and opportunities that the Group has identified as potentially affecting its cash flows, financing capacity, or cost of capital. The summary covers their financial and non-financial implications for the Group's business model and value chain, the expected time horizons, and the Group's response measures – encompassing both current and planned adaptation and mitigation actions and the resources required.

Risk Category	Risk Description	Potential Impacts	Response Measures
Physical risk – Acute (Medium-term)	Growing frequency and intensity of extreme weather events such as typhoons, storms, flooding, and heatwaves across the Group's operating regions	– The Group's clinic network spans the PRC, Hong Kong, and several European countries, each of which faces its own profile of acute climate hazards. – Extreme weather could trigger power disruptions that interrupt surgical schedules, compromise the supply chain for ophthalmic pharmaceuticals, and force appointment cancellations – all of which would adversely affect revenue. Flood or storm damage to clinic premises could result in asset impairment, elevated repair and maintenance expenditures, and rising insurance premiums. – Staff mobility and the health and safety of both employees and patients may also be jeopardised.	– The Group has applied inventory demand forecasting analysis in its decision-making process and practiced order in advance at critical time. Other measures taken by the Group to stabilise the supply chain will be mentioned in the section headed "Supply Chain Management" under aspect B5. – The Group has flexible working arrangements and precautionary measures during bad or extreme weather conditions.

Risk Category	Risk Description	Potential Impacts	Response Measures
Physical risk – Chronic (Medium to long-term)	Gradual shifts in long-term climate patterns, including sustained temperature increases, rising sea levels, and prolonged heatwaves	– Progressively higher average temperatures may impair the performance of HVAC systems across clinic premises, increasing the energy needed to maintain the strict environmental controls required in operating theatres, and thereby pushing up utility costs. – Certain European locations may also face increased flood risk linked to sea-level rise. Warming and drought trends could lead to localised water scarcity, potentially affecting sterilisation processes and general facility operations in affected regions.	The Group intends to pursue phased energy-efficiency upgrades to HVAC and building services infrastructure, reinforce drainage and flood-mitigation measures at susceptible locations, and deliver targeted health and safety training to staff. Water conservation awareness campaigns – including the display of water-saving reminders and practical guidance for employees, will be rolled out across clinic premises.
Transition risk – Policy and regulatory risk (Medium to long-term)	Tightening environmental regulations and expanding climate disclosure mandates across multiple jurisdictions	– Operating across the PRC, Hong Kong, and Europe exposes the Group to a diverse and evolving regulatory landscape. Meeting these multi-jurisdictional requirements may necessitate enhanced emission and resource monitoring systems, with corresponding increases in compliance expenditure. – Non-compliance could expose the Group to legal liability, financial penalties, and reputational harm.	The Group regularly tracks current and emerging climate-related legislation, regulations, and policy developments across all jurisdictions in which it operates, so as to anticipate and respond to changes in a timely manner. External professional advisers are engaged to support the Group in meeting its compliance and disclosure obligations across its different regulatory environments.

Opportunity Type	Opportunity Description	Potential Impact
Policy and market	Governments in PRC, Hong Kong, and various European countries are each advancing policies to support the transition to a low-carbon economy. In PRC, the pursuit of dual carbon goals may spur incentives for renewable energy adoption and green building standards. In Europe, the European Green Deal and related initiatives provide frameworks for public funding, tax incentives, and regulatory support for sustainable enterprises. Hong Kong's Climate Action Plan similarly promotes decarbonisation across sectors.	Proactive engagement with these policy frameworks, for example, by installing solar panels at clinic premises, procuring green electricity, or attaining recognised green building certifications, could enhance the Group's brand equity and market appeal. Government subsidies, grants, or tax relief available under these programmes may also serve to reduce operating costs and bolster profitability.

Climate Resilience Assessment

Drawing on the findings of the climate scenario analysis, the Group has conducted a qualitative assessment of the implications of climate-related risks and opportunities under each scenario, summarised as follows:

Regarding physical risks, the high-emission scenario (SSP3-7.0) points to a progressive increase in both the frequency and severity of extreme weather events over the medium to long term. This trajectory could lead to higher operational expenditures across the Group's clinic network in areas including facility repairs, emergency preparedness, and insurance. That said, the Group has already put in place emergency response protocols and insurance arrangements across its operations, and accordingly considers these impacts to fall within a manageable range. Persistently elevated temperatures may also drive up cooling-related energy consumption at clinic premises, adding to utility costs. Under the low-emission scenario (SSP1-2.6), these physical risk impacts are anticipated to be less pronounced.

Regarding transition risks, the low-emission scenario implies an accelerating pace of low-carbon policy development across all three of the Group's principal operating regions. Over the medium to long term, the Group may face elevated compliance costs, encompassing more extensive emissions monitoring, enhanced disclosure obligations, and stricter medical waste management standards, as well as expenditures associated with retrofitting clinics to meet evolving green building and energy-efficiency benchmarks. These costs are, however, expected to be at least partially offset by the operational savings and enhanced service differentiation that such investments can deliver. Under the high-emission scenario, transition-related pressures are expected to be more moderate, though the long-term accumulation of physical risk costs could prove more significant.

Regarding climate-related opportunities, the expanding market appetite for sustainable healthcare services, combined with governmental incentives for green development across the Group's operating jurisdictions, may open up additional revenue streams and avenues for cost reduction. The degree to which these opportunities materialise will hinge on the pace of market evolution and the extent to which supportive policies are implemented in practice. The Group will continue to track relevant developments and respond as appropriate.

The Group believes that it maintains a reasonable degree of adaptive capacity under both scenarios. As a provider of ophthalmic surgery services operating under an asset-light model, the Group does not own large-scale fixed assets or carbon-intensive facilities. The inherent flexibility of its business model provides a sound basis for navigating the risks and capturing the opportunities associated with various climate trajectories.

The analysis is necessarily subject to a number of uncertainties. Climate scenarios are, by definition, hypothetical projections, and the actual path of climate change may diverge from any individual scenario. The predominantly qualitative nature of the analysis, undertaken without the use of detailed climate-financial models, places inherent limits on the precision of its conclusions. Moreover, the future regulatory landscape across the PRC, Hong Kong, and Europe remains uncertain, and actual policy requirements and levels of government support may differ from the assumptions adopted. The Group intends to progressively enhance the rigour and granularity of its climate scenario analysis in subsequent reporting periods as its data infrastructure and analytical capabilities develop.

Impacts of Climate-related Risks and Opportunities on Business Model and Strategy

Sustainable development principles are embedded within the Group's clinical operations strategy and routine management across all markets. The Group is taking measured steps to advance green operations and low-carbon management across its clinic portfolio in the PRC, Hong Kong, and Europe. Given that the Group's core activity is the provision of ophthalmic surgery services, we do not hold substantial assets that are acutely sensitive to either climate-related physical risks or transition risks. Climate-related risks are principally associated with the potential for extreme weather to disrupt clinic operations and surgical scheduling. On the whole, the influence of climate-related risks on the Group's business operations and value chain remains limited, and such risks are not anticipated to materially alter the Group's strategic direction or decision-making. The Group has therefore not developed a standalone climate-related transition plan at this juncture.

The outcomes of the climate scenario analysis have been presented to the Board and senior management for their consideration. While climate-related risks and opportunities have not yet exerted a material influence on strategic decisions, the Group has begun incorporating climate considerations into the development of operating budgets, resource allocation, and business expansion plans, ensuring that its strategic planning gives due regard to the potential effects of climate-related risks and opportunities.

Going forward, the Group envisages further refinements to its operational model in the following areas: broadening the rollout of energy-efficiency upgrades across a larger proportion of its clinic portfolio; investigating the adoption of smart energy management platforms to enable more granular monitoring and control of energy use at each clinic; and incorporating green and sustainable design principles more prominently in the planning and fit-out of new clinic premises. These initiatives will be advanced incrementally, in step with the Group's growth trajectory and available resources.

Throughout the Reporting Period, the Group committed appropriate human and operational resources to climate-related activities. The ESG Task Force assumed central responsibility for coordinating climate-related efforts, including overseeing the climate scenario analysis, collating relevant data across all operating regions, and preparing the climate-related content of this Report. The ESG Task Force considers climate-related risks and opportunities in the formulation of the Group's strategy, annual budgeting, and operational planning, including decisions on energy-efficiency projects and emergency preparedness measures. In making such decisions, the Group considers trade-offs between short-term expenditure and long-term resilience, cost savings, and operational continuity. Operational staff at individual clinic locations contributed to the development and rehearsal of extreme weather response plans. Professional external advisers were engaged to support the Group's inaugural climate scenario analysis and the preparation of climate-related disclosures. Operational resources were allocated to energy-efficiency improvement projects and to the maintenance and updating of emergency preparedness equipment at clinic sites. All such resource commitments were accommodated within the Group's annual operating budget and did not result in any material departure from planned expenditure levels.

Current and Anticipated Financial Effects

In terms of current financial effects, the Group did not identify any material capital expenditures, financing transactions, or investment activities linked to climate-related risks or opportunities during the Reporting Period. As at the end of 2025, the Group's climate-related mitigation initiatives have not had a material effect on its financial position, financial performance, or cash flows. Where climate-related investments have been incurred, they have been recognised as operating expenses or capitalised as part of routine asset renewal cycles, without giving rise to any significant deviation from budgeted expenditure. The Group further considers that climate-related matters do not present a significant risk of causing material adjustments to the carrying amounts of its assets or liabilities within the next annual reporting period.

In terms of anticipated financial effects, the nature of the Group's business (ophthalmic surgery services) and the composition of its asset base suggest that the financial impacts of climate-related risks and opportunities will be limited over the near term. The magnitude of any medium–to long-term effects will be shaped by the actual course of climate change and by policy developments across the jurisdictions in which the Group operates. No material climate-related capital expenditures, financing requirements, or investment activities are expected in the short term.

Process for Identifying and Assessing Climate-related Risks

A structured process has been established by the Group for the identification, assessment, prioritisation, and ongoing monitoring of climate-related risks. This process is led by the ESG Task Force, operates under the oversight of the Board and senior management, and is integrated with the Group's broader enterprise risk management framework.

Risk assessment is carried out primarily on a qualitative basis, evaluating the nature, likelihood, and potential severity of each identified climate-related risk. Specifically, risks are graded according to their assessed probability of occurrence, drawing on historical event data, scientific projections, and policy trend analysis across all operating jurisdictions, and the potential magnitude of their impact on business operations, financial standing, and reputation.

Prioritisation and Monitoring of Climate-related Risks

Climate-related risks are ranked alongside other categories of enterprise risk based on their nature, assessed likelihood and potential severity. At present, climate-related risks are assigned a comparatively lower priority relative to other risk categories (such as operational, financial, and regulatory compliance risks), reflecting their assessed limited near-term impact on the Group. Nevertheless, these risks remain subject to continuous monitoring so that the Group can respond promptly should conditions change.

The ESG Task Force reviews the status of all identified climate-related risks on a periodic basis (no less than annually), assessing whether there have been any material shifts in the risk landscape. The current Reporting Period marks the first occasion on which the Group has formally conducted a climate scenario analysis, incorporating the specified input parameters and assumptions into its risk management process. Apart from this addition, no other significant changes have been made to the risk management process compared with the prior reporting period.

Assessment of Applicability of Cross-industry and Industry-specific Metrics

Having undertaken a thorough evaluation, the Group has concluded that certain cross-industry and industry-specific climate metrics are of limited relevance to understanding its climate-related performance and has accordingly elected not to disclose them. In particular, the Group does not hold material assets that are highly exposed to climate-related transition or physical risks, such as major property holdings in high flood-risk zones or carbon-intensive production facilities, nor does it conduct business activities that are acutely sensitive to climate change. The Group has therefore not separately quantified or reported the value of assets or business activities susceptible to climate-related risks or opportunities. As at the end of the Reporting Period, the Group has not adopted an internal carbon pricing mechanism, principally because its direct emissions remain modest in scale, it is not currently subject to any mandatory carbon trading scheme in its operating jurisdictions, and the practical benefits of introducing such a mechanism at this stage would be limited.

B. SOCIAL

B1. Employment

The continued success of the Group owes much to its talents and their contribution. Therefore, the Group strives to provide the greatest degree of protection to its employees through implementing comprehensive employment policies. Employment policies are formally documented in the Employee Handbook, covering recruitment and promotion, compensations and dismissal, remuneration, diversity, rest periods, working hours, equal opportunities, anti-discrimination and other benefits and welfare etc. The Group periodically reviews existing policies and employment practices to ensure continuous improvement of its employment standards and competitiveness against other ophthalmic service providers.

During FY2025, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance (Chapter 57 of the laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong) and the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China, the German Civil Code, relevant collective agreements and statutes of Denmark, the Employment Relations Act 1999 of the UK and the Employment Rights Act 1996 of the UK.

As at 31 December 2025, the Group had 404 employees (as at 31 December 2024: 446 employees), which included but were not limited to surgeons, conservative ophthalmologists and optometrists. The following table shows the Group's diversity by gender, age group, employment type and geographical region:

	FY2025	FY2024
By Gender		
Male	73	84
Female	331	362
By Age Group		
Under 30 Years Old	77	91
30 to 50 Years Old	238	249
Above 50 Years Old	89	106
By Employment Type		
Full-time	299	322
Part-time	105	124
By Geographical Region		
Germany	180	214
Denmark	31	34
The PRC	125	119
The UK	60	65
Hong Kong	8	14

During FY2025, the Group's overall turnover rate[10] was approximately 30.20% (FY2024: 25.78%). The Group's employee turnover rates by gender, age group and geographical region during FY2025 are summarised below.

Turnover Rate (%)[11]	FY2025	FY2024
By Gender		
Male	27.40%	23.81%
Female	30.82%	26.24%
By Age Group		
Under 30 Years Old	29.87%	23.08%
30 to 50 Years Old	31.93%	31.73%
Above 50 Years Old	25.84%	14.15%
By Geographical Region		
Germany	35.00%	24.30%
Denmark	19.35%	2.94%
The PRC	21.60%	31.93%
The UK	36.67%	29.23%
Hong Kong	50.00%	35.71%

Note(s):

10. The overall turnover rate is calculated by dividing the number of employees leaving employment during the financial year by the number of employees as at the end of the financial year.

11. The turnover rate by category is calculated by dividing the number of employees leaving employment in the specified category during the financial year by the number of employees in the specified category as at the end of the financial year.

Employee Engagement, Diversity and Inclusion

The Group strives to provide a collaborative and inclusive workplace to welcome prospective employees equipped with unique skills and experience and maintain its current pool of talents. At the same time, the qualifications and experience of the Group's professional team are considered to be crucial to the quality of its services. In order to attract and retain key employees, the Group offers different types of remuneration packages to the employees and freelance surgeons. In addition to the leave entitlement stipulated in the employment laws of respective jurisdictions, the Group offers a wide variety of leave entitlements such as marriage leave, compassionate leave, etc.

The Group's employees are recruited via a robust, transparent and fair recruitment process based solely on their experience and expertise and without regard to their age, ethnicity, origin, gender identity, marital status, sexual orientation and religion. It is of the Group's firm belief that all employees should have the right to work in an environment free of discrimination, harassment, victimisation and vilification. Therefore, the Group emphatically states its zero-tolerance stance on any aforementioned behaviours in the workplace of any form.

Promotion and Performance Appraisal

The Group assesses the performance of the employees on an annual basis, the results of which are used in their annual salary review and promotion appraisal. The Group also gives preference to internal promotion to encourage consistent and continuous effort.

Compensation and Dismissal

All employees are protected by the statutes of their respective jurisdictions upon joining the Group. The said statutes provide protection to employees who sustain personal injury by accident or disease in the course of employment. In addition, the Group has purchased and maintained insurance policies for all of its premises, all full-time employees are also fully covered under the insurance policies. Surgeons and conservative ophthalmologists are reminded to purchase their own professional indemnity insurance policies.

Unreasonable dismissal under any circumstances is strictly prohibited; dismissal would be based on reasonable and lawful grounds in accordance with the internal policies of the Group.

Working Hours and Rest Periods

The Group has formulated policies for determining the working hours and rest periods for employees following local employment laws.

B2. Health and Safety

Employee Health and Safety

During FY2025, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group, including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Labour Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, the Danish Health Act, the German Criminal Act and the Management of Health and Safety at Work Regulations 1999 of the UK. The Group had zero work-related fatalities in each of the past three years including FY2025 in any of its operations.

During FY2025, there were no reported case of work-related injuries and zero lost days due to work injury (FY2024: 2 cases and 83 lost days and FY2023: 3 cases and 6 lost days).

The Group endeavours to provide and maintain a safe and healthy working environment for all its employees. The Group has adopted occupational health and safety management procedures and an internal safety manual for its staff, all of which are in compliance with the latest statutory requirements. Written procedures and guidelines are also in place for health and safety-related requirements, which includes, inter alia, the handling of medical equipment and clinical wastes and the use of personal protective equipment ("PPE").

In accordance with the Group's procedures and guidelines, employees should strictly adhere to the following safety measures:

- Wear appropriate work shoes according to the nature of work and environment;
- Label all chemicals, disinfectants and bactericides, and store them properly in the designated area;
- Wear protective clothing such as masks, goggles or gloves when they contact with patients' body fluid;
- Wash their hands immediately with hand sanitisers after removing clothing such as robes, uniforms or gloves; and
- Place used syringes in the sharp box with care to prevent acupuncture accidents which may cause infection.

