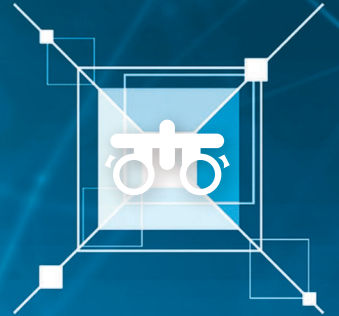
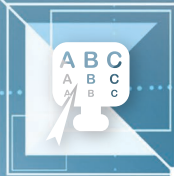




Clarity
Medical Group
清晰醫療集團

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

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



INTERIM REPORT 2024/2025



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Jiang Bo (*Chief Executive Officer*)*
(Appointed on 9 September 2024)
Mr. Hui Yung Chris (*Co-Chief Executive Officer*)*
Dr. Tse Wai Ip
Mr. Lo Tsz Hong

Non-Executive Directors

Mr. Wu Ting Yuk Anthony (*Chairman of the Board*)
Ms. Zhao Wei
Mr. Ng Roy (*Resigned on 9 September 2024*)

Independent Non-Executive Directors

Ms. Cheng Jessica (*Appointed on 29 May 2024*)
Mr. Wang Can (*Appointed on 9 September 2024*)
Mr. Ma Wai Hung Vincent
(*Resigned on 9 September 2024*)
Mr. Li Michael Hankin (*Resigned on 25 November 2024*)

AUDIT COMMITTEE

Mr. Li Michael Hankin (*Chairman*)
(*Resigned on 25 November 2024*)
Ms. Cheng Jessica (*Appointed on 29 May 2024*)
Mr. Wang Can (*Appointed on 9 September 2024*)
Mr. Ma Wai Hung Vincent
(*Resigned on 9 September 2024*)

REMUNERATION COMMITTEE

Mr. Wang Can (*Chairman*)
(*Appointed on 9 September 2024*)
Mr. Ma Wai Hung Vincent (*Chairman*)
(*Resigned on 9 September 2024*)
Mr. Jiang Bo (*Appointed on 9 September 2024*)
Mr. Ng Roy (*Resigned on 9 September 2024*)
Mr. Li Michael Hankin (*Resigned on 25 November 2024*)

NOMINATION COMMITTEE

Mr. Wu Ting Yuk Anthony (*Chairman*)
Mr. Wang Can (*Appointed on 9 September 2024*)
Mr. Ma Wai Hung Vincent
(*Resigned on 9 September 2024*)
Mr. Li Michael Hankin (*Resigned on 25 November 2024*)

AUTHORIZED REPRESENTATIVES

Mr. Hui Yung Chris
Ms. Chan Po Yu

COMPANY SECRETARY

Ms. Chan Po Yu (*CPA (HK), ACG, ACS*)

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

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King’s Road
Quarry Bay, Hong Kong

PRINCIPAL BANKERS

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

CORPORATE WEBSITE

www.claritymedic.com

INVESTOR RELATIONS CONTACT

Email: info@claritymedic.com

STOCK CODE

1406

FINANCIAL HIGHLIGHT

COMPARISON OF KEY FINANCIAL INFORMATION AND FINANCIAL RATIOS

	Six months ended 30 September		
	2024 HK\$'000	2023 HK\$'000	Change
Revenue	87,201	101,610	(14,409)
Loss for the period	(18,569)	(20,019)	1,450
Operating loss before depreciation and impairments ^(1&3)	(4,016)	(15,922)	11,906
Adjusted net loss for the period ^(2&3)	(11,272)	(20,019)	8,747

Notes:

- (1) Operating loss before depreciation and impairments are calculated from operating loss by subtracting (i) depreciation of plant and equipment and (ii) impairment losses on plant and equipment and right-of-use assets for the six months ended 30 September 2024 and 2023. No impairment losses on plant and equipment and right-of-use assets were recognised during the six months ended 30 September 2023.
- (2) Adjusted net loss is calculated by deducting one-off non-recurring impairment losses on plant and equipment and right-of use assets from the loss for the period for the six months ended 30 September 2024. No such impairment losses were incurred during the six months ended 30 September 2023.
- (3) This non-GAAP financial data is a supplemental financial measure that is not required by, or presented in accordance with, HKFRSs and is therefore referred to as a "non-GAAP" financial measure. It is not a measurement of the Group's financial performance under HKFRSs and should not be considered as an alternative to profit/loss from operations or any other performance measures derived in accordance with HKFRSs or as an alternative to cash flows from operating activities or as a measure of the Group's liquidity.



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the provision of private ophthalmic healthcare services in Hong Kong. The operating environment has proven to be particularly challenging for the six months period ended 30 September 2024 (“**2024 Interim Period**”). The ongoing local economic downturn, combined with inflationary pressures, has impacted consumer sentiment, leading to a reduced willingness to spend.

As a consequence of these challenges, the Group’s revenue decreased from approximately HK\$101.6 million for the six months ended 30 September 2023 to approximately HK\$87.2 million during the 2024 Interim Period, representing a decrease of 14.2%. In response, the Group has implemented proactive cost-saving initiatives without compromising the quality of our services. Notably, the adjusted net loss (defined as the loss for the period before one-off non-recurring impairment losses on plant and equipment and right-of-use assets) decreased from approximately HK\$20.0 million for the six months ended 30 September 2023 to about HK\$11.3 million for the 2024 Interim Period. This reflects a reduction of approximately 43.5%.

Our unwavering commitment to delivering high-quality healthcare services remains at the core of our operations. We believe that this dedication, along with our strategic adaptations, will foster sustainable growth and yield favorable returns for our valued shareholders in the long term.

The Group acknowledges the inevitable increase in operating expenses due to the inflationary environment. Nevertheless, we remain committed to maintaining financial discipline and optimizing our cost structure. By carefully managing expenses and implementing efficiency measures, we aim to ensure sustainable growth while providing exceptional ophthalmic healthcare services to our patients.

REVENUE OVERVIEW

We generate revenue from the provision of private ophthalmic services in Hong Kong, including refractive treatments, treatments for other eye problems, consultation and examination services, and sales of prescriptions and others. For the six months ended 30 September 2024, our revenue amounted to approximately HK\$87.2 million, representing a decrease of approximately HK\$14.4 million or 14.2% from approximately HK\$101.6 million for the six months ended 30 September 2023. The table below sets out (i) the breakdown of revenue by the types of treatments and services and their respective percentage of revenue; (ii) number of refractive treatment by types conducted; and (iii) average prices of the refractive treatment services during the six months ended 30 September 2024 and 2023 respectively.

(i) Breakdown of revenue by the types of treatments and services and their respective percentage of revenue

	For the six months ended 30 September				
	2024		2023		Change HK\$'000
	HK\$'000	% of revenue	HK\$'000	% of revenue	
Refractive Treatments	51,983	59.6%	57,992	57.1%	(6,009)
SMILE surgeries	23,957	27.5%	30,987	30.5%	(7,030)
LASIK surgeries	340	0.4%	1,191	1.2%	(851)
Multifocal IOL replacements	10,765	12.3%	17,982	17.7%	(7,217)
ICL implantations	16,921	19.4%	7,832	7.7%	9,089
Treatment for other eye problems	22,445	25.8%	30,060	29.6%	(7,615)
Standard cataract surgeries	10,489	12.0%	14,723	14.5%	(4,234)
Laser procedures	4,597	5.3%	6,009	5.9%	(1,412)
PPV surgeries	4,004	4.6%	6,295	6.2%	(2,291)
Other treatments/surgeries	3,355	3.9%	3,033	3.0%	322
Consultation and examination services	6,716	7.7%	6,059	6.0%	657
Sales of prescriptions and others	3,670	4.2%	4,419	4.3%	(749)
Children myopia prevention and control	2,387	2.7%	3,080	3.0%	(693)
Revenue	87,201	100.0%	101,610	100.0%	(14,409)

**(ii) Number of refractive treatment by types conducted**

	For the six months ended 30 September			
	2024		2023	
	Number	%	Number	%
SMILE surgeries	992	66.2%	1,404	71.5%
LASIK surgeries	18	1.2%	64	3.3%
Multifocal IOL replacements	242	16.2%	383	19.5%
ICL implantations	246	16.4%	111	5.7%
Total	1,498	100.0%	1,962	100.0%

(iii) Average prices of the refractive treatment services

	For the six months ended 30 September	
	2024 HK\$	2023 HK\$
SMILE surgeries ⁽¹⁾	24,200	22,100
LASIK surgeries ⁽¹⁾	18,900	18,600
Multifocal IOL replacements ⁽²⁾	44,500	47,000
ICL implantations ⁽¹⁾	68,800	70,600

Notes:

- (1) Average prices of the refractive services per two eyes.
- (2) Average prices of the refractive service per one single eye.

