



EuroEyes

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

Interim Report
中期報告

2024



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr Jørn Slot Jørgensen
(Chairman and Chief Executive Officer)

Dr Markus Braun
(Chief Financial Officer)

Mr Jannik Jonas Slot Jørgensen
Prof Dan Zoltan Reinstein

Non-executive Director

Mr Marcus Huascar Bracklo

Independent Non-executive Directors

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

AUDIT COMMITTEE

Mr Philip Duncan Wright *(Chairman)*
Mr Marcus Huascar Bracklo
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

Dr Markus Braun
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)

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.hk

STOCK CODE

01846

KEY FINANCIAL HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”, and each a “**Director**”) of EuroEyes International Eye Clinic Limited (the “**Company**”) hereby announces the interim results of the Company and its subsidiaries (collectively, the “**Group**” or “**EuroEyes**”) for the six months ended 30 June 2024. The key financial highlights are as follows:

	For the six months ended 30 June				
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 Change %	2022 Change %
Revenue	368,372	346,382	315,626	6.3	16.7
Gross profit	148,013	167,582	142,554	(11.7)	3.8
Adjusted gross profit ⁽¹⁾	158,146	169,739	144,279	(6.8)	9.6
Profit for the period	46,309	68,111	43,467	(32.0)	6.5
Adjusted net profit after tax for the period ⁽²⁾	62,285	70,483	53,537	(11.6)	16.3

Notes:

- (1) Adjusted gross profit is derived from adding share-based compensation expenses and pre-operating expenses to the gross profit.
- (2) Adjusted net profit after tax for the period is derived from adding pre-operating expenses for new clinics, foreign exchange loss/(gain) in relation to the proceeds from the global offering, share-based compensation expenses, acquisition-related costs, and gain on fair value change of contingent consideration payable.

NON-IFRS FINANCIAL MEASURES

To supplement the Group’s condensed consolidated financial information which were prepared in accordance with the International Financial Reporting Standards (“**IFRS**”), the Group has provided adjusted gross profit and adjusted net profit after tax (the “**Adjusted Net Profit After Tax**”) for the period (excluding effects from non-cash related items and one-off events which include, but are not limited to, share-based compensation expenses, pre-operating expenses of new clinics, foreign exchange (loss)/gain in relation to the proceeds from the global offering, acquisition-related costs, and gain on fair value change of contingent consideration payable), as additional financial measures, which are not required by, or presented in accordance with IFRS. The Company believes that the non-IFRS financial measures are useful for understanding and assessing the Group’s underlying business performance and operating trends, and that the Company’s management and investors may benefit from referring to these non-IFRS financial measures in assessing the Group’s financial performance by eliminating the impact of certain unusual and non-recurring items that the Group does not consider indicative of the performance of the Group’s business. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. Shareholders and investors should not view the non-IFRS financial results on a stand-alone basis or as a substitute for results prepared in accordance with IFRS, or as being comparable to results reported or forecasted by other companies.

Non-IFRS adjusted gross profit and Adjusted Net Profit After Tax for the period

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Gross profit	148,013	167,582
Add:		
Pre-operating expenses	9,746	1,969
Share-based compensation expenses	387	188
Adjusted gross profit	158,146	169,739
Profit for the period	46,309	68,111
Add:		
Pre-operating expenses	13,099	6,067
Share-based compensation expenses	1,528	1,029
Foreign exchange loss/(gain) in relation to the proceeds from the global offering	323	(288)
Acquisition-related costs	2,469	–
Gain on fair value of contingent consideration payable	(1,443)	(4,436)
Adjusted Net Profit After Tax	62,285	70,483

Notes:

- (1) The Company presents the unaudited non-IFRS financial measures to supplement the Group's condensed consolidated statement of comprehensive income for the six months ended 30 June 2024 that are prepared in accordance with IFRS to provide additional information about the Group's operating performance. The Company believes that the non-IFRS financial measures are useful for its management and investors to assess the Group's financial performance and financial condition as: (i) these are non-IFRS financial measures which are used by our management to evaluate the Group's financial performance by eliminating the impact of non-recurring items which are considered not indicative for evaluating the actual performance of the Group's business; (ii) the Company recorded share-based compensation expenses during the period; (iii) foreign exchange loss/(gain) in relation to the proceeds from the global offering; (iv) acquisition-related costs; and (v) gain on fair value change of contingent consideration payable.
- (2) None of the unaudited non-IFRS financial measures is a recognised term under IFRS. They do not have a standardised meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with IFRS. You should not consider the Company's definition of Adjusted gross profit and Adjusted Net Profit After Tax in isolation or construe it as an alternative to gross profit and profit for the period indicated or as an indicator of operating performance or any other standard measure under IFRS.

INDEPENDENT AUDITOR'S REPORT

Report on Review of Interim Financial Information

To the Board of Directors of EuroEyes International Eye Clinic Limited

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 7 to 40, which comprises the interim condensed consolidated statement of financial position of EuroEyes International Eye Clinic Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2024 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 29 August 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Note</i>	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	15	599,801	622,226
Intangible assets	15	33,688	37,300
Goodwill	15	284,908	271,352
Deferred tax assets		37,365	31,525
Deposits and other receivables		3,291	3,313
Total non-current assets		959,053	965,716
Current assets			
Inventories		17,889	16,166
Prepayments		10,351	10,424
Income tax prepayments		185	1,561
Deposits and other receivables		23,043	32,470
Trade receivables	16	10,787	6,877
Restricted cash		64	168
Cash and cash equivalents	17	689,561	720,216
Total current assets		751,880	787,882
Total assets		1,710,933	1,753,598
Equity			
Equity attributable to owners of the Company			
Share capital	18	26,115	26,138
Shares held for share scheme	19	(8,858)	(10,505)
Share premium		653,946	658,371
Other reserves	20	48,066	63,393
Retained earnings		425,042	397,379
Total equity attributable to owners of the Company		1,144,311	1,134,776
Non-controlling interests		32,862	30,732
Total equity		1,177,173	1,165,508

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Note</i>	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities	24	281,852	313,520
Contingent consideration payable	4	36,525	86,213
Deferred tax liabilities		21,432	17,891
Total non-current liabilities		339,809	417,624
Current liabilities			
Trade payables	22	25,167	22,592
Contract liabilities		15,547	15,775
Income tax liabilities		6,372	10,693
Accruals and other payables		31,337	44,481
Borrowings	23	621	928
Contingent consideration payable	4	47,019	6,183
Lease liabilities	24	67,888	69,814
Total current liabilities		193,951	170,466
Total liabilities		533,760	588,090
Total equity and liabilities		1,710,933	1,753,598

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes on page 14 to 40.

Dr Jørn Slot Jørgensen
Chairman and Chief Executive Office

Dr Markus Braun
Executive Director and Chief Financial Officer

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2024

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	7	368,372	346,382
Cost of revenue	8	(220,359)	(178,800)
Gross profit		148,013	167,582
Selling expenses	8	(36,352)	(34,602)
Administrative expenses	8	(48,721)	(38,505)
Net impairment losses on financial assets		(17)	(59)
Other gains, net	10	2,818	5,520
Operating profit		65,741	99,936
Finance income	11	13,023	6,773
Finance expenses	11	(8,320)	(14,105)
Finance income/(expenses), net	11	4,703	(7,332)
Profit before income tax		70,444	92,604
Income tax expense	12	(24,135)	(24,493)
Profit for the period		46,309	68,111
Other comprehensive (loss)/income			
<i>Items that may be subsequently reclassified to profit or loss</i>			
– Exchange differences on translation of foreign operations		6,397	16,699
<i>Items that will not be reclassified to profit or loss</i>			
– Exchange differences on translation to presentation currency		(20,365)	17,391
Other comprehensive (loss)/income for the period		(13,968)	34,090
Total comprehensive income for the period		32,341	102,201

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2024

	<i>Note</i>	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit for the period attributable to:			
– Owners of the Company		44,154	67,476
– Non-controlling interests		2,155	635
		46,309	68,111
Total comprehensive income for the period attributable to:			
– Owners of the Company		30,211	101,501
– Non-controlling interests		2,130	700
		32,341	102,201
Earnings per share attributable to owners of the Company for the period			
– Basic earnings per share (HK cents)	13	13.311	20.325
– Diluted earnings per share (HK cents)	13	13.301	20.313