The Group will continue to monitor the situation closely and make any necessary adjustments to ensure the well-being of our valued team members.

B3. Development and Training

Human Capital Development

Training and continuous development are indispensable to keep abreast of the rapidly evolving trend of this industry and also to satisfy customers' changing needs.

The Group places great emphasis on providing its employees with ample external and internal training opportunities to ensure that employees are well acquainted with the most up-to-date information and regulatory framework and exude professionalism. The Company's internal staff training consists of two phases. In the first phase, the staff member receives an in-house training during the first six months of employment, the training is designed to unify all staff of different work and education backgrounds under a common level of expertise and knowledge. New staff are required to be educated on the Company's treatment strategies and philosophy in order to provide the optimal service level to all customers, and at the same time, allow efficient and seamless integration with the existing team. This defines an internal standard level to confirm that the staff has the requisite knowledge to serve visiting customers. The second phase involves continuing education in the form of supplementary internal and external training programmes in areas such as sales, surgery assistance and new developments in refractive surgery. Externally, the Group sponsors its staff to attend international conferences and symposiums on refractive surgery to further develop and refine their expertise.

The refractive surgery manual is provided to all new incoming employees to ensure that they are familiar with the daily operation of the Group's refractive surgeries. Employees will be given the opportunity to sit the Group's internal examination to become a refractive coordinator of the Company, and such examination is held at the headquarters in Hamburg, Germany annually.

The Group also sponsors its doctors and team members to attend international conferences and symposiums in relation to vision correction and also holds regular know-how sharing sessions across the Group.

During FY2025, approximately 60.89%[12] of employees (FY2024: approximately 55.16%) were trained and the average training hours per employee was approximately 8.57 hours[13] (FY2024: approximately 15.11 hours). The following table is an overview of the Group's training statistics:

	2025			2024		
Indicators	**Percentage of Trained Employees[14] (%)**	**Breakdown of Trained Employees[15] (%)**	**Average Training Hours[16] (Hours)**	**Percentage of Trained Employees[14] (%)**	**Breakdown of Trained Employees[15] (%)**	**Average Training Hours[16] (Hours)**
By Gender						
Male	76.71	22.76	10.35	66.67	22.76	15.65
Female	57.40	77.24	8.18	52.49	77.24	14.98
By Employee Category						
Surgeons	65.52	7.72	20.48	62.50	8.13	27.48
Conservative Ophthalmologists	77.27	6.91	20.00	85.71	7.32	46.79
Nurses, Optometrists, Opticians and Refractive Coordinators	60.38	39.03	5.19	51.60	39.43	11.33
Management, Finance, Human Resource and Administration	61.02	14.63	9.85	64.18	17.48	12.61
Receptionist, Sales, Marketing and Customer Feedback	57.78	31.71	7.56	49.28	27.64	13.77

Note(s):

12. The percentage of trained employees is calculated by dividing the total number of employees who took part in training during the financial year by the total number of employees as at the end of the financial year.

13. The average training hours per employee is calculated by dividing the total number of training hours of employees during the financial year by the total number of employees as at the end of the financial year.

14. The percentage of trained employees by category is calculated by dividing the number of employees in the specified category who took part in training during the financial year by the number of employees in the specified category as at the end of the financial year.

15. The breakdown of trained employees by category is calculated by dividing the number of trained employees in the specific category during the financial year by the total number of trained employees during the financial year.

16. The average training hours by category is calculated by dividing the total number of training hours for employees in the specified category during the financial year by the number of employees in the specified category as at the end of the financial year.

B4. Labour Standards

Prevention of Child and Forced Labour

The Group guarantees that no employee will be made to work against his/her will nor will he/she be coerced to work. Pursuant to the Group's employment policies, the recruitment of child labour is strictly prohibited. All employees recruited by the Group are above the minimum working age of respective jurisdictions. Personal information and identity documents are carefully checked by the human resources department during the process to assist the selection of suitable candidates and to verify candidates' personal data. Moreover, to prevent non-compliance with labour standards of respective jurisdictions, overtime working is on a voluntary basis and is not recommended. If an employee suspects child or forced labour, the employee should report to the department head or executive director. Should the Group become aware of any violation of the labour standards of respective jurisdictions, the issue will immediately be dealt with in accordance with the applicable laws and regulations. The Group also reviews its employment policies from time to time.

During FY2025, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group, including but not limited to Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Young Workers Protection Act of Germany, Working Environment Act of Denmark, the National Minimum Wage Act 1998 of the UK and the Modern Slavery Act 2015 of the UK.

B5. Supply Chain Management

Procurement Practices

The Group mainly procures surgical equipment such as lenses, treatment packs, eye-drops, equipment and tools. Well-regulated, fair and open tendering and evaluation procedures have been established to select prospective suppliers. Apart from considering the offered price, the Group also takes into account the business licences and certifications, the provision of quality service, supplier's experience and reputation, social and environmental compliance and follow-up services when selecting prospective suppliers.

To ensure that the suppliers and distributors could compete in an open and fair way, the Group's employee should adhere strictly to principles stated in the Code of Conduct and Business Ethics. The Group closely monitors the procurement made by our staff and forbids any practices that are against business ethics. Employees or personnel who have an interest relationship with the supplier will not be allowed to be involved in the related business activity.

The Group procures only surgical equipment and supplies of the medical quality. During FY2025, the Group had a total of approximately 479 (FY2024: 491) medical suppliers. All of the Group's medical suppliers are evaluated and engaged according to the Group's standardised supplier engagement process. The breakdown of the Group's suppliers is as follows:

Total Number of Suppliers	**FY2025**	**FY2024**
By Geographical Region		
Germany	46	74
Denmark	36	39
The PRC	192	195
Hong Kong	107	89
The UK	86	94
USA	6	–
Other countries in the Europe	6	–

The Group currently has major and long-term business dealings with 2 of the aforementioned suppliers, namely Carl Zeiss, a Frankfurt-listed medical technology company since 1993, and Staar Surgical, a NASDAQ-listed medical technology company since 1997. They are both the Group's sole supplier of Zeiss trifocal lens and phakic lens ("ICL") respectively. To enhance the stability of supply, the Group has entered into a long-term supply agreement with Carl Zeiss with a renewable provision. The Group takes pride in its harmonious and longstanding business relationships with the aforementioned crucial partners. However, the Group is aware of and remains vigilant to the potential of fluctuation in supply.

Sustainable Supply Chain

The Group strives to maintain a supply chain management that both provides stability and flexibility by adopting a three-pronged approach, i) not over-relying on a specific supplier; ii) maintaining a sustainable relationship with existing suppliers; and iii) developing new connections with new prospective suppliers. Meanwhile, the Group expects suppliers to meet its standards in the area of environmental management, labour practices, corporate governance, and business ethics. To ensure that suppliers are complying with these standards and to minimise potential environmental and social risks in the supply chain, performance of the suppliers is periodically evaluated and monitored to ensure their compliance with relevant standards. To ensure effective implementation of the above practices, the Group has established KPIs related to environmental and social sustainability. These KPIs are monitored regularly, and progress is reviewed periodically to make any necessary adjustments. Should their practice or product supplied fall below the agreed standard, the cooperation may be terminated.

Additionally, the Group endeavours to support local economies and prioritises the procurement from local and regional suppliers to lower the carbon footprint during transportation. Striving to minimise its potential environmental and social risks in the supply chain, the Group also endeavours to engage service providers who incorporate ESG issues into their business development and gives priority to suppliers who use environmentally preferable products and services in the selection process.

B6. Product and Service Responsibility

The Group is committed to maintaining the standards on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress as required in the Listing Rules.

During FY2025, the Group was not aware of any non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress that would have a significant impact on the Group, including but not limited to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the Tort Liability Law of the People's Republic of China and the Administrative Measures on Medical Advertisement of the People's Republic of China, the German Federal Data Protection Act (Bundesdatenschutzgesetz), the Healthcare Advertisement Act (Heilmittelwerbegesetz) of Germany and the German Act against Unfair Competition (Gesetz gegen den unlauteren Wettbewerb), the General Data Protection Regulation 2016/679 of the EU Law ("GDPR"), the Danish Health Act (Bekendtgorelse of sundhedsloven), the Executive Order 509 of 13 May 2018 and Act 326 of 6 May 2003 of Denmark, the Medical Device Regulations 2002 of the UK, the Data Protection Act 2018 of the UK, and the Opticians Act 1989 of the UK.

Data Privacy Protection and Patients' Informed Consent

As a healthcare service provider, the protection of patients' and customers' data privacy is of utmost importance to the Group. The Group endeavours to safeguard all sensitive information pertaining to the patients and assures that informed consents from patients are properly obtained under the framework of respective jurisdictions.

The Group has established a comprehensive protocol to govern the handling, storage, retrieval and access of the personal data and medical records of its patients and customers. The protocol was drafted in compliance with local laws and regulations of respective jurisdictions. A Data Protection Policy has been established to ensure that all staff are familiar with the proper handling method with regard to patients' and customers' sensitive data.

To protect patients' and customers' data against unauthorised physical access by third parties, files containing such data are stored in a lockable cabinet, accessible only by a designated person of the clinic. Access to classified and encrypted information without appropriate authentication is prohibited. Automatic protection features (e.g. password protected screen saver, keyboard lock) in servers, computer terminals, workstations or microcomputers are activated if there has not been activity for a predefined period of time to prevent unauthorised usage. All third-party IT contractors visiting the back offices or computer rooms will be monitored at all times by a staff member. The aforementioned procedures can be found in the Employee Handbook.

A data protection officer is appointed to ensure proper knowledge, support and authority are available to the Group regarding GDPR. The data protection officer will also provide training to managers and decision-makers on data protection to ensure that processes and tools involved in personal data are and remain compliant. As stipulated in the Group's data protection policy, staff members who handle and have access to personal and sensitive data must observe and follow the GDPR.

Service Quality Assurance

The Group's exceptional quality and post-operation satisfaction are recognised by receiving ZEISS Award for 10 million SMILE treatments. The Group has also been certified by Carl Zeiss as implanting the most ZEISS AT LISA trifocal lenses worldwide in 2024, indicating that the Group is one of the world's leading clinical groups in performing trifocal lens exchange surgery, having performed approximately 58,000 such presbyopia treatment surgeries between 2016 and 2024. In February, Dr Jørn S. Jørgensen, the founder and medical director of the Group, has been included in the prestigious STERN list of doctors 2025 in the field of refractive surgery. This award recognises his outstanding expertise and tireless commitment to ophthalmology.

The Group prides itself on the qualification and the number of high volume surgeons and the certification of the ISO 9001:2015 in all clinics in Germany. The Group's high volume surgeons not only graduated from renowned medical schools but also all perform a minimum of 1,000 refractive surgeries per year. All ophthalmologists have been registered with their local medical authorities in respective jurisdictions. Combined with the professional and detailed pre-examinations, the complication rate is greatly reduced. This provides prospective patients with confidence and trust upon the Group.

In addition, the Group will perform an inspection upon delivery of the new products for quality assurance purpose on products such as eye drops to ensure that there are no physical damages on the products, the products have not passed the expiry date and clear labels are applied to containers. Moreover, the Group has also formulated standardised procedures in monitoring the environment for product storage. For instance, medications are to be stored at room temperature, away from sunlight. As the Group is principally engaged in the provision of vision correction services and does not involve in any manufacturing activities, products sold or shipped subject to recalls for safety and health reasons is considered immaterial to its business.

Patient and Customer Satisfaction

The Group attaches great significance to feedback and complaints from its customers and patients, as it is the key to enhancing the Group's service. Procedures for handling complaints relating to the post-operation of refractive surgeries are stated in the refractive surgery manual for refractive coordinators' reference. Should the Group receive any complaints, the Group will strive to act immediately to resolve the issue with effective corrective actions. In addition, any complaints received are discussed and reviewed by the management during regular meetings to prevent re-occurrence. During FY2025, the Group did not receive any product or service-related complaints.

Selling Practice and Service Description

Since the Group's principal focus is placed on the provision of vision correction services, matters pertaining to advertising and labelling are not considered to be material to the Group. However, the Group recognises the gravity of wrongful intake of pharmaceutical products and/or belief of misleading health advertisements. Therefore, the Group takes careful precautions to prevent its patients from receiving misleading health-related information or advice via advertisements and poor labelling practices.

Intellectual Property Rights

The Group believes that intellectual property rights are critical to its continued success. The Group primarily relies on the applicable laws and regulations on trademarks, trade secrets as well as confidentiality agreements to protect its intellectual property rights. Meanwhile, to prevent third parties from adopting, registering or using its trademarks, the Group has registered a number of trademarks as well as its domain names. The Group regularly monitors to ensure that intellectual property rights are not being infringed upon.

B7. Anti-corruption

During FY2025, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group, including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Anti-Unfair Competition Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the German Criminal Act, the Danish Criminal Code and the Bribery Act 2010 (the 2010 Act) of the UK. During FY2025, there were no concluded legal cases regarding any forms of fraud and corrupt practices brought against the Group or its employees.

Business Ethics

Solid corporate governance is the bedrock of the Group's growth and development. The Group is committed to developing a culture of openness, accountability and integrity. Therefore, the Group has included a section named "Anti-corruption Practices" in the Group's Code of Conduct and Business Ethics which clearly states the Group's compliance with relevant laws and regulations, zero-tolerance stance and the responsibilities of its employees. The Group is careful to ensure that any contributions to charity and sponsorships are not a subterfuge for bribery. Therefore, for the purpose of transparency, the Group discloses all its charitable contributions and sponsorships. Bribery, fraud and corruption in any form or in relation to any parties are all strictly prohibited in the Group.

The Group endeavours to maintain a culture of integrity, transparency and accountability by adhering to stringent anti-corruption practices. To prevent corrupt practices during its business operation, employees are required to undergo anti-corruption training to familiarise themselves with the current legislation, the identification of and correct procedures to report corrupt practices. Relevant guidelines on anti-money laundering and counter-terrorist financing have been circulated among all directors during FY2025, which helped to familiarise them with their corresponding roles and responsibilities in anti-corruption and business ethics. All directors of the Group have received an average of approximately 1.5 hours of anti-corruption training, while one employee has received approximately 2.5 hours of such training.

Whistle-blowing Mechanism

The Group has established a comprehensive Whistleblowing Policy which covers the treatment of concerns or complaints relating to suspected improper activities. The said policy also intends to address any complaints that allege acts or attempted acts of interference, reprisal, retaliation, threats, coercion or intimidation against employees who report, disclose or investigate improper or illegal activities and to protect those who come forward to report such activities. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

Within the said policy, the Group has set out a detailed reporting and investigative procedure to encourage employees to report fraudulent activities and to ensure that their reports are given due regard. The Audit Committee ("AC") has the overall responsibility for the said policy, while the day-to-day responsibility for overseeing and implementing the policy is delegated to the company secretary of the Company (the "Company Secretary"). Responsibility for monitoring and reviewing the execution of the policy and providing recommendations lies with the AC. The use and effectiveness of the Whistleblowing Policy will be monitored and reviewed regularly by the Company Secretary and approved by the AC.

B8. Community Investment

Active Community Participation

The Group is committed to investing in the development and success of the communities where it operates and plans to put focus and resources on the areas of contribution such as education, environmental concerns, labour needs, health, culture and sports. The Group believes that social participation and contribution is a part of responsible corporate citizenship and is able to inject positive values into the community. To encourage the Group's employees to actively participate in worthy causes, the Group has established relevant guidelines on employee community engagement, endorsing senior executives' participation in community service and acceptance of public offices.

As a vision correction service provider, the Group not only restores or improves patients' vision but also restores hope, faith and confidence of patients. Since 2003, the Group has been involved in pro-bono work in less developed areas such as Peru and Nepal and even travelled to Tibet and the Dominican Republic to restore vision of the underprivileged.