REFRACTIVE TREATMENT

Refractive treatments were our largest source of revenue during the 2024 Interim Period, representing approximately 59.6% of our revenue. Refractive treatments include SMILE surgery, LASIK surgery, multifocal IOL replacement and ICL implantation. SMILE is a refractive surgery that uses femtosecond laser to carve a refractive lenticule within the cornea and remove it through a small incision. LASIK is a surgery that uses surgical blade and excimer laser to correct myopia, hyperopia and/or astigmatism by modifying the curvature of cornea. Multifocal IOL replacement is a procedure that corrects cataract and/or other refractive errors by extracting lens from the eye, followed by the replacement of multifocal IOL. ICL implantation is a surgery which places intraocular contact lens in front of the natural lens to correct myopia, hyperopia and astigmatism.

Our revenue generated from refractive treatments decreased by approximately HK\$6.0 million or 10.3% from approximately HK\$58.0 million for the six months ended 30 September 2023 to approximately HK\$52.0 million for the six months ended 30 September 2024. The decrease in revenue was mainly due to the economic downturn, increased competition from other industry players, and the departure of certain medical practitioners. Consequently, the number of medical practitioners decreased from 14 as of 30 September 2023 to 11 as of 30 September 2024.

During the 2024 Interim Period, revenue generated from SMILE surgery decreased by approximately HK\$7.0 million, or 22.6%, from approximately HK\$31.0 million for the six months ended 30 September 2023, to approximately HK\$24.0 million for the six months ended 30 September 2024. This decrease was primarily due to a decrease in the number of SMILE surgeries conducted, which decreased from 1,404 for the six months ended 30 September 2023 to 992 for the six months ended 30 September 2024. Furthermore, some patients who might have opted for SMILE surgery chose to undergo ICL implantations instead, contributing to the drop in number of SMILE surgeries.

The revenue from multifocal IOL replacements decreased by approximately HK\$7.2 million, or 40%, from about HK\$18.0 million for the six months ended 30 September 2023, to approximately HK\$10.8 million for the six months ended 30 September 2024. This reduction was mainly attributed to a decline in the number of multifocal IOL replacements conducted compared to the same period in 2023.

On the other hand, revenue from ICL implantations increased significantly, rising by approximately HK\$9.1 million, or 116.7%, from approximately HK\$7.8 million for the six months ended 30 September 2023, to around HK\$16.9 million for the six months ended 30 September 2024. This increase was primarily due to an increase in the number of ICL implantations performed during the same period.

TREATMENT FOR OTHER EYE PROBLEMS

Treatment for other eye problems include standard cataract surgery, laser procedure, PPV surgery, and other treatments and surgeries. For the six months ended 30 September 2023 and 2024, revenue generated from treatments for other eye problems amounted to approximately HK\$30.1 million and HK\$22.5 million, representing approximately 29.6% and 25.8% of our revenue, respectively. Revenue generated from treatment for other eye problems decreased by approximately HK\$7.6 million, or 25.2%, from approximately HK\$30.1 million for the six months ended 30 September 2023 to approximately HK\$22.5 million for the six months ended 30 September 2024. The decrease in revenue generated from treatment of other eye problems was mainly due to the decrease in revenue recorded for standard cataract surgeries and PPV surgeries of approximately HK\$4.2 million and HK\$2.3 million, respectively, as compared to the six months ended 30 September 2023.

CONSULTATION AND EXAMINATION SERVICES

Consultation and examination services mainly include assessments of eye conditions, such as visual acuity, refraction, anterior segment examination, fundal examination and intraocular pressure measurement. Our revenue generated from consultation and examination services increased by approximately HK\$0.6 million or 9.8% from approximately HK\$6.1 million for the six months ended 30 September 2023 to approximately HK\$6.7 million for the six months ended 30 September 2024. The increase in revenue generated from consultation and examination services was mainly due to the increase in standard rate of consultation and examination services fees prescribed by the Group during the 2024 Interim Period.



SALES OF PRESCRIPTIONS AND OTHERS

Sales of prescriptions and others are mainly sales of medication prescribed by our medical practitioners to our patients following diagnosis after consultation and examination or treatment services. For the six months ended 30 September 2023 and 2024, our revenue generated from sales of prescriptions and others was approximately HK\$4.4 million and HK\$3.7 million, representing approximately 4.3% and 4.2% of our revenue, respectively. The revenue generated from sales of prescriptions and others was generally in line with our overall revenue during the respective interim periods.

CHILDREN MYOPIA PREVENTION AND CONTROL

Children myopia prevention and control aims to manage and slow down myopia progression in children. The services provided include comprehensive eye examinations to assess visual acuity, refractive error, and overall eye health. Based on the examination results, personalized consultations are offered to parents and children, including suggestions for managing myopia. Revenue generated from children myopia prevention and control decreased by approximately HK\$0.7 million, or 22.6%, from approximately HK\$3.1 million for the six months ended 30 September 2023 to approximately HK\$2.4 million for the six months ended 30 September 2024. This decrease was primarily due to a reduction in our business efforts in this area.

OTHER INCOME

The Group recorded other income of approximately HK\$2.0 million for the six months ended 30 September 2024, compared to approximately HK\$3.3 million for the same period in 2023. This decrease was primarily due to a reduction in interest income from bank deposits and miscellaneous income, which fell by approximately HK\$0.8 million in the 2024 Interim Period, mainly attributed to lower average interest rates and a decreased bank deposit balance. Additionally, there was a net loss of approximately HK\$0.6 million on the disposal or write-off of items of plant and equipment, partially offset by net foreign exchange differences of approximately HK\$81,000.

INVENTORIES USED

Inventories used mainly represent the costs of medical device licences, IOLs and drugs and dispensary supplies. Our medical device licences are procedure packs, which comprised of medical consumables required for the operation of our medical devices. The procedure packs enable our medical practitioners to perform treatments and surgeries using the respective medical devices. IOLs primarily consist of intraocular lens used in treatments and surgeries. Our drugs and dispensary supplies are drugs which our medical practitioners prescribed to our patients following diagnosis after consultation and supplies are materials used during surgeries. For the six months ended 30 September 2023 and 2024, the inventories used amounted to approximately HK\$19.1 million and HK\$18.7 million, representing approximately 18.8% and 21.4% of our revenue, respectively. The increase in the inventories used as a percentage of revenue, from 18.8% to 21.4%, was primarily due to a decrease in the price charged for certain refractive treatments during the 2024 Interim Period compared to the corresponding period in 2023. Additionally, there was a shift in the mix of surgeries performed, with the Group conducting more ICL implantations during the six months ended 30 September 2024 than in the same period in 2023. Notably, the percentage of inventories used for ICL implantation is higher than that for other surgeries during this period.

CONSULTANCY FEES

Consultancy fees represent professional fees paid to our medical practitioners, and consist of a fixed fees and/or a variable amount based on, among others, the revenue generated by the respective medical practitioners, net of the relevant costs. For the six months ended 30 September 2023 and 2024, consultancy fees amounted to approximately HK\$41.1 million and HK\$30.2 million, representing approximately 40.5% and 34.6% of our total revenue, respectively. The decrease in the consultancy fee as a percentage of revenue, from 40.5% for the six months ended 30 September 2023 to 34.6% for the six months ended 30 September 2024, can be attributed to adjustments made to professional fees paid to our medical practitioners.

The Company adopted a share award plan (the “**Share Award Plan**”) on 23 November 2022. On 4 July 2023, the Board resolved to grant certain awarded Shares to five service providers under the Share Award Plan. Consequently, share-based payments of approximately HK\$1.4 million, related to the service providers, were recorded as consultancy fees and recognised in the interim condensed consolidated statement of comprehensive income for the six months period ended 30 September 2024 (six months ended 30 September 2023: approximately HK\$1.0 million).

EMPLOYEE BENEFIT EXPENSES

Our employee benefit expenses include wages, salaries, pension scheme contributions and other related expenses for our staff. For the six months ended 30 September 2023 and 2024, our employee benefit expenses amounted to approximately HK\$29.2 million and HK\$24.0 million, representing approximately 28.7% and 27.5% of our revenue, respectively. On 4 July 2023, the Board resolved to grant certain awarded shares to certain directors and employees under the Share Award Plan. Consequently, share-based payments of approximately HK\$1.7 million, related to the directors and employees, were recorded as employee benefit expenses and recognised in the interim condensed consolidated statement of comprehensive income for the six months period ended 30 September 2024 (six months ended 30 September 2023: approximately HK\$1.0 million). The decrease in employee benefits expenses was mainly attributed to the reduction in the number of employees, from 135 as of 30 September 2023 to 105 as of 30 September 2024, offset by an increase in share-based payments recognised during the 2024 Interim Period.

DEPRECIATION OF PLANT AND EQUIPMENT

Depreciation expenses for plant and equipment mainly comprise depreciation expenses on leasehold improvements and medical and office equipment for our medical centres. For the six months period ended 30 September 2023 and 2024, our depreciation expenses for plant and equipment amounted to approximately HK\$6.2 million and HK\$5.7 million, representing approximately 6.1% and 6.5% of our revenue, respectively.

DEPRECIATION OF RIGHT-OF-USE ASSETS

For the six months ended 30 September 2023 and 2024, our depreciation expenses for right-of-use assets, which include leased properties, were approximately HK\$10.9 million and HK\$5.5 million, representing about 10.7% and 6.3% of our revenue, respectively.