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes on page 14 to 40.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024

(Unaudited)

	Attributable to owners of the Company															
	Share capital (Note 18) HK\$'000	Shares held for share scheme (Note 19) HK\$'000	Share premium HK\$'000	Other reserves (Note 20) HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000								
Balance at 1 January 2023	26,138	(11,020)	659,505	35,155	304,488	1,014,266	28,827	1,043,093								
Profit for the period	-	-	-	-	67,476	67,476	635	68,111								
Other comprehensive income	-	-	-	34,025	-	34,025	65	34,090								
Total comprehensive income for the period	-	-	-	34,025	67,476	101,501	700	102,201								
Transactions with owners in their capacity as owners:																
Appropriations to statutory surplus reserve	-	-	-	273	(273)	-	-	-								
Issue of additional share capital of a subsidiary	-	-	-	-	-	-	2,056	2,056								
Acquisition of shares held for share scheme (Note 19)	-	(2,281)	-	-	-	(2,281)	-	(2,281)								
Share-based payments (Note 20)	-	-	-	1,029	-	1,029	-	1,029								
Issue of shares under employee share scheme (Note 19, 20)	-	1,831	(568)	(1,263)	-	-	-	-								
Dividend provided for or paid (Note 14)	-	-	-	-	(20,881)	(20,881)	(1,761)	(22,642)								
	-	(450)	(568)	39	(21,154)	(22,133)	295	(21,838)								
Balance as at 30 June 2023	26,138	(11,470)	658,937	69,219	350,810	1,093,634	29,822	1,123,456								

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024

	(Unaudited)							
	Attributable to owners of the Company							
	Share capital <i>(Note 18)</i>	Shares held for share scheme <i>(Note 19)</i>	Share premium <i>(Note 20)</i>	Other reserves <i>(Note 20)</i>	Retained earnings	Total	Non- controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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 period	-	-	-	-	44,154	44,154	2,155	46,309
Other comprehensive loss	-	-	-	(13,943)	-	(13,943)	(25)	(13,968)
Total comprehensive income for the period	-	-	-	(13,943)	44,154	30,211	2,130	32,341
Transactions with owners in their capacity as owners:								
Appropriations to statutory surplus reserve	-	-	-	210	(210)	-	-	-
Shares bought back on-market and cancelled	(23)	1,655	(1,632)	-	-	-	-	-
Acquisition of shares held for share scheme <i>(Note 19)</i>	-	(5,923)	-	-	-	(5,923)	-	(5,923)
Share-based payments <i>(Note 20)</i>	-	-	-	1,528	-	1,528	-	1,528
Issue of shares under employee share scheme <i>(Note 19, 20)</i>	-	5,915	(2,793)	(3,122)	-	-	-	-
Dividend provided for or paid <i>(Note 14)</i>	-	-	-	-	(16,281)	(16,281)	-	(16,281)
	(23)	1,647	(4,425)	(1,384)	(16,491)	(20,676)	-	(20,676)
Balance as at 30 June 2024	26,115	(8,858)	653,946	48,066	425,042	1,144,311	32,862	1,177,173

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes on page 14 to 40.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		119,942	133,046
Interest received		12,175	6,773
Income tax paid		(29,118)	(47,537)
Net cash generated from operating activities		102,999	92,282
Cash flows from investing activities			
Payment for acquisition of a subsidiary, net of cash acquired	4.2	(6,477)	(18,826)
Purchase of property, plant and equipment		(46,775)	(45,245)
Proceeds from disposal of property, plant and equipment		9	84
Net cash used in investing activities		(53,243)	(63,987)
Cash flows from financing activities			
Capital contributions from a non-controlling interest		–	2,056
Dividend paid	14	(16,281)	(22,642)
Acquisition of treasury shares	19	(5,819)	–
Lease payments	24(d)	(35,528)	(27,055)
Net cash used in financing activities		(57,628)	(47,641)
Net decrease in cash and cash equivalents		(7,872)	(19,346)
Cash and cash equivalents at beginning of the period		720,216	779,284
Effects of exchange rate changes on cash and cash equivalents		(22,783)	21,692
Cash and cash equivalents at end of the period		689,561	781,630

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes on page 14 to 40.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 of Great Britain and Northern Ireland (the “UK”), and the People’s Republic of China (the “PRC” or “China”). The Company was incorporated in the Cayman Islands on 13 August 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of 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”). This condensed consolidated financial statements is presented in Hong Kong Dollars (“HK\$”), unless otherwise stated, and is approved for issue by the Board of Directors on 29 August 2024.

This interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated financial statements has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2023, as described in those annual consolidated financial statements, except for taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings and the adoption of new and amended standards as set out below.

3.1 Amended standards adopted by the Group

A number of amendments to certain standards became applicable for the current reporting period:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – amendments to IAS 1
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The Group did not have to significantly change its accounting policies or make retrospective adjustments as a result of adopting these amendments to standards.

4 FINANCIAL RISK MANAGEMENT

The condensed consolidated financial statements does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

There have been no significant changes in the risk management policies since year end.

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

(a) *Market risk*

(i) *Foreign exchange risk*

The subsidiaries of the Group mainly operate in Germany, Denmark, UK, China (including Hong Kong) with most of the transactions carried out in Euro ("EUR"), Danish Krone ("DKK"), Great Britain Pound ("GBP"), Renminbi ("RMB") and Hong Kong Dollar ("HK\$"), respectively. Foreign exchange risk arises when assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The assets and liabilities of the Group entities in Germany, Denmark, the UK, Mainland China and Hong Kong are primarily denominated in EUR, DKK, GBP, RMB and HK\$ respectively, which are their respective functional currencies.

Management believes that the foreign exchange risk mainly arises from the Company's HK\$ denominated cash and cash equivalents and other payables. As at 30 June 2024, if HK\$ had weakened/strengthened by 5% against EUR with all other variables held constant, the post-tax profit for the six months ended 30 June 2024 would have been approximately HK\$259,000 lower/higher (six months ended 30 June 2023 HK\$83,000 lower/higher).

(ii) *Interest rate risk*

As at 30 June 2024, the Group's borrowings bear fixed interest rates with insignificant risk exposure.

(b) *Credit risk*

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

As at 30 June 2024, the credit risk and credit losses experienced by the Group, based on expected credit loss model of IFRS 9, continue to be low.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 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 policies and function allow 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 30 June 2024 is presented in Note 23.

(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 period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 30 June 2024 (Unaudited)					Total	Carrying amount HK\$'000
	Less than 1 year HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Over 5 years HK\$'000	contractual cash flows HK\$'000	
Trade payables	25,167	–	–	–	25,167	25,167
Other payables	17,183	–	–	–	17,183	17,183
Borrowings	621	–	–	–	621	621
Contingent consideration payable	48,876	24,854	12,130	–	85,860	83,544
Lease liabilities	70,105	63,926	140,250	105,824	380,105	349,740
	161,952	88,780	152,380	105,824	508,936	476,255

As at 31 December 2023 (Audited)					Total	Carrying amount HK\$'000
	Less than 1 year HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Over 5 years HK\$'000	contractual cash flows HK\$'000	
Trade payables	22,592	–	–	–	22,592	22,592
Other payables	26,971	–	–	–	26,971	26,971
Borrowings	928	–	–	–	928	928
Contingent consideration payable	16,726	35,871	39,965	–	92,562	92,396
Lease liabilities	72,060	67,351	154,206	128,665	422,282	383,334
	139,277	103,222	194,171	128,665	565,335	526,221

The Group provided no financial guarantee to any third party or related party as at 30 June 2024 and 31 December 2023.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 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.

Recurring fair value measurements	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30 June 2024 (unaudited)				
Financial liabilities				
Contingent consideration payable	–	–	(83,544)	(83,544)
At 31 December 2023 (audited)				
Financial liabilities				
Contingent consideration payable	–	–	(92,396)	(92,396)

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

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 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 period ended 30 June 2024:

	Contingent consideration payable HK\$'000
Opening balance 31 December 2023 (audited)	(92,396)
Settlement	6,134
Fair value gains on financial instruments at fair value through profit or loss	1,444
– includes unrealized gains recognized in profit or loss	1,760
Foreign exchange difference in finance expense	(1,621)
Translation of foreign currency in other comprehensive income	2,895
Closing balance 30 June 2024 (unaudited)	(83,544)

The fair value of contingent consideration payable is estimated by discounting the future cash flows using the expected yield rate with reference to the benchmark or similar yield rate of the financial instruments.