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Mandatory Disclosure	Section/Statement
Governance Structure	Chairman's Statement, The ESG governance structure
Reporting Principles	Reporting Framework, Stakeholder Engagement, Materiality Assessment
Reporting Boundary	Scope of Reporting

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect 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.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions– Air Emissions, GHG Emissions
KPI A1.2 (Repealed on 1 January 2025)	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions– GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions– Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions– Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions– GHG Emissions

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
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.	Emissions– Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	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).	Use of Resources– Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources– Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources– Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources– Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Material
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment 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.	The Environment and Natural Resources The Environment and Natural Resources– Indoor Air Quality

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect A4: Climate Change		
General Disclosure (Repealed on 1 January 2025)	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1 (Repealed on 1 January 2025)	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
Aspect 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 Employment– Employee Engagement, Diversity and Inclusion, Promotion and Performance Appraisal, Compensation and Dismissal, Working Hours and Rest Periods
KPI B1.1	Total workforce by gender, employment type (for example, full– or part– time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect 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– Employee 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– Employee Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety– Employee Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety– Employee Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training– Human Capital Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training– Human Capital Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training– Human Capital Development

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect 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.	Labour Standards– Prevention of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards– Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards– Prevention of Child and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management– Procurement Practices
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management– Procurement Practices
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management– Procurement Practices
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– Sustainable Supply Chain
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– Sustainable Supply Chain

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect B6: Product 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 Product and Service Responsibility– Selling Practice and Service Description
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product and Service Responsibility– Service Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product and Service Responsibility– Patient and Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product and Service Responsibility– Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product and Service Responsibility– Service Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product and Service Responsibility– Data Privacy Protection and Patients' Informed Consent

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on:	Anti-corruption
	(a) the policies; and	Anti-corruption – Business Ethics
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption – Business Ethics
Aspect 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 – Active Community Participation
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment – Active Community Participation
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment – Active Community Participation

Part D: Climate-related disclosure

Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 19(a)	Information about the governance body or individual responsible for overseeing climate-related risks and opportunities (which may include the board, a committee, or another equivalent governance body).	The ESG Governance Structure, Climate Change	
Paragraph 19(b)	The role of management in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	The ESG Governance Structure, Climate Change	
Paragraph 20	The issuer shall disclose information that enables an understanding of climate-related risks and opportunities that could reasonably be expected to affect its cash flows, access to finance, or cost of capital in the short, medium or long term.	Climate Change	
Paragraph 21	The issuer shall disclose information that enables an understanding of the current and anticipated impacts of climate-related risks and opportunities on its business model and value chain.	Climate Change	
Paragraph 22	The issuer shall disclose information that enables an understanding of how climate-related risks and opportunities affect its strategy and decision-making.	Climate Change	

Part D: Climate-related disclosure

Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 23	The issuer shall disclose information about progress made in previous reporting periods in respect of the plan disclosed under paragraph 22(a).	–	This is the first year of disclosure under Part D, and there was no corresponding Part D plan in previous reporting periods.
Paragraph 24 (a)	How climate-related risks and opportunities affect the issuer's financial position, financial performance and cash flows during the reporting period.	Climate Change	Financial effects relief: quantitative financial data are temporarily not disclosed, and the granularity of the financial impact assessment will be progressively enhanced when sufficient data and methodological foundations become available.
Paragraph 24 (b)	Information about the climate-related risks and opportunities identified under paragraph 24(a), where there is a material risk of causing significant adjustments to the carrying amounts of assets and liabilities in the financial statements for the next reporting year.	Climate Change	N/A – explained.
Paragraph 25	Anticipated financial impacts (qualitative and quantitative)	Climate Change	Financial effects relief + Capabilities relief: lacking the skills, capabilities or resources to provide quantitative data on expected financial impacts.
Paragraph 26	Climate resilience	Climate Change	Capabilities relief: climate resilience is assessed through qualitative scenario analysis rather than complex financial models, which is proportionate to the Group's current level of resource allocation.

Part D: Climate-related disclosure

Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 27 (a)	The process and related policies the issuer uses to identify and assess climate-related risks, determine their relative priority, and keep them under review.	Climate Change	
Paragraph 27 (b)	The process the issuer uses to identify and assess climate-related opportunities, determine their relative priority, and keep them under review, including whether and how the issuer uses climate-related scenario analysis to identify climate-related opportunities.	Climate Change	
Paragraph 27 (c)	The process by which the issuer integrates the identification, assessment, prioritisation and monitoring of climate-related risks and opportunities into its overall risk management process, and the extent of that integration.	Climate Change	
Paragraph 28 (a)	Scope 1 greenhouse gas emissions	Emissions – GHG Emissions	
Paragraph 28 (b)	Scope 2 greenhouse gas emissions	Emissions – GHG Emissions	
Paragraph 28 (c)	Scope 3 greenhouse gas emissions	Emissions – GHG Emissions	
Paragraph 29	Greenhouse gas emission measurement methods.	Emissions – GHG Emissions	

Part D: Climate-related disclosure

Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 30	The issuer shall disclose the amount and percentage of assets or business activities that are vulnerable to climate-related transition risks.	Climate Change	Financial effects relief: assessed qualitatively for now; quantitative information is not disclosed at this time.
Paragraph 31	The issuer shall disclose the amount and percentage of assets or business activities that are vulnerable to climate-related physical risks.	Climate Change	Financial effects relief: assessed qualitatively for now; quantitative information is not disclosed at this time.
Paragraph 32	The issuer shall disclose the amount and percentage of assets or business activities involving climate-related opportunities.	Climate Change	Financial effects relief: assessed qualitatively for now; quantitative information is not disclosed at this time.
Paragraph 33	The issuer shall disclose the amount of capital expenditure, financing or investment used for climate-related risks and opportunities.	Climate Change	Financial effects relief: the internal data collection framework has not yet been able to separate climate-related financial expenditures with sufficient precision, so no disclosure is made at this time.
Paragraph 34	Internal carbon pricing	Climate Change	N/A – explained.
Paragraph 35	The issuer shall disclose whether and how climate-related considerations are incorporated into its remuneration policy, or provide an appropriate negative statement.	The ESG Governance Structure	N/A – explained.

Part D: Climate-related disclosure

Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 36	Industry metrics	Climate Change	N/A – explained.
Paragraph 37	The issuer shall disclose: (a) the climate-related qualitative and quantitative targets it has set to monitor progress toward achieving its strategic objectives; and (b) any targets required by law or regulation that the issuer must meet, including any greenhouse gas emissions targets.	Emissions – GHG Emissions, Climate Change, Waste Management, Energy Management, Water Consumption	
Paragraph 38	Issuers are required to disclose the methods they use to set and review each target, as well as how they monitor progress toward achieving those targets.	Emissions – GHG Emissions, Waste Management, Energy Management, Water Consumption	The data and targets have not yet been verified by a third party. They will be gradually improved in future reports.
Paragraph 39	Issuers are required to disclose information on the performance of each climate-related target, as well as an analysis of trends or changes in the issuer's performance.	Emissions – GHG Emissions, Waste Management, Energy Management, Water Consumption	

Part D: Climate-related disclosure

Clause	Disclosure requirement	Relevant section	Exemption/notes
Paragraph 40	For greenhouse gas emissions targets, issuers should disclose: • Which greenhouse gases are covered. • Whether the target covers Scope 1, Scope 2, or Scope 3 emissions. • Whether the target is a gross emissions target or a net emissions target. • If it is a net target, the corresponding gross target should also be disclosed. • Whether the target is based on a sectoral decarbonization approach. • What decarbonization methods are being used. • How carbon credits or offsets are used, if at all.	Emissions – GHG Emissions	Decarbonization methods or plans to use carbon credits are not applicable – explained.

To the Shareholders of EuroEyes International Eye Clinic Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of EuroEyes International Eye Clinic Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 120 to 200, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards 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 International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public 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 the Code.

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.

The key audit matter identified in our audit is related to impairment assessments of goodwill from acquisitions of LVC and FreeVis GmbH.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessments of goodwill from acquisitions of LVC and FreeVis GmbH Refer to Notes 4(a) and 15 to the consolidated financial statements. As at 31 December 2025, the Group had significant balances of goodwill of HK$188 million and HK$97 million on LVC and FreeVis GmbH, respectively, which were related to certain acquisitions in the prior years. The Group has engaged independent external valuer to assist management in performing the goodwill impairment assessments of LVC and FreeVis GmbH as at 31 December 2025. The Group made estimates and judgements to determine the recoverable amounts of the cash generation units based on the value-in-use calculations using cash flow projections. Based on the results of the goodwill impairment assessments, no impairment loss on the goodwill was recognised for the year ended 31 December 2025.	Our procedures to address the key audit matter included: o We obtained an understanding of the internal controls and the process of impairment assessments of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud; o We assessed the assumptions adopted by management including revenue growth rate, long-term growth rate, gross profit margin and pre-tax discount rates by examining the financial forecast models, and compared against the historical results taking into consideration of market trends and our industry knowledge. We involved our internal valuation expert to assess the appropriateness of valuation methodology and assumptions for the impairment assessments of goodwill;

Key Audit Matter	How our audit addressed the Key Audit Matter
We focused on this area due to the magnitude of the carrying amounts of goodwill and the high degree of judgement required in determining the key assumptions as at 31 December 2025, including the revenue growth rate, long-term growth rate, gross profit margin and pre-tax discount rate used for the goodwill impairment assessments.	o We tested the mathematical accuracy of the discounted cash flow models used in impairment assessments of goodwill; o We evaluated the reasonableness of management's forecast performance and assessed management's sensitivity analysis for the key assumptions, to ascertain the extent to which adverse changes would result in the goodwill being impaired; o We assessed the competency, capability and objectivity of the external valuer engaged by the Group; and o We considered the adequacy of the disclosures in the consolidated financial statements. Based on the above procedures performed, we found management's impairment assessments of goodwill from acquisitions of LVC and FreeVis GmbH were supported by the available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than 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 THE AUDIT COMMITTEE 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 IFRS Accounting Standards 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.

The Audit Committee is 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. We report our opinion solely to you, as a body, 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 ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 consolidated 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 the Audit Committee 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 the Audit Committee 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 the Audit Committee, 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.

The engagement partner on the audit resulting in this independent auditor's report is HO, Chun Yu.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 31 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	As at 31 December 2025 HK$'000	2024 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	*13*	**733,025**	567,413
Intangible assets	*14*	**30,089**	30,297
Goodwill	*15*	**369,870**	253,407
Deferred tax assets	*30*	**42,599**	31,475
Deposits and other receivables	*18*	**–**	3,243
Total non-current assets		**1,175,583**	885,835
Current assets			
Inventories	*20*	**15,154**	17,269
Prepayments	*17*	**14,580**	8,509
Income tax recoverable		**2,152**	2,308
Deposits and other receivables	*18*	**34,438**	27,436
Trade receivables	*19*	**13,631**	4,738
Restricted cash		**1,156**	108
Cash and cash equivalents	*21*	**695,541**	653,232
Total current assets		**776,652**	713,600
Total assets		**1,952,235**	1,599,435
Equity			
Equity attributable to owners of the Company			
Share capital	*22*	**25,163**	26,004
Shares held for share scheme	*23*	**(5,947)**	(30,826)
Share premium	*38(b)*	**604,047**	646,423
Other reserves	*24*	**143,476**	2,744
Retained earnings		**482,960**	448,620
Total equity attributable to owners of the Company		**1,249,699**	1,092,965
Non-controlling interests	*31*	**34,758**	32,749
Total equity		**1,284,457**	1,125,714

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	As at 31 December 2025 HK$'000	2024 HK$'000
Liabilities			
Non-current liabilities			
Lease liabilities	*29*	**326,020**	250,574
Contingent consideration payables	*3.3*	**29,816**	55,108
Redemption liabilities		**9,984**	–
Deferred tax liabilities	*30*	**23,050**	15,864
Accruals and other payables	*27*	**520**	–
Total non-current liabilities		**389,390**	321,546
Current liabilities			
Trade payables	*26*	**28,402**	25,047
Contract liabilities	*6*	**14,087**	14,669
Income tax liabilities		**976**	4,494
Accruals and other payables	*27*	**98,747**	33,450
Borrowings	*28*	**310**	853
Contingent consideration payables	*3.3*	**52,009**	5,803
Lease liabilities	*29*	**83,857**	67,859
Total current liabilities		**278,388**	152,175
Total liabilities		**667,778**	473,721
Total equity and liabilities		**1,952,235**	1,599,435

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The financial statements were approved by the Board of Directors on 31 March 2026 and were signed on its behalf.

Dr Jørn Slot Jørgensen
Chairman and Chief Executive Officer

Mr. Marcus Huascar Bracklo
Executive Director and Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 HK$'000	2024 HK$'000
Revenue	*6*	**796,041**	715,682
Cost of sales	*7*	**(471,709)**	(429,089)
Gross profit		**324,332**	286,593
Selling expenses	*7*	**(96,693)**	(80,770)
Administrative expenses	*7*	**(112,622)**	(115,706)
Net impairment losses on financial assets	*3.1(b), 19*	**(168)**	(339)
Other (losses)/gains, net	*9*	**(221)**	26,001
Operating profit		**114,628**	115,779
Finance income	*10*	**13,356**	26,472
Finance expenses	*10*	**(25,546)**	(15,785)
Finance (expenses)/income, net	*10*	**(12,190)**	10,687
Profit before tax		**102,438**	126,466
Income tax expense	*11*	**(45,805)**	(42,107)
Profit for the year		**56,633**	84,359
Other comprehensive income/(loss)			
Items that may be subsequently reclassified to profit or loss			
– Exchange differences on translation of foreign operations		**29,613**	(21,358)
Items that will not be reclassified to profit or loss			
– Exchange differences on translation to presentation currency		**111,210**	(40,647)
Other comprehensive income/(loss) for the year		**140,823**	(62,005)
Total comprehensive income for the year		**197,456**	22,354

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 HK$'000	2024 HK$'000
Profit attributable to:			
– Owners of the Company		**54,450**	82,285
– Non-controlling interests		**2,183**	2,074
		56,633	84,359
Total comprehensive income attributable to:			
– Owners of the Company		**194,699**	20,337
– Non-controlling interests		**2,757**	2,017
		197,456	22,354
Earnings per share			
– Basic earnings per share (HK cents)	*12*	**17.028**	24.929
– Diluted earnings per share (HK cents)	*12*	**17.026**	24.915

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes on pages 127 to 200.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company							
	Share capital *(Note 22)* HK$'000	Shares held for share scheme *(Note 23)* HK$'000	Share premium *(Note 38(b))* HK$'000	Other reserves *(Note 24)* HK$'000	Retained earnings HK$'000	Total HK$'000	Non-Controlling Interests HK$'000	Total equity HK$'000
Balance at 1 January 2024	26,138	(10,505)	658,371	63,393	397,379	1,134,776	30,732	1,165,508
Profit for the year	–	–	–	–	82,285	82,285	2,074	84,359
Other comprehensive loss	–	–	–	(61,948)	–	(61,948)	(57)	(62,005)
Total comprehensive income for the year	–	–	–	(61,948)	82,285	20,337	2,017	22,354
Transactions with owners in their capacity as owners:								
Appropriations to statutory surplus reserve	–	–	–	3,193	(3,193)	–	–	–
Acquisition of shares held for share scheme	–	(35,857)	–	–	–	(35,857)	–	(35,857)
Share-based payment *(Note 25)*	–	–	–	1,560	–	1,560	–	1,560
Exercise of shares under employee share schemes *(Note 24, 38(b))*	–	6,507	(3,053)	(3,454)	–	–	–	–
Dividend provided for or paid	–	–	–	–	(27,851)	(27,851)	–	(27,851)
Cancellation of shares	(134)	9,029	(8,895)	–	–	–	–	–
	(134)	(20,321)	(11,948)	1,299	(31,044)	(62,148)	–	(62,148)
Balance as at 31 December 2024	26,004	(30,826)	646,423	2,744	448,620	1,092,965	32,749	1,125,714

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company							
	Share capital *(Note 22)* HK$'000	Shares held for share scheme *(Note 23)* HK$'000	Share premium *(Note 38(b))* HK$'000	Other reserves *(Note 24)* HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1 January 2025	26,004	(30,826)	646,423	2,744	448,620	1,092,965	32,749	1,125,714
Profit for the year	–	–	–	–	54,450	54,450	2,183	56,633
Other comprehensive income	–	–	–	140,249	–	140,249	574	140,823
Total comprehensive income for the year	–	–	–	140,249	54,450	194,699	2,757	197,456
Transactions with owners in their capacity as owners:								
Appropriations to statutory surplus reserve	–	–	–	483	(483)	–	–	–
Acquisition of shares held for share scheme *(Note 23)*	–	(18,338)	–	–	–	(18,338)	–	(18,338)
Dividend provided for or paid *(Note 32(c))*	–	–	–	–	(19,627)	(19,627)	(748)	(20,375)
Cancellation of shares	(841)	43,217	(42,376)	–	–	–	–	–
	(841)	24,879	(42,376)	483	(20,110)	(37,965)	(748)	(38,713)
Balance as at 31 December 2025	25,163	(5,947)	604,047	143,476	482,960	1,249,699	34,758	1,284,457

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes on pages 127 to 200.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Cash generated from operations	*32(a)*	**230,892**	225,245
Interest received		**16,508**	23,573
Income tax paid		**(53,649)**	(51,068)
Net cash generated from operating activities		**193,751**	197,750
Cash flows from investing activities			
Settlement of contingent consideration payables	*3.3(b)*	**(6,104)**	(6,118)
Payments for acquisition of a business, net of cash acquired	*34*	**(64,768)**	–
Purchases of property, plant and equipment		**(45,641)**	(80,337)
Cash deposited into restricted cash accounts		**(976)**	–
Proceeds from disposal of property, plant and equipment		**4,022**	2,624
Net cash used in investing activities		**(113,467)**	(83,831)
Cash flows from financing activities			
Dividends paid		**(20,375)**	(27,851)
Acquisition of shares for employee share scheme	*23*	**(18,410)**	(35,797)
Lease payments	*29(d)*	**(77,188)**	(73,170)
Net cash used in financing activities		**(115,973)**	(136,818)
Net decrease in cash and cash equivalents		**(35,689)**	(22,899)
Cash and cash equivalents at beginning of the year		**653,232**	720,216
Effects of exchange rate changes on cash and cash equivalents		**77,998**	(44,085)
Cash and cash equivalents at end of the year		**695,541**	653,232

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes on pages 127 to 200.

1 GENERAL INFORMATION

EuroEyes International Eye Clinic Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in the provision of vision correction services in Germany, Denmark, the United Kingdom (the "UK"), the People's Republic of China (the "PRC" or "China"), Hong Kong and Switzerland. The Company was incorporated in the Cayman Islands on 13 August 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961, as consolidated and revised, formerly known as "Companies Law") of the Cayman Islands. The address of its registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). These financial statements are presented in Hong Kong Dollars ("HK$"), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The financial statements have been prepared on a historical cost basis, except for financial liabilities and the defined benefit pension plan measured at fair value.