During the year ended 31 March 2024, the Company identified two underperforming medical centres. A discounted cash flow projection was conducted to estimate the recoverable amounts of the non-financial assets associated with these centres. As a result, an impairment loss of approximately HK\$11.7 million for right-of-use assets was recognised in the consolidated statement of comprehensive income for the year ended 31 March 2024.



Consequently, the carrying amount of right-of-use assets decreased from approximately HK\$44.4 million as of 31 March 2023 to approximately HK\$13.3 million as of 31 March 2024. This reduction led to a decrease in the depreciation of right-of-use assets from HK\$10.9 million for the six months ended 30 September 2023 to approximately HK\$5.5 million for the six months ended 30 September 2024.

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

The Company has identified an underperforming medical centre that focuses on children's myopia prevention and control, which has been operating at a loss since its establishment in the third quarter of 2023.

As of 31 March 2024, the Group conducted a discounted cash flow projection to estimate the recoverable amounts of non-financial assets associated with this medical centre. Consequently, an impairment loss of approximately HK\$24.4 million for plant and equipment and right-of-use assets was recognized in the consolidated statement of comprehensive income for the year ended 31 March 2024.

Subsequent to 31 March 2024, the medical centre continued to operate at a loss. As of 30 September 2024, the Group reviewed certain plant and equipment that had not been fully utilized or had become idle. Additionally, the Group reassessed the provision for reinstatement costs of the medical centre during the 2024 Interim Period. Consequently, an impairment loss of approximately HK\$2.5 million for plant and equipment, as well as an impairment loss of approximately HK\$4.8 million for right-of-use assets, were recognized in the interim condensed consolidated statement of comprehensive income for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

OTHER EXPENSES

Other expenses mainly comprise other general and administration expenses, management fees, business development expenses and bank charges. For the six months ended 30 September 2023 and 2024, other expenses were approximately HK\$20.6 million and HK\$14.9 million, representing approximately 20.3% and 17.1% of our revenue, respectively. The table below sets forth the breakdown of other expenses for the six months ended 30 September 2023 and 2024 respectively:

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Business development	2,783	8,870
Repair and maintenance	1,302	1,653
Professional fees	3,731	821
Bank charges	2,126	2,281
Other general and administrative expenses	4,945	6,991
Other expenses	14,887	20,616

Our business development expenses include various activities aimed at promoting eye care and raising awareness of related topics. These activities comprise organising eye care educational talks, producing videos related to eye care, designing websites, organising events for promoting eye care awareness, and printing leaflets.

For the six months ended 30 September 2023 and 2024, our business development expenses amounted to approximately HK\$8.9 million and HK\$2.8 million, respectively. The significant decrease in business development expenses is primarily attributed to reduced promotional efforts during the 2024 Interim Period compared to the same period in 2023. In the corresponding period of 2023, we incurred higher expenses related to the launch of the new revenue stream for children's myopia control services.

Professional fees mainly comprise payments to various service providers, including legal counsel, consultancy and advisory services, share registry, and a professional investor relations firm. These fees increased by approximately HK\$2.9 million, or 362.5%, from approximately HK\$0.8 million for the six months ended 30 September 2023 to approximately HK\$3.7 million for the six months ended 30 September 2024. The Group incurred higher professional fees due to the engagement of additional professional services during the period in response to its business needs.

Bank charges are expenses related to credit card transfers. For the six months ended 30 September 2023 and 2024, our bank charges amounted to approximately HK\$2.3 million and HK\$2.1 million, respectively.

Other general and administrative expenses mainly includes, but not limited to, utilities charges, insurance payments, other telecommunication charges, travelling expenses and entertainment expenses. For the six months ended 30 September 2023 and 2024, our other general and administrative expenses amounted to approximately HK\$7.0 million and HK\$4.9 million, respectively. The decrease in other general and administrative expenses during the 2024 Interim Period is primarily due to reduced spending compared to the same period in 2023. During the corresponding period in 2023, we incurred higher expenses due to the launch of the new revenue stream for children's myopia control services. Additionally, the decrease is driven by the Group's continuous efforts in cost-saving measures.

FINANCE COSTS

Finance costs mainly comprise interest expenses on lease liabilities. These costs decreased by approximately HK\$0.6 million, or 50.0%, from approximately HK\$1.2 million for the six months ended 30 September 2023, to approximately HK\$0.6 million for the six months ended 30 September 2024. This decrease was primarily due to lower interest expenses on lease liabilities, resulting from a reduction in the carrying amount of lease liabilities, which decreased from approximately HK\$36.6 million as of 30 September 2023 to approximately HK\$18.7 million as of 30 September 2024.

INCOME TAX

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

For the six months ended 30 September 2023, the Group recorded a tax credit of approximately HK\$3.3 million. This was a result of an estimated loss before income tax of approximately HK\$23.3 million during that period.

For the six months ended 30 September 2024, our income tax expenses amounted to approximately HK\$0.9 million, despite the Group recording a loss before income tax of approximately HK\$17.7 million. This was primarily due to certain expenses incurred by the Group that were not deductible for tax purposes, such as impairment expenses on plant and equipment and right-of-use assets.



LOSS FOR THE PERIOD

As a result of the foregoing, the Group recorded a loss of approximately HK\$18.6 million for the six months period ended 30 September 2024 (six months ended 30 September 2023: HK\$20.0 million).

CAPITAL EXPENDITURE AND COMMITMENTS

For the six months ended 30 September 2023 and 2024, the Group incurred capital expenditures of approximately HK\$36.0 million and HK\$8.3 million, respectively, primarily due to the purchase of equipment and leasehold improvements for our medical centres.

As at 30 September 2024, the Group had no capital expenditure contracted for but not yet recognised (31 March 2024: HK\$260,000).

GEARING RATIO

As at 30 September 2024, the gearing ratio, which is calculated as net debt divided by total capital, is not applicable due to net cash position (31 March 2024: not applicable).

CONTINGENT LIABILITIES

The Group had no material contingent liability as at 30 September 2024 (31 March 2024: Nil).

PLEDGE OF ASSETS

The Group had not pledged any assets as at 30 September 2024 (31 March 2024: Nil).

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISKS

Exposure to Fluctuation in Exchange Rates

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not our functional currency. The Group mainly operates in Hong Kong with the majority of the transactions settled in HK\$. The Group closely monitors and manages foreign exchange risk exposures to ensure the exposures do not have significant impact on the operation of the Group. As the Group does not have any significant transactions, assets or liabilities which are settled in currencies other than HK\$ during the six months ended 30 September 2023 and 2024, income and operating cash flows of the Group are substantially independent of changes in market foreign exchange rate. The Group has not used any derivative financial instrument to hedge against its exposure to foreign exchange risk but will closely monitor such risk on an ongoing basis.

Cash Flow and Fair Value Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group does not anticipate significant impact resulted from the reasonable possible change in interest rates.

The Group's fair value interest rate risk mainly arises from lease liabilities at fixed interest rates.

LIQUIDITY RISK

The Group adopts prudent liquidity risk management by maintaining sufficient cash balances to meet its financial commitments when they become due. Accordingly, the Company is of the view that the Group does not have significant liquidity risk.

CAPITAL RISK MANAGEMENT

The Group's capital structure consists of shareholders' equity and borrowings. In order to maintain or adjust its capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce borrowings. The Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total equity. The net debt includes the total borrowings including lease liabilities less cash and cash equivalents. As of 31 March 2024 and 30 September 2024, the Group maintained at net cash position.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed a total of 105 employees (31 March 2024: 110). The Group ensures that its remuneration packages are comprehensive and competitive from time to time. When determining the emolument payable to the Directors (including the executive Directors), the Company takes into account the experience of the Directors, their level of responsibility and general market conditions. Any discretionary bonus and other merit payments of the Directors are linked to the profit performance of the Group and the individual performance of the Directors. Employees are remunerated with a fixed monthly income plus annual discretionary performance-related bonus.

EVENTS AFTER THE REPORTING PERIOD

There was no material subsequent event undertaken by the Company or by the Group after 30 September 2024 and up to the date of this report.

OUTLOOK AND STRATEGIES

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

- The Group will continue to strengthen its market position in Hong Kong in providing ophthalmic services.
- The Group plans to acquire equity interests in eye-related clinics, outpatient department or hospitals in the PRC to expand its presence into the PRC under the brand of "Clarity".
- The Group plans to identify suitable collaboration partners for collaboration and expansion.
- The Group plans to acquire interests in ophthalmic-related businesses.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed above and under the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 31 January 2022 (the "Prospectus"), the Group did not have any other plans for material investments or capital assets during the reporting period and up to the date of this report.



LIQUIDITY AND CAPITAL STRUCTURE

During the six months ended 30 September 2023 and 2024, the Group's operations were generally financed from internally generated cash flows. The Directors believe that in the long term, the Group's operations will be funded by internally generated cash flows and, if necessary, additional equity financing and bank borrowings. As at 30 September 2024, the Group had cash and cash equivalents (including time deposits) of HK\$122.4 million (31 March 2024: HK\$141.4 million), most of which were denominated in Hong Kong dollars.