(c) Valuation inputs and relationships to fair value

Description	Fair value at		Unobservable inputs	Range of inputs				Relationship of unobservable inputs to fair value	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000		2023	2024	2025	2026		2027
	Contingent consideration payable – London Vision Clinic Partners Ltd. ("LVC")	61,892	64,403	Risk-adjusted discount rate	5.26%	5.26%	5.26%	5.26%	5.26%
Contingent consideration payable – FreeVis LASIK Zentrum Mannheim GmbH ("FreeVis GmbH")	21,652	27,993	Expected Revenue growth rate	n/a	5.26%	5.26%	5.26%	5.26%	The higher the Risk-adjusted discount rate, the lower the fair value
			Expected Revenue growth rate	n/a	6%-7%	6%-7%	6%-7%	6%-7%	The higher the expected revenue growth rate, the higher the fair value

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 Fair value estimation (Continued)

(d) Valuation processes

For the financial assets and liabilities, 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 main level 3 inputs used by the Group in measuring the fair value of financial instruments are derived and evaluated as follows:

- Discount rates: these are estimated using the expected yield rate with reference to the benchmark yield rate of the financial investment products of banks.
- Contingent consideration payable – expected cash inflows: these are estimated based on the terms of the share purchase agreement, the Group's knowledge of the business and how the current economic environment is likely to impact it.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires the use of accounting estimates, which, by definition, will seldom equal the actual results. 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 resulting accounting estimates will, by definition, seldom equal the related actual results.

In preparing this condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

6 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 both from a product and geographical perspective and have identified five reportable segments of its business: Germany, China, Denmark, and UK.

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

The segment information provided to the executive directors of the Company for the reportable segments for the six months ended 30 June 2024 and as at 30 June 2024 is as follows:

	(Unaudited) Six months ended 30 June 2024						
	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
Revenue	206,318	75,607	33,762	58,067	(5,382)	-	368,372
Cost of revenue	(108,054)	(53,143)	(23,354)	(35,808)	-	-	(220,359)
Gross profit	98,264	22,464	10,408	22,259	(5,382)	-	148,013
EBITDA	83,935	26,190	8,056	7,666	-	(5,129)	120,718
Unallocated							
Finance income							13,023
Finance expenses							(8,320)
Depreciation and amortisation							(54,977)
Profit before income tax							70,444
Income tax expense							(24,135)
Profit for the period							46,309

6 SEGMENT INFORMATION (Continued)

Description of segments and principal activities (Continued)

	(Unaudited)						
	As at 30 June 2024						
	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	556,703	300,656	83,737	369,921	(716,369)	-	594,648
Unallocated							
Corporate assets							1,078,920
Deferred tax assets							37,365
Total assets							1,710,933
Segment total liabilities	354,869	342,479	21,969	318,428	(657,415)	-	380,330
Unallocated							
Corporate liabilities							131,998
Deferred tax liabilities							21,432
Total liabilities							533,760

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6 SEGMENT INFORMATION (Continued)

Description of segments and principal activities (Continued)

The segment information provided to the executive Directors of the Company for the reportable segments for the six months period ended 30 June 2023 and as at 31 December 2023 is as follows:

	(Unaudited)						
	Six months ended 30 June 2023						
	Germany segment	China segment	Denmark segment	UK segment	Inter- segment elimination	Unallocated items (i)	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	184,438	72,776	42,746	47,868	(1,446)	–	346,382
Cost of revenue	(87,398)	(42,704)	(23,680)	(25,018)	–	–	(178,800)
Gross profit	97,040	30,072	19,066	22,850	(1,446)	–	167,582
EBITDA	88,845	31,859	15,637	7,273	–	(1,956)	141,658
Unallocated							
Finance income							6,773
Finance expenses							(14,105)
Depreciation and amortisation							(41,722)
Profit before income tax							92,604
Income tax expense							(24,493)
Profit for the period							68,111

6 SEGMENT INFORMATION (Continued)
Description of segments and principal activities (Continued)

	(Audited)						
	As at 31 December 2023						
	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	1,044,715	326,450	88,555	385,389	(1,093,558)	–	751,551
Unallocated							
Corporate assets							970,522
Deferred tax assets							31,525
Total assets							1,753,598
Segment total liabilities	839,203	361,912	27,951	306,174	(990,399)	–	544,841
Unallocated							
Corporate liabilities							25,358
Deferred tax liabilities							17,891
Total liabilities							588,090

- (i) Unallocated items are cost of revenues and operating expenses which could not be categorised into a segment, including share-based compensation expenses, gain/(loss) on fair value change of contingent consideration payable and other consulting fees at group level.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6 SEGMENT INFORMATION (Continued)

Description of segments and principal activities (Continued)

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	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
UK	340,884	334,248
Germany	317,733	313,010
China	204,509	226,867
Denmark	55,271	56,753
	918,397	930,878

7 REVENUE

Revenue from external customers are mainly derived from provision of vision correction services and rental of ophthalmic equipment and operating spaces.

Breakdown of revenue by product category is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue from contracts with customers (a)		
Provision of vision correction services	364,492	342,952
Training services	3,396	2,897
Rental of ophthalmic equipment and operating spaces	484	508
Sales of pharmaceutical products	–	25
	368,372	346,382

7 REVENUE (Continued)

All revenue is from external customers, with places from where revenue being derived are set out below:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Germany	201,122	183,076
Mainland China	75,607	72,776
UK	57,881	47,784
Denmark	33,762	42,746
	368,372	346,382

There is no single external customer that contributes to more than 10% of the Group's revenue for each of the six months ended 30 June 2024 and 2023.

(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 categories and geographical regions for each of the six-month periods ended 30 June 2024 and 2023:

	(Unaudited)												Total	
	Six months ended 30 June 2024													
	Provision of vision correction services				Sales of pharmaceutical products				Others					HK\$'000
	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	HK\$'000	
Revenue by business categories	200,086	75,607	33,762	55,037	-	-	-	-	6,232	-	-	3,030	373,754	
Eliminations	-	-	-	-	-	-	-	-	(5,195)	-	-	(187)	(5,382)	
Revenue from external customers	200,086	75,607	33,762	55,037	-	-	-	-	1,037	-	-	2,843	368,372	
Timing of revenue recognition														
- At a point in time	-	-	-	-	-	-	-	-	600	-	-	-	600	
- Over time	200,086	75,607	33,762	55,037	-	-	-	-	437	-	-	2,843	367,772	
	200,086	75,607	33,762	55,037	-	-	-	-	1,037	-	-	2,843	368,372	

7 REVENUE (Continued)

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

	(Unaudited)												Total
	Six months ended 30 June 2023												
	Provision of vision correction services				Sales of pharmaceutical products				Others				
	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	HK\$'000
Revenue by business categories	182,025	72,776	42,746	45,405	25	-	-	-	2,387	-	-	2,464	347,828
Eliminations	-	-	-	-	-	-	-	-	(1,361)	-	-	(85)	(1,446)
Revenue from external customers	182,025	72,776	42,746	45,405	25	-	-	-	1,026	-	-	2,379	346,382
Timing of revenue recognition													
- At a point in time	-	-	-	-	25	-	-	-	638	-	-	-	663
- Over time	182,025	72,776	42,746	45,405	-	-	-	-	388	-	-	2,379	345,719
	182,025	72,776	42,746	45,405	25	-	-	-	1,026	-	-	2,379	346,382

(b) Contract liabilities movement

Contract liability represents collection from customers in advance for vision correction services that are going to be provided in the future. The table below shows the movement of contract liabilities for the periods:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Balance at beginning of the period	15,775	11,800
Advance collected from customers	357,743	342,250
Revenue recognised from contract liabilities		
- existed at the beginning of the period	(15,775)	(11,800)
- occurred during the period	(342,196)	(324,795)
Balance at end of the period	15,547	17,455

No significant cost was incurred for obtaining revenue contract for the six-month periods ended 30 June 2024 and 2023.