Accounting policies applied in the preparation of these consolidated financial statements have been consistently applied, unless otherwise stated. Other than these material accounting policies which are disclosed in the notes to the relevant financial line items or transactions in these consolidated financial statement, other accounting policies have been set out in the summary in Note 39.

2.1 Amended standards adopted by the Group

The Group has applied the following amendments to standard for the first time for their annual reporting year commencing 1 January 2025:

Lack of Exchangeability – Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates'

The amendments to standard listed above did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future years.

2 BASIS OF PREPARATION (Continued)

2.2 New and amended standards not yet adopted

Certain new standards, amendments to standards and Annual Improvements have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards, amendments to standards and Annual Improvements is set out below:

	New standards, amendments to standards and Annual Improvements	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature—dependent Electricity	January 1, 2026
Annual Improvements	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 19 and amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new standards, amendments to standards and Annual Improvements as and when they become effective. Further information about those new standards, amendments to standards and annual improvements that are expected to be applicable to the Group is described below.

IFRS 18 introduces new requirements for presentation within the consolidated statement of comprehensive income, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the consolidated statement of comprehensive income into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. There are also consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The new requirements are expected to impact the Group's presentation of the consolidated statement of comprehensive income and disclosures of the Group's financial performance. So far, the Group considers that the adoption of IFRS 18 is unlikely to have a significant impact on the Group's results of operations and financial position.

The directors of the Company have performed preliminary assessment and do not anticipate any significant impact on the Group's financial position and results of operations upon adopting these new and amended standards.

3 FINANCIAL RISK MANAGEMENT

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

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant.

3.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk is the risk that the value of a financial instrument fluctuates because of the changes in foreign exchange rates.

The subsidiaries of the Group primarily operate in Germany, Denmark, UK, China (including Hong Kong) and Switzerland, with most of the transactions settled in Euro ("EUR"), Danish Krone ("DKK"), Great Britain Pound ("GBP"), Renminbi ("RMB"), Hong Kong dollar ("HK$"), and Swiss Franc ("CHF"), respectively. Foreign exchange risk arises when recognised financial assets and liabilities are denominated in a currency that is not the Group entities' functional currency. As at 31 December 2025 and 2024, the financial assets and liabilities of the subsidiaries of the Group in Germany, Denmark, UK, Chinese Mainland, Hong Kong and Switzerland are primarily denominated in EUR, DKK, GBP, RMB, HK$, and CHF, respectively, which are their respective functional currencies.

As at 31 December 2025 and 2024, foreign currency exposure of these financial assets and liabilities does not have material impact on the operating results of the Group. Management believes that the foreign exchange risk is immaterial to the profit or loss. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates. The Group will constantly review the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures in the future, as may be necessary.

(ii) Cash flow and fair value interest rate risk

Cash flow and fair value interest rate risk refer to the changes in cash flows or fair value of a financial instrument as a result of fluctuations in market interest rates. The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. Borrowings and lease liabilities obtained at fixed rates expose the Group to fair value interest rate risk. In the opinion of directors, the expected change in fair values as a results of change in market interest rates will not be significant, thus no sensitivity analysis is presented.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, restricted cash and credit exposures from trade receivables and other receivables.

(i) Risk management

Credit risk is managed on a group basis. Substantially all of the Group's cash and cash equivalents are held in the dominant financial institutions located in Germany, Denmark, UK, Chinese Mainland, Hong Kong and Switzerland, which management believes are of high credit quality. There was no recent history of default of cash and cash equivalents from such financial institutions. Management believes the credit risk associated with the Group's cash and cash equivalent is low.

The Group's sales to customers are mostly required to be settled in advance. Trade receivables are primarily from health insurance companies that make regular settlement to the Group. There are no significant concentrations of credit risk.

(ii) Impairment of financial assets

The Group primarily has following type of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents (including restricted cash);
- trade receivables; and
- deposits and other receivables.

Cash and cash equivalents (including restricted cash)

To manage this risk arising from cash and cash equivalents (including restricted cash), the Group only transacts with reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. The expected credit loss of cash and cash equivalents (including restricted cash) are close to zero.

Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. The Group further considers forward-looking information, including macroeconomic factors and sector-specific risks. The Group categorises its trade receivables by industry sectors (e.g., Insurance company and payment platform) and assigns internal credit ratings based on historical default rates, current economic conditions, and sector outlook. The expected credit losses is calculated by applying probability-weighted loss rates to each sector portfolio. Given the fact that most of the customers are required to make payments in advance for the goods or services provided by the Group, the credit losses experienced by the Group were low and this is expected to be the same in the future given there is no change in revenue terms expected.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Management assesses the impairment of trade receivables according to trade ageing, management's prior experience and customers' conditions as well as applying management's judgments and estimates when determining the impairment to be recognised. When applying the expected loss model, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The loss allowance for trade receivables as at 31 December 2025 and 2024, based on lifetime expected credit loss model, was determined as follows:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Opening loss allowance at January 1 *(Note 19)*	**731**	420
Provision for impairment recognised during the year	**168**	339
Receivables written off during the year as uncollectible	**(69)**	(28)
Closing loss allowance at December 31 *(Note 19)*	**830**	731

Deposits and other receivables

As at 31 December 2025 and 2024, deposits and other receivables are considered to have low credit risk, and thus the impairment provision recognised during the years was limited to 12 months expected losses. Management considered deposits and other receivables from third parties to be low credit risk when they have a low risk of default and the issuer has sufficient capacity to meet its contractual cash flow obligations in the near term. The Group has assessed that the 12 months expected credit losses for these receivables are minimal, and thus, no loss allowance provision was recognised during the years.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group's treasury function allows flexibility in funding by maintaining adequate cash and cash equivalents.

Management monitors rolling forecasts of the Group's liquidity position based on the expected cash flows.

(i) Financing arrangements

The undrawn borrowing facilities of the Group as at 31 December 2025 is presented in Note 28.

(ii) Maturities of financial liabilities

The table below analyses the Group's financial liabilities in relevant maturity groupings based on the remaining period at the end of the reporting year to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 December 2025	Less than 1 year HK$'000	1-2 years HK$'000	2-5 years HK$'000	Over 5 years HK$'000	Total contractual cash flows HK$'000	Carrying amount HK$'000
Trade payables	28,402	–	–	–	28,402	28,402
Accruals and other payables	77,639	–	520	–	78,159	78,159
Borrowings	310	–	–	–	310	310
Contingent consideration payables	52,083	25,617	6,588	–	84,288	81,825
Lease liabilities	87,180	78,349	164,167	114,300	443,996	409,877
	245,614	103,966	171,275	114,300	635,155	598,573

As at 31 December 2024	Less than 1 year HK$'000	1-2 years HK$'000	2-5 years HK$'000	Over 5 years HK$'000	Total contractual cash flows HK$'000	Carrying amount HK$'000
Trade payables	25,047	–	–	–	25,047	25,047
Accruals and other payables	17,570	–	–	–	17,570	17,570
Borrowings	853	–	–	–	853	853
Contingent consideration payables	5,872	47,348	11,744	–	64,964	60,911
Lease liabilities	70,249	57,961	129,486	89,980	347,676	318,433
	119,591	105,309	141,230	89,980	456,110	422,814

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position, plus net debt, where applicable.

As at 31 December 2025, the gearing ratio is not applicable due to net cash position (2024: same).

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

Recurring fair value measurements	Note	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 December 2024					
Financial liabilities					
Contingent consideration payables	*16*	–	–	60,911	60,911
At 31 December 2025					
Financial liabilities					
Contingent consideration payables	*16*	–	–	**81,825**	**81,825**

The fair value of the financial liabilities at fair value through profit or loss is estimated by discounting the future cash flows using the expected yield rate with reference to the benchmark yield rate of the financial investment products of banks.

The fair value of the financial liabilities at fair value through profit or loss is estimated by discounting the future cash flows of contingent liability payables using expected borrowing cost with reference to the 5-year Loan Prime Rate promulgated by the Central Bank of Chinese Mainland and historical average credit spread of corresponding period.

There were no transfers among levels 1, level 2 and level 3 for recurring fair value measurements during the period.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 31 December 2025 and 31 December 2024:

	Contingent consideration payables *(Note 34)*			
	London Vision Clinic Partners Ltd. ("LVC") HK$'000	FreeVis LASIK Zentrum Mannheim GmbH ("FreeVis GmbH") HK$'000	Betterview Business HK$'000	Total HK$'000
Opening balance at 1 January 2024	64,405	27,991	–	92,396
Settlements	–	(6,118)	–	(6,118)
Fair value (gains)/losses on financial instruments at fair value through profit or loss *(Note 9)*	(24,562)	1,417	–	(23,145)
Foreign exchange difference in finance income *(Note 34)*	2,527	–	–	2,527
Translation of foreign currency in other comprehensive loss	(3,178)	(1,571)	–	(4,749)
Closing balance at 31 December 2024	39,192	21,719	–	60,911
Opening balance at 1 January 2025	39,192	21,719	–	60,911
Acquisition of a business*(Note 34)*	–	–	17,431	17,431
Settlements	–	(6,104)	–	(6,104)
Fair value (gains)/losses on financial instruments at fair value through profit or loss *(Note 9)*	3,677	875	–	4,552
Foreign exchange difference in finance income *(Note 34)*	2,201	–	–	2,201
Translation of foreign currency in other comprehensive income	427	2,195	212	2,834
Closing balance at 31 December 2025	**45,497**	**18,685**	**17,643**	**81,825**

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(c) Valuation inputs and relationships to fair value

Description	Fair value at		Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	31 December 2025 HK$'000	31 December 2024 HK$'000		2025	2024	
Contingent consideration payables – LVC	45,497	39,192	Risk-adjusted discount rate	N/A	4.66%	The higher the risk-adjusted discount rate, the lower the fair value
			Expected Revenue growth rate	N/A	9.5%	The higher the expected revenue growth rate, the higher the fair value
Contingent consideration payables – FreeVis GmbH	18,685	21,719	Risk-adjusted discount rate	4.66%	4.66%	The higher the risk-adjusted discount rate, the lower the fair value
			Expected Revenue growth rate	10%	6.6%-6.7%	The higher the expected revenue growth rate, the higher the fair value
Contingent consideration payables -Betterview Business	17,643	N/A	Risk-adjusted discount rate	4.48%	N/A	The higher the risk-adjusted discount rate, the lower the fair value
			Estimated EBITDA	CHF1,940,828	N/A	The higher the estimated EBITDA, the higher the fair value
	81,825	60,911				

(d) Valuation processes

For the financial instruments, including level 3 fair values, the Group's finance department performs the valuations. The finance department reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO and finance department annually, in line with the Group's reporting requirements.

The valuation technique uses the model of discounted cash flows. Future cash flows of financial liabilities are estimated and discounted using the expected yield rate with reference to the benchmark yield rate of the financial investment products of banks. Future cash flows of contingent liability payables are estimated and discounted using expected borrowing cost with reference to the 5-year Loan Prime Rate promulgated by the Central Bank of Chinese Mainland and historical average credit spread of corresponding period.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The recoverable amounts of CGUs are determined based on the higher amount of the fair value less cost of disposal. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 15. The recoverable amounts have been determined based on value-in-use calculations. These calculations require the use of estimates.

Judgment is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated statement of comprehensive income.

As a result of impairment assessment, no impairment loss is recognised for the year ended 31 December 2025 (2024: impairment loss amounted to HK$11,000,000 was recognised for LVC) (Note 15).

(b) Current and deferred income tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation in the periods in which such estimate is changed. As at 31 December 2025, the deferred tax assets include an amount of HK$29,077,000 (Note 30) which relates to carried-forward tax losses of certain subsidiaries. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved budgets for these subsidiaries.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors of the Company that are used to make strategic decisions.

Description of segments and principal activities

The Company's executive directors examine the Group's performance from geographical perspective and have identified five reportable segments of its business: Germany, Denmark, UK, Chinese Mainland, and Switzerland.

The executive directors of the Company assess performance of the operating segments based on review of their revenue, cost of sales, gross profit and earnings before finance income, finance expenses, tax, and depreciation and amortisation ("EBITDA").

The segment information provided to the executive directors of the Company for the reportable segments for the year ended 31 December 2025 is as follows:

	Germany segment HK$'000	China segment HK$'000	Denmark segment HK$'000	UK segment HK$'000	Switzerland Segment HK$'000	Inter-segment elimination HK$'000	Unallocated items (i) HK$'000	Total HK$'000
Segment total revenue	441,700	146,140	77,450	134,534	11,827	(15,610)	–	796,041
Cost of sales	(250,082)	(97,789)	(53,557)	(74,948)	(10,943)	15,610	–	(471,709)
including:								
– Raw materials and consumables *(Note 7)*	(45,919)	(20,622)	(11,226)	(15,867)	(1,892)	–	–	(95,526)
– Employee benefit expenses *(Note 8)*	(108,819)	(24,450)	(25,272)	(42,393)	(4,588)	–	–	(205,522)
Gross profit	191,618	48,351	23,893	59,586	884	–	–	324,332
Advertising and marketing expenditure *(Note 7)*	(25,845)	(11,606)	(7,098)	(19,323)	(5,596)	–	(97)	(69,565)
Employee benefit expenses *(Note 8)*	(17,007)	(12,340)	(2,174)	(17,626)	(5,931)	–	(6,047)	(61,125)
EBITDA	174,886	53,495	20,162	16,901	(9,847)	–	(13,286)	242,311
Unallocated								
Finance income								13,356
Finance expenses								(25,546)
Depreciation and amortisation								(127,683)
Profit before tax								102,438
Income tax expense								(45,805)
Profit for the year								56,633

5 SEGMENT INFORMATION (Continued)

	Germany segment HK$'000	China segment HK$'000	Denmark segment HK$'000	UK segment HK$'000	Switzerland segment HK$'000	Inter-segment elimination HK$'000	Unallocated items HK$'000	Total HK$'000
Segment total assets	663,179	247,020	84,578	344,165	264,381	(122,046)	–	1,481,277
Unallocated								
Corporate assets								428,359
Deferred tax assets								42,599
Total assets								1,952,235
Segment total liabilities	21,701	184,701	2,006	145,038	170,240	(88,332)	–	435,354
Unallocated								
Corporate liabilities								209,374
Deferred tax liabilities								23,050
Total liabilities								667,778

5 SEGMENT INFORMATION (Continued)

The segment information provided to the executive directors of the Company for the reportable segments for the year ended 31 December 2024 is as follows:

	Germany segment HK$'000	China segment HK$'000	Denmark segment HK$'000	UK segment HK$'000	Inter-segment elimination HK$'000	Unallocated items (i) HK$'000	Total HK$'000
Segment total revenue	395,996	145,468	71,638	113,431	(10,851)	–	715,682
Cost of sales	(216,200)	(104,401)	(49,623)	(69,716)	10,851	–	(429,089)
including:							
– Raw materials and consumables *(Note 7)*	(46,398)	(22,023)	(9,336)	(11,485)	–	–	(89,242)
– Employee benefit expenses *(Note 8)*	(96,894)	(29,014)	(24,494)	(40,220)	–	–	(190,622)
Gross profit	179,796	41,067	22,015	43,715	–	–	286,593
Advertising and marketing expenditure *(Note 7)*	(22,581)	(9,615)	(6,551)	(19,340)	–	(34)	(58,121)
Employee benefit expenses *(Note 8)*	(17,012)	(14,008)	(2,734)	(16,318)	–	(6,238)	(56,310)
EBITDA	158,417	49,310	17,554	17,918	–	(15,206)	227,993
Unallocated							
Finance income							26,472
Finance expenses							(15,785)
Depreciation and amortisation							(112,214)
Profit before tax							126,466
Income tax expense							(42,107)
Profit for the year							84,359

5 SEGMENT INFORMATION (Continued)

	Germany segment HK$'000	China segment HK$'000	Denmark segment HK$'000	UK segment HK$'000	Inter-segment elimination HK$'000	Unallocated items HK$'000	Total HK$'000
Segment total assets	839,209	266,768	70,500	305,201	(461,229)	–	1,020,449
Unallocated							
Corporate assets							547,511
Deferred tax assets							31,475
Total assets							1,599,435
Segment total liabilities	302,821	192,304	4,974	141,358	(371,492)	–	269,965
Unallocated							
Corporate liabilities							187,892
Deferred tax liabilities							15,864
Total liabilities							473,721

i) Unallocated items are cost of revenues and operating expenses which could not be categorised into a segment, including share-based compensation expenses and other consulting fees at group level.

The total of non-current assets other than financial instruments and deferred tax assets, broken down by location of the assets, is shown in the following:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Germany	**380,757**	313,225
UK	**322,877**	306,300
Switzerland	**219,753**	–
China	**153,294**	177,069
Denmark	**56,303**	54,523
	1,132,984	851,117

6 REVENUE

Revenue from external customers is primarily derived from vision correction services, training services, sales of pharmaceutical products and rental of ophthalmic equipment and operating spaces.