During the six months ended 30 September 2023 and 2024, the Group did not use any financial instruments, currency borrowings or other hedging instruments for hedging purposes.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. As at 30 September 2024, the gearing ratio is not applicable due to net cash position (31 March 2024: not applicable).

The current ratio (calculated as current assets over current liabilities) was 3.84 times as at 30 September 2024 compared with 4.4 times as at 31 March 2024.

As at 30 September 2024, the Group reported net current assets of HK\$113.6 million, as compared with HK\$130.9 million as at 31 March 2024.

Net cash flows from operating activities amounted to HK\$1.9 million during the six months ended 30 September 2024, in contrast to net cash flows used in operating activities amounted to HK\$7.6 million during the six months ended 30 September 2023. This decrease is mainly attributed to the reduction in loss before income tax, which declined from approximately HK\$23.3 million for the six months ended 30 September 2023 to approximately HK\$17.7 million for the same period in 2024.

Net cash flows from investing activities amounted to HK\$21.0 million during the six months ended 30 September 2024, in contrast to net cash flows used in investing activities amounted to HK\$34.3 million during the six months ended 30 September 2023. During the six months ended 30 September 2024, the net cash used in investing activities was mainly from (i) purchases of plant and equipment of approximately HK\$7.5 million and (ii) purchase of financial assets at fair value through profit or loss of approximately HK\$4.4 million; netted off (iii) proceeds from disposal of items of plant and equipment of approximately HK\$0.2 million; (iv) cash received from interest generated from time deposits of approximately HK\$2.6 million; and (v) decrease in time deposits with maturity of more than three months of approximately HK\$30.0 million.

During the six months ended 30 September 2024, net cash flows used in financing activities amounted to HK\$11.8 million as compared to net cash flows used in financing activities of HK\$11.9 million during the six months ended 30 September 2023. The cash used in financing activities for the six months ended 30 September 2024 was mainly from lease payments of approximately HK\$11.8 million.

SIGNIFICANT INVESTMENTS, ACQUISITION AND DISPOSALS

Except for investment in subsidiaries, there were no significant investments held by the Group during the 2024 Interim Period.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue	3	87,201	101,610
Other income and losses, net	4	1,954	3,253
Inventories used		(18,707)	(19,059)
Consultancy fee		(30,176)	(41,058)
Employee benefit expenses		(23,950)	(29,181)
Depreciation of plant and equipment		(5,721)	(6,162)
Depreciation of right-of-use assets		(5,451)	(10,871)
Impairment loss on plant and equipment		(2,455)	—
Impairment loss on right-of-use asset		(4,842)	—
Other expenses	5	(14,887)	(20,616)
Operating loss		(17,034)	(22,084)
Finance costs	6	(635)	(1,211)
Loss before income tax		(17,669)	(23,295)
Income tax	7	(900)	3,276
Loss for the period		(18,569)	(20,019)
Other comprehensive loss			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(8)	—
Total comprehensive loss for the period attributable to owners of the Company		(18,577)	(20,019)
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
— Basic and diluted	9	(3.5)	(3.8)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	<i>Notes</i>	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Non-current assets			
Plant and equipment	10	38,432	39,281
Right-of-use assets		15,569	13,348
Deferred tax assets		5,534	6,434
Deposits	13	889	7,892
Financial assets at fair value through profit or loss		4,478	—
Total non-current assets		64,902	66,955
Current assets			
Inventories	11	3,545	3,576
Trade receivables	12	2,813	2,647
Deposits, prepayments and other receivables	13	24,864	20,149
Tax recoverable		—	1,405
Cash and cash equivalents	14	122,390	141,431
Total current assets		153,612	169,208
Current liabilities			
Trade payables	15	6,673	4,767
Accruals and other payables		8,995	12,089
Provisions		8,959	2,300
Lease liabilities		15,423	19,177
Total current liabilities		40,050	38,333
Net current assets		113,562	130,875
TOTAL ASSETS LESS CURRENT LIABILITIES		178,464	197,830
Non-current liabilities			
Provisions		1,193	2,075
Lease liabilities		3,244	6,233
Total non-current liabilities		4,437	8,308
Net assets		174,027	189,522

Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2024

	<i>Note</i>	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Equity			
Equity attributable to owners of the Company			
Share capital	16	5,289	5,281
Share premium		306,415	306,388
Shares held under the Share Award Plan		—	(3,468)
Reserves		(137,677)	(118,679)
Total equity		174,027	189,522

The interim condensed consolidated financial information on pages 15 to 36 was approved by the Board of Directors on 27 November 2024 and was signed on its behalf by:

Mr. Jiang Bo
Director

Mr. Hui Yung Chris
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Share capital HK\$'000 (Note 16)	Share premium HK\$'000	Shares held under the Share Award Plan HK\$'000 (Note 17)	Other reserves HK\$'000	Exchange fluctuation reserve HK\$'000	Share-based payment reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
For the six months ended 30 September 2024 (unaudited)								
At 1 April 2024	5,281	306,388	(3,468)	(11,489)	1	6,030	(113,221)	189,522
Loss for the period	—	—	—	—	—	—	(18,569)	(18,569)
Other comprehensive loss for the period:								
Exchange differences on translation of foreign operation	—	—	—	—	(8)	—	—	(8)
Total comprehensive loss for the period	—	—	—	—	(8)	—	(18,569)	(18,577)
Issue of shares under the Share Award Plan (Note 16 and 17)	8	—	(8)	—	—	—	—	—
Shares vested under the Share Award Plan (Note 17)	—	27	3,476	—	—	(3,503)	—	—
Share-based payments (Note 17)	—	—	—	—	—	3,082	—	3,082
At 30 September 2024	5,289	306,415	—	(11,489)	(7)	5,609	(131,790)	174,027

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Share capital HK\$'000 <i>(Note 16)</i>	Share premium HK\$'000	Shares held under the Share Award Plan HK\$'000 <i>(Note 17)</i>	Other reserves HK\$'000	Share-based payment reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
For the six months ended							
30 September 2023							
(unaudited)							
At 1 April 2023	5,281	306,388	(3,468)	(11,489)	—	(37,428)	259,284
Loss and total comprehensive loss for the period	—	—	—	—	—	(20,019)	(20,019)
Share-based payments <i>(Note 17)</i>	—	—	—	—	1,987	—	1,987
At 30 September 2023	5,281	306,388	(3,468)	(11,489)	1,987	(57,447)	241,252

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Net cash flows from/(used in) operating activities	1,881	(7,639)
Cash flows from investing activities		
Purchases of financial assets at fair value through profit or loss	(4,403)	—
Purchases of plant and equipment	(7,451)	(30,151)
Proceeds from disposal of items of plant and equipment	215	—
Interest received	2,615	2,990
Decrease/(increase) in time deposits with original maturity of more than three months	30,000	(7,168)
Net cash flows from/(used in) investing activities	20,976	(34,329)
Cash flows from financing activities		
Repayment of principal portion of lease liabilities	(11,180)	(10,660)
Repayment of interest portion of lease liabilities	(635)	(1,211)
Net cash flows used in financing activities	(11,815)	(11,871)
Net increase/(decrease) in cash and cash equivalents	11,042	(53,839)
Cash and cash equivalents at beginning of period	91,431	104,496
Effect of foreign exchange rate changes	(83)	—
Cash and cash equivalents at end of period	102,390	50,657
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	26,196	50,657
Non-pledged time deposits with original maturity of more than three months when acquired	20,000	110,168
Non-pledged time deposits with original maturity of less than three months when acquired	76,194	—
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	122,390	160,825
Time deposits with original maturity of more than three months when acquired	(20,000)	(110,168)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	102,390	50,657

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of ophthalmic services in Hong Kong.

The interim condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (“**HK\$’000**”), unless otherwise stated.

2 ACCOUNTING POLICIES AND BASIS OF PREPARATION

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 September 2024 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2024.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2024, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

2 ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

2.2 Changes in accounting policies and disclosures (Continued)

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3 REVENUE AND SEGMENT INFORMATION

Revenue recognised during the six months ended 30 September 2024 and 2023 is analysed by the chief operating decision-maker. For the purposes of resource allocation and performance assessment, the executive directors review the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no discrete operating segment financial information is available.

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

No information about major customers is presented as there is no single customer which individually contributed 10% or more of the total revenue for the six months ended 30 September 2024 and 2023.