8 EXPENSES BY NATURE

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (<i>Note 9</i>)	123,470	103,915
Depreciation of property, plant and equipment (<i>Note 15</i>)	52,532	39,656
Raw materials and consumables	52,074	40,672
Advertising and marketing expenditure	24,747	23,714
Utility and property management expenses	13,414	13,292
Clinic, office and consumption expenses	9,924	8,729
Legal and other consulting services fee	9,253	5,741
Repair and maintenance	6,308	4,809
Transportation costs	5,119	3,920
Doctors' fee	2,581	999
Amortisation of intangible assets (<i>Note 15</i>)	2,445	2,066
Auditors' remuneration		
– PricewaterhouseCoopers	509	508
– other auditors	102	102
Others	2,954	3,784
Total	305,432	251,907

9 EMPLOYEE BENEFIT EXPENSES

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Wages and salaries	107,833	90,814
Contributions to defined contribution pension schemes	9,474	7,687
Employee benefits and housing scheme	4,635	4,385
Share-based payments	1,528	1,029
Total	123,470	103,915

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10 OTHER GAINS, NET

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Gain on fair value change of contingent consideration payable	1,444	4,436
Insurance compensation	1,146	830
(Loss)/gain on disposal of property, plant, and equipment	(93)	212
Others	321	42
	2,818	5,520

11 FINANCE INCOME AND EXPENSES, NET

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income	11,681	6,773
Foreign exchange gain, net	1,342	–
	13,023	6,773
Finance expenses		
Foreign exchange loss, net	–	8,221
Interest expenses on		
– lease liabilities (Note 24(b))	5,238	3,886
Others	3,082	1,998
	8,320	14,105
Finance income/(expenses), net	4,703	(7,332)

12 INCOME TAX EXPENSE

The Group was subject to different tax jurisdiction mainly in Germany, Denmark, the UK and China with tax rates ranging from 8.25% to 32% during the periods presented.

Taxation on profits has been calculated on the estimated assessable profit or loss for the period at the rates of taxation prevailing in the countries/areas in which the group entities operate.

The amount of income tax expense charged to the condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax	26,173	29,039
Deferred income tax credit	(2,038)	(4,546)
Income tax expense	24,135	24,493

13 EARNINGS PER SHARE

(a) Basic earnings per share

For the six-month periods ended 30 June 2024 and 2023, 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 period.

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (HK\$'000)	44,154	67,476
Weighted average number of ordinary shares in issue ('000)	331,701	331,991
Earnings per share (basic) (HK cents)	13.311	20.325

13 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

For the six-month periods ended 30 June 2024 and 2023, 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 period.

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Profit attributable to owners of the Company (HK\$'000)	44,154	67,476
Weighted average number of ordinary shares and potential ordinary shares in issue ('000)	331,958	332,179
Earnings per share (diluted) (HK cents)	13.301	20.313

14 DIVIDENDS

On 28 March 2024, the Board of Directors of the Company declared a dividend of HK\$0.0489 per ordinary share totalling HK\$16,295,436 to the owners of the Company in respect of the year ended 31 December 2023 (six months ended 30 June 2023: HK\$17,028,564). The dividend was approved at the Annual General Meeting on 6 June 2024 and was fully paid during the six months ended 30 June 2024.

On 29 August 2024, the Board of Directors proposed an interim dividend of HK\$0.0349 per ordinary share totalling HK\$11,570,153 to the shareholders of the Company in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$17,028,564). As the interim dividend is proposed after 30 June 2024, such dividend is not recognised as a liability as at 30 June 2024.

15 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND GOODWILL

	(Unaudited)		
	Property, plant and equipment HK\$'000	Intangible assets HK\$'000	Goodwill HK\$'000
Six months ended 30 June 2024			
Opening net book amount	622,226	37,300	271,352
Additions	40,477	8	–
Depreciation/amortisation charge	(52,532)	(2,445)	–
Disposals	(102)	–	–
Exchange differences	(10,268)	(1,175)	13,556
Closing net book amount	599,801	33,688	284,908
Six months ended 30 June 2023			
Opening net book amount	452,169	33,422	186,279
Additions	139,663	423	–
Depreciation/amortisation charge	(39,656)	(2,066)	–
Disposals	(1,541)	–	–
Exchange differences	8,456	918	9,707
Closing net book amount	559,091	32,697	195,986

The right-of-use assets included in property, plant and equipment as at 30 June 2024 amounted to HK\$329,845,000 (31 December 2023: HK\$363,699,000).

16 TRADE RECEIVABLES

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Total trade receivables	11,217	7,297
Less: provision for impairment	(430)	(420)
Total trade receivables, net	10,787	6,877

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16 TRADE RECEIVABLES (Continued)

The majority of the Group's sales required advance payments from customers. The remaining amounts are mainly due from insurance companies who pay the Group on a regular basis. As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade receivables based on the invoice date was as follows:

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 6 months	11,217	7,297

Movements in the provision for impairment of trade receivables are as follows:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Balance at beginning of the period	420	199
Provision for impairment	17	59
Exchange differences	(7)	7
Balance at end of the period	430	265

17 CASH AND CASH EQUIVALENTS

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Cash on hand	34	217
Cash at bank	689,527	719,999
	689,561	720,216

The Group earns interests on cash at bank at floating bank deposit rates with no fixed maturity date, which range from 0.00% to 4.37% per annum for the period ended 30 June 2024 (For the period ended 30 June 2023: 0.25% to 4.17% per annum).

18 SHARE CAPITAL

	Six months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	Number of shares	Number of shares	HK\$'000	HK\$'000
Authorised, US\$0.01 each:				
Balance at the beginning and end of the period	1,000,000,000	1,000,000,000	78,451	78,451
Issued and fully paid, US\$0.01 each:				
Balance at the beginning of the period (audited)	333,240,000	333,240,000	26,138	26,138
Shares bought back on-market and cancelled (unaudited)	(300,000)	–	(23)	–
Balance at the end of the period (unaudited)	332,940,000	333,240,000	26,115	26,138

19 SHARES HELD FOR SHARE SCHEME

These shares are shares of the Company that are held by an independent professional trustee (the “Trustee”) for the purpose of issuing shares under the Restricted Share Award Scheme (as defined below) and other equity-based incentive schemes adopted by the Company (see Note 21 for further information).

	As at		As at	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	Number of shares (Unaudited)	Number of shares (Audited)	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Shares held for share scheme	1,704,150	1,412,650	8,858	10,505
			Number of shares (Unaudited)	Amount HK\$'000 (Unaudited)
As at 1 January 2024			1,412,650	10,505
Acquisition of shares by the Trustee			1,149,000	5,923
Cancellation			(300,000)	(1,655)
Issue of shares under employee share scheme			(557,500)	(5,915)
As at 30 June 2024			1,704,150	8,858

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20 OTHER RESERVES

	(Unaudited)				
	Capital reserve- contributed surplus HK\$'000	Capital reserve- share-based payment HK\$'000	Currency translation reserve HK\$'000	Other HK\$'000	Total HK\$'000
At 1 January 2023	92,132	7,602	(61,250)	(3,329)	35,155
Exchange differences on translation of foreign operations	–	–	34,025	–	34,025
Appropriations to statutory surplus reserve	–	–	–	273	273
Share-based payment	–	1,029	–	–	1,029
Issue of shares under employee share schemes	–	(1,263)	–	–	(1,263)
At 30 June 2023	92,132	7,368	(27,225)	(3,056)	69,219
At 1 January 2024	92,132	8,243	(28,890)	(8,092)	63,393
Exchange differences on translation of foreign operations	–	–	(13,943)	–	(13,943)
Appropriations to statutory surplus reserve	–	–	–	210	210
Share-based payment	–	1,528	–	–	1,528
Issue of shares under employee share schemes	–	(3,122)	–	–	(3,122)
At 30 June 2024	92,132	6,649	(42,833)	(7,882)	48,066

21 SHARE-BASED PAYMENT

On 19 March 2020, the Company adopted a share scheme (the “Restricted Share Award Scheme”) with a term of 10 years to incentivise skilled and experienced personnel, and to recognise the contributions of the participants, to the Group.

Under the 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 reporting period:

	Number of shares 2024 (Unaudited)	Number of shares 2023 (Unaudited)
As at 1 January	387,500	210,598
Granted during the period	303,893	375,368
Vested during the period	(557,500)	(135,000)
As at 30 June	133,893	450,966

22 TRADE PAYABLES

As at 30 June 2024 and 31 December 2023, the ageing analysis of trade payables based on invoice dates is as follows:

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 3 months	25,167	18,230
Over 3 months but within 6 months	–	2,931
Over 6 months but within 1 year	–	1,431
	25,167	22,592

Trade payables are unsecured and are usually paid within 90 days of recognition.