Breakdown of revenue by service category is as follows:

	2025 HK$'000	2024 HK$'000
Revenue from contracts with customers:		
– Vision correction services	**788,731**	710,875
– Training services	**5,701**	3,613
– Sales of pharmaceutical products	**106**	51
Rental of ophthalmic equipment and operating spaces	**1,503**	1,143
	796,041	715,682

The amount of revenue from external customers, broken down by location of the customers, is shown as below:

	2025 HK$'000	2024 HK$'000
Germany	**426,788**	385,195
China	**146,140**	145,468
UK	**134,534**	113,381
Denmark	**76,752**	71,638
Switzerland	**11,827**	–
	796,041	715,682

There is no single external customer that contributes more than 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

The Group has no revenue contract that has an original expected duration of more than one year. Management applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligation that is unsatisfied or partially satisfied as of the end of the reporting year.

6 REVENUE (Continued)

(a) Disaggregation of revenue from contracts with customer

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major business segments and geographical regions.

	Vision correction services					Training services					Others					Total
	Germany HK$'000	China HK$'000	Denmark HK$'000	UK HK$'000	Switzerland HK$'000	Germany HK$'000	China HK$'000	Denmark HK$'000	UK HK$'000	Switzerland HK$'000	Germany HK$'000	China HK$'000	Denmark HK$'000	UK HK$'000	Switzerland HK$'000	HK$'000
Year ended 31 December 2025																
Segment revenue	425,877	146,140	76,752	128,188	11,774	-	-	-	5,701	-	15,823	-	698	645	53	811,651
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	(14,912)	-	(698)	-	-	(15,610)
Revenue from external customers	425,877	146,140	76,752	128,188	11,774	-	-	-	5,701	-	911	-	-	645	53	796,041
Timing of revenue recognition																
– At a point in time	-	-	-	-	-	-	-	-	-	-	106	-	-	-	-	106
– Over time	425,877	146,140	76,752	128,188	11,774	-	-	-	5,701	-	805	-	-	645	53	795,935
	425,877	146,140	76,752	128,188	11,774	-	-	-	5,701	-	911	-	-	645	53	796,041

6 REVENUE (Continued)

(a) Disaggregation of revenue from contracts with customer (Continued)

	Vision correction services				Training services				Others				Total
	Germany	China	Denmark	UK	Germany	China	Denmark	UK	Germany	China	Denmark	UK	
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 December 2024													
Segment revenue	384,408	145,468	71,638	109,361	–	–	–	3,613	11,587	–	–	458	726,533
Inter-segment revenue	–	–	–	–	–	–	–	–	(10,800)	–	–	(51)	(10,851)
Revenue from external customers	384,408	145,468	71,638	109,361	–	–	–	3,613	787	–	–	407	715,682
Timing of revenue recognition													
– At a point in time	–	–	–	–	–	–	–	–	51	–	–	–	51
– Over time	384,408	145,468	71,638	109,361	–	–	–	3,613	736	–	–	407	715,631
	384,408	145,468	71,638	109,361	–	–	–	3,613	787	–	–	407	715,682

(b) Liabilities related to contracts with customers

Contract liabilities represent collection from customers in advance for vision correction services that are going to be provided in the future. The Group has recognised the following liabilities related to contracts with customers:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Contract liabilities – vision correction services (i)	**14,087**	14,669

6 REVENUE (Continued)

(b) Liabilities related to contracts with customers (Continued)

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	2025 HK$'000	2024 HK$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	14,669	15,775

No significant cost was incurred for obtaining revenue contract for the years ended 31 December 2025 and 2024.

(c) Accounting policies

The Group's revenue is primarily derived from providing vision correction services, rendering of training services, sales of pharmaceutical products and rental of ophthalmic equipment and operating spaces. Cost incurred in obtaining contracts are included in "selling expenses" immediately when incurred as the related amortisation period is less than 12 months.

The Group does not expect any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Group does not adjust any of the transaction prices for the time value of money.

(i) Vision correction services

The Group provides vision correction services, which comprised of eye surgery and the related pre – and post-surgery eye examination services, to its customers. Delivery of vision correction services is considered as one single performance obligation given the customer enjoys the benefits from these services in its entirety. Revenue from providing vision correction services is recognised over the period in which the services are rendered by reference to the progress towards completion of the performance obligation. The various elements of vision correction services are performed separately in different dates and each of them is completed within one day. There is no other substantive activity being provided to the customer in between rendering of each element of the services. The Group uses output method to measure the progress towards completion of the performance obligation. A free consultation is normally provided to potential customers visiting the Group. As there is no contract between the potential customer and the Group which establishes enforceable rights and obligations at this stage, no transaction price is allocated to the consultation and accordingly no revenue is recognised for such free consultation. Payments from customers for the vision correction services are normally collected in full before the services are provided. A contract liability is recognised until the related services are completed.

6 REVENUE (Continued)

(c) Accounting policies (Continued)

(ii) Training services

The Group provides training services to customers. Service income is recognised over the period of the contract based on the progress towards satisfactory completion of the relevant performance obligation.

(iii) Sales of pharmaceutical products

The Group sells pharmaceutical products, such as eye drops, to its customers. Revenue from the sale of goods is recognised when such goods are accepted by customers, i.e. control of the goods has been transferred to customers. Payment of transaction price is due immediately when pharmaceutical products has been accepted by customers. There is no right of return once the goods are sold. Revenue from Sales of pharmaceutical products is categorised under "others" for the purpose of segment reporting.

(iv) Rental of ophthalmic equipment and operating spaces

The Group leases ophthalmic equipment and operating spaces to freelance doctors for eye surgeries and usage fees are earned from such services. Revenue from rental of ophthalmic equipment and operating spaces is categorised under "others" for the purpose of segment reporting.

7 EXPENSES BY NATURE

	2025 HK$'000	2024 HK$'000
Employee benefit expenses *(Note 8)*	**266,647**	246,932
Depreciation of property, plant and equipment *(Note 13)*	**121,823**	107,355
Raw materials and consumables *(Note 20)*	**95,526**	89,242
Advertising and marketing expenditure	**69,565**	58,121
Electricity and other utility expenses	**30,399**	27,202
Clinic, office and consumption expenses	**26,438**	22,082
Legal and other consulting services fee	**19,384**	17,673
Repair and maintenance	**12,905**	12,170
Transportation costs	**11,368**	11,959
Doctors' fee	**9,361**	6,611
Amortisation of intangible assets *(Note 14)*	**5,860**	4,859
Auditors' remuneration		
– PricewaterhouseCoopers – audit services	**4,950**	3,565
– other auditors	**1,424**	1,772
– PricewaterhouseCoopers – non-audit services	**114**	80
Rental expenses on short-term leases *(Note 29)*	**362**	254
Impairment of goodwill	**–**	11,000
Others	**4,898**	4,688
Total	**681,024**	625,565

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 HK$'000	2024 HK$'000
Wages and salaries	**238,512**	220,370
Contributions to defined contribution pension scheme *(a)*	**25,985**	24,012
Provision for employee benefits and housing scheme *(b)*	**1,193**	990
Contributions to defined benefit pension scheme	**957**	–
Share-based payment *(Note 25)*	**–**	1,560
	266,647	246,932

(a) Pension scheme

The Group pays contributions to publicly administered pension insurance plans on a mandatory, or contractual basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Housing scheme

In accordance with the Chinese Mainland housing reform regulations, the Group is required to make contributions to the Chinese state-sponsored housing fund at 5% – 13% of the salaries of the PRC employees. At the same time, the employees are also required to make a contribution at the same percentage of their salaries out of their payroll. The employees are entitled to claim the entire sum of the fund under certain specified withdrawal circumstances.

(c) Five highest paid individuals

The five individuals whose salaries and related benefits were the highest in the Group for the year include one (2024: one) director whose emoluments are reflected in the analysis presented in Note 8(d). The salaries and related benefits payables to the remaining four (2024: four) non-director individuals during the year are as follows:

	2025 HK$'000	2024 HK$'000
Basic salaries, allowances and other benefits	**20,781**	18,722

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(c) Five highest paid individuals (Continued)

The emoluments of non-director individuals fell within the following bands:

	Number of individuals	
Non-director individuals	2025	2024
Emolument bands		
HK$3,000,001 to HK$3,500,000 (2025: approximately EUR329,000 to EUR381,000) (2024: approximately EUR369,000 to EUR431,000)	–	1
HK$3,500,001 to HK$4,000,000 (2025: approximately EUR381,000 to EUR439,000) (2024: approximately EUR431,000 to EUR492,000)	1	–
HK$4,500,001 to HK$5,000,000 (2025: approximately EUR494,000 to EUR548,000) (2024: approximately EUR554,000 to EUR615,000)	–	2
HK$5,000,001 to HK$5,500,000 (2025: approximately EUR548,000 to EUR603,000) (2024: approximately EUR615,000 to EUR677,000)	1	–
HK$5,500,001 to HK$6,000,000 (2025: approximately EUR603,000 to EUR658,000) (2024: approximately EUR677,000 to EUR738,000)	–	1
HK$6,000,001 to HK$6,500,000 (2025: approximately EUR658,000 to EUR713,000) (2024: approximately EUR738,000 to EUR800,000)	2	–
	4	4

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(d) Directors' emoluments

	Fees HK$'000	Salaries and bonus HK$'000	Share-based payment HK$'000	Allowances and benefits in kind HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Year ended 31 December 2025						
Executive Director						
Dr. Jørn Slot Jørgensen (Chairman)	360	2,484	–	–	–	2,844
Dr. Markus Braun (Resigned from 14 September 2025)	504	866	–	–	–	1,370
Mr. Jannik Jonas Slot Jørgensen	802	1,591	–	–	–	2,393
Prof. Dan Zoltan Reinstein	360	6,188	–	–	–	6,548
Mr. Marcus Huascar Bracklo (Appointed from 14 September 2025)	1,326	–	–	–	–	1,326
Independent non-executive Director						
Mr. Hans Helmuth Hennig	360	–	–	–	–	360
Ms. Katherine Rong Xin	360	–	–	–	–	360
Mr. Philip Duncan Wright	360	–	–	–	–	360
	4,432	11,129	–	–	–	15,561

	Fees HK$'000	Salaries and bonus HK$'000	Share-based payment HK$'000	Allowances and benefits in kind HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Year ended 31 December 2024						
Executive Director						
Dr. Jørn Slot Jørgensen (Chairman)	360	2,378	–	–	–	2,738
Dr. Markus Braun	360	1,166	–	–	120	1,646
Mr. Jannik Jonas Slot Jørgensen	360	–	947	–	–	1,307
Prof. Dan Zoltan Reinstein	360	5,628	–	–	–	5,988
Non-executive Director						
Mr. Marcus Huascar Bracklo	2,539	–	90	–	–	2,629
Independent non-executive Director						
Mr. Hans Helmuth Hennig	360	–	–	–	–	360
Ms. Katherine Rong Xin	360	–	–	–	–	360
Mr. Philip Duncan Wright	360	–	–	–	–	360
	5,059	9,172	1,037	–	120	15,388

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(d) Directors' emoluments (Continued)

No directors waived or agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

During the years ended 31 December 2025 and 2024, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payables. No consideration was provided to or receivable by third parties for making available directors' services.

There are no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors during the years ended 31 December 2025 and 2024.

Save for contracts amongst group companies and the transactions disclosed above, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended 31 December 2025 and 2024.

9 OTHER (LOSSES)/GAINS, NET

	2025 HK$'000	2024 HK$'000
Gains/(losses) on disposal of property, plant, and equipment	**2,669**	(1,083)
Government subsidy for employee welfare	**2,015**	2,691
(Losses)/gains on fair value change of contingent consideration payables *(Note 3.3, 34)*	**(4,552)**	23,145
Others	**(353)**	1,248
	(221)	26,001

10 FINANCE (EXPENSES)/INCOME, NET

	2025 HK$'000	2024 HK$'000
Finance income		
Interest income	**13,356**	23,573
Foreign exchange gains, net	**–**	2,899
	13,356	26,472
Finance expenses		
Foreign exchange loss, net	**(14,063)**	–
Interest expenses on leases *(Note 29)*	**(9,272)**	(10,037)
Other finance expenses	**(2,211)**	(5,748)
	(25,546)	(15,785)
Net finance (expenses)/income	**(12,190)**	10,687

11 INCOME TAX EXPENSE

Taxation on profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries/areas in which the Group entities operate. The Group was subject to different tax jurisdiction primarily in Germany, Denmark, UK, Chinese Mainland, Hong Kong, and Switzerland with tax rates ranging from 8.25% to 32% during the year (2024: 8.25% to 32%).

	Germany	Denmark	UK	Chinese Mainland	Hong Kong	Switzerland
Years ended 31 December 2025 and 2024	32%	22%	25%	15%, 25%	8.25%-16.5%	11.9%-20.3%

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

	2025 HK$'000	2024 HK$'000
Current income tax expenses	**50,287**	44,121
Deferred tax *(Note 30)*	**(4,482)**	(2,014)
Income tax expense	**45,805**	42,107

The taxation on the Group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	2025 HK$'000	2024 HK$'000
Profit before tax	**102,438**	126,466
Tax calculated at the domestic tax rate applicable to profits in the respective jurisdictions	**39,158**	36,004
Preferential tax rates on income of certain group entities	**9**	(626)
Income not subject to income tax	**–**	–
Expenses not deductible for tax purposes	**928**	449
Reversal of deferred tax assets previously recognised	**2,369**	6,246
Tax losses of certain group entities for which no deferred tax assets were recognised	**3,606**	2,218
Utilisation of previously unrecognised tax loss	**(265)**	(2,184)
Income tax expense	**45,805**	42,107

12 EARNINGS PER SHARE

(a) Basic earnings per share

For the years ended 31 December 2025 and 2024, basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
Profit attributable to owners of the Company (HK$'000)	**54,450**	82,285
Weighted average number of ordinary shares in issue ('000) *(Note (c))*	**319,772**	330,079
Earnings per share (basic) (HK cents)	**17.028**	24.929

(b) Diluted earnings per share

For the years ended 31 December 2025 and 2024, diluted earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares and potential ordinary shares during the year.

	2025	2024
Profit attributable to owners of the Company (HK$'000)	**54,450**	82,285
Weighted average number of ordinary shares and potential ordinary shares in issue ('000) *(Note (c))*	**319,812**	330,269
Earnings per share (diluted) (HK cents)	**17.026**	24.915

(c) Weighted average number of shares used as the denominator

	2025 Number	2024 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share ('000) *(Note (a))*	**319,772**	330,079
Adjustments for calculation of diluted earnings per share:		
Restricted share	**40**	190
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share ('000) *(Note (b))*	**319,812**	330,269

Potential ordinary shares represented the number of shares considered under the Restricted Share Award Scheme as set out in Note 23.

13 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets HK$'000	Machinery HK$'000	Leasehold improvements HK$'000	Vehicles HK$'000	Others HK$'000	Construction in progress HK$'000	Total HK$'000
Year ended 31 December 2024							
Opening net book amount	363,699	122,377	96,508	–	6,105	33,537	622,226
Additions	9,293	37,892	4,901	–	592	26,263	78,941
Lease modification	1,905	–	–	–	–	–	1,905
Transfer upon completion	–	2,937	36,928	–	194	(40,059)	–
Depreciation charge *(Note (a))*	(64,934)	(24,783)	(16,665)	–	(973)	–	(107,355)
Disposals	(339)	(3,512)	–	–	(17)	(178)	(4,046)
Exchange differences	(11,517)	(6,232)	(5,101)	–	(326)	(1,082)	(24,258)
Closing net book amount	298,107	128,679	116,571	–	5,575	18,481	567,413
As at 31 December 2024							
Cost	577,470	292,671	218,527	2,336	18,128	18,481	1,127,613
Accumulated depreciation	(279,363)	(163,992)	(101,956)	(2,336)	(12,553)	–	(560,200)
Net book amount	298,107	128,679	116,571	–	5,575	18,481	567,413

	Right-of-use assets HK$'000	Machinery HK$'000	Leasehold improvements HK$'000	Vehicles HK$'000	Others HK$'000	Construction in progress HK$'000	Total HK$'000
Year ended 31 December 2025							
Opening net book amount	298,107	128,679	116,571	–	5,575	18,481	567,413
Acquisition of a business *(Note 34)*	81,627	9,064	–	–	27,940	–	118,631
Additions	64,191	46,044	4,437	–	80	11,288	126,040
Lease modification	(2,961)	–	–	–	–	–	(2,961)
Transfer upon completion	–	7,637	19,924	–	53	(27,614)	–
Depreciation charge *(Note (a))*	(70,591)	(28,489)	(20,887)	–	(1,856)	–	(121,823)
Disposals	–	(963)	(18)	–	(36)	–	(1,017)
Exchange differences	20,329	13,812	10,022	–	904	1,675	46,742
Closing net book amount	390,702	175,784	130,049	–	32,660	3,830	733,025
As at 31 December 2025							
Cost	730,173	362,926	252,636	–	46,751	3,830	1,396,316
Accumulated depreciation	(339,471)	(187,142)	(122,587)	–	(14,091)	–	(663,291)
Net book amount	390,702	175,784	130,049	–	32,660	3,830	733,025

13 PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Depreciation of property, plant and equipment has been charged to the consolidated statement of comprehensive income as follows:

	2025 HK$'000	2024 HK$'000
Cost of sales	**99,592**	87,583
Administrative expenses	**14,638**	14,008
Selling expenses	**7,593**	5,764
Total	**121,823**	107,355