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

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue from contracts with customers		
Ophthalmic service income	82,305	95,832
Sales of prescriptions	3,670	4,419
Sales of vision products	1,226	1,359
Total	87,201	101,610

4 OTHER INCOME AND LOSSES, NET

An analysis of other income and losses, net is as follows:

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Other income		
Interest income	2,455	2,990
Miscellaneous income	5	263
Total other income	2,460	3,253
Other losses, net		
Loss on disposal/write-off of items of plant and equipment, net	(587)	—
Foreign exchange differences, net	81	—
Total other losses, net	(506)	—
Total other income and losses, net	1,954	3,253

5 EXPENSES BY NATURE

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

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Business development	2,783	8,870
Repair and maintenance	1,302	1,653
Professional fees	3,731	821
Bank charges	2,126	2,281

6 FINANCE COSTS

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest expenses on lease liabilities	635	1,211

7 INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2023: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Deferred	900	(3,276)
Total tax charge/(credit) for the period	900	(3,276)

8 DIVIDEND

No dividend was paid or proposed during the six months ended 30 September 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

9 BASIC AND DILUTED LOSS PER SHARE

Basic

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of HK\$18,569,000 (2023: HK\$20,019,000) and the weighted average number of ordinary shares of 528,640,098 (2023: 528,125,000) in issue less the weighted average number of shares held under the Share Award Plan of 1,722,206 (2023: 3,100,000) during the six months ended 30 September 2024.

Diluted

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 September 2024 and 2023 as the Group had no potentially dilutive ordinary shares in issue.

10 PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired items of plant and equipment of HK\$8,329,000 (2023: HK\$35,997,000).

Assets with a net book value of HK\$1,002,000 were disposed/written off by the Group during the six months ended 30 September 2024 (2023: Nil), resulting in a net loss on disposal/write-off of HK\$587,000 (2023: Nil).

During the six months ended 30 September 2024, an impairment loss of HK\$2,455,000 (2023: Nil) was recognised for certain plant and equipment with a net book value of HK\$3,361,000 of the Group have not been fully utilised or have become idle during the period. The recoverable amount of these certain plant and equipment of HK\$906,000 has been determined based on their fair value less costs of disposal. The fair value was determined by reference to recent market transaction prices under level 2 fair value measurement.

11 INVENTORIES

	As at	
	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Medical consumables	3,480	3,439
Vision products	65	137
Total	3,545	3,576

As at 30 September 2024 and 31 March 2024, management considers there was no inventory obsolescence. The costs of inventories and write-down of inventories to net realisable value were recognised as expenses and included in "inventories used" in the interim condensed consolidated statement of comprehensive income amounted to HK\$18,493,000 (2023: HK\$19,059,000) and HK\$214,000 (2023: Nil) for the six month end 30 September 2024.

12 TRADE RECEIVABLES

As at 30 September 2024 and 31 March 2024, the carrying amounts of trade receivables approximated their fair values and were denominated in HK\$.

The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	As at	
	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
0 to 30 days	1,462	1,504
31 to 60 days	569	560
61 to 90 days	738	217
Over 90 days	44	366
Total	2,813	2,647

The Group applies the simplified approach permitted by HKFRS 9 to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. As at 30 September 2024 and 31 March 2024, the Group has assessed that the expected loss allowance for trade receivables was immaterial. Thus no loss allowance provision for trade receivables was recognised during the six months ended 30 September 2024 and 2023.

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

13 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at	
	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Rental and other deposits	5,844	7,041
Deposits paid for purchases of plant and equipment	—	3,316
Prepayments	2,470	1,473
Other receivables (<i>Note</i>)	17,439	16,211
	25,753	28,041
Less: Non-current portion	(889)	(7,892)
Current portion	24,864	20,149

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 30 September 2024 and 31 March 2024, the loss allowance was assessed to be minimal.

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

- (i) A loan advanced to a medical practitioner of HK\$14,413,000 (31 March 2024: HK\$14,448,500) which is unsecured, bears interest at 3% per annum and repayable within 12 months; and
- (ii) An amount due from a medical practitioner of HK\$300,000 (31 March 2024: HK\$900,000) which is unsecured, interest-free and repayable in a monthly instalment of HK\$100,000 per month.

14 CASH AND CASH EQUIVALENTS

	As at	
	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Cash and bank balances	26,196	43,431
Non-pledged time deposits with an original maturity of more than three months when acquired	20,000	50,000
Non-pledged time deposits with an original maturity of less than three months when acquired	76,194	48,000
Cash and cash equivalents	122,390	141,431

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$11,000 (31 March 2024: HK\$11,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

15 TRADE PAYABLES

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

	As at	
	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
0 to 30 days	4,415	3,983
31 to 60 days	2,250	735
61 to 90 days	—	48
Over 90 days	8	1
Total	6,673	4,767

As at 30 September 2024 and 31 March 2024, all trade payables of the Group were denominated in HK\$, and their fair values approximated to their carrying amounts.

16 SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
<i>Authorised:</i>		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	5,000,000,000	50,000
<i>Issued and fully paid:</i>		
As at 1 April 2023, 31 March 2024 and 1 April 2024	528,125,000	5,281
Issue of shares under the Share Award Plan (<i>Note 17</i>)	792,125	8
As at 30 September 2024	528,917,125	5,289

17 SHARE AWARD PLAN

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

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

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

The total number of shares that may be subject to an award or awards to a selected participant (the “**Selected Participant**”), together with any shares to be issued under any options granted to such Selected Participant under any share schemes of the Company, in a 12-month period up to and including the date of the award, shall not (i) in aggregate exceed 1% of the total number of issued shares as at the date of the extraordinary general meeting held on 23 November 2023, being 521,775,000 shares; and (ii) exceed any limits applicable to such Selected Participant under the Listing Rules.

17 SHARE AWARD PLAN (CONTINUED)

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

The Board resolved on 4 July 2023, to grant a total of 35,456,240 awarded shares to certain eligible participants under the Share Award Plan. There is no purchase price for the awarded shares granted, nor any arrangements to facilitate the purchase of awarded shares. As of 1 April 2024, 28,472,805 awarded shares remained unvested.

Details of the movement of the awarded shares for the six months ended 30 September 2024 under the Share Award Plan are set at below:

		Number of awarded shares			Unvested as at 30 September 2024	Vesting period	Performance target
		Unvested as at 1 April 2024	Vested during the period	Lapsed during the period			
Executive director, co-chief executive officer	Mr. Hui Yung Chris (Note (i))	5,000,000	—	—	5,000,000	100% of the awarded shares will vest on the second anniversary of 4 July 2023.	Not applicable
Executive director	Mr. Lo Tsz Hong	141,250	(35,313)	—	105,937	25% of the awarded shares will vest on each of the first and second anniversaries of 4 July 2023 remaining 50% will vest on the third anniversary	Not applicable
Service Providers	Dr. Wong Kin Keung	3,913,311	(1,304,437)	—	2,608,874	Note (ii)	Note (iii)
	Dr. Kwok Pui Wai	3,913,311	(434,812)	—	3,478,499		
	Dr. Lai Hiu Ping	3,913,311	(434,812)	—	3,478,499		
	Dr. Tang Kai Tat	3,913,311	(434,812)	—	3,478,499		
	Dr. Ho Chun Ho	3,913,311	(434,812)	—	3,478,499		
Other employee participants	Employees	3,765,000	(813,127)	(512,500)	2,439,373	25% of the awarded shares will vest on each of first and second anniversaries of 4 July 2023 remaining 50% will vest on the third anniversary	
Total		28,472,805	(3,892,125)	(512,500)	24,068,180		

Notes:

- (i) The proposed grant of awarded shares to Mr. Hui Yung Chris was approved in the Annual General Meeting held on 20 September 2023.

17 SHARE AWARD PLAN (CONTINUED)

Notes: (Continued)

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

The weighted average closing price of the shares immediately before the dates on which the awarded shares were vested during the six months ended 30 September 2024 was HK\$0.48 per share.

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

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

During the six months ended 30 September 2024, a total of 3,892,125 awarded shares vested and no awarded shares were granted, or cancelled under the Share Award Plan. To fulfill these vested awarded shares, the Company issued and allotted 792,125 shares at HK\$0.01 per share on 4 June 2024, representing approximately 0.15% of the total issued share capital as of the date of issuance and allotment. The shares held by the trustee, along with the issued and allotted shares, were transferred to the relevant grantees upon the vesting of the awarded shares.

As at 30 September 2024, the trustee held no shares under the Share Award Plan.

As at 30 September 2024 and as at the date of this report, 24,217,195 shares are available for grant under the Share Award Plan, representing approximately 4.6% of the total issued share capital of the Company as at 30 September 2024 and as at the date of this report.

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

During the six months ended 30 September 2024, share-based payments were recognised as expenses and included in "consultancy fee" and "employee benefit expenses" in the interim condensed consolidated statement of comprehensive income in relation to the Share Award Plan amounted to HK\$1,352,000 (2023: HK\$986,000) and HK\$1,730,000 (2023: HK\$1,001,000), respectively.