23 BORROWINGS

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Bank overdrafts within 1 year	621	928

The Group has the following undrawn borrowing facilities:

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Floating rate		
– expiring beyond one year	8,395	8,673

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

24 LEASES

(a) Amounts recognised in the condensed consolidated statements of financial position

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Right-of-use assets (i)		
Properties	329,140	362,849
Medical equipment	705	850
	329,845	363,699

(i) included in the line item "property, plant and equipment" in the condensed consolidated statements of financial position.

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Lease liabilities		
Current	67,888	69,814
Non-current	281,852	313,520
	349,740	383,334

24 LEASES (Continued)

(b) Amounts recognised in the condensed consolidated statements of comprehensive income and condensed consolidated statements of cash flows

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation charge of right-of-use assets		
Properties	30,952	23,638
Medical equipment	790	144
	31,742	23,782
Interest expenses on lease liabilities (included in finance expenses)	5,238	3,886

The total cash outflow for leases for the six months ended 30 June 2024 was HK\$35,528,000 (six months ended 30 June 2023: HK\$27,055,000).

(c) Commitments and present value of lease liability are shown in the table below:

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Commitments in relation to leases are payable as follows:		
– Within one year	70,105	72,060
– Later than one year but not later than two years	63,926	67,351
– Later than two years but not later than five years	140,250	154,206
– Later than five years	105,824	128,665
Minimum lease payments	380,105	422,282
Future finance charge	(30,365)	(38,948)
Total lease liabilities	349,740	383,334
The present value of lease liabilities is as follows:		
– Within one year	67,915	69,814
– Later than one year but not later than two years	60,674	63,682
– Later than two years but not later than five years	126,810	139,238
– Later than five years	94,341	110,600
	349,740	383,334

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

24 LEASES (Continued)

(d) The movements of lease liabilities are shown in the table below:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Balance at beginning of the period	383,334	290,128
Lease payment	(35,528)	(27,055)
Accrued interest	5,238	3,886
Increase in right-of-use assets	3,099	96,101
Decrease in right-of-use assets	–	(1,668)
Exchange differences	(6,403)	3,484
Balance at end of the period	349,740	364,876

25 COMMITMENTS

(a) Capital commitments

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Leasehold improvements	1,834	3,736

26 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

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Rendering services from:		
– Dr Jørgensen und Kollegen GbR	314	–
– London Vision Clinic Limited	–	102
	314	102
Rendering services to:		
– Dr Jørgensen und Kollegen GbR	679	720
– London Vision Clinic Limited	756	59
	1,435	779

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

26 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

	As at	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Right-of-use asset:		
– London Vision Clinic Limited	27,395	29,417
Lease liability:		
– London Vision Clinic Limited	28,927	30,626
Other receivables:		
– London Vision Clinic Limited	907	1,379

(c) Key management compensation

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Salaries and other short-term employee benefits	6,554	6,468
Share-based payments	934	838
Directors' fees	693	691
	8,181	7,997

BUSINESS REVIEW

Highlights

For the first six months ended 30 June 2024 (the “**Period**”), the Group continued to strengthen its market leading position in the presbyopia correction market. Thanks to this strategy, the Group demonstrated strong resilience amid macroeconomic uncertainties as demand for presbyopia correction surgery was less affected by macroeconomic effects and kept growing in the Period, bringing the Group’s total revenue to a record high of HK\$368.4 million, up 6.3% from last year. Revenue from performing lens exchange surgery reached a new record at HK\$198.8 million in the Period, 12% more than the same period in 2023. Lens exchange surgery accounted for 54.0% of the Group’s total revenue, up from 52.1% from 2023. Combined with the revenue contribution from performing Presbyond surgery, revenue from presbyopia correction treatments accounted for 58.3% of the Group’s total revenue, 2.8 percentage points higher than last year.

Group Financial Performance

In the Period, the Group managed to score a 6.3% increase in its revenue as compared to the same period last year, achieving another revenue record at HK\$368.4 million, thanks to a favourable surgery mix change towards more lens exchange surgeries, which kept growing to a new high despite macroeconomic challenges. Gross profit was HK\$148.0 million, down 11.7% from 2023 mainly due to higher raw materials and consumables costs. However, if taken out the non-recurring cost such as pre-operating expenses, the adjusted gross profit reached HK\$158.1 million, only down 6.8% from last year. Adjusted gross profit margin was 42.9%, down 6.07 percentage points year-on-year.

The Group’s earnings before interest, tax, depreciation and amortization (“**EBITDA**”) dropped 14.8% year-on-year to HK\$120.7 million. Excluding non-recurring costs, the adjusted EBITDA was down 5.5% year-on-year to HK\$136.4 million. The adjusted EBITDA margin was 37.0%, down from 41.7% from a year ago. Net profit after tax amounted to HK\$46.3 million and adjusted net profit after tax was HK\$62.3 million, down 32.0% and 11.6% respectively from the corresponding period last year. Net profit attributable to owners of the Company dropped by 34.6% year-on-year to HK\$44.2 million. The adjusted net profit attributable to owners of the Company dropped 14.0% to HK\$60.1 million. The setback was mainly due to the two newly opened flagship clinics in London and Hong Kong have not yet reached breakeven and the slowdown in revenue growth caused by the weaker consumer confidence in some of the regions where the Group operates in.

Performance by Geographic Regions

In Germany, the total revenue rose to HK\$201.1 million in the Period, up 9.9% year-on-year. Germany accounted for 54.6% of the Group’s total revenue, up from 52.9% in 2023. Lens exchange surgery and ICL surgery were the two main growth drivers in the Period, which rose 14.9% and 10.7% year-on-year to HK\$118.1 million and HK\$21.9 million respectively. Revenue from performing refractive laser surgery was down 4.2% year-on-year to HK\$55.4 million as consumer confidence among the younger generation has not yet fully recovered. During the Period, the Group added a new clinic in Wiesbaden, extending its footprint in the country. Since the grand opening in June, the new clinic has seen a great client inflow thanks to the Group’s renowned reputation in the country.

In the PRC, macroeconomic challenges remained in the Period and consumer confidence level fell significantly. However, the Group managed to maintain a stable revenue growth of 3.9% year-on-year and brought the region’s sales level to HK\$75.6 million. The region’s revenue accounted for 20.5% of the Group’s total revenue as compared to 21.0% in 2023. Although facing unfavourable macro environment, the Group still scored a 27.9% year-on-year revenue growth in its lens exchange surgery, bringing revenue from this category in the PRC to a new milestone at HK\$44.3 million. The growth in lens exchange surgery offset the demand softness of myopia correction surgery, where revenue from performing refractive laser surgery dropped 29.2% year-on-year to HK\$13.2 million and ICL revenue dropped 10.8% year-on-year to HK\$15.6 million. The newly opened Hong Kong flagship clinic has been on the right track to reach breakeven after the Day Procedure Center license was granted in late March.

MANAGEMENT DISCUSSION AND ANALYSIS

In the United Kingdom, where revenue accounted for 15.7% of the Group's total turnover (2023: 13.8%), its revenue grew 21.1% year-on-year thanks to the new London flagship clinic in Knightsbridge, bringing the revenue level to HK\$57.9 million. London Vision Clinic ("LVC") also returned to the growth trajectory again after last year's setback.

In Denmark, one of the clinics in Aarhus was closed for renovation in the Period, resulting in a drop in the surgery volume in the country. Meanwhile, consumer confidence in the country also weakened during the Period, reducing surgery demands from the country. The country's revenue declined by 21.0% year-on-year to HK\$33.8 million and accounted for 9.2% of the Group's total revenue, down from 12.3% in 2023.

Performance by Type of Surgeries

Lens exchange surgery

Lens exchange surgery accounted for 54.0% of the Group's total revenue, up from 52.1% last year. The total revenue from performing lens exchange surgery in the Period, which included monofocal and trifocal lens exchange surgeries, grew 12.0% year-on-year to a new high at HK\$198.8 million. The strong performance in this category was fueled by the aging population in various countries where the Group operates. As a natural aging process, surgery is the most ideal way to replace reading glasses and, as a result, demand for presbyopia correction treatments is less impacted to the macro economy.