(b) Depreciation methods and useful lives

Other than the construction in progress, depreciation is calculated using the straight-line method to allocate their cost less accumulated impairment losses, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased equipment, the shorter lease term as follows:

- Right-of-use assets 2 to 25 years
- Machinery 3 to 14 years
- Leasehold improvements 4 to 25 years
- Vehicles 4 to 6 years
- Others 3 to 10 years

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

Construction in progress represented machinery and leasehold improvements under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction, to the extent these are regarded as an adjustment to interest costs. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

14 INTANGIBLE ASSETS

	Licence HK$'000	Software HK$'000	Trademark HK$'000	Total HK$'000
As at 1 January 2024				
Cost	7,426	2,315	40,453	50,194
Accumulated amortisation	(4,807)	(1,179)	(6,908)	(12,894)
Net book amount	2,619	1,136	33,545	37,300
Year ended 31 December 2024				
Opening net book amount	2,619	1,136	33,545	37,300
Additions	–	–	–	–
Amortisation charge *(Note (a))*	(736)	(152)	(3,971)	(4,859)
Exchange difference	(136)	(58)	(1,950)	(2,144)
Net book amount	1,747	926	27,624	30,297
As at 31 December 2024				
Cost	7,290	2,257	38,503	48,050
Accumulated amortisation	(5,543)	(1,331)	(10,879)	(17,753)
Net book amount	1,747	926	27,624	30,297
Year ended 31 December 2025				
Opening net book amount	**1,747**	**926**	**27,624**	**30,297**
Acquisition of a business *(Note 34)*	**–**	**3,693**	**–**	**3,693**
Disposals	**(336)**	**–**	**–**	**(336)**
Amortisation charge *(Note (a))*	**(778)**	**(936)**	**(4,146)**	**(5,860)**
Exchange difference	**178**	**101**	**2,016**	**2,295**
Net book amount	**811**	**3,784**	**25,494**	**30,089**
As at 31 December 2025				
Cost	**7,132**	**6,051**	**40,519**	**53,702**
Accumulated amortisation	**(6,321)**	**(2,267)**	**(15,025)**	**(23,613)**
Net book amount	**811**	**3,784**	**25,494**	**30,089**

14 INTANGIBLE ASSETS (Continued)

(a) Amortisation of intangible assets has been charged to the consolidated statement of comprehensive income as follows:

	2025 HK$'000	2024 HK$'000
Administrative expenses	5,038	4,080
Cost of sales	663	635
Selling expenses	159	144
Total	5,860	4,859

15 GOODWILL

	LVC *(a)(i)* HK$'000	FreeVis GmbH *(a)(ii)* HK$'000	Deshijia (Shenzhen) Consulting Management Co., Ltd ("Deshijia Shenzhen") *(a)(iii)* HK$'000	Betterview Business *(a)(iv)* HK$'000	Total HK$'000
As at 1 January 2025					
Cost	171,546	86,179	6,682	–	264,407
Accumulated impairment	(11,000)	–	–	–	(11,000)
Net book amount	160,546	86,179	6,682	–	253,407
Year ended 31 December 2025					
Acquisition of a business *(Note 34)*	–	–	–	77,474	77,474
Exchange difference	27,322	10,510	169	988	38,989
Net book amount	187,868	96,689	6,851	78,462	369,870
As at 31 December 2025					
Cost	198,868	96,689	6,851	78,462	380,870
Accumulated impairment	(11,000)	–	–	–	(11,000)
Net book amount	187,868	96,689	6,851	78,462	369,870

15 GOODWILL (Continued)

(a) Goodwill

(i) This balance of goodwill was related to one single CGU of LVC in the UK segment, which was acquired by the Group on 20 January 2022 (Note 34(a)).

(ii) This balance of goodwill was related to one single CGU of FreeVis GmbH in the Germany segment, which was acquired by the Group on 17 August 2023 (Note 34(b)).

(iii) This balance of goodwill was related to one single CGU of Deshijia Shenzhen in the Chinese Mainland segment, which was acquired by the Group on 1 November 2016.

(iv) This balance of goodwill was related to one single CGU of Betterview Business in the Switzerland segment, which was acquired by the Group on 13 October 2025 (Note 34(c)).

(b) Impairment tests for goodwill

The Group performed impairment reviews for goodwill annually. The Group engaged an independent external valuer assisting management on the goodwill impairment assessment for LVC and FreeVis units in 2025. As at 31 December 2025 and 2024, for impairment review purpose, the recoverable amounts of CGUs are determined based on the higher amount of the fair value less cost of disposal ("FVLCD") and value-in-use ("VIU"). The recoverable amounts of the CGUs were determined based on VIU, as VIUs were determined to be higher than FVLCD.

The VIU calculations use pre-tax cash flow projections based on financial budgets prepared by the management. The Group believes that it is appropriate to cover a 5-year period in its cash flow projection, because it captures the development stage of the Group's businesses during which the Group expects to experience a high growth rate. The accuracy and reliability of the information is reasonably assured by the appropriate budgeting, forecast and control process established by the Group. The management leveraged their extensive experience in the industry and provided forecast based on past performance and their expectation of future business plans and market developments. The discount rate used is pre-tax and reflects specific risks relating to the business. The cash flows are extrapolated using the long-term growth rate.

(c) Impact of possible changes in key assumptions

The key assumptions used for value-in-use calculations in 2025 and 2024 are as follows:

	2025				2024		
	LVC	FreeVis GmbH	Deshijia Shenzhen	Betterview Business	LVC	FreeVis GmbH	Deshijia Shenzhen
Revenue growth rate	2%~8%	10%	10%~15%	10%~100%	2%~10%	6%~7%	10%~15%
Long-term growth rate	2%	2%	2%	1%	2%	2%	2%
Gross profit margin	51%~55%	43%~49%	20%~30%	54%~58%	51%~56%	44%~55%	20%~25%
Pre-tax discount rate	19.3%	17.7%	19.3%	17.9%	18.5%	17.5%	21.3%

15 GOODWILL (Continued)

(c) Impact of possible changes in key assumptions (Continued)

The recoverable amount of each of the CGUs estimated to exceed the carrying amount of the CGUs at 31 December 2025 and 2024 are as follows:

	As at 31 December 2025			
	LVC *(i)*	FreeVis GmbH *(ii)*	Deshijia Shenzhen *(iii)*	Betterview Business *(iv)*
	HK$'000	HK$'000	HK$'000	HK$'000
Recoverable amount	**242,727**	**117,676**	**16,646**	**218,830**
Headroom	**9,431**	**6,201**	**4,312**	**23,032**

	As at 31 December 2024		
	LVC	FreeVis GmbH	Deshijia Shenzhen
	HK$'000	HK$'000	HK$'000
Recoverable amount	160,546	97,299	13,854
Headroom	–	9,291	2,475

The Group performs sensitivity analysis on the key assumptions used in the impairment test for goodwill:

(i) The recoverable amount of LVC would be lower than the carrying amounts if the key assumptions were to change as follows: a decrease in compound revenue annual growth rates by more than 1.1%, a decrease in terminal growth rates by more than 0.8%, a decrease in gross profit margins by more than 1.1% or an increase in pre-tax discount rates by more than 0.7%, all changes taken in isolation. Based on the above assessment, the management of the Group determines that there is no additional impairment loss on the LVC unit during the year.

(ii) The recoverable amount of FreeVis GmbH would be lower than the carrying amounts if the key assumptions were to change as follows: a decrease in compound revenue annual growth rates by more than 0.5%, a decrease in terminal growth rates by more than 1.1%, a decrease in gross profit margins by more than 1.4% or an increase in pre-tax discount rates by more than 1.0%, all changes taken in isolation. Based on the above assessment, the management of the Group determines that there is no impairment on the FreeVis GmbH at the end of the 31 December 2025.

(iii) The recoverable amount of Deshijia Shenzhen would be lower than the carrying amounts if the key assumptions were to change as follows: a decrease in compound revenue annual growth rates by more than 11.4%, a decrease in terminal growth rates by more than 8.0%, a decrease in gross profit margins by more than 4.8% or an increase in pre-tax discount rates by more than 3.3%, all changes taken in isolation.

(iv) The recoverable amount of Betterview Business would be lower than the carrying amounts if the key assumptions were to change as follows: a decrease in compound revenue annual growth rates by more than 1.9%, a decrease in terminal growth rates by more than 3.12%, a decrease in gross profit margins by more than 4.8% or an increase in pre-tax discount rates by more than 1.79%, all changes taken in isolation.

15 GOODWILL (Continued)

(d) Accounting policies

Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment assessment, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to be benefited from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the CGUs level.

16 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

		As at 31 December	
		2025	2024
Financial assets	*Note*	**HK$'000**	HK$'000
– Cash and cash equivalents	*21*	**695,541**	653,232
– Deposits and other receivables	*18*	**34,438**	30,679
– Trade receivables	*19*	**13,631**	4,738
– Restricted cash		**1,156**	108
		744,766	688,757

		As at 31 December	
		2025	2024
Financial liabilities	*Note*	**HK$'000**	HK$'000
Liabilities at amortised cost			
– Trade payables	*26*	**28,402**	25,047
– Other payables	*27*	**77,922**	17,074
– Borrowings	*28*	**310**	853
Contingent consideration payables	*3.3*	**81,825**	60,911
Lease liabilities	*29*	**409,877**	318,433
		598,336	422,318

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of financial assets mentioned above.

17 PREPAYMENTS

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Prepayments for purchase of medical supplies, consumables and services	14,580	8,509

18 DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Deposits	17,370	15,709
Amounts due from third parties	9,840	861
Capital receivable from non-controlling interests	5,780	5,640
Amounts due from related parties *(Note 36 (b))*	611	–
Interest receivable	538	3,690
Advance payments on behalf of employees and others	299	4,779
	34,438	30,679
Less:		
Non-current portion of capital receivable from non-controlling interests	–	(3,243)
Current portion	34,438	27,436

The Group's maximum exposure to credit risk at the end of the reporting year was the carrying amount of deposits and other receivables.

The advance payments on behalf of employees and others and amounts due from related parties are unsecured, interest-free and repayable on demand.

The carrying amounts of deposits and other receivables are denominated in the following currencies:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
– EUR	11,297	6,843
– RMB	8,626	14,482
– GBP	5,206	3,438
– HK$	4,258	4,551
– CHF	3,410	–
– DKK	1,641	1,365
	34,438	30,679

19 TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Trade receivables due from third parties	**14,279**	5,298
Trade receivables due from related parties	**182**	171
Total trade receivables, gross	**14,461**	5,469
Less: provision for impairment	**(830)**	(731)
Total trade receivables, net	**13,631**	4,738

Majority of the Group's sales require advance payments from customers. The remaining amounts are primarily receivable from insurance companies who settle surgery fees on a regular basis. As at 31 December 2025 and 2024, the ageing analysis of the trade receivables based on the invoice date is as follows:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Within 6 months	**14,461**	5,469

The carrying amounts of trade receivables are denominated in the following currencies:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
– CHF	**4,377**	–
– GBP	**4,331**	2,015
– EUR	**3,620**	2,064
– RMB	**2,024**	1,227
– DKK	**82**	163
– HK$	**27**	–
	14,461	5,469

19 TRADE RECEIVABLES (Continued)

(i) Fair value of trade receivables

Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as their fair value.

(ii) Impairment and risk exposure

The Group applies IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Given that majority of the Group's sales are paid by customers in advance, management considers that the expected credit loss from trade receivable is very low. Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency exchange risk and cash flow interest rate risk is set out in Note 3.1.

Movements in the provision for impairment of trade receivables are as follows:

	2025 HK$'000	2024 HK$'000
Balance at beginning of the year	731	420
Provision for impairment recognised during the year	168	339
Receivables written off during the year as uncollectible	(69)	(28)
Balance at end of the year	830	731

The maximum exposure to credit risk as at 31 December 2025 were HK$14,461,000 (2024: HK$5,469,000).

20 INVENTORIES

	As at 31 December	
	2025 HK$'000	2024 HK$'000
Lens	10,048	11,597
Lasik	3,383	3,852
Medication	629	553
Glasses	219	236
Others	875	1,031
	15,154	17,269

The cost of inventories recognised as an expense and included in "cost of sales" for the year ended 31 December 2025 amounted to HK$95,526,000 (2024: HK$89,242,000).

As at 31 December 2025 and 2024, no provision for impairment was made for the inventories.

21 CASH AND CASH EQUIVALENTS

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Cash on hand	**37**	33
Cash at bank	**695,504**	653,199
	695,541	653,232

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
– EUR	**558,189**	586,366
– CHF	**55,109**	–
– RMB	**53,148**	42,893
– GBP	**16,731**	10,020
– HK$	**7,249**	2,511
– DKK	**5,033**	11,434
– USD	**82**	8
	695,541	653,232

The Group earns interests on cash at bank at floating bank deposit rates with no fixed maturity date, which range from 0% to 2.98 % per annum for the year ended 31 December 2025 (2024: 0% to 3.55% per annum).

22 SHARE CAPITAL

	As at 31 December			
	2025 Shares	2024 Shares	2025 HK$'000	2024 HK$'000
Authorised:				
Balance at the beginning and end of the year	1,000,000,000	1,000,000,000	78,451	78,451
Issued and fully paid:				
Balance at the beginning of the year	331,523,000	333,240,000	26,004	26,138
Cancellation of shares	(10,817,000)	(1,717,000)	(841)	(134)
Balance at the end of the year	320,706,000	331,523,000	25,163	26,004

During the year, the Company cancelled a total of 10,817,000 shares that were repurchased on market from January 2025 to February 2025. The cancellation resulted in a decrease of share capital and share premium by approximately HK$841,000 and HK$42,376,000, respectively.

23 SHARES HELD FOR SHARE SCHEME

	As at 31 December			
	2025 Shares	2024 Shares	2025 HK$'000	2024 HK$'000
Shares held for share scheme	1,203,861	6,803,861	5,947	30,826

These shares of the Company were acquired and held by an independent professional trustee (the "Trustee") for the purpose of granting shares to eligible employees under the Restricted Share Award Scheme and other equity-based incentive schemes adopted by the Company (Note 25). During the year ended 31 December 2025, the Company paid HK$18,338,000 (2024: HK$35,797,000) to the Trustee, with a balance of unutilised cash of HK$180,000 as restricted cash as at 31 December 2025 (2024: HK$108,000).

	Number of shares	Amount HK$'000
As at 1 January 2025	6,803,861	30,826
Acquisition of shares by the Trustee	5,217,000	18,338
Cancellation of shares	(10,817,000)	(43,217)
As at 31 December 2025	1,203,861	5,947

24 OTHER RESERVES

	Capital reserve-contributed surplus *(Note (a))* HK$'000	Capital reserve-share-based payment *(Note (a))* HK$'000	Currency translation reserve *(Note (b))* HK$'000	Others *(Note (c))* HK$'000	Total HK$'000
At 1 January 2024	92,132	8,243	(28,890)	(8,092)	63,393
Exchange differences on translation of foreign operations	–	–	(61,948)	–	(61,948)
Appropriations to statutory surplus reserve	–	–	–	3,193	3,193
Share-based payment	–	1,560	–	–	1,560
Exercise of shares under employee share schemes	–	(3,454)	–	–	(3,454)
At 31 December 2024	92,132	6,349	(90,838)	(4,899)	2,744
At 1 January 2025	**92,132**	**6,349**	**(90,838)**	**(4,899)**	**2,744**
Exchange differences on translation of foreign operations	**–**	**–**	**140,249**	**–**	**140,249**
Appropriations to statutory surplus reserve	**–**	**–**	**–**	**483**	**483**
At 31 December 2025	**92,132**	**6,349**	**49,411**	**(4,416)**	**143,476**

(a) Capital reserve

The balance represents the amounts received by subsidiaries of the Group for paid in capital in excess of the registered capital.

The equity settled share-based payment to employee is recorded in capital reserve-share-based payment.

(b) Currency translation reserve

Exchange differences arising from translation of the foreign controlled entity are recognised in other comprehensive income ("OCI"), as described in Note 39.4, and are accumulated in a separate reserve within equity.

(c) Others

The balance primarily comprise statutory surplus reserve of the subsidiaries in the PRC, and surplus of consideration over carrying value relating to acquisition of non-controlling interests.

25 SHARE-BASED PAYMENT

On 19 March 2020, the Company adopted a share scheme with a term of 10 years to incentivise skilled and experienced personnel, and to recognise the contributions of the participants, to the Group (the "Restricted Share Award Scheme").

Under the Restricted Share Award Scheme, the grantees receive the shares of the Company with a vesting period within 2 years.

The following table shows the restricted shares granted and outstanding at the beginning and end of the year:

Share-based payment	2025 Number of shares	2024 Number of shares
As at 1 January	40,000	387,500
Granted during the year	–	275,289
Exercised during the year	–	(622,789)
As at 31 December	40,000	40,000

Expenses arising from share-based payment	2025 HK$'000	2024 HK$'000
Shares issued under Restricted Share Award Scheme	–	1,560

The fair value of the awards on grant date was estimated based on the market price of the Company's shares prevailing on that date.