18 COMMITMENTS

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

	As at	
	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Plant and equipment	—	260

19 FINANCIAL INSTRUMENTS BY CATEGORY

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

30 September 2024

Financial assets

	Financial assets at fair value through profit or loss mandatorily designated as such (Unaudited) HK\$'000	Financial assets at amortised cost (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Financial assets at fair value through profit or loss	4,478	—	4,478
Trade receivables	—	2,813	2,813
Financial assets included in deposits, prepayments and other receivables	—	23,283	23,283
Cash and cash equivalents	—	122,390	122,390
Total	4,478	148,486	152,964

19 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)**30 September 2024 (Continued)****Financial liabilities**

	Financial liabilities at amortised cost (Unaudited) HK\$'000
Trade payables	6,673
Financial liabilities included in accruals and other payables	8,100
Lease liabilities	18,667
Total	33,440

31 March 2024**Financial assets**

	Financial assets at amortised cost (Audited) HK\$'000
Trade receivables	2,647
Financial assets included in deposits, prepayments and other receivables	23,252
Cash and cash equivalents	141,431
Total	167,330

Financial liabilities

	Financial liabilities at amortised cost (Audited) HK\$'000
Trade payables	4,767
Financial liabilities included in accruals and other payables	11,064
Lease liabilities	25,410
Total	41,241

20 RELATED PARTY TRANSACTIONS

The directors are of the view that the following individuals and companies were related parties that had transactions or balances with the Group as at and during the six months ended 30 September 2024 and 2023:

Name of related party	Relationship with the Group
Mr. Tse Wai Ip (“Dr. Tse”) WIT Limited	An executive director of the Company A company of medical practice controlled by Dr. Tse

(a) Transactions with related parties

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

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Consultancy fee to WIT Limited (<i>Note i</i>)	—	(1,488)
Employee benefit expense paid to a related party (<i>Note ii</i>)	—	(149)

Notes:

- (i) The consultancy fee represented the remuneration payable to the company of medical practice controlled by Dr. Tse pursuant to the consultancy fee agreement dated 4 April 2022 and subsequently ended on 3 April 2024.
- (ii) The related party, who is a close family member of Dr. Tse, joined the Group on 4 September 2023 and left on 15 January 2024.

(b) Compensation of key management personnel of the Group

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Short-term employee benefits	3,111	2,739
Staff retirement scheme contributions	21	27
Share-based payments	1,017	498
Total compensation paid to key management personnel	4,149	3,264

21 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	As at		As at	
	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Financial assets				
Deposits, non-current portion	889	7,892	772	7,480
Financial assets at fair value through profit or loss	4,478	—	4,478	—

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

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

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

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

21 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

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

Assets measured at fair value:

As at 30 September 2024

	Fair value measurement using			Total (Unaudited) HK\$'000
	Quoted prices in active markets (Level 1) (Unaudited) HK\$'000	Significant observable inputs (Level 2) (Unaudited) HK\$'000	Significant unobservable inputs (Level 3) (Unaudited) HK\$'000	
Financial assets at fair value through profit or loss	—	4,478	—	4,478

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

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 30 September 2024 and 31 March 2024.

Regarding the assets and liabilities for which fair values are disclosed, the fair values measurement of the non-current portion of deposits was classified as Level 2. During the six months ended 30 September 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2023: Nil).

22 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the Board on 27 November 2024.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



To the board of directors of Clarity Medical Group Holding Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 15 to 36, which comprises the interim condensed consolidated statement of financial position of Clarity Medical Group Holding Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 September 2024 and the related interim condensed consolidated statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and 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 Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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 Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. 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 Hong Kong 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 is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

27/F, One Taikoo Place
979 King’s Road
Quarry Bay, Hong Kong

27 November 2024

OTHER INFORMATION

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

As at 30 September 2024, the interests and short positions of our Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(A) Long position in Shares and share options of our Company

Name of Directors	Capacity/Nature of Interest	Number of Shares	Number of awarded shares granted (Note 1)	Approximately percentage of shareholding in our Company (%) (Note 2)
Directors				
Dr. Tse Wai Ip (Note 3)	Founder of a discretionary trust who can influence how the trustee exercises his discretion	77,784,630	—	14.71%
	Beneficial owner	478,750	—	0.09%
Wu Ting Yuk Anthony	Beneficial owner	3,749,812	—	0.71%
Hui Yung Chris	Beneficial owner	—	5,000,000	0.95%
Lo Tsz Hong	Beneficial owner	1,885,313	105,937	0.38%

Notes:

- The awarded shares were granted pursuant to the Share Award Plan, details of which are set out in the paragraphs headed "The Share Award Plan" of the "Other Information" section contained in this report.
- As at 30 September 2024, the number of issued ordinary shares of the Company (the "Shares") was 528,917,125, which has been used for the calculation of the approximately percentage of shareholding in our Company.
- 77,784,630 Shares are beneficially owned by Ultimate Bliss Limited ("Ultimate Bliss"). Ultimate Bliss is wholly owned by Prime Sage International Limited which is in turn wholly owned by TMF (Cayman) Ltd. under the Awareness Trust. The Awareness Trust is a discretionary trust established by Dr. Tse Wai Ip (as the settlor and protector), the discretionary beneficiaries of which include Dr. Tse Wai Ip and his family members.

Save as disclosed above, as of 30 September 2024, none of the Directors nor the chief executive of the Company had any interests or short position in any Shares and underlying Shares or debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, otherwise notified to the Company and Stock Exchange pursuant to the Model Code. Nor any of the Directors and chief executive had any interest in, or had been granted any right to subscribe for the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) or had exercised any such right during the reporting period ended 30 September 2024.

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

As at 30 September 2024, other than the interests of a Director or chief executive of the Company as disclosed under the heading "Directors' and Chief Executives' Interests and Short Position in Shares, Underlying Shares and Debentures of Our Company or Any Associated Company" above, the following persons (not being a Director or the Chief Executive Officer of the Company) have an interest or a short position in Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to section 336 of the SFO were as follows:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares	Approximately percentage of shareholding in our Company (%) (Note 5)
Long Position			
Innovative Vision Inc (Note 1)	Beneficial owner	153,385,966	29.00%
Global Vision Investment LP (Note 1)	Interest of controlled corporation	153,385,966	29.00%
Innovative Vision GP Ltd (Note 1)	Interest of controlled corporation	153,385,966	29.00%
Clear Lead Ventures Limited (Note 2)	Beneficial owner	58,404,950	11.04%
3W Partners Fund I L.P. (Note 2)	Interest of controlled corporation	58,404,950	11.04%
3W Partners GP Limited (Note 2)	Interest of controlled corporation	58,404,950	11.04%
Goh Lu Hong (Note 2)	Interest of controlled corporation	58,404,950	11.04%
Chan Hoi Hin William (Note 2)	Interest of controlled corporation	58,404,950	11.04%
Ultimate Bliss Limited (Note 3)	Interest of controlled corporation	77,784,630	14.71%
Prime Sage International Limited (Note 3)	Interest of controlled corporation	77,784,630	14.71%
TMF (Cayman) Ltd. (Note 3)	Trustee	77,784,630	14.71%
Dr. Tse Wai Ip (Note 3)	Founder of a discretionary trust who can influence how the trustee exercises his discretion	77,784,630	14.71%
	Beneficial owner	478,750	0.09%
WuXi AppTec (HongKong) Limited (Note 4)	Beneficial owner	78,125,196	14.77%
WuXi AppTec Co., Ltd. (Note 4)	Interest of controlled corporation	78,125,196	14.77%
Cheng Chi Heng	Beneficial owner	12,450,000	2.35%
	Person having a security interest in Shares	50,937,500	9.63%

Notes:

- 1) Innovative Vision Inc. is wholly owned by Global Vision Investment LP, which has a 1% equity interest held by Innovative Vision GP Ltd (formerly known as Global Vision GP Ltd).
 - 2) Clear Lead Ventures Limited is wholly owned by 3W Partners Fund I L.P.; and 3W Partners Fund I L.P. is managed by 3W Partners GP Limited as its general partner and is ultimately controlled by Mr. Goh Lu Hong and Mr. Chan Hoi Hin William, who indirectly hold majority of the equity interests of 3W Partners GP Limited.
 - 3) Ultimate Bliss Limited is wholly owned by Prime Sage International Limited which is in turn wholly owned by TMF (Cayman) Ltd. under the Awareness Trust. The Awareness Trust is a discretionary trust established by Dr. Tse Wai Ip (as the settlor and protector), the discretionary beneficiaries of which include Dr. Tse Wai Ip and his family members.
 - 4) WuXi AppTec (HongKong) Limited is wholly owned by 無錫藥明康德新藥開發股份有限公司 WuXi AppTec Co., Ltd.*. WuXi AppTec Co., Ltd. is a joint stock limited company established in the PRC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 603259) and the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 2359).
 - 5) As at 30 September 2024, the number of issued ordinary Shares of the Company was 528,917,125, which has been used for the calculation of the approximately percentage of shareholding in our Company.
- * The English translation of entity and Company name in Chinese or another language which are marked with "*" and the Chinese translation of company names in English which are marked with "*" is for identification purpose only. If there is any inconsistency between the Chinese names of entities or enterprises and their English translations, the Chinese names shall prevail.

PRE-IPO SHARE OPTION SCHEME AND SHARE OPTION SCHEME

Pre-IPO Share Option Scheme

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

The purpose of the Pre-IPO Share Option Scheme is to enable our Company to grant options to eligible participants including any director, employee and consultant of our Company or any of its subsidiaries as incentives or rewards for their contribution or potential contribution to our Group. All the Pre-IPO Share Options were granted on or before 18 February 2022 (the "**Listing Date**") and no further options will be granted under the Pre-IPO Share Option Scheme after to the Listing Date.