Presbyond Laser Blended Vision

Other than lens exchange surgery, Presbyond is another treatment the Group offered to correct presbyopia using refractive laser. Developed by Dr. Dan Reinstein from LVC, the Group started to extend this offering to its global patients in Germany and the PRC starting from 2023. Accounting for 4.3% of the Group's total revenue, Presbyond has contributed HK\$16.0 million to the Group's topline in the Period.

Phakic lens (ICL) surgery

ICL surgery accounted for 10.8% of the Group's total revenue, down from 11.8% from last year. The revenue from performing ICL surgery declined 0.9% year-on-year to HK\$39.9 million.

Refractive laser surgery

Refractive laser surgery accounted for 27.1% of the Group's total revenue, down from last year's 34.3%. The revenue from performing refractive laser surgery declined 14.6% year-on-year in the Period to HK\$99.9 million. The setback in both ICL and refractive laser surgery was due to macro uncertainties in various of the Group's main markets which resulted in the younger generation being more cautious and price sensitive when spending money.

OUTLOOK AND FUTURE STRATEGIES

Macro uncertainties are likely to persist in the second half of the year and hence the Group is cautious about the remainder of 2024. However, the Group is confident that its resilient business model to focus on presbyopia market and its global portfolio can help to navigate the challenges and outperform the market in the year 2024.

In the medium term, the Group remains optimistic that the three growth pillars can help the Group to achieve its organic targets by the year 2026.

Organic Growth Pillar Number 1: Strengthen Market Leading Position in Trifocal Lens Exchange Surgeries

The Group is best known for its market leader position in trifocal lens exchange surgery, and this is what distinguishes EuroEyes from its peers. The Group has been awarded by Zeiss for implementing the most trifocal lens surgeries in 2023 again, 8 years in a row.

Presbyopia is a natural aging process, and it will happen to almost everyone. Trifocal lens exchange surgery is so far the best way to correct the symptom. The Group believes demands for trifocal lens exchange surgery will continue to rise regardless of the economic environment.

As the surgery that is the most resilient to economic downturn, trifocal lens exchange surgery is the most powerful engine to fuel the Group's future growth amid macroeconomic headwinds. Going forward, the revenue contribution from the lens exchange surgery will continue to rise, so that the Group's business model will become even more resilient in the future and thrive even in difficult times.

Organic Growth Pillar Number 2: Young Clinics Entering Maturity Phase

Fixed costs take up a dominant part of the Group's total cost structure, namely equipment depreciation, employee expenses etc. So once a young clinic has reached its breakeven point, any additional revenue will go directly into the Group's profit pool. The Group's young clinics in Mainland China are on the right track catching up its Germany counterparts. The two flagship clinics opened last year in London and Hong Kong SAR are on the right track to reach breakeven by end of 2024 and 2025 respectively. Another new clinic opened in June in Wiesbaden, Germany also performed better than expected and will also reach breakeven in 2024. The Group's EBITDA and bottom line is expected to see the contribution from the three-clinic starting from 2025, bringing the profitability to grow exponentially in the year 2025 and 2026.

New clinic pipeline

In Germany, one more clinic in Kiel, where is the capital and the most populous city in the northern state of Schleswig-Holstein, will be opened by end of this year.

In the PRC, the Group is looking for suitable premises for consultation centres in Beijing and Shanghai, which after construction would be the third clinic in Beijing and the second clinic in Shanghai, respectively. As outpatient clinics providing examination and non-surgical treatment, consultation centres are expected to increase the utilization rate of the Group's existing surgical centres, enabling the Group to penetrate further into cities with large potential.

External Growth Pillar: Mergers & Acquisitions to Bring Significant Upside

The Group is implementing its strategy of mergers and acquisitions at a fast pace and intends to seek such targets of famous privately-owned eye clinics in Europe and Asia (outside of Mainland China). It would also consider strategic acquisition in the Americas. Through acquisitions, the Group expects to acquire leading brands of eye clinics or engage reputable and excellent surgeons to expand the clinic network and extend its reach into new geographic regions with a particular interest in emerging markets. With a more extensive and stronger surgeon network, the Group will improve its ophthalmic level and strengthen its leading position in the industry. The Group will speed up the process from now on and expects to deploy the money raised in its IPO for M&A by the year 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

1. Revenue

The Group is a high-end vision correction service provider in Germany, the PRC, Denmark, and the UK. 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 include PRK/LASEK and ICRS implantation). The following table sets forth the Group's revenue by product category during the periods indicated:

	Six months ended 30 June			
	2024		2023	
	HK\$'000	% of total revenue	HK\$'000	% of total revenue
Provision of vision correction services	364,492	99.0%	342,952	99.1%
Rental of ophthalmic equipment and operating space	484	0.1%	508	0.1%
Sales of pharmaceutical products	–	0.0%	25	0.0%
Others	3,396	0.9%	2,897	0.8%
Total	368,372	100.0%	346,382	100.0%

The Group's total revenue for the six months ended 30 June 2024 was HK\$368.4 million, representing a year-on-year increase of 6.3%, which was mainly due to a robust growth of lens exchange surgeries for presbyopia treatment in Germany, the PRC and the UK.

The Group's revenue was generated from Germany, the PRC, Denmark and the UK. As at 30 June 2024, the Group had a total of 33 clinics and consultation centres worldwide. The following table sets forth the Group's revenue by geographical locations during the periods indicated:

	Six months ended 30 June			
	2024		2023	
	HK\$'000	% of total revenue	HK\$'000	% of total revenue
Germany	201,122	54.6%	183,076	52.9%
PRC	75,607	20.5%	72,776	21.0%
UK	57,881	15.7%	47,784	13.8%
Denmark	33,762	9.2%	42,746	12.3%
Total	368,372	100.0%	346,382	100.0%

For the six months ended 30 June 2024, the Group generated 54.6% of its revenue from Germany, 20.5% from the PRC, 15.7% from the UK, and 9.2% from Denmark.

2. Cost of Revenue

For the six months ended 30 June 2024, the largest cost of revenue incurred continued to be employee benefit expenses, representing 25.9% of the Group's total revenue as compared to 23.2% in 2023, followed by raw materials and consumables, representing 14.1% as compared to 11.7% in 2023 of the Group's total revenue.

	Six months ended 30 June		
	2024 HK\$'000	2023 HK\$'000	Change %
Employee benefit expenses	95,353	80,193	18.9%
Raw materials and consumables	52,057	40,672	28.0%
Depreciation of property, plant and equipment	42,770	32,587	31.2%
Doctor's fee	1,723	906	90.2%
Others ⁽¹⁾	28,456	24,442	16.4%
Total	220,359	178,800	23.2%

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 six months ended 30 June 2024 amounted to HK\$220.4 million, representing an increase of 23.2% compared to the corresponding period in 2023. The increase was primarily attributable to the increase in raw materials and consumables.

3. Gross Profit and Gross Profit Margin

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

	Six months ended 30 June		
	2024 HK\$'000	2023 HK\$'000	Change %
Revenue	368,372	346,382	6.3%
Cost of sales	(220,359)	(178,800)	23.2%
Gross profit	148,013	167,582	(11.7%)
Gross profit margin	40.2%	48.4%	(8.2%)
Adjusted Gross profit (see "Non-IFRS Financial Measures" section)	158,146	169,739	(6.8%)
Adjusted Gross profit margin	42.9%	49.0%	(6.1%)

The gross profit of the Group for the six months ended 30 June 2024 declined by 11.7% compared to the corresponding period in 2023 with a gross profit margin at 40.2%. The adjusted gross profit dropped by 6.8% compared to the corresponding period in 2023 with adjusted gross profit margin at 42.9%.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Selling Expenses

The Group's selling expenses for the six months ended 30 June 2024 amounted to approximately HK\$36.4 million, representing an increase of 5.1% as compared to the corresponding period in 2023, mainly due to an increase in depreciation of property, plant and equipment from new clinics. For the six months ended 30 June 2024, the selling expenses amounted to 9.9% of the Group's total revenue as compared to last year's 10.0%.