26 TRADE PAYABLES

As at 31 December 2025 and 2024, the ageing analysis of trade payables based on invoice dates is as follows:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Within 3 months	**16,494**	22,373
Over 3 months but within 6 months	**5,434**	2,674
Over 6 months but within 1 year	**6,273**	–
Over 1 year but within 2 years	**201**	–
	28,402	25,047

The carrying amounts of trade payables are denominated in the following currencies:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
– EUR	**20,688**	15,538
– DKK	**3,200**	3,641
– RMB	**2,189**	1,846
– GBP	**1,915**	3,640
– HK$	**219**	382
– USD	**164**	–
– CHF	**27**	–
	28,402	25,047

Trade payables are unsecured and are usually paid within 90 days of recognition.

The carrying amounts of trade payables approximate to their fair values.

27 ACCRUALS AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Consideration payable for the acquisition of Betterview Business	30,718	–
Salary and welfare payables	18,227	13,288
Payables of leasehold improvements and facilities	16,923	715
Professional service fee payables	10,540	5,388
Accrued operating expenses	7,942	3,886
Payables of value-added tax and other taxes	3,401	2,592
Others	11,516	7,581
	99,267	33,450
Less:		
Non-current portion of salary and welfare payables	(520)	–
Current portion	98,747	33,450

28 BORROWINGS

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Bank overdrafts	310	853

The carrying amounts of borrowings are denominated in the following currencies with floating rate:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
– EUR	210	–
– GBP	100	853
	310	853

The Group's borrowings are repayable on demand.

The Group has the following undrawn borrowing facilities:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
– expiring beyond one year	9,118	8,127

29 LEASE

(a) Amounts recognised in the consolidated statements of financial position

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Right-of-use assets *(i) (Note 13)*		
Properties	**390,383**	297,555
Medical equipment	**182**	325
Cars	**137**	227
	390,702	298,107

(i) Right-of-use assets are included in the line item "property, plant and equipment" in the consolidated statements of financial position.

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Lease liabilities		
Current	**83,857**	67,859
Non-current	**326,020**	250,574
	409,877	318,433

(b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to the leases:

	2025	2024
	HK$'000	HK$'000
Depreciation charge of right-of-use assets *(Note 13)*		
Properties	**70,308**	64,562
Medical equipment	**177**	245
Cars	**106**	127
	70,591	64,934
Interest expenses (included in finance expenses) *(Note 10)*	**9,272**	10,037
Expenses relating to short-term leases *(Note 7)*	**362**	254

The total cash outflow for leases for the year ended 31 December 2025 was HK$77,188,000 (2024: HK$73,424,000).

29 LEASE (Continued)

(c) Present value of lease liabilities are shown in the table below:

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
The maturity analysis of undiscounted lease liabilities is as follow:		
Within one year	**87,180**	70,249
Later than one year but not later than two years	**78,349**	57,961
Later than two years but not later than five years	**164,167**	129,486
Later than five years	**114,300**	89,980
Minimum lease payments	**443,996**	347,676
Future finance charge	**(34,119)**	(29,243)
Total lease liabilities	**409,877**	318,433
The present value of lease liabilities is as follows:		
Within one year	**83,857**	67,859
Later than one year but not later than two years	**71,548**	50,500
Later than two years but not later than five years	**150,509**	114,791
Later than five years	**103,963**	85,283
	409,877	318,433

(d) The movements of lease liabilities are shown in the table below:

	2025	2024
	HK$'000	HK$'000
Balance at beginning of the year	**318,433**	383,334
Acquisition of a business *(Note 34)*	**77,106**	–
Lease modification	**(2,961)**	1,905
Lease payments	**(77,188)**	(73,170)
Accrued interest *(Note 10)*	**9,272**	10,037
Increase in right-of-use assets *(Note 13)*	**64,191**	9,293
Decrease in right-of-use assets *(Note 13)*	**–**	(339)
Exchange differences	**21,024**	(12,627)
Balance at end of the year	**409,877**	318,433

29 LEASE (Continued)

(e) The Group's leasing activities and how these are accounted for

The Group leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of 2 to 25 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and corresponding liability on the date of which the leased asset is available for use by the Group. Each lease payment is allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their respective stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used for such purpose. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for lease in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

29 LEASE (Continued)

(e) The Group's leasing activities and how these are accounted for (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis over the lease term as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture with an individual value below HK$38,000.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Variable lease payments based on an index or a rate are initially measured using the index or the rate at the commencement date. The Group do not forecast future changes of the index/rate; these changes are taken into account when the lease payments change. Variable lease payments that are not based on an index or a rate are not part of the lease liability, but they are recognised in the consolidated statement of comprehensive income when the event or condition that triggers those payments occurs.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable upon fulfilment of certain notice period. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise such options. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

29 LEASE (Continued)

(e) The Group's leasing activities and how these are accounted for (Continued)

Residual value guarantees

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases. The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. The amounts are reviewed, and adjusted if appropriate, at the end of each reporting year.

30 DEFERRED TAX

(a) Deferred tax assets

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
The balance comprises temporary differences attributable to:		
Unused tax losses	**29,077**	20,439
Accrued expenses	**1,285**	1,008
Temporary differences relating to leasing	**67,728**	61,620
Temporary differences relating to intercompany transaction	**3,264**	1,764
Others	**993**	878
Total deferred tax assets	**102,347**	85,709
Off-setting of deferred tax liabilities pursuant to set-off provisions	**(59,748)**	(54,234)
Net deferred tax assets	**42,599**	31,475

30 DEFERRED TAX (Continued)

(a) Deferred tax assets (Continued)

Movements	Unused tax losses HK$'000	Accrued expenses HK$'000	Temporary differences relating to leasing HK$'000	Temporary differences relating to inter-company transaction HK$'000	Others HK$'000	Total HK$'000
At 1 January 2024	20,528	1,284	73,409	1,943	347	97,511
Credited/(charged) to profit or loss	491	(246)	(10,394)	(59)	576	(9,632)
Exchange differences	(580)	(30)	(1,395)	(120)	(45)	(2,170)
At 31 December 2024	20,439	1,008	61,620	1,764	878	85,709
Acquisition of a subsidiary *(Note 34)*	–	–	13,369	–	–	13,369
Credited to profit or loss	7,673	70	(6,700)	1,229	9	2,281
Exchange differences	965	207	(561)	271	106	988
At 31 December 2025	29,077	1,285	67,728	3,264	993	102,347

Deferred tax assets are recognised for tax loss carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2025, tax losses that are not recognised as deferred tax assets are HK$65,195,000 (2024: HK$49,093,000).

Out of above, tax losses that are not recognised as deferred tax assets and subject to expiry, will expire in the following years:

	As at 31 December	
	2025 HK$'000	2024 HK$'000
-2025	–	8,233
-2026	9,161	6,873
-2027	12,270	12,253
-2028	9,607	10,413
-2029	8,760	8,629
-2030	5,150	–
	44,948	46,401

30 DEFERRED TAX (Continued)

(b) Deferred tax liabilities

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
The balance comprises temporary differences attributable to:		
Accelerated accounting/tax depreciation	**7,299**	1,893
Fair value adjustments of intangible assets arising from acquisition	**6,219**	5,934
Temporary differences relating to accounting or tax treatment of leases	**65,019**	60,061
Others	**4,261**	2,210
Total deferred tax liabilities	**82,798**	70,098
Off-setting of deferred tax assets pursuant to set-off provisions	**(59,748)**	(54,234)
Net deferred tax liabilities	**23,050**	15,864

Movements	**Accelerated accounting/tax depreciation** HK$'000	**Fair value adjustments of intangible assets arising from acquisition** HK$'000	**Temporary differences relating to leasing** HK$'000	**Others** HK$'000	**Total** HK$'000
At 1 January 2024	1,726	7,553	73,028	1,570	83,877
Charged/(credited) to profit or loss	271	(1,193)	(11,495)	771	(11,646)
Exchange differences	(104)	(426)	(1,472)	(131)	(2,133)
At 31 December 2024	1,893	5,934	60,061	2,210	70,098
Acquisition of a business *(Note 34)*	**–**	**852**	**13,369**	**–**	**14,221**
Charged/(credited) to profit or loss	**5,215**	**(1,264)**	**(7,875)**	**1,723**	**(2,201)**
Exchange differences	**191**	**697**	**(536)**	**328**	**680**
At 31 December 2025	**7,299**	**6,219**	**65,019**	**4,261**	**82,798**

31 SUBSIDIARIES

The Group's principal subsidiaries at 31 December 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals to the voting rights held by the Group. The country of incorporation or registration of each of the companies is also its principal place of business, except for the entities incorporated in the Cayman Islands, which have their principal place of business in Hong Kong.

Entity Name	Place of incorporation and type of legal entity	Principal activities	Issued/ paid-in capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025 %	2024 %	2025 %	2024 %
Directly held by the Company:							
EuroEyes Holdings Limited	Cayman Islands/Limited liability company	Investment holding	USD2	100%	100%	–	–
EuroEyes Holdings Asia Limited	Cayman Islands/Limited liability company	Investment holding	USD1	100%	100%	–	–
EuroEyes Deutschland Verwaltungs GmbH	Germany/Limited liability company	Investment holding	EUR25,000	100%	100%	–	–
EuroEyes UK Holding Limited	UK/Private company Limited by shares	Investment holding	GBP1	100%	100%	–	–
EuroEyes Switzerland Holding AG	Switzerland/AG	Investment holding	CHF100,000	100%	N/A	–	N/A
Indirectly held by the Company:							
EuroEyes Deutschland Holding GmbH & Co. KG	Germany/Limited partnership	Investment holding and group-wide administrative activities	EUR25,000	100%	100%	–	–
EuroEyes Deutschland GmbH	Germany/GmbH	Investment holding and group-wide administrative activities	EUR34,000	100%	100%	–	–
EuroEyes AugenLaserZentrum Berlin GmbH	Germany/GmbH	Operation of consultation centres and/or clinics for eye treatments	EUR25,000	100%	100%	–	–
EuroEyes AugenLaserZentrum Betriebs GmbH	Germany/GmbH	Operation of consultation centres and/or clinics for eye treatments	EUR50,000	100%	100%	–	–

31 SUBSIDIARIES (Continued)

Entity Name	Place of incorporation and type of legal entity	Principal activities	Issued/ paid-in capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025 %	2024 %	2025 %	2024 %
Indirectly held by the Company:							
EuroEyes AugenLaserZentrum Stuttgart GmbH	Germany/GmbH	Operation of consultation centres and/or clinics for eye treatments	EUR25,000	100%	100%	–	–
EuroEyes AugenLaserZentrum Hannover GmbH	Germany/GmbH	Operation of consultation centres and/or clinics for eye treatments	EUR200,000	100%	100%	–	–
EuroEyes AugenLaserZentrum City Hamburg GmbH	Germany/GmbH	Operation of consultation centres and/or clinics for eye treatments	EUR25,000	100%	100%	–	–
EuroEyes ALZ Augenklinik München GmbH	Germany/GmbH	Operation of consultation centres and/or clinics for eye treatments	EUR51,129	100%	100%	–	–
EuroEyes AugenLaserZentrum Bremen GmbH	Germany/GmbH	Operation of consultation centres and/or clinics for eye treatments	EUR25,000	74%	74%	26%	26%
FreeVis GmbH	Germany/GmbH	Operation of consultation centres and/or clinics for eye treatments	EUR25,000	100%	100%	–	–
EUROEYES ApS	Denmark/ApS	Operation of consultation centres and/or clinics for eye treatments	DKK135,000	100%	100%	–	–

31 SUBSIDIARIES (Continued)

Entity Name	Place of incorporation and type of legal entity	Principal activities	Issued/ paid-in capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025 %	2024 %	2025 %	2024 %
Indirectly held by the Company:							
London Vision Clinic Partners Limited	UK/Private company limited by shares	Operation of consultation centres and/or clinics for eye treatments	GBP100	100%	100%	–	–
London Vision Clinic Training Limited	UK/Private company limited by shares	Operation of consultation centres	GBP100	100%	100%	–	–
EuroEyes London Knightsbridge Limited	UK/Private company limited by shares	Operation of consultation centres and/or clinics for eye treatments	GBP1	100%	100%	–	–
Shanghai Deshijia Eye Medical Co., Ltd.* (上海德視佳眼科醫療有限公司)	Chinese Mainland/Limited liability company	Operation of a clinic for eye treatments	RMB66,000,000	70%	70%	30%	30%
Hangzhou Deshijia Eye Clinic Co., Ltd.* (杭州德視佳眼科門診部有限公司)	Chinese Mainland/Limited liability company	Operation of a clinic for eye treatments	RMB14,000,000	70%	70%	30%	30%
Beijing Deshijia Eye Clinic Co., Ltd.* (北京德視佳眼科診所有限公司)	Chinese Mainland/Limited liability company	Operation of a clinic for eye treatments	RMB20,000,000	70%	70%	30%	30%
Beijing Deshijia Dongbu Eye Clinic Co., Ltd.* (北京德視佳東部眼科診所有限公司)	Chinese Mainland/Limited liability company	Operation of a clinic for eye treatments	RMB10,000,000	70%	70%	30%	30%
Guangzhou Deshijia Eye Clinic Co., Ltd.* (廣州德視佳眼科門診部有限公司)	Chinese Mainland/Limited liability company	Operation of a clinic for eye treatments	RMB30,000,000	70%	70%	30%	30%
Deshijia (Shenzhen) Consulting Management Co., Ltd (德視佳(深圳)諮詢管理有限公司)	Chinese Mainland/Limited liability company	Investment holding	RMB30,000,000	71.33%	71.33%	28.67%	28.67%

31 SUBSIDIARIES (Continued)

Entity Name	Place of incorporation and type of legal entity	Principal activities	Issued/ paid-in capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025 %	2024 %	2025 %	2024 %
Indirectly held by the Company:							
Shenzhen Deshijia Eye Clinic (深圳德視佳眼科門診部)	Chinese Mainland/Limited liability company	Operation of a clinic for eye treatments	RMB7,000,000	71.33%	71.33%	28.67%	28.67%
Chongqing EuroEyes Deshijia Eye Clinic Co., Ltd. (重慶德視佳眼科門診有限公司)	Chinese Mainland/Limited liability company	Operation of a clinic for eye treatments	RMB20,000,000	80%	80%	20%	20%
Chengdu Jinjiang EuroEyes Deshijia Eye Clinic Co., Ltd. (成都錦江德視佳眼科門診部有限公司)	Chinese Mainland/Limited liability company	Operation of a clinic for eye treatments	RMB25,000,000	100%	100%	–	–
Euroeyes (Shanghai) Medical Management* (德視佳(上海)醫療管理有限公司)	Chinese Mainland/Limited liability company	Management and investment holding	RMB100,000,000	100%	100%	–	–
EuroEyes Hong Kong Co. Limited	Hong Kong/Private company Limited by shares	Trading of eye clinic equipment and lenses	HK$1	100%	100%	–	–
EuroEyes Hong Kong Holdings Limited	Hong Kong/Private company Limited by shares	Investment holding	HK$1	100%	100%	–	–
EuroEyes Hong Kong Eye Care Group Limited	Hong Kong/Private company Limited by shares	Operation of a clinic for eye treatments	HK$100	100%	100%	–	–
EuroEyes Eye Care Medical Group Limited	Hong Kong/Private company Limited by shares	Investment holding	HK$100	100%	100%	–	–
Hong Kong Myopia and Presbyopia Care Centre Limited	Hong Kong/Private company Limited by shares	Operation of eyewear retail	USD1	100%	N/A	–	N/A
EuroEyes Switzerland AG	Switzerland/AG	Operation of a clinic for eye treatments	CHF1,000,000	100%	N/A	–	N/A

* The English names are for identification purpose only

32 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW

(a) Cash generated from operations

	2025 HK$'000	2024 HK$'000
Profit before tax	**102,438**	126,466
Adjustments for:		
Depreciation of property, plant and equipment *(Note 13)*	**121,823**	107,355
Amortisation of intangible assets *(Note 14)*	**5,860**	4,859
Goodwill impairment	**–**	11,000
Share-based payment *(Note 8, 25)*	**–**	1,560
Finance expenses/(income), net	**3,161**	(11,646)
Other losses/(gains), net *(Note 9)*	**221**	(26,001)
	233,503	213,593
Changes in working capital:		
Decrease/(increase) in inventories	**6,071**	(3,315)
(Increase)/decrease in trade receivables	**(7,229)**	1,415
(Increase)/decrease in deposits, other receivables and prepayments	**(3,116)**	1,547
(Decrease)/increase in trade payables	**(2,771)**	5,619
Increase in other payables	**8,447**	5,516
(Decrease)/increase in contract liabilities	**(4,013)**	870
Cash generated from operations	**230,892**	225,245

(b) Non-cash investing and financing activities

During the years ended 31 December 2025 and 2024, non-cash investing and financing activities disclosed in other notes are as follows:

- Addition and disposal of right-of-use assets (Note 13)
- Issuance and exercise of shares under employee share schemes (Note 23, 24)

32 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

(c) Net cash reconciliation

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Cash and cash equivalents	**695,541**	653,232
Lease liabilities *(Note 29)*	**(409,877)**	(318,433)
Net cash	**285,664**	334,799

	Cash and cash equivalents	**Lease liabilities**	**Dividend payable**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Net cash as at 1 January 2024	720,216	(383,334)	–	336,882
Cash flows	(22,899)	73,170	27,851	78,122
Other non-cash movements				
– Exchange differences	(44,085)	12,627	–	(31,458)
– Accrued interest	–	(10,037)	–	(10,037)
– Increase in right-of-use assets	–	(9,293)	–	(9,293)
– Decrease in right-of-use assets	–	339	–	339
– Declared dividend paid	–	–	(27,851)	(27,851)
– Lease modification	–	(1,905)	–	(1,905)
Net cash as at 31 December 2024	653,232	(318,433)	–	334,799
Cash flows	**(35,688)**	**77,188**	**20,375**	**61,875**
Other non-cash movements				
– Acquisition of a business *(Note 34)*	**–**	**(77,106)**	**–**	**(77,106)**
– Exchange differences	**77,997**	**(21,024)**	**–**	**56,973**
– Accrued interest	**–**	**(9,272)**	**–**	**(9,272)**
– Increase in right-of-use assets	**–**	**(64,191)**	**–**	**(64,191)**
– Declared dividend paid	**–**	**–**	**(20,375)**	**(20,375)**
– Lease modification	**–**	**2,961**	**–**	**2,961**
Net cash as at 31 December 2025	**695,541**	**(409,877)**	**–**	**285,664**

33 DIVIDENDS

	2025 HK$'000	2024 HK$'000
Final dividend for the year ended 31 December 2024 of HK$0.0297 (2023 – HK$0.0489) per fully paid share	9,525	16,281
Interim dividend for the year ended 31 December 2025 of HK$0.0315 (2024 – HK$0.0349) per fully paid share	10,102	11,570
Total	19,627	27,851

On 31 March 2026, the Board of Directors proposed a final dividend of HK$0.0126 per ordinary share totalling approximately HK$4,041,000 to the shareholders of the Company in respect of the year ended 31 December 2025. Subject to the approval of the shareholders at the forthcoming annual general meeting and subject to further announcement in respect to the book closure date, record date and payment date, the proposed 2025 final dividend is expected to be distributed to shareholders on or around in the middle of June 2026. As the final dividend is proposed and will be approved by the shareholders at the AGM after 31 December 2025, such dividend is not recognised as a liability as at 31 December 2025.