In accordance with the Pre-IPO Share Options Scheme, eight eligible participants have been granted Pre-IPO Share Options to subscribe for an aggregate of 28,125,000 Shares, representing approximately 5.3% of the issued share capital of our Company as of the date of this report. The grantees comprise two Directors, an associated company of a Director, one senior management member, and four employees. The exercise price for each of the Pre-IPO Share Options is HK\$0.57 per Share. All the Pre-IPO Share Options have been fully vested on or before 31 March 2020.

As of the date of 30 September 2024 and as of the date of this report, all the Pre-IPO Share Options have been exercised, and none of them remain outstanding.

THE SHARE AWARD PLAN

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

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

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

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

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

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



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

The total number of Shares that may be subject to an award or awards to a selected participant (the “**Selected Participant**”), together with any Shares to be issued under any options granted to such Selected Participant under any share schemes of the Company, in a 12-month period up to and including the date of the award, shall not (i) in aggregate exceed 1% of the total number of issued Shares as at the date of the extraordinary general meeting held on 23 November 2023, being 521,775,000 Shares; and (ii) exceed any limits applicable to such Selected Participant under the Listing Rules. No amount is required to be payable by the Selected Participant on acceptance of an award.

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

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

The Board resolved on 4 July 2023 to grant a total of 35,456,240 awarded Shares, details of the grant were set out in the announcement made by the Company dated 4 July 2023.

Details of the movement of the awarded Shares under the Share Award Plan for the six months ended 30 September 2024 are set out below:

Grantees	Number of the awarded Shares					Unvested as at 30 September 2024	Vesting period	Performance target
	Unvested as at 1 April 2024	Granted during the period	Vested during the period	Lapsed during the period (Note 1)	Unvested as at 30 September 2024			
Directors								
Mr. Hui (executive Director, co-chief executive officer)	5,000,000	—	—	—	5,000,000	100% of the awarded shares will vest on the second anniversary of 4 July 2023	Not applicable	
Mr. Lo Tsz Hong (executive Director)	141,250	—	(35,313)	—	105,937	25% of the awarded shares will vest on each of the first and second anniversaries of 4 July 2023, remaining 50% will vest on the third anniversary	Not applicable	
Service Providers								
Dr. Wong Kin Keung	3,913,311	—	(1,304,437)	—	2,608,874	Note (2)	Note (3)	
Dr. Kwok Pui Wai	3,913,311	—	(434,812)	—	3,478,499	Note (2)	Note (3)	
Dr. Lai Hiu Ping	3,913,311	—	(434,812)	—	3,478,499	Note (2)	Note (3)	
Dr. Tang Kai Tat	3,913,311	—	(434,812)	—	3,478,499	Note (2)	Note (3)	
Dr. Ho Chun Ho	3,913,311	—	(434,812)	—	3,478,499	Note (2)	Note (3)	
Other Employee Participants								
Employees	3,765,000	—	(813,127)	(512,500)	2,439,373	25% of the awarded shares will vest on each of the first and second anniversaries of 4 July 2023, remaining 50% will vest on the third anniversary	Not applicable	
Total	28,472,805	—	(3,892,125)	(512,500)	24,068,180			

Notes: (1) During the six months period ended 30 September 2024, a total of 512,500 awarded Shares lapsed due to two reasons: (a) the relevant employee participants surrendered the awarded Shares granted to them; and (b) the relevant employee participants ceased to be employees of the Group.

(2) Vesting period for Service Providers

(a) 25% of the awarded Shares will either vest on the first anniversary of 4 July 2023 or vest in three equal instalments on an annual basis commencing on the first anniversary of 4 July 2023;



- (b) 25% of the awarded Shares will vest in three equal instalments on an annual basis commencing on the second anniversary of 4 July 2023;
 - (c) 25% of the awarded Shares will vest in three equal instalments on an annual basis commencing on the third anniversary of 4 July 2023; and
 - (d) the remaining 25% of the awarded Shares will vest in three equal instalments on an annual basis commencing on the fourth anniversary of 4 July 2023.
- (3) Save for the part of the awarded Shares granted to the Service Providers which impose performance targets associated with the aggregate amount of revenue generated by such Service Providers for each financial year, there are no performance targets attached to the awarded Shares granted to other grantees (including Directors).

The weighted average closing price of the Shares immediately before the dates on which the awarded Shares were vested during the six months ended 30 September 2024 was HK\$0.48 per Share.

The number of awarded Shares available for grant under the scheme mandate of the Share Award Plan at the beginning and the end of the 2024 Interim Period was 23,704,695 and 24,217,195, respectively. The number of awarded Shares available for grant under the service provider sublimit of the Share Award Plan at the beginning and the end of the 2024 Interim Period was 6,522,195, respectively.

As at 30 September 2024 and as at the date of this report, 24,217,195 Shares are available for grant under the Share Award Plan respectively, representing approximately 4.6% of the total issued share capital of the Company as at 30 September 2024 and as at the date of this report respectively.

The number of Shares that may be issued in respect of awarded Shares granted under the Share Award Plan during the 2024 Interim Period divided by the weighted average number of Shares in issue for the period is approximately 4.6%.

The trustee, Tricor Trust (Hong Kong) Limited, held 3,100,000 Shares under the Share Award Plan at the beginning of the Interim Period, representing approximately 0.6% of the total issued share capital of the Company on that date.

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

As of 30 September 2024, the trustee held no Shares under the Share Award Plan.

Save as disclosed above, the Company had not issued for cash any equity securities (including securities convertible into equity securities) for the 2024 Interim Period and no other proceeds have been brought forward from any issue of securities for cash as at 30 September 2024.

RETIREMENT BENEFIT SCHEMES

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

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

CORPORATE GOVERNANCE

The Board is committed to maintaining high corporate governance standards.

In the opinion of the Board, during the six months ended 30 September 2024 and up to the date of this interim report, the Company has complied with all applicable code provisions as set forth in the in the Corporate Governance Code (the “**CG code**”) contained in Appendix C1 to the Listing Rules.

NON-COMPLIANCE WITH RULES 3.10(1), 3.10A AND 3.21 OF THE LISTING RULES

Following the resignation of Mr. Li Michael Hankin as an independent non-executive Director and the chairman of the audit committee of the Company (the “**Audit Committee**”) on 25 November 2024, the Company only had two independent non-executive Directors and two members of the Audit Committee, the number of which falls below the minimum number required under Rule 3.10(1) and 3.21 of the Listing Rules and did not represent one-third of the Board as required under Rule 3.10A of the Listing Rules.

The Company is actively seeking a suitable candidate to be appointed as an independent non-executive Director and to fill the associated vacancies as soon as practicable, within three months from 25 November 2024, to ensure compliance with the relevant rules under the Listing Rules. The Company will make further announcements as appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its code of conduct in respect of the securities dealing by the Directors. Following specific enquiry of all Directors, each of the Directors confirmed that they have complied with the Model Code throughout the 2024 Interim Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the 2024 Interim Period.



CHANGES IN INFORMATION OF AND OTHER INFORMATION ON DIRECTORS AND CHIEF EXECUTIVES

The change in the information of the Directors and the chief executives of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Name	Details of Changes
Executive Directors	
Mr. Jiang Bo	Appointed as the executive Director and the Chief Executive Officer and a member of the Remuneration Committee on 9 September 2024.
Mr. Hui Yung Chris	Re-designated from Chief Executive Officer to Co-Chief Executive Officer on 9 September 2024.
Mr. Lo Tsz Hong	Ceased to act as the general manager of the Group on 27 November 2024.
Non-Executive Director	
Mr. Ng Roy	Resigned as a non-executive Director and ceased to act as a member of the Remuneration Committee on 9 September 2024.
Independent Non-executive Director	
Mr. Ma Wai Hung Vincent	Resigned as an independent non-executive Director and ceased to act as the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee on 9 September 2024.
Mr. Wang Can	Appointed as an independent non-executive Director and to act as the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee on 9 September 2024.
Mr. Li Michael Hankin	Resigned as an independent non-executive Director and ceased to act as the chairman of the Audit Committee and a member of each of the Nomination Committee and Remuneration Committee on 25 November 2024.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The updated biographical details of the Directors and the chief executives of the Company since the publication date of 2024 Annual Report of the Company and up to the date of this interim report are set out as below:

Executive Directors

Mr. Jiang Bo (蔣波), aged 43, was appointed as executive Director and Chief Executive Officer and a member of Remuneration Committee on 9 September 2024 and he brings nearly twenty years of experiences in senior investment and operating positions at several renowned institutions. From October 2021 to June 2023, he was a partner at Index Capital, a leading fully integrated investment bank in China. Prior to that, Mr. Jiang was appointed as a non-executive director of Cosmo Lady (China) Holdings Company Limited (都市麗人(中國)控股有限公司), a company whose shares are listed on the Stock Exchange (stock code: 2298), between May 2020 and February 2022. From May 2018 to September 2021, Mr. Jiang led Fosun Private Equity (復星美元產業基金) as President, overseeing its investment and management activities. He was also appointed as a director of Beijing Airdoc Technology Co., Ltd (北京鷹瞳科技發展股份有限公司), a company whose shares are listed on the Stock Exchange (stock code: 2251), in December 2019, then was re-designated as non-executive director from April 2021 to May 2022. Earlier, he was a partner at Long Hill Capital from January 2017 to April 2018, where he

specialized in healthcare and consumer services investments. His experience also includes a tenure as an executive director at New Enterprise Associates (NEA) from March 2012 to January 2017. Before that, Mr. Jiang served as a product director of the mobile business department of Alipay.com Co., Ltd (支付寶(中國)網路技術有限公司), which was an indirectly wholly-owned subsidiary of Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), a company whose shares are listed on the New York Stock Exchange (ticker symbol: BABA) and the Stock Exchange (stock code: 9988), where he founded the mobile payment team and led the development and launch of the first mobile payment product in China, between December 2006 and July 2010.