	Six months ended 30 June		
	2024 HK\$'000	2023 HK\$'000	Change %
Advertising and marketing expenditure	24,628	23,621	4.3%
Employee benefit expenses	6,291	5,808	8.3%
Depreciation of property, plant and equipment	2,861	2,320	23.3%
Others	2,572	2,853	(9.8%)
Total	36,352	34,602	5.1%

5. Administrative Expenses

The administrative expenses of the Group for the six months ended 30 June 2024 amounted to approximately HK\$48.7 million, representing an increase of 26.5% as compared to the corresponding period in 2023. This was mainly due to the increase in employee benefits and depreciation of property, plant and equipment. For the six months ended 30 June 2024, the administrative expenses amounted to 13.2% of the Group's total revenue, up from 11.1% last year.

	Six months ended 30 June		
	2024 HK\$'000	2023 HK\$'000	Change %
Employee benefit expenses	21,826	17,915	21.8%
Consulting and other service fee	7,267	5,528	31.5%
Depreciation of property, plant and equipment	6,902	4,750	45.3%
Office and consumption expenses	4,746	4,402	7.8%
Others	7,980	5,910	35.0%
Total	48,721	38,505	26.5%

6. Finance Income and Expenses, net

The finance income of the Group for the six months ended 30 June 2024 amounted to HK\$13.0 million, representing an increase of 92.3% compared to the corresponding period in 2023, which was primarily due to increase in time deposit rate for the Group's cash account.

The finance expenses of the Group decreased by 41.0% from HK\$14.1 million to HK\$8.3 million, which was primarily attributable to the foreign exchange gain in the PRC segment arising from the increasing EUR exchange rate.

7. Borrowings

As at 30 June 2024, the Group had outstanding borrowings of approximately HK\$0.6 million, which shall be repaid within one year. The borrowings are related to the overdraft cash in bank.

As at 30 June 2024, the borrowings were denominated in Great British Pound ("GBP" or "£") and the Group's borrowing bear fixed interest rate with insignificant risk exposure.

Please refer to Note 23 of the notes to the condensed consolidated financial statements in this report for more details.

8. Foreign Exchange Risk

The subsidiaries of the Group mainly operate in Germany, Denmark, the UK, China (including Hong Kong) with most of the transactions carried out in Euro ("EUR"), Danish Krone ("DKK"), Great Britain Pound ("GBP"), Renminbi ("RMB") and Hong Kong Dollar ("HK\$"), respectively. Foreign exchange risk arises when assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The assets and liabilities of the Group entities in Germany, Denmark, the UK, Mainland China and Hong Kong are primarily denominated in EUR, DKK, GBP, RMB and HK\$ respectively, which are their respective functional currencies.

As at 30 June 2024, the foreign exchange risk mainly arises from the Company's HK\$ denominated cash and cash equivalents and other payables. If HK\$ had weakened or strengthened by 5% against EUR with all other variables held constant, the post-tax profit for the six months ended 30 June 2024 would have been approximately HK\$259,000 lower/higher (six months ended 30 June 2023: HK\$83,000 lower/higher).

The Group did not have any exchange rate related hedges as at 30 June 2024, but will closely monitor the exposure to the fluctuations in exchange rates and will take measures when necessary to ensure that the foreign exchange risks are manageable.

9. Charges on Group Assets

As at 30 June 2024, the Group had no charges on Group's assets (as at 31 December 2023: Nil).

10. Capital Commitments

Save for the capital commitment of approximately HK\$1.8 million in relation to the addition of property, plant and equipment, the Group had no significant capital commitments as at 30 June 2024 (as at 31 December 2023: approximately HK\$3.7 million).

11. Contingent Liabilities

As disclosed in the announcements of the Company dated 20 January 2022 and 28 January 2022, pursuant to the relevant share purchase agreement, the Group was required to pay the contingent consideration payable to the former owners of London Vision Clinic Partners Ltd. As at 30 June 2024, the Group had contingent consideration payable of approximately HK\$61.9 million (as at 31 December 2023: approximately HK\$64.4 million).

As disclosed in the announcements of the Company dated 18 August 2023 and 21 August 2023, respectively, in respect of the acquisition, the contingent consideration requires the Group to pay the former owners of FreeVis GmbH pursuant to the relevant share purchase agreement. As at 30 June 2024, the Group had contingent consideration payable of approximately HK\$21.6 million (as at 31 December 2023: approximately HK\$28.0 million).

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

Save as disclosed in this report, there were no material acquisitions and disposals of subsidiaries, associates and joint ventures for the six months ended 30 June 2024.

13. Significant Investments

Save as disclosed in this report, there were no significant investments of the Group for the six months ended 30 June 2024.

14. Plans for Significant Investments or Capital Assets

Save as disclosed in the prospectus of the Company dated 30 September 2019 (the "**Prospectus**"), the capital commitment in relation to the addition of property, plant and equipment, and the acquisition 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 30 June 2024.

15. Liquidity and Financial Resources

The liquidity requirements of the Company are primarily attributable to the working capital for the Group's business operations. For the six months ended 30 June 2024, the principal source of the Company was cash generated from the business operations of the Group and the proceeds from the Company's global offering.

As at 30 June 2024, the Group had cash and cash equivalents of approximately HK\$689.6 million and the cash and cash equivalents were denominated in EUR, HKD, RMB, GBP and DKK.

The Group's current gearing ratio (calculated as current assets over current liabilities) was approximately 3.9 times as at 30 June 2024 as compared to 4.6 times at 31 December 2023.

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 30 June 2024 and 31 December 2023.

There were no material changes in the funding and treasury policy of the Group for the six months ended 30 June 2024.

16. Use of Proceeds from the Global Offering

On 15 October 2019, the shares of the Company (“**Shares**”) were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). In connection with the Listing, the Company issued 91,234,000 Shares at a price of HKD7.50. 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 30 June 2024:

Use of net proceeds	Percentage of the net proceeds (%)	Planned application (HK\$'000)	Actual usage up to 30 June 2024 (HK\$'000)	Unutilised net proceeds as at 30 June 2024 (HK\$'000)	Expected timeline for fully utilizing the unutilised amount (Note 1)
For establishing clinics in major cities in the PRC	40.0	264,266	92,859	171,407	By 31 December 2025
For potential acquisition of clinic groups in Europe	33.0	218,019	218,019	–	By 31 December 2025
For the expansion of marketing efforts	17.0	112,313	8,305	104,008	By 31 December 2025
Working capital and general corporate purposes	10.0	66,066	1,503	64,563	By 31 December 2025
	100.0	660,664	320,686	339,978	

Note:

- 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 report.

OTHER INFORMATION

RESULTS AND APPROPRIATIONS

The results of the Group for the six months ended 30 June 2024 are set out in the condensed consolidated statement of comprehensive income on pages 9 to 10.

Save as disclosed in this report, there have been no material changes in the development or future development of the Group's business and financial position since the publication of the annual report of the Company for the year ended 31 December 2023, and no important events affecting the Group which have occurred since 30 June 2024.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.0349 per ordinary share of the Company for the six months ended 30 June 2024, totalling approximately HK\$11,619,606 based on the number of issued Shares as at 30 June 2024 (for the corresponding period in 2023: HK\$17,028,564), and totalling approximately HK\$11,570,153 based on the number of issued Shares as at the latest practicable date prior to the issue of this report (i.e., 29 August 2024).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company 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 Jørn Slot Jørgensen ("Dr Jørgensen")	Interest in a controlled corporation; Beneficial owner and interest of spouse	183,608,100 (L) (Note 2)	55.15%
Dr Markus Braun	Beneficial owner	283,000 (L)	0.09%
Mr Jannik Jonas Slot Jørgensen	Beneficial owner	6,233,500 (L)	1.87%
Prof Dan Zoltan Reinstein	Beneficial owner and interest of spouse	2,424,000 (L) (Note 3)	0.73%
Mr Marcus Huascar Bracklo	Beneficial owner	928,000 (L) (Note 4)	0.28%

Notes:

(L) denotes long position.

1. Total number of issued Shares as at 30 June 2024 was 332,940,000.
2. Out of 183,608,100 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.

Save as disclosed above, as at 30 June 2024, 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 any of 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 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 THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, other than interests disclosed above in respect of the Director 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 pursuant to 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 shareholder	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	183,608,100 (L) (Note 2)	55.15%

Notes:

(L) denotes long position.

1. The total number of issued Shares as at 30 June 2024 was 332,940,000.
2. Out of 183,608,100 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.