34 BUSINESS COMBINATION

(a) Acquisition of London Vision Clinic Partners Ltd. ("LVC")

On 20 January 2022, the Group acquired 100% of the issued shares in LVC, one of the leading companies in the vision correction industry in the UK. Subject to the terms and conditions set out in the share purchase agreement, the aggregate considerations composed of (i) the cash consideration; (ii) the completion consideration shares; and (iii) the contingent cash consideration, which is subject to consideration adjustment.

As of the acquisition date, the fair value of the total consideration was GBP25,017,000 (equivalent to approximately HK$265,172,000) and the fair value of net identifiable assets acquired by the Group was approximately HK$62,863,000. Thus, the goodwill arose on the acquisition was HK$202,309,000.

During the year ended 31 December 2025, management performed an impairment assessment for LVC. Based on the results, no impairment loss is recognised on the goodwill of LVC (2024: an impairment loss of HK$11,000,000) (Note 15).

34 BUSINESS COMBINATION (Continued)

(a) Acquisition of London Vision Clinic Partners Ltd. ("LVC") (Continued)

Contingent consideration

Pursuant to the share purchase agreement, the Group is obliged to pay the former owners of LVC contingent consideration, which comprising a first earn out of GBP1,560,000 (equivalent to approximately HK$14,659,000) if the cumulative adjusted EBIT of LVC for the three years from 2022 to 2024 exceeds GBP7,629,000 (equivalent to approximately HK$71,690,000); second earn out of GBP390,000 (equivalent to approximately HK$3,665,000) per year when the specified target adjusted EBIT for each financial year from 2022 to 2025 is achieved; and cash earn out up to a maximum undiscounted amount of GBP14,625,000 (equivalent to HK$137,431,000) when the specified target revenue growth and target adjusted EBIT growth for each financial year from 2022 to 2025 is achieved.

As at 31 December 2025, the balance of contingent consideration payables is HK$45,497,000 (31 December 2024: HK$39,192,000).

During the year ended 31 December 2025, a loss of HK$3,677,000 (2024: gain of HK$24,562,000) relating to the change in fair value of contingent consideration payables, is recognised in "other (losses)/gains, net" (Note 9). A loss of HK$2,201,000 (2024: HK$2,527,000) (Note 3.3) relating to the change of foreign exchange is recognised in "finance expenses". A foreign currency translation loss of HK$427,000 (2024: a gain of HK$3,178,000) was recognised in other comprehensive income.

(b) Acquisition of FreeVis GmbH

In August 2023, the Group acquired 100% of the issued shares in FreeVis GmbH, one of the leading market players in the vision correction industry in Mannheim, Germany ("FreeVis acquisition"). Subject to the terms and conditions set out in the share purchase agreement, the aggregate considerations composed of (i) the cash consideration; and (ii) the contingent cash consideration, which is subject to consideration adjustment.

As of the acquisition date, the fair value of the total consideration was EUR11,683,000 (equivalent to approximately HK$100,473,000) and the fair value of net identifiable assets acquired by the Group was approximately HK$9,275,000, which comprise of a fair value appreciation of trademark of HK$6,278,000 with its deferred tax impact of HK$1,946,000. The goodwill arose from the acquisition was HK$91,198,000. It has been allocated to the Germany segment. None of the goodwill is expected to be deductible for tax purposes.

Contingent consideration

Pursuant to the conditions of the share purchase agreement, the contingent consideration arrangement requires the Group to pay the former owners of FreeVis GmbH with a cash earn out of EUR723,000 (equivalent to approximately HK$6,266,000) per year on the reach of target revenue of each financial year and the key surgeon activities from 2023 to 2027. The fair value of the contingent consideration arrangement of approximately HK$27,232,000 was estimated by the present value of the future expected cash flows. The estimates are based on a discount rate of 5.26% and a revenue growth rate ranged within 6% to 7% from 2023 to 2025 (Note 3.3).

As at 31 December 2025, the contingent consideration payable is HK$18,685,000 (2024: HK$21,719,000).

During the year ended 31 December 2025, a loss of HK$875,000 (2024: a loss of HK$1,417,000) for the change in fair value of contingent consideration, was recognised in "other (losses)/gains, net" (Note 9). A foreign currency translation loss amounted to HK$2,195,000 (2024: a gain of HK$1,571,000) was recognised in other comprehensive income.

34 BUSINESS COMBINATION (Continued)

(c) Acquisition of Betterview Business

On 13 October 2025, EuroEyes Switzerland AG, a subsidiary of the Group, entered into an agreement with Betterview AG, to acquire seven medical clinics for refractive surgery located in Switzerland, a surgery theatre in Zurich, certain headquarter assets and certain commercial contracts including but not limited rental and employment contracts (the "Betterview Business") for consideration of HK$121,840,000. The acquisition has been accounted for as an acquisition of business using the acquisition method.

The following table summarised the consideration paid/payable for the acquisition and the fair values of the net assets acquired as a result of the acquisition:

	As at 13 October 2025 HK$'000
Purchase consideration:	
Cash paid	64,768
Consideration payables	29,960
Contingent consideration payables *(Note (i))*	17,431
Redemption liabilities arisen from non-voting shares issued with put option agreement *(Note (ii))*	9,681
Total consideration	121,840
Recognised amounts of identifiable assets and liabilities assumed	
Property, plant and equipment *(Note 13)*	118,631
Intangible asset *(Note 14)*	3,693
Lease liabilities *(Note 29)*	(77,106)
Net deferred tax liabilities *(Note 30)*	(852)
Net identifiable assets acquired	44,366
Goodwill *(Note 15)*	77,474
	121,840

The goodwill is attributable to the workforce and an increase in market share. It has been allocated to the Switzerland segment. None of the goodwill is expected to be deductible for tax purposes.

(i) Contingent consideration

Pursuant to the conditions of the share purchase agreement, the contingent consideration arrangement requires the Group to pay the former owners of Betterview AG the lower of (i) CHF 2,000,000 and (ii) the applicable adjusted EBITDA for the financial year ending 31 December 2026 of EuroEyes Switzerland AG. The fair value of the contingent consideration arrangement of approximately HK$17,431,000 was estimated by the present value of the future expected cash flows. The estimates are based on a discount rate of 4.48% and assumed revenue growth rate ranged from 10% to 101.3% in EuroEyes Switzerland AG (Note 3.3).

34 BUSINESS COMBINATION (Continued)

(c) Acquisition of Betterview Business (Continued)

(ii) Redemption liabilities

The amount of the 1,363,636 non-voting shares with put option issued as part of the consideration paid for Betterview Business was based on the present value of the redemption amount on the acquisition date.

During the year ended 31 December 2025, a loss of HK$171,000 arising from finance charges of the redemption liabilities was recognised in "finance (expenses)/income, net".

(iii) Revenue and profit contribution

The acquired business contributed revenues of HK$11,827,000 and net loss of HK$17,696,000 to the Group for the period from October 2025 to December 2025.

(d) Accounting policies

(i) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration for the acquisition of a subsidiary or a business comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group, and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

34 BUSINESS COMBINATION (Continued)

(d) Accounting policies (Continued)

(ii) Put option agreement

The Group has written put options over the equity of its Swiss subsidiary which permit the holder to put their shares in the subsidiary back to the Group at their fair value on specified dates over a five-year period. The amount that might become payable under the option on exercise is initially recognised at the present value of the redemption amount. The liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised.

35 CONTINGENT LIABILITIES

As at 31 December 2025 and 2024, the Group did not anticipate that any material liabilities will arise from the contingent liabilities in respect of claims or other legal procedures arising in its ordinary course of business.

36 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

Name of related parties	Relationship with the Company
Dr Jørn Slot Jørgensen	Ultimate controlling party
Dr Jørgensen und Kollegen GbR	Partners of the related party are directors of the Company – Dr Jørn Slot Jørgensen and Dr Ralf-Christian Lerche
London Vision Clinic Limited	Controlled by an Executive Director of the Company

(a) Transactions with related parties

	2025 HK$'000	2024 HK$'000
Lease payment to:		
– London Vision Clinic Limited	3,403	3,299
Rendering services to:		
– Dr Jørgensen und Kollegen GbR	1,494	1,312
– London Vision Clinic Limited	1,255	1,380
	2,749	2,692

36 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Right-of-use asset:		
– London Vision Clinic Limited	**18,938**	25,282
Lease liability:		
– London Vision Clinic Limited	**20,360**	27,140
Trade receivables:		
– Dr. Jørn Slot Jørgensen	**182**	130
– Dr Jørgensen und Kollegen GbR	**–**	41
	182	171
Deposits and other receivables:		
– Dr. Jørn Slot Jørgensen	**611**	–

(c) Key management compensation

	2025	2024
	HK$'000	HK$'000
Salaries and other short-term employee benefits	**11,271**	9,292
Directors' fees	**3,352**	3,979
Share-based payment	**–**	1,037
	14,623	14,308

37 EVENT OCCURRING AFTER THE REPORTING PERIOD

On 20 February 2026, the Group entered into a sale and purchase agreement with five independent third parties to acquire, subject to conditions, the entire issued share capital of FYEO Europe B.V., a company incorporated in the Netherlands which is principally engaged in refractive surgery. The completion consideration comprises an equity component of EUR 131.8 million (equivalent to approximately HK$1,115 million), plus locked-box compensation and less any leakage. On the assumption that completion takes place on 15 July 2026 and there is no leakage, the maximum consideration is estimated to be approximately EUR145.8 million (equivalent to approximately HK$1,234 million). Completion is conditional upon, among others, approval from the Dutch Healthcare Authority, completion of the Works Council consultation procedure, and the shareholders' approval.

The Group is assessing the financial impact of the acquisition on its consolidated financial statements. This transaction had no financial effect on the consolidated financial statements for the year ended 31 December 2025 because completion remained conditional and had not completed as of the date these financial statements were approved.

38 STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

(a) Statement of financial position of the Company

	As at 31 December	
	2025	2024
	HK$'000	HK$'000
Assets		
Non-current assets		
Investments in subsidiaries	503,837	457,349
Total non-current assets	503,837	457,349
Current assets		
Prepayments	365	390
Other receivables	453,050	248,355
Restricted cash	180	108
Cash and cash equivalents	426,262	542,886
Total current assets	879,857	791,739
Total assets	1,383,694	1,249,088
Equity		
Equity attributable to owners of the Company		
Share capital	25,163	26,004
Shares held for share scheme	(5,947)	(30,826)
Share premium	604,047	646,423
Other reserves	481,852	370,642
Retained earnings/(accumulated losses)	8,297	(4,887)
Total equity	1,113,412	1,007,356
Liabilities		
Current liabilities		
Accruals and other payables	270,282	241,732
Total current liabilities	270,282	241,732
Total liabilities	270,282	241,732
Total equity and liabilities	1,383,694	1,249,088

The balance sheet of the Company was approved by the Board of Directors on 31 March 2026 and was signed on its behalf.

Dr Jørn Slot Jørgensen
Chairman and Chief Executive Officer

Mr. Marcus Huascar Bracklo
Executive Director and Chief Financial Officer

38 STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY (Continued)

(b) Reserve movements of the Company

	Share premium HK$'000	Other reserves HK$'000	Accumulated losses HK$'000
At 1 January 2024	658,371	409,593	(15,183)
Profit for the year	–	–	38,147
Dividend declared or paid *(Note 32(c))*	–	–	(27,851)
Share-based payment *(Note 25)*	–	1,560	–
Issue of shares under employee share schemes	(3,053)	(3,454)	–
Cancellation of shares	(8,895)	–	–
Exchange differences on translation of foreign operations	–	(37,057)	–
At 31 December 2024	646,423	370,642	(4,887)
Profit for the year	–	–	**32,811**
Dividend declared or paid	–	–	**(19,627)**
Cancellation of shares	**(42,376)**	–	–
Exchange differences on translation of foreign operations	–	**111,210**	–
At 31 December 2025	**604,047**	**481,852**	**8,297**

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES

This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of EuroEyes International Eye Clinic Limited and its subsidiaries.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

39.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

39.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

39.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK$, while the functional currency of the Company is EUR.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.4 Foreign currency translation (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within finance expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position item presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.4 Foreign currency translation (Continued)

(iv) Disposal of foreign operation and partial disposal

On the disposal of foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving losing control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reduction in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

39.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

The depreciation methods and periods used by the Group are disclosed in note 13(b).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 39.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other (losses)/gains, net" in the consolidated statement of comprehensive income.

Construction-in-progress ("CIP") represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition and capitalised borrowing costs. No provision for depreciation is made on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.6 Intangible assets

(i) Trademark and licence

Separately acquired trademarks and licences are shown at historical cost. Trademark and licence acquired in a business combination is recognised at fair value at the acquisition date. They have a finite useful life of 10-20 years and subsequently carried at cost less accumulated amortisation and impairment losses. The useful life of the licence includes the renewal periods when there is evidence to support renewal by the Group without significant cost.

(ii) Software

Software is capitalised on the basis of the costs incurred to acquire and bring the software into usage. These costs are amortised using the straight-line method over their estimated useful lives. Cost associated with maintaining the software are recognised as an expense as incurred.

39.7 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The accounting policies for the Group's impairment test of goodwill are explained in note 15(c). Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

39.8 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.8 Investments and other financial assets (Continued)

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flow from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the statement of comprehensive income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other (losses)/gains, net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other (losses)/gains, net" and impairment expenses are presented in "net impairment losses on financial assets".

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "other (losses)/gains, net" in the period in which it arises.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.8 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as "other (losses)/gains, net" when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "other (losses)/gains, net" in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 19 for further details.

39.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

39.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined after deducting rebates and discounts using the first in, first out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

39.11 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 19 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

39.13 Share capital

Ordinary shares are classified as equity (Note 22). Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

39.14 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

39.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance expenses.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has right to defer settlement of the liability for at least 12 months after the reporting period.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.16 Current and deferred tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and the tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

39.17 Employee benefits expense

(i) Employee leave entitlements

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave. Liabilities for annual leave that is expected to be settled wholly within 12 months after the end of the period in which employees render the related services is recognised in respect of employee's services up to the end of the reporting year and is measured at the amounts expected to be paid when the liabilities are settled.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.17 Employee benefits expense (Continued)

(ii) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iii) Share-based payment

Share-based compensation benefits are provided to participants via the Restricted Share Award Scheme. Information relating to this scheme is set out in Note 25.

The fair value of shares granted under the scheme is recognised as an expense with a corresponding increase in equity under "capital reserve – share-based payment". 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 Group revises its estimates of the number of shares that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The shares are acquired by the Company from the market and held for the share scheme until such time as they are vested (see Note 23).

(iv) Shares held for share scheme

Where the Company purchases its own equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Shares held by the Restricted Share Award Scheme are disclosed as shares held for share scheme and deducted from contributed equity.

No gain or loss is recognised in the profit or loss on the purchase, sales, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in equity.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.17 Employee benefits expense (Continued)

(v) Post-employment obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Pension obligations

The liability or asset recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

39.18 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

39 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

39.19 Contract liabilities

Contract liabilities represent the consideration allocated to services to be delivered in future. Contract liabilities are stated at the consideration allocated less the amount previously recognised as revenue upon the delivery of services to the customers (Note 6).

39.20 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

39.21 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting year but not distributed at the end of the reporting year.

EuroEyes International Eye Clinic Limited
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