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

Mr. Hui Yung Chris (許勇), aged 56, was appointed as an independent non-executive Director on 29 March 2019 and he was also a member of the Audit committee and the Remuneration Committee. He was responsible for supervising and providing independent advice to our Board during his tenure as an independent non-executive Director. Mr. Hui has been re-designated from an independent non-executive Director to an executive Director and ceased to act as a member of each of the Audit Committee and the Remuneration Committee on 30 June 2022 and he was also appointed as the Chief Executive Officer from 30 June 2022 to 8 September 2024. Following the appointment of Mr. Jiang Bo as a CEO, Mr. Hui has been re-designated as a Co-CEO with effect from 9 September 2024. His position as an executive Director remains unchanged. Mr. Hui will focus on managing and overseeing the Group's ophthalmic services and business development in the Greater Bay Area pursuant to his role as a Co-CEO.

Mr. Hui obtained a bachelor's degree in Business Administration from the Chinese University of Hong Kong in July 1991. Mr. Hui has more than 25 years of experience in investment and capital markets and joined the Group since 29 March 2019. He currently also serves as an external supervisor for China Bohai Bank Co., Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 9668) since December 2019. He served as the secretary of the board of directors of Wanda Commercial Properties Company Limited ("WCP") (萬達商業地產股份有限公司) from September 2015 to February 2019. He also served as a non-executive director of Wanda Hotel Development Company Limited (萬達酒店發展有限公司), which is a subsidiary of WCP and is listed on the Main Board of the Stock Exchange (stock code: 169), from November 2017 to February 2019. Prior to joining WCP, Mr. Hui served as a founding partner of J&Partners GP Limited from December 2011 to September 2015. From July 2001 to July 2010, he worked at Barclays Investment Bank where he served as a managing director of Investment Banking Division. He also served as a director of New China Trust Co., Ltd. (新華信託股份有限公司) from November 2009 to October 2010, a director of Deutsche Bank in Asia Pacific from March 1996 to July 2001, and a vice president of the Debt Markets of Merrill Lynch (Asia Pacific) Limited from May 1994 to February 1996. Mr. Hui is also a director of various subsidiaries of the Company.



Mr. Lo Tsz Hong (盧子康), aged 47, was appointed as an Executive Director on 20 March 2019. He also served as the General Manager, responsible for the overall business administration and coordination of our Group from November 2005 until November 2024. Mr. Lo ceased to act as the General Manager of the Group on 27 November 2024. He remains an Executive Director of the Company and is also a director of various subsidiaries of the Company. From 28 November 2024 onwards, he will no longer be entitled to any director emolument from the Group.

Mr. Lo completed a diploma programme in Business Studies at the Caritas Institute for Further and Adult Education in July 1997 and subsequently attended three business and accounting-related part time courses in the Hong Kong College of Technology from March 2002 to March 2004 and passed several accounting professional examinations. He has over 17 years' experience in the accounting and administrative area and has been working with our Group since November 2005. Prior to joining our Group, he worked as an accountant in Danica Limited, a company principally engaged in catering business and operating under the brand name of Uncle Russ Coffee, from September 2001 to July 2005.

Independent Non-Executive Director

Mr. Wang Can (王燦), aged 45, was appointed as an independent non-executive Director and the chairman of Remuneration Committee and a member of each of the Audit Committee and Nomination Committee on 9 September 2024. Mr. Wang has been appointed as independent non-executive Directors of Atour Lifestyle Holdings Ltd. (listed on NASDAQ with stock code ATAT) with effect from November 2022. Mr. Wang served as the Chief Financial Officer of New Hope Group Co., Ltd and the Chairman of New Hope Finance Co. Ltd from September 2022 to July 2024. He was also an independent non-executive Director of Health and Happiness (H&H) International Holdings Limited (listed on the Stock Exchange with stock code 1112) from March 2020 to December 2022. Mr. Wang worked in the group of companies comprising Fosun International Limited (listed on the Stock Exchange with stock code 0656) ("**Fosun International**") and its subsidiaries from time to time (the "**Fosun Group**") from November 2012 to January 2020. Mr. Wang once worked as the Chief Growth Officer (CGO), the Chief Financial Officer (CFO) of the Fosun Group. He was an executive director and senior vice president of Fosun International from March 2017 to January 2020, a non-executive director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (listed on the Stock Exchange with stock code 02196 and the Shanghai Stock Exchange with stock code 600196) from June 2016 to January 2020, a non-executive director of Fosun Tourism Group (listed on the Stock Exchange with stock exchange 01992) from November 2018 to January 2020, and a director of Shanghai Ganglian E-commerce Holdings Co., Ltd. (listed on the Shenzhen Stock Exchange with stock code 300226) from May 2017 to 3 October 2019. Prior to joining the Fosun Group, Mr. Wang worked in Kingdee Software (China) Co., Ltd., PricewaterhouseCoopers Zhong Tian LLP, Standard Chartered Bank (China) Limited and Huazhu Group Limited (listed on NASDAQ with stock code HTHT and the Stock Exchange with stock code 01179).

Mr. Wang is a non-practicing member of the Chinese Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants, and has been appointed as Deputy President of China Association of Chief Financial Officers since April 2021. Mr. Wang graduated from Anhui University in 1997 and received an EMBA degree from China Europe International Business School in 2014.

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

USE OF PROCEEDS FROM THE LISTING

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

The remaining unutilised net proceeds as at 30 September 2024 were held in bank and it is intended that they will be applied in the manner consistent with the proposed allocations as set out in the Prospectus.

As at 30 September 2024, the Company utilised proceeds from the IPO of approximately HK\$79.6 million. The following table sets out the breakdown of the use of proceeds from the IPO:

Use of net proceeds	Percentage of net proceeds	Estimated net proceeds allocated as disclosed in the Prospectus (Note 1) (HK\$ million)	Allocated net proceeds from IPO (HK\$ million)	Net proceeds utilized up to 31 March 2024 (HK\$ million)	Net proceeds utilized during the six months ended 30 September 2024 (HK\$ million)	Estimated time for utilising the remaining allocated net proceeds (Note 2)	Remaining amount (HK\$ million)
Establishing two new medical centres in Hong Kong for the provision of ophthalmic services	44.8%	110.0	81.5	52.0	9.4	By 31 March 2027	20.1
Acquiring majority and/or minority equity interests in one to two eye-related clinics, outpatient department or hospitals in selected cities in the Greater Bay Area	30.5%	75.0	55.5	—	—	By 31 March 2027	55.5
Setting up an eye-related clinic for the provision of ophthalmic medical services in the PRC with suitable collaboration partners	14.7%	36.0	26.7	—	—	By 31 March 2027	26.7
Working capital and other general corporate purposes	10.0%	24.6	18.2	18.2	—	Not applicable	—
Total	100%	245.6	181.9	70.2	9.4		102.3

Notes:

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



- (2) In view of the challenges faced by the Group in its business operations and the uncertainty surrounding the availability of suitable acquisition opportunities in the Greater Bay Area, as well as potential collaboration partners in the PRC, the Board has extended the estimated timeline for utilising the allocated but unutilised net proceeds. As a result, there has been a delay in the estimated timeline for utilising the allocated net proceeds compared to the timeline previously disclosed in the Prospectus. The Board considers that the extension of the expected timeline for using the unutilised net proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole. Save as disclosed in this report, there are no other changes to the plan for utilising the proceeds from the IPO as of this report. The expected time for utilising the remaining net proceeds is based on the best estimation of the present and future business market situations made by the Group. It may be subject to further change based on the future development of the market conditions.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee comprises two independent non-executive Directors, namely, Ms. Cheng Jessica and Mr. Wang Can.

The Audit Committee has reviewed with the management the accounting principles as well as practices adopted by the Group and discussed risk management and internal control as well as financial reporting matters including the review of the unaudited interim condensed consolidated financial information for the 2024 Interim Period and this report with the Directors. The Group's interim condensed consolidated financial statements have not been audited, but the Group's independent auditor has carried out a review of the unaudited interim results in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.