OTHER INFORMATION

Save as disclosed above, as at 30 June 2024, the Company had not been notified by any persons (other than the Directors or the chief executive of the Company) who had interests or short positions 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.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code as the code of conduct regarding securities transactions by Directors and by relevant employees of the Company. All Directors have confirmed, following specific enquiries by the Company regarding non-compliance of the Model Code, that they fully complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions during the six months ended 30 June 2024.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Scheme**") on 23 September 2019 (the "**Adoption Date**") and shall be valid until 23 September 2029. Pursuant to the Scheme, certain eligible participants including, among others, the Directors and employees of the Group may be granted options to subscribe for Shares. The purpose of the Scheme is to provide incentives or rewards to employees for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources. A summary of the principal terms of the Scheme is set out in the paragraph headed "E. Share Option Scheme" in Appendix IV of the Prospectus. No share options ("**Share Options**") have been granted by the Company under the Scheme since the commencement of listing of the Company on 15 October 2019 and up to the date of this interim report. The number of Share Options available for grant under the Scheme at the beginning and the end of the six months ended 30 June 2024 was 31,733,400 (approximately 10% of the total number of issued shares on the Adoption Date). The number of Shares that may be issued in respect of Share Options and Share Awards (as defined below) granted under all share schemes of the Company during the six months ended 30 June 2024 divided by the weighted average number of issued shares for the six months ended 30 June 2024 is 331,958,000.

RESTRICTED SHARE AWARD SCHEME

The Company adopted a restricted share award scheme (the "**Restricted Share Award Scheme**") on 19 March 2020 as an incentive to attract, motivate and retain, among other, Directors and employees of the Group. The Restricted Share Award Scheme will be valid and effective for a period of ten year commencing from the adoption date, being 19 March 2020. A summary of the principal terms and conditions of the Restricted Share Award Scheme is set out in the Company's announcement dated 19 March 2020. The Directors believe that the compensation packages offered by the Group to staff members are competitive in comparison with market standards and practices.

During the six months ended 30 June 2024, a total of 303,893 shares awards ("**Share Awards**") were granted to the eligible participants under the Restricted Share Award Scheme. Details of the Share Awards granted under the Restricted Share Award Scheme during the reporting period are set out under Note 21 to the condensed consolidated financial statements of this report.

Details of the movements of Share Awards under the Restricted Share Awards Scheme during the six months ended 30 June 2024 are set out below:

Name of grantee of Restricted Share Award Scheme	Position held with the Group	Date of grant (Notes 1 and 2)	Number of granted Share Awards		Purchase price (Note 3)	Outstanding			Vested during the period (Note 4)	Outstanding as at 30 June 2024	
			Share Vesting period			as at 1 January 2024	Granted during the period	Cancelled during the period			Lapsed during the period
Directors											
Mr Jannik Jonas Slot Jorgensen	Executive Director	26 January 2023	97,500	26 January 2023 to 26 January 2024	HKD5.85	97,500	-	-	-	97,500	-
		12 January 2024	175,000	12 January 2024 to 2 April 2024	HKD5.19	-	175,000	-	-	175,000	-
Mr Markus Huascar Bracklo	Non-Executive Director	26 January 2023	225,000	26 January 2023 to 26 January 2024	HKD5.85	225,000	-	-	-	225,000	-
Total:			497,500			322,500	175,000	-	-	497,000	-

Notes:

- For the six months ended 30 June 2024, the closing price of the Shares immediately before the grant date of the Share Awards was HKD5.05 per Share on 11 January 2024.
- 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. For the six months ended 30 June 2024, the closing price of the Shares on the date of grant was HKD5.19 per Share on 12 January 2024.
- The purchase price of the Share Awards was the closing price of the grant date.
- Accordingly, 97,500 Restricted Shares and 225,000 Restricted Shares were vested on 26 January 2024, respectively, and 175,000 Restricted Shares were vested on 2 April 2024. The weighted average closing price of the Shares immediately before each of the vesting dates of the Share Awards was HKD5.06 on 26 January 2024 and HKD4.84 on 2 April 2024, respectively.
- The number of Shares available for grant under the Restricted Share Award Scheme was 30,731,550 at the beginning of the financial period (i.e., on 1 January 2024) and 30,427,657 at the end of the financial period (i.e., on 30 June 2024).
- 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 period divided by the weighted average number of Shares in issue (excluding treasury shares) for the six months ended 30 June 2024 is not applicable herein.

OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company’s code of corporate governance practices. During the six-months ended 30 June 2024, the Company has complied with the code provisions under Part 2 of the CG Code, save and except for the following:

Code Provision C.2.1

Under CG Code provision C.2.1 the role of chairman and chief executive officer should be separated and should not be performed by the same individual. Currently, Dr. Jørgensen is the chairman of the Board (the “**Chairman**”) and also acts as the chief executive officer of the Company (the “**CEO**”) given that he has considerable experience in the business of providing ophthalmic services in Germany, Denmark and the PRC. Dr. Jørgensen is the founder of the Group 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 CEO 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 following the Listing.

Having considered the corporate governance measures that the Company has implemented, 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. The Board will continue to review and consider the separation of the roles of the Chairman and the CEO at an appropriate time, taking into considerations the business development of the Group and the interest of the shareholders of the Company (the “**Shareholders**”) as a whole.

PUBLIC FLOAT

As at the latest practicable date prior to the issue of this report (i.e., 29 August 2024) and based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules.

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

Pursuant to the resolutions of the Shareholders passed at the annual general meeting held on 31 May 2023 (the “**2023 AGM**”) regarding the repurchase of Shares not exceeding 10% of the total number of Shares in issue as at 31 May 2023 (i.e., 33,324,000 Shares) (the “**General Mandate 2023**”), the Board repurchased a total of 300,000 Shares on the Stock Exchange, representing 0.09% of the number of issued Shares (excluding treasury shares) as at the date of the 2023 AGM.

The following table sets out the particulars of the repurchase of Shares conducted by the Company pursuant to General Mandate 2023.

Month of Repurchase	Number of Share(s) repurchased	Highest purchase price per Share (HKD)	Lowest purchase price per Share (HKD)	Aggregate consideration (before expenses) (HKD)
May 2024	300,000	5.76	5.25	1,649,750
Total	300,000	–	–	1,649,750

The Directors confirm that all such repurchased Shares in the above table have been cancelled accordingly on 30 May 2024.

The General Mandate 2023 expired at the conclusion of the next annual general meeting of the Company, i.e., the general meeting of the Company held on 6 June 2024 (the “**2024 AGM**”).

Pursuant to the resolutions of the Shareholders passed at 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., 33,294,000 Shares) (the “**General Mandate 2024**”), the Board repurchased a total of 1,417,000 Shares on the Stock Exchange, representing 0.43% of the number of issued Shares (excluding treasury shares) as at the date of the 2024 AGM.

The following table sets out the particulars of the repurchase of Shares conducted by the Company pursuant to General Mandate 2024.

Month of repurchase	Number of Share(s) repurchased	Highest purchase price per Share (HKD)	Lowest purchase price per Share (HKD)	Aggregate consideration (before expenses) (HKD)
June 2024	435,000	5.32	5.00	2,238,980
July 2024	982,000	5.38	4.90	5,112,270
Total	1,417,000	–	–	7,351,250

The Directors confirm that all such repurchased Shares in the above table have been cancelled accordingly on 12 August 2024.

As at the date of this report, the total number of Shares in issue is 331,523,000. Save as disclosed above, the Company or any of subsidiaries has not purchased, sold or redeemed any Shares (including treasury shares) for the six months ended 30 June 2024.

EMPLOYEES

As at 30 June 2024, the Group had 365 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 six months ended 30 June 2024, 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), 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, the Labour Law of the PRC and the Labour Contract Law of the PRC, German Civil Code and relevant collective agreements and statutes of Denmark.

OTHER INFORMATION

AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") has reviewed the Group's unaudited condensed consolidated results for the six months ended 30 June 2024 and discussed with the management of the Company on the accounting principles and practices adopted by the Group, with no disagreement with accounting treatment adopted in the preparation of this report by the Audit Committee.

Hong Kong, 29 August 2024

By Order of the Board
EuroEyes International Eye Clinic Limited
Dr. Jørn Slot Jørgensen
Chairman and Executive Director